

## **Fraud Risk Assessment**

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### **Summary**

- 1 The purpose of this report is to inform members about potential fraud risks that the council is exposed to, and proposed counter fraud activity to address those risks.

### **Background**

- 2 Fraud is a significant issue for all public sector organisations. Current estimates suggest fraud costs the public purse around £20bn per year. To help direct counter fraud resources to the areas most needed, it is essential that the council considers the range of fraud risks it faces.

### **Risk Assessment**

- 3 An assessment of fraud risks faced by the council is included at exempt annex 1. This builds on assessments completed in previous years. It indicates the susceptibility of each area to fraud, and shows planned action by the internal audit and counter fraud teams.

### **Priorities for 2016/17**

- 4 The assessment has highlighted a number of priorities for work by internal audit (IA) and the counter fraud team (CFT) in 2016/17. These are set out in figure 1, below.

Figure 1 – counter fraud priorities 2016/17

Area	Team
A review of risks and controls relating to cybercrime.	IA
Complete implementation of new checks on Right To Buy applications in support of housing services.	CFT
Review procedures for the investigation of CTS following the transfer of Housing Benefit fraud investigation to the DWP in March 2016.	CFT
Review YFAS controls.	IA
Undertake data analysis across partner authorities, to identify potential procurement fraud.	CFT
Continue to develop investigation techniques in the area of social care fraud.	CFT
Provide fraud awareness training and publicise guidance on reporting theft to council managers.	CFT
Undertake cross-boundary data matching work to identify potential exemption and discount fraud (council tax and NNDR).	CFT
Consider a review of fraud risks under outsourced car park cash collection arrangements.	IA
Review the robustness of counter fraud checks undertaken as part of council recruitment procedures.	IA / CFT
Analyse data on applications for household waste permits in order to identify and prevent false applications.	CFT

## Consultation

- 5 This report is part of the ongoing consultation with stakeholders on priorities for internal audit and counter fraud work.

## **Options**

- 6 Not relevant for the purpose of the report.

## **Analysis**

- 7 Not relevant for the purpose of the report.

## **Council Plan**

- 8 The work of internal audit and counter fraud supports overall aims and priorities by promoting probity, integrity and honesty and by helping to make the council a more effective organisation.

## **Implications**

- 9 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

## **Risk Management Assessment**

- 10 The council will fail to comply with proper practice if counter fraud arrangements are not based on an appropriate assessment of risk.

## **Recommendations**

- 11 Members are asked to;
- comment on the fraud risk assessment and proposed priorities for counter fraud work set out in Annex 1, and figure 1 above.

### Reason

*To ensure that scarce audit and counter fraud resources are used effectively.*

## Contact Details

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**Report  
Approved**



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## Specialist Implications Officers

Not applicable

**Wards Affected:** Not applicable

**All**



**For further information please contact the author of the report**

## Annexes

Exempt Annex 1 - Counter Fraud Risk Assessment