

Fraud Risk Assessment

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 in excess of £20bn per year, and local government more than £2bn. 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 similar assessments completed over the last few years and gives an indication of the susceptibility of each area to fraud along with planned actions by the internal audit and counter fraud teams. The assessment also takes account of the annual fraud indicators 2013 published by the National Fraud Authority and the findings contained in the '*Protecting the Public Purse 2013*' report published by the Audit Commission.

Priorities for 2014/15

- 4 The assessment has highlighted the following priorities for counter fraud work by internal audit and the counter fraud team for 2014/15.
 - Further development of capacity to investigate housing related fraud, and assessment of fraud risks associated with the Right to Buy scheme.

- Assessment of controls to counter fraud, and development of an approach to investigation in relation to Council Tax Support and the York Financial Assistance Scheme.
- Targeting procurement audit work on controls to counter fraud.
- Working with officers in adult social care, legal services, and financial assessments teams to progress investigation of suspected social care fraud cases.

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 paragraph 4.

Reason

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

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Limited
Telephone: 01904
552940

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Business
Support Services
Telephone: 01904 551100

Report
Approved



Date 30 January
2014

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers - None

Annexes

Exempt Annex 1 - Counter Fraud Risk Assessment