

REPORT TO: Audit and Corporate Governance
Committee

28 November
2023

LEAD OFFICER: Head of Shared Internal Audit

Governance Risk and Control Update

Executive summary

1. This report provides an update on topical news items which contribute to the Committee understanding of Corporate Governance Matters.

Key Decision

2. This is not a key decision because this is being presented to the Audit and Corporate Governance Committee in accordance with their terms of reference.

Recommendations

3. The Audit and Corporate Governance Committee is requested to note the report.

Reasons for Recommendations

4. The updates keep the Committee informed of key relevant matters.

Details

5. None.

Considerations

6. None.

Options

7. None.

Implications

8. In the writing of this report, there are no significant implications or risks to the Council.

Background Papers

9. Background papers used in the preparation of this report:
 - Committee Terms of Reference

Appendices

10. Appendices to this report include the update report.

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Committee update November 2023

Introduction

Overview and background

The purpose of this document is to provide an update to the Committee on key audit and governance themes.

The Chair suggested, at the July 2021 meeting, that a slot at the beginning of future meetings was allocated to check in on key areas of governance and provide any updates. If there are no updates in a particular area to report, that can be noted and taken as assurance.

This document provides summary updates for the Committee. Statistics are included to help provide an overview of work in progress and these are taken from the last financial quarter.

Your team

Head of Finance and Section 151 officer
Head of Shared Internal Audit
Corporate Fraud Manager
Monitoring Officer
Senior Democratic Services officer

Committee information

[Calendar of meetings](#)


[Committee Membership and Functions](#)

Governance, Risk and Control

Internal Audit updates

Internal Audit reviews provide assurance on the Governance Risk and Control environment, and this contributes to the Annual Governance Statement.

Below are a summary of reviews completed in the last quarter:

Review	Assurance and actions		Summary of report
Grant Assurance – Changing Places 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable New 0 0 1 0	<p>The Council received £120k to deliver the Changing Places Toilet scheme on behalf of Central Government.</p> <p>We provided a planned interim grant assurance review to DLUHC that existing expenditure and accruals were compliant with the scheme.</p> <p>We also reviewed the project management delivery and governance. We identified and agreed an action to improve the local project management plan and record keeping to support delivery.</p>

Overall assurance

The internal audit work and assurance mapping enables us to form an opinion on the internal control environment, governance and risk management arrangements.

There is currently a Reasonable level of assurance overall, which is similar level to the previous period.



Counter Fraud update

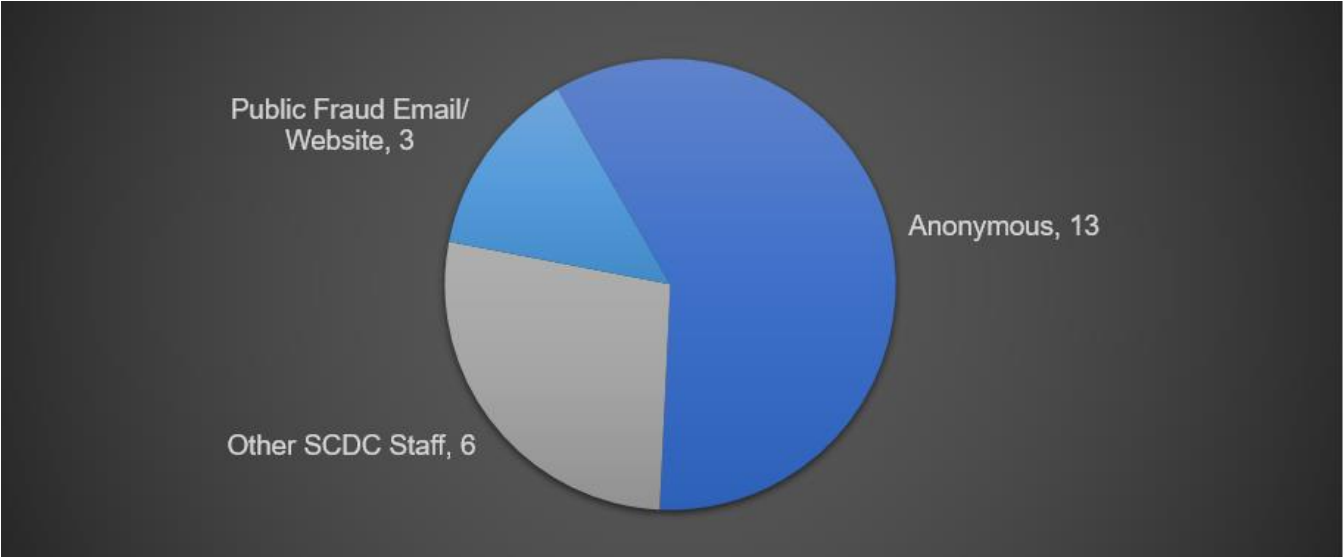
Fraud Team Statistics – our quarterly position

We have included fraud statistics below from the recent quarter. The purpose of these is to provide the Committee with an overview of the work in progress. Specific individual details are not disclosed due to sensitivity and risk of compromising any investigations in progress.

Reports of suspected fraud received

Analysis by the source of intelligence:

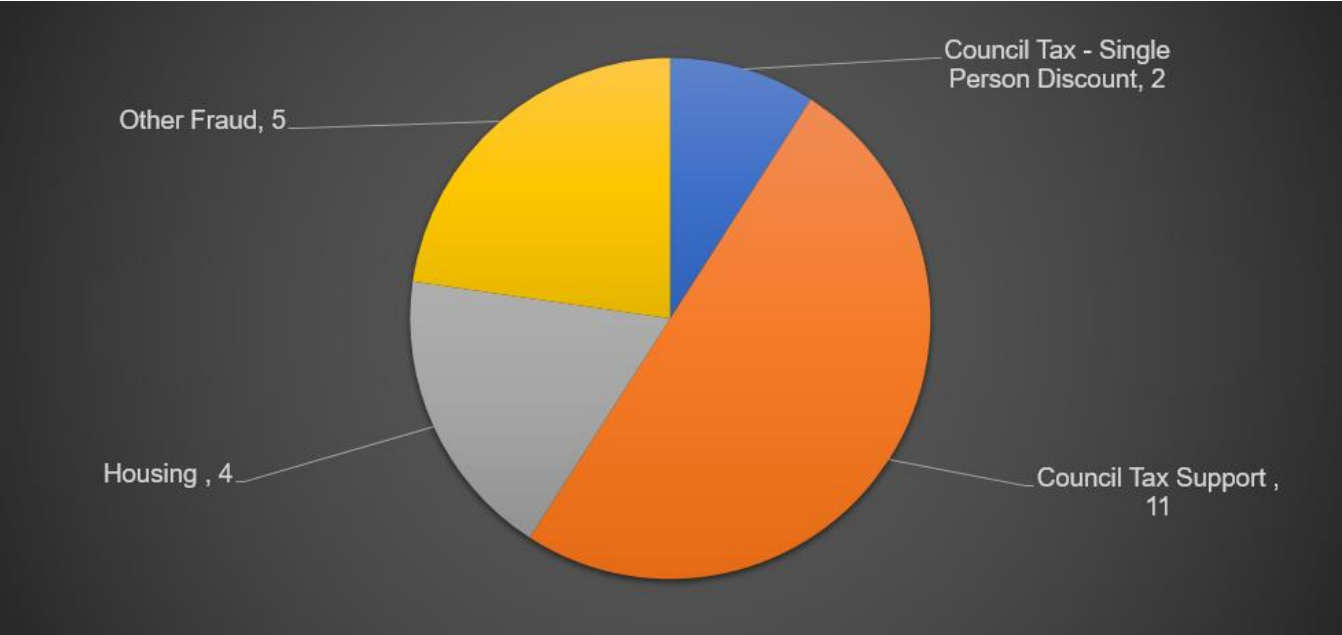
Source category	Count Q2
Anonymous	13
Other SCDC Staff	6
Public Fraud Email/ Website	3
Grand Total	22



Fraud by type

Analysis by fraud type:

Type category	Count Q2
Council Tax - Support	11
Council Tax - Single Person Discount	2
Housing	4
Other Fraud	5
Grand Total	22



Investigations in progress

Case Status	Number of Cases	Key
Live Investigation	58	
Interview Under Caution (IUC)	0	
Sanction decision	0	
Criminal Prosecution Administrative Penalty Caution Prosecution and Civil action Civil Warning Letter No Further Action Notice to quit (Secure or flexible tenancy) Notice of proceedings for possession (intro tenancy) / Notice to Seek possession (secure and flexible)	We have appointed some external solicitors to help support the processing of case files for potential prosecution.	

Investigations Closed

Closure Reason	Number
A14 Uneconomical to investigate	0
A10 No criminal Action, referred for Civil Action.	0
A11 Not investigated, passed for visit	0
A13 Not investigated - not on benefit	0
A4 Closed - claimant error only	0
A5 Closed- no fraud established	5
A7 Not investigated - passed to DWP	2
A17 Would not affect benefit entitlement	0

Proactive work – prevention

Education	
Workshop Attendees	0
Campaign work	0
Verification checks	
Right to buy verification enquiries reported	4
Outstanding RTB Docs/Visit	0
Homelessness verification enquiries reported	
General housing verification enquiries	0
Ermine Street	
Locta	All
DWP SPOC enquiries	
LAIEF's	5
General	0
DPA requests	
NFI Completed To Date 22/23 Sift Rechecks	106

Whistleblowing

Referrals received in the period:	0
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RIPA (Regulation of Investigatory Powers Act)

Cases of RIPA used in period:	0
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Team updates



Council Tax Counter Fraud Initiative (CCFI)

The Council is progressing the CCFI project. This is a County Council funded project aimed at verifying that Council Tax Single Persons Discounts (SPD's) are being correctly claimed, using a data matching exercise on a number of data sets.

The colleague carrying out this exercise sits within the Corporate Fraud Team and has been working on the project since early August. Where the data matching highlights an issue, a letter is sent to the charge payer requesting that they provide evidence that they are entitled to the SPD. If they are unable to do so or do not respond within the 28 days given, the SPD is removed.

Reported 'savings' achieved are based on the additional Council Tax due from the date the charge payer was ineligible to the end of the current financial year plus two years from 1st April 2024. *At the end of September, the savings achieved were around £35,000.* The additional Council Tax income to the District council is around 15% of the backdated amount and 15% of the yearly forward-looking amount.

Trust ID

Software (Trust ID) has been introduced across the Council. This means that ID can be checked at point of contact, using online services. The process is more efficient and improves the likelihood of detecting any fraudulent applications at point of contact.

Officers continue to work with colleagues across the business to undertake verification work and respond to any fraud related enquiries and provide advice.'

Member development and training

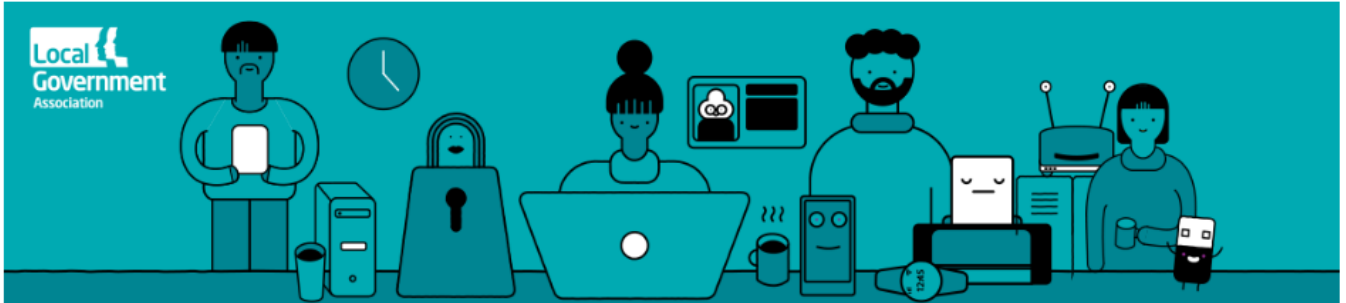
During July 2023 anti-fraud training was held with members. An external trainer, from ITS Training who specialise in providing fraud related training and advice, delivered the training with input from a number of officers.

Training and development and risk insight

Below are topical updates that the Committee may find useful.

Cyber unpacked

The Local Government Association have published some helpful guides on Cyber Security.



Cyber Unpacked is the first module of Unpacking Digitalisation, a series of short explainer videos on digital concepts, created to support officers and councillors who are digital newcomers: <https://www.local.gov.uk/our-support/cyber-digital-and-technology/cyber-unpacked>

Topics include:

- What is cyber security;
- What is a network;
- What is data

National Strategic Assessment 2023 for Serious and Organised Crime

The National Crime Agency has provided a [picture of the threat to the UK from serious and organised crime](#), focussing on the fraud threat, which remains the most common crime type.

Fraud remains the most common crime type experienced by victims in England and Wales



Their [article](#) covers the following topics:

- The nature and scale of fraud against individuals, businesses, and the public sector, and how it affects all of UK society.
- The methods and enablers used by criminals to commit fraud, such as social engineering, data breaches, online services, cryptoassets, and money mules.
- The challenges and opportunities for law enforcement and other partners to prevent, detect, and disrupt fraud, and to protect and support victims.
- The actions that the public can take to reduce the risk of being a victim of fraud, or to spot and report suspicious activity.

Some interesting statistics include:

The High Prevalence of Fraud

Fraud is the most common crime type in England and Wales.



Source: Office for National Statistics, Crime Survey England and Wales 2022.

Targeted

40 million

approximate number of individuals targeted by fraud in 2022.

Increased Cost of Living

Inflationary costs have increased the vulnerability of potential fraud victims, as more people look to save and make money.



Cost

£ 2.46 billion
lost by businesses and individuals alone to fraud in the financial year 2021/22.

17%
increase on the Year 2020/2021.



Under-Reporting



86%

of fraud instances are estimated to go unreported.

Useful Links

Link	Details
Public Sector Audit Appointments	PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme.
EY.com	EY (Ernst & Young) is our current externally appointed auditor
Cabinet Office NFI (National Fraud Initiative)	The National Fraud Initiative is a data matching exercise which helps public sector organisations to prevent and detect cases of fraud and error.

Note

This document will have links to external websites where it provides more information. We are not responsible for the content of external websites.