



# Committee update December 2021

# Introduction

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## Overview

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

Review	Summary of report and actions
<b>Planning Performance</b>  Current: Reasonable Previous: Limited	We have reviewed Planning Performance Data for Q2 2021 (Apr – Jun) which was finalised at the end of August for Department for Levelling Up, Housing and Communities (DLUHC) previously known as MHCLG. This was an opportunity to evaluate controls and processes which were implemented in May, following our previous review which provided limited assurance.  Our review concluded that the controls have been implemented, and there is a Reasonable level of assurance. This was reported to the <a href="#">Scrutiny and Overview Committee</a> on the 11th November.
<b>Grant assurance – Disabled Facility Grant</b>  Current: Reasonable Previous: Limited	A proportion of the Central Government “Better Care Fund” is distributed to District Councils, to carry out improvements to housing stock, and for disabled adaptations. In 2020/2021 SCDC received £729,973.  We reviewed controls and sample tested grant payments. Our review provides assurance to both the Council, plus the County Council and Central Government, as part of the grant certification process set by the DLUHC. The assurance rating has improved from Limited (last year) to Reasonable as controls have improved.

### Cambridgeshire Council Tax Compliance and Counter-Fraud Initiative

Cabinet [approved](#) the business case for the Cambridgeshire Council Tax Compliance and Counter-Fraud Initiative in October.

Internal Audit is helping the Revenues Team with the project implementation. We will use our experience from operating the National Fraud Initiative exercise to develop robust information governance and data processing when the system is procured and implemented.

### National Fraud Initiative

This [article](#) explains how the government anti-fraud programme has detected or prevented cases of fraud and error across the public sector since it was set up 25 years ago.

The Council will complete the next extract of [Council Tax and Electoral Register](#) data in December. We will review and quality assure the data prior to processing it via the secure Cabinet Office systems.

### Business Grant Assurance

We have now processed 6298 grants to date through the National Fraud Initiative bank verification system, which provides assurance that grant applications were made from legitimate businesses.

BEIS, who set up the funding schemes, have outlined their Post Payment Assurance Process. We have already completed this for three schemes. BEIS have outlined a forward program of work from November onwards for the remaining grant schemes.

## **Reviews in Progress and forward planning**

Our current planned assurance and follow-up reviews include:

- VAT (Value Added Tax)
- Capital – Asset Register
- Planning – Decision Notices
- Risk Management
- Payroll
- Grant assurance – Wet Led Pub scheme

## **Overall assurance**

The internal audit work enables 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 year.

## **Accountancy and External Audit**

### **2018/19, 2019/2020, 2020/2021 and 2021/22 update**

The 2018/19 audit is nearing completion and it is hoped the work can completed this month with sign off early on the new year.

Preparation for the 2019/2020 audit is underway and the intention is to liaise with the audit team in advance of the audit to ensure the information presented to them meets their requirements in an effort to progress the audit more speedily. The audit itself is due to be carried out in quarter 4 of this financial year, with the 2020/2021 audit following in the spring/early summer of 2022.

The plan, as shown in the final accounts update report elsewhere on the agenda, is proposing a completion date for the 2021/2022 audit of accounts of October 2022. Clearly this plan needs to be kept under review and updated as necessary as things progress.

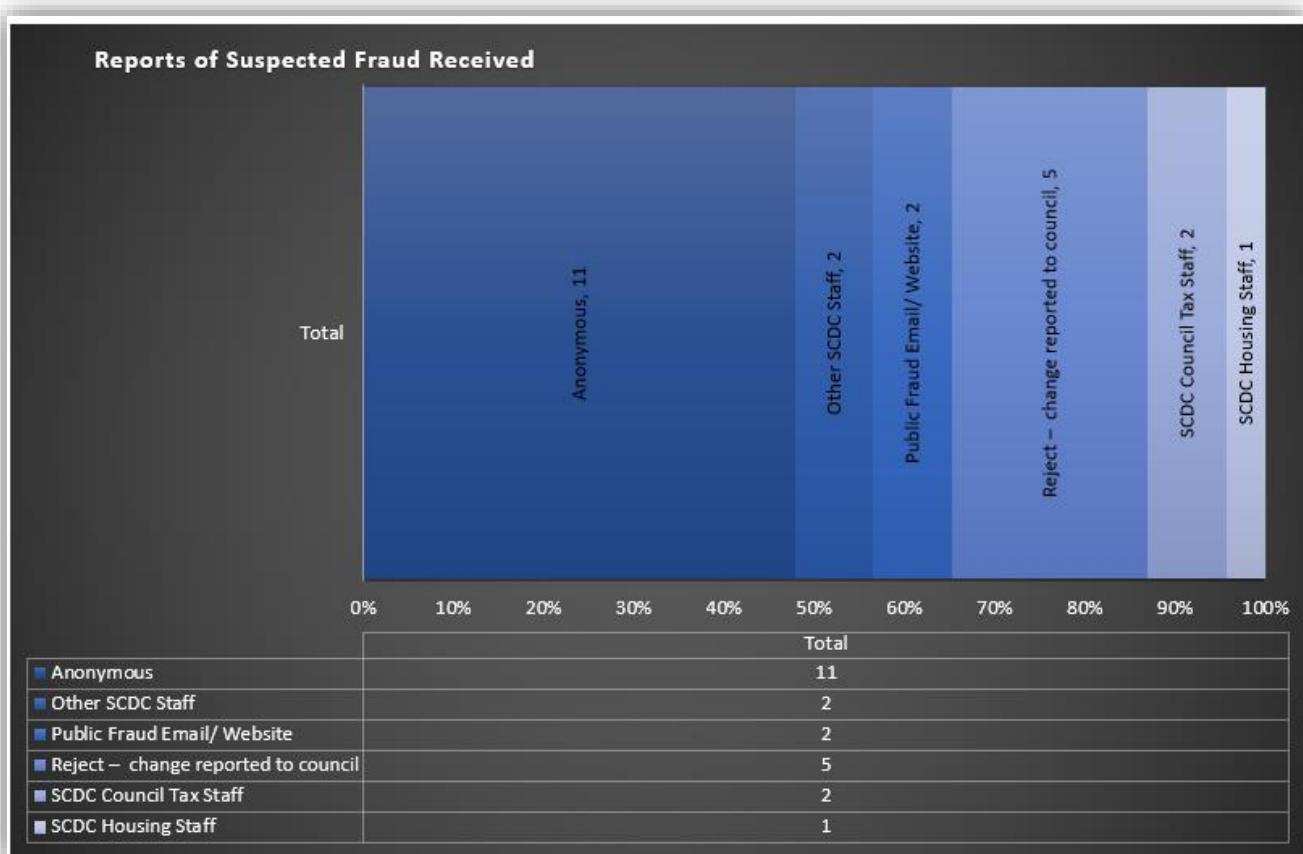
# Counter Fraud update

## Fraud Team Statistics – our quarterly position

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

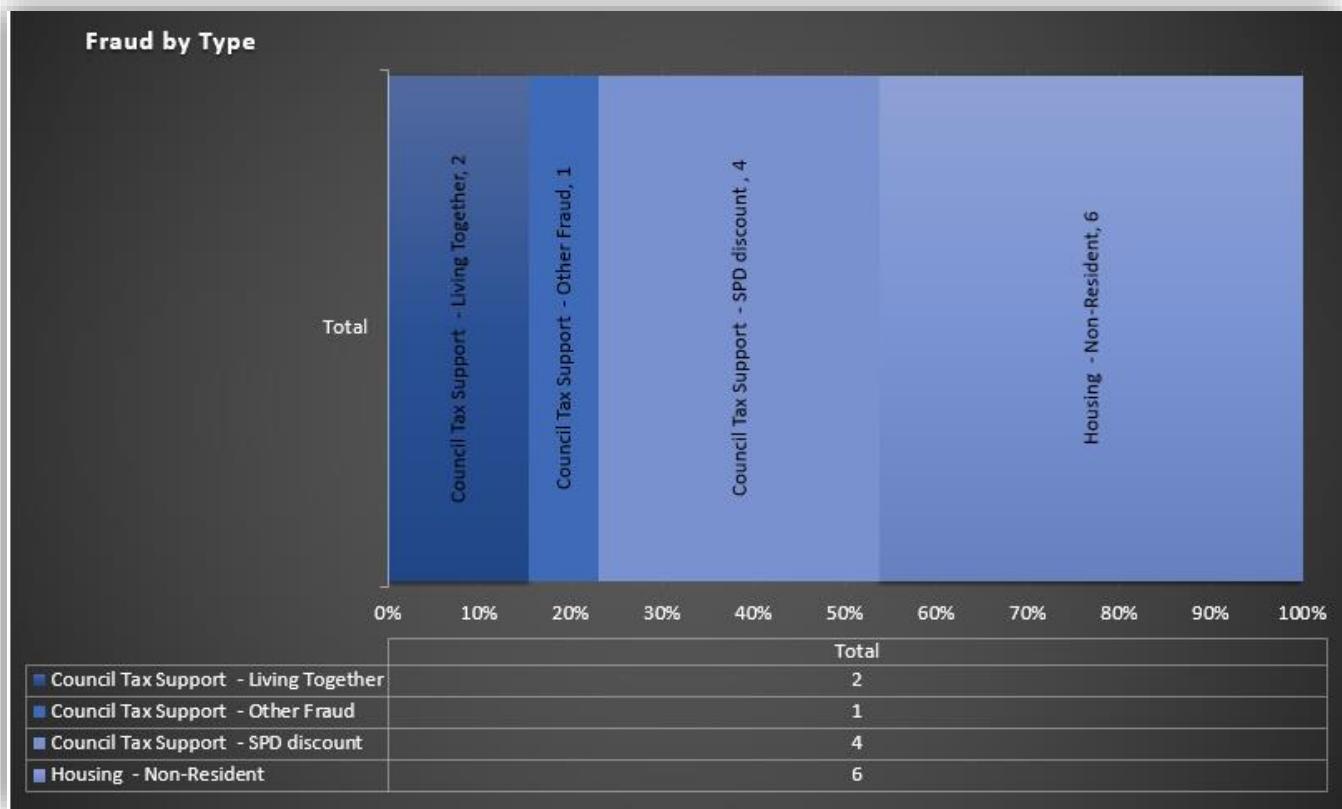
### Reports of suspected fraud received

Analysis by the source of intelligence:



## Fraud by type

Analysis by fraud type:



## Investigations in progress (as of 30 September 2021)

Case Status	Number of Cases	Key
Live Investigation	49	Open investigations
Interview Under Caution (IUC)	3 (7 people failed to attend interviews)	Number of IUC's from live investigations
<b>Sanction decision</b>		Cases submitted to sanctions panel.
<b>Criminal</b> Prosecution Administrative Penalty Caution <b>Prosecution and Civil action</b> <b>Civil</b> 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)	2	

## Investigations Closed

Closure Reason	Number
A10 Fraud proven but no further action	1
A11 Not investigated, passed for visit	
A13 Not investigated - not on benefit	
A4 Closed - claimant error only	
A5 Closed - no fraud established	1
A7 Not investigated - passed to DWP (Department for Work and Pensions)	

## Proactive work – Prevention

Prevention is an important aspect of our Counter Fraud arrangements.

<b>Education</b>		
Workshop Attendees	Nil	
Campaign work	Nil	
<b>Verification checks</b>		
Right to buy verification enquiries reported	12	7 completed
Outstanding RTB Docs/Visit	3	
Homelessness verification enquiries reported	Nil	
General housing verification enquiries	Nil	
Ermine Street	Nil	
Locta	Nil	
<b>DWP SPOC (Single Point of Contact) enquiries</b>		
LAIEF's		
<b>General</b>		
Data Protection Act requests	2	
<b>National Fraud Initiative Matching</b>		
<b>Biennial exercise</b>		
Closed – Already Known	42	18 investigations commenced
Closed – No issue	4	
<b>Annual exercise CT (Council Tax) / SPD (Single Person Discount)</b>		
Closed – No issue	37	

## **RIPA (Regulation of Investigatory Powers Act) update**

Cases of RIPA used in period:	0
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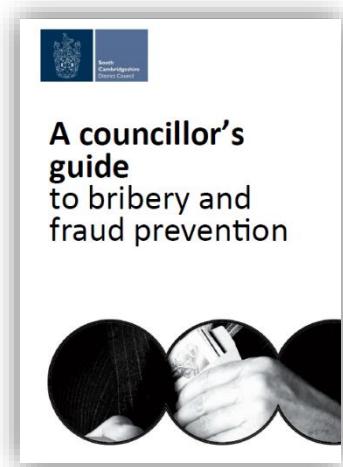
## Useful Links

Link	Details
<a href="#">Public Sector Audit Appointments</a>	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.
<a href="#">EY.com</a>	EY (Ernst & Young) is our current externally appointed auditor
<a href="#">Cabinet Office NFI (National Fraud Initiative)</a>	The National Fraud Initiative is a data matching exercise which helps public sector organisations to prevent and detect cases of fraud and error.

## Training and development

### Counter fraud:

We have been developing training material on counter fraud. Resources have been collated, from LGA materials, to enhance member knowledge of fraud and corruption within Local Government.



This has been captured in ***A councillor's guide to bribery and fraud prevention*** which is circulated with this briefing.

Examples have been used to provide practical application of how fraud and corruption may present itself, and key information has been provided around member responsibility to contribute to the counter fraud effort.

## Note

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