

## **Audit Committee – 1 March 2010**

### **Protecting the Public Purse - Fraud Update**

#### **Summary of report:**

This report presents the council's responses to the recent Audit Commission publication 'Protecting the Public Purse'.

#### **Background papers:**

Completed publication checklist and survey questionnaire and responses received from directorate officers.

#### **Recommendation:**

1. To note the contents of the report.



**Rory Borealis – Executive Director (Resources)**

**19 February 2010**

#### **Background:**

#### **Audit Commission Publication 'Protecting the Public Purse'**

- **Checklist**

The Audit Commission issued its 'Protecting the Public Purse' document (local government fighting fraud) in September 2009. The document refers to the many actions taken by councils to combat fraud but identifies some areas where significant weaknesses remain and need to be tackled, specifically:

- false claims for single person discount on council tax; and
- recruitment fraud.

The document also refers to concerns continuing to be expressed in relation to:

- housing and council tax benefit fraud being on the increase;
- large value procurement frauds being identified; and
- social care direct payment misuse.

The publication recognises that actions can be taken by councils to minimise fraudulent opportunities and makes a number of recommendations about how improvements to counter fraud arrangements can be made to prevent and reduce the risk of fraudulent activity.

Within the document, the Commission included a prepared checklist to assist in responding to the recommendations thereby ensuring that governance and counter fraud arrangements are working as intended.

The publication and checklist were issued to relevant council managers with a request to respond to the series of questions and provide evidence to demonstrate their compliance. From the completed checklist attached at **Appendix 1**, it can be seen that many good practices are in place with supporting evidence.

In terms of those areas where nationally the Audit Commission identified areas of significant weakness, these are shown below and detail the council's arrangements:

**False single person discount claims:** A major fraud prevention exercise was undertaken during October 2008 which resulted in over 2,800 discount entitlements being cancelled. Council tax and electoral registration data has recently been submitted to the Audit Commission to enable further data matching to be carried out. Following receipt of the results all exceptions will be examined and action taken as necessary.

**Recruitment fraud:** There are many examples of good practice detailed within the checklist which are all designed to assist in fraud prevention.

In relation to those areas where concerns continue to be expressed:

**Housing and council tax benefit fraud being on the increase:** Arising from the economic downturn more benefit claims than ever are being received and the levels of detected overpayments have correspondingly increased. For the year ending 31 March 2009 fraudulent overpayments totalling nearly £425k were detected. Based on the detected overpayments for the current year to date, this figure is estimated to exceed £600k by 31 March 2010.

**Large value procurement frauds being identified:** While no identified procurement frauds have been committed against the council, internal audit and legal service officers are working with directorate officers to ensure robust systems and procedures are in place to protect both the council and its officers in all procurement activity.

**Social care direct payment misuse:** There are robust procedures in place for all direct payment applications and subsequent payments are subject to monitoring by the direct payments audit team in accordance with CIPFA guidelines. Any discrepancies are thoroughly investigated. The whole process is also subject to internal audit review as part of the risk assessed audit plan.

**General:** There is a strong counter fraud culture within the council. The anti fraud/anti corruption policy/strategy and whistle blowing policy have all recently been refreshed and updated and provide an ability for staff and members of the public to report suspected inappropriate activity. The increased risks associated with the recession have been addressed corporately and audit plans/programme coverage revised to accommodate the increased risks.

Pro active fraud work now also features within the planned internal audit work programme and is an area which internal audit and council managers will keep under review.

- **Annual Fraud Survey:**

Included within the publication was an undertaking by the Audit Commission to carry out an annual fraud survey to collect information on fraud in local government and related bodies, beginning with the year ending 31 March 2009.

The survey was intended to look at existing and emerging risks and levels of identified fraud and associated losses. The information should assist the Commission in ensuring that they have a better picture of the real threats.

Walsall Council completed the survey on line by the due date of 6 December 2009 following receipt of the required information from relevant officers. A copy of the survey is attached at **Appendix 2**.

The survey identified that while few frauds overall were committed within directorates (7 cases totalling £1,135), detected overpayments in respect of housing and council tax benefits have increased during the current year. As referred to earlier, a fraud prevention exercise resulted in the cancellation of a significant number of discount entitlements. Data has recently been submitted to the Audit Commission to enable a further matching exercise to be undertaken.

The results of the survey will be published by the Audit Commission later in the year.

**Resource and legal considerations:**

It is important that effective systems of internal control are in place for the prevention of fraud and corruption. Where fraud or corruption is detected, robust action will always be taken against the perpetrators. There is provision within the approved internal audit plan to undertake irregularity work reported to the service.

**Governance Issues / Citizen impact:**

Internal audit and the benefit investigation team work is intended to ensure that effective systems of internal control are in place, including those in relation to the introduction of new, or revisions to existing, systems/processes and for the prompt and vigorous investigation of potential irregularities reported to the services. This demonstrates the serious manner in which the council takes its responsibilities in ensuring effective control arrangements are in place and in dealing with reported allegations of fraud and corruption. This also offers protection to the council and its officers and provides an assurance to stakeholders and citizens regarding the security of our operations.

**Performance and risk management issues:**

Many audit committee activities are an important and integral part of the council's performance management and corporate governance frameworks. The internal audit strategic plan is risk assessed to ensure that areas most at risk are examined as a priority and includes an allocation of time to undertake unplanned irregularity and consultancy work.

Irregularities may be noted during regularity audit reviews or be reported from a number of sources, including council managers, employees, occasionally via the Confidential Reporting Policy (whistleblowing), and externally. Irrespective of how the allegations are reported, however, each will be subject to investigation. Some result in little investigatory time having to be spent, others can take much longer. Relevant action, where found to be appropriate, will always be taken, ie disciplinary, court proceedings, police referral and recovery of losses.

**Equality Implications:**

None arising from this report.

**Consultation:**

The proposed annual audit work plan is discussed with relevant senior managers before the start of the financial year and includes an allocation for unplanned irregularity/consultancy work. Depending upon the type of irregularity work undertaken, managers may be involved in the investigation and may require their action to be taken on the report findings.

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## Appendix 1 - Checklist for those responsible for governance

## Appendix 1

	Yes	No	Action/Evidence
<b>General</b>			
1. Have we committed ourselves to zero tolerance against fraud?	✓		Anti fraud/anti corruption policy and strategy. Financial and contract rules. Whistle blowing.
2. Do we have appropriate strategies, policies and plans?	✓		As 1 above. Code of conduct for employees. Audit charter. Disciplinary toolkit. Benefit Service/team plans. Risk assessments/quality checks. Memorandum of Understanding with the Department for Works and Pensions (DWP) Accounts payable manual. Treasury management policies.
3. Do we have dedicated counter-fraud resources?	✓		Unplanned irregularity/fraud work (within approved audit plan). Counter fraud audit programme. Benefit services investigation team. Housing benefit matching service team.
4. Do the resources cover all of the activities of our organisation?	✓		Benefit investigations. Internal audit.
5. Do we receive regular reports on fraud risks, plans and outcomes?	✓		Audit committee – approving internal audit work plan, receiving quarterly monitoring reports on audit irregularity activity. Corporate management team updated on fraud risk management. Benefit results reported to the DWP.

<p>6. Have we assessed our management of counter-fraud resources against good practice?</p>	<p>✓</p>		<p>Fraud strategy. Internal audit CIPFA benchmarking. Regular benefits benchmarking with CIPFA and West Midlands Fraud Investigation (WMFIG) – results show that we are under resourced based on caseload numbers. Benefits also take part in joint exercises.</p>
<p>7. Do we raise awareness of fraud risks with:   new staff (including agency staff)?   existing staff?   members?</p>	<p>✓</p>		<p>Induction pack for new employees – code of conduct, anti fraud &amp; anti corruption strategy, whistle blowing, fraud awareness pack. Internal audit intranet page. Regular fraud awareness training for revenues and benefits officers and Registered Social Landlords. Audit committee have had a briefing but not the wider member audience</p>
<p>8. Do we join in appropriately with national, regional and local networks and partnerships to ensure we are up to date with current fraud risks and issues?</p>	<p>✓</p>		<p>Midlands audit fraud group Midlands chief auditor group Midlands contract audit group CIPFA audit training seminars Joint working partnerships with Job Centre Plus and DWP.</p>
<p>9. Do we have working arrangements with relevant organisations to ensure effective sharing of knowledge and data about fraud?</p>	<p>✓</p>		<p>Midlands audit fraud group Midlands chief auditor group Midlands contract audit group Benefits National Fraud Initiative National anti fraud network DWP West Midland Mets Benefits Group. Sector Treasury Advisers</p>

10. Do we identify areas where internal controls may not be performing as intended?	✓		Risk assessed internal audit plan. Internal audit review work Annual Governance Statement / Adequacies of internal control environment Risk assessed benefit claim checks. Benefit quality checks. Monitoring benefit payments. Process reviews.
11. Do we maximise the benefit of our participation in the Audit Commission NFI and receive reports on outcomes?	✓		Full participation covering all requested services such as benefits, payroll and creditors. Action plan based on exceptions progressed.
<b>Fighting fraud in the recession</b>			
12. Have we reassessed our fraud risks because of the recession?	✓		Corporate work plan input (Tim Johnson led) Bank mandate forms for supplier payments have been revised.
13. Have we amended our counter-fraud action plan as a result?	✓		Taken into account as part of our planned audit work coverage In progress within benefits.
14. Have we reallocated staffing as a result?	✓		Addressing as part of our planned audit work coverage - separate allocation now included for pro active fraud work. Benefits realignment of the service will review resources in this area. Appointed an apprentice to assist.
<b>Some current risks and issues</b>			
15. Do we take effective action to ensure that social housing is allocated only to those in need?	✓		Walsall transferred the ownership of its stock to two Housing Association in 2003. The council continue to own and manage temporary accommodation for those homeless or at risk of homelessness in the borough. The council has a nomination agreement in place with all the Housing Associations in the borough and that is used as a mechanism to monitor who is accessing social housing in the borough. This is also supplemented by analysis of the continuous recording (CORE) returns submitted centrally by each housing association. The council work with all Housing Associations to ensure their allocation policies reflect the council re-housing priorities.

	Yes	No	Action
16. Do we take effective action to ensure that social housing is occupied by those to whom it is allocated?	✓		Walsall has temporary accommodation only. All residents are asked at sign up to provide proof of identity. The council is working with the Housing Associations in the borough to look at methods of ensuring the property is occupied by the person to whom it is allocated.
17. Are we satisfied that payment controls are working as intended?	✓		Accounts payable internal audit review Revenue contracts
18. Have we reviewed our contract letting procedures against the good practice guidance issued by the Office of Fair Trading (OFT) to reduce the risk of illegal practices such as cartels?	✓		Introduced a new series of Service Instructions to ensure probity can be demonstrated around the letting of construction contracts. Piloting a new project management system to improve delivery of construction projects including financial control. Corresponding with legal services since the Office for Fair Trading (OFT) advice is that procuring bodies should not automatically exclude contractors from tendering but also state it is for individual procurers to make their own decision having taken legal advice. Legal advice on this issue being sought, but any action regarding this or additional monitoring to identify any future activities of this nature should be coordinated across a larger number of employers e.g. West Midlands LA's; this may be something that needs discussing by senior officers including property services and internal audit.



<p>19. Are we satisfied that our recruitment procedures are:</p> <ul style="list-style-type: none"> <li>  preventing employment of people working under false identities?</li> <li>  validating employment references effectively?</li> <li>  ensuring applicants are eligible to work in the UK?</li> </ul>	<p>✓</p>	<p>National fraud initiative work  Payroll internal audit review  Safer recruitment panel  False IDs:</p> <ul style="list-style-type: none"> <li>• In conjunction with Criminal Records Bureau (CRB) clearances they are asked to provide 5 separate forms of ID</li> <li>• P45's requested</li> <li>• Care Quality Commission (CQC) and Ofsted requirements for working in Residential and Family Placements require photographs as well</li> <li>• Managers are required to check qualifications at interview</li> <li>• Teacher and social worker qualifications are checked with the General Social Care Council (GSCC) and General Teaching Council (GTC) data bases. Data also held on Trent</li> <li>• Recruitment bulletin 17 'False Qualifications' July 2005</li> </ul> <p>References:</p> <ul style="list-style-type: none"> <li>• Referees contacted direct</li> <li>• Referees should include current employer</li> <li>• CQC and Ofsted requirements for working in Residential and Family Placements requires verbal references as well</li> <li>• CQC and Ofsted requirements for working in Residential and Family Placements requires gaps in employment to be investigated</li> <li>• CQC and Ofsted requirements for working in Residential and Family Placements require gaps in employment history to be investigated</li> <li>• Recruitment bulletin 9 'References' May 2004</li> </ul> <p>Concealing criminal convictions:</p> <ul style="list-style-type: none"> <li>• Posts are designated as requiring CRB clearance if access to Children or vulnerable adults</li> <li>• CCTV operators are regulated under National scheme</li> <li>• Safer Recruitment Panel established to make decisions on criminal convictions</li> <li>• Three year checking policy in existence</li> </ul> <p>Eligibility to work:</p> <ul style="list-style-type: none"> <li>• Documents checked in accordance with current legislation</li> <li>• Includes passport, birth certificate</li> <li>• Recruitment bulletin 25 'Work Permits' July 2006</li> <li>• Recruitment bulletin 31 'Prevent'n of Illegal Working' 5 2008</li> </ul>
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		<ul style="list-style-type: none"> <li>• Successful applicant recruitment – short listing and interview</li> <li>• ID verification form – interview stage</li> <li>• CRB ID verification form – interview stage</li> <li>• Job application form – NI No; permission to work in UK; Fair processing notice</li> </ul>
20. Where we are moving to direct payments (for example, social care) have we introduced suitable and proportionate control arrangements in line with recommended practice?	✓	The auditing of direct payments funded via Social Care has been revised to ensure that it is compliant with the current CIPFA guidelines.
21. Are we effectively controlling the discounts and allowances we give to council taxpayers?	✓	<p>A combination of checks and balances exist at the point of granting a discount or exemption that involves, where appropriate, a signed application form, proof of circumstances, 3<sup>rd</sup> party checks such as housing benefits records, electoral registration. A programme of reviews is in place based on the level of risk for the different types of reductions in liability. External searches such as Experian are used and mailshots issued to invite individuals to reconfirm their circumstances. A recent example of good practice was the exercise to review all single person discounts, which involved a risk assessment using Experian and a mailshot to those identified as a high risk. Over 2,800 cases subsequently cancelled. Currently participating in the Audit Commission's data matching exercise – council tax and electoral registration records.</p>

22. Are we satisfied that we are doing all that we can to tackle housing and council tax benefit fraud?	✓		Realignment of the service will ensure sufficient resources are available to respond to the increase in referrals. Recent benchmarking exercise has identified a potential resource shortfall.
23. Do we have a reporting mechanism that encourages our staff to raise their concerns of money laundering?	✓		Incomes received are processed through our banking hall and all staff are aware of the need to report any large receipts to their senior officer. The level is currently set at 15k euros (£14k) for any one or combined transactions for an individual. Policy update to be arranged. Treasury management policy and training.



# Fraud and Corruption Survey 2008/09

The Audit Commission is committed to promoting high standards of governance and accountability and effective counter fraud arrangements in public bodies. Good governance and a determination to fight fraud are essential if resources available to public bodies are to be used economically, efficiently and effectively. Nationally, effective counter fraud and corruption arrangements in public bodies are high on the government's agenda.

**If you would prefer to receive this survey in an alternative format for accessibility purposes please contact Duncan Warmington on 0844 798 2271**

The Audit Commission collects data about fraud and corruption carried out against local councils, police authorities, fire and rescue services, and probation boards in order to raise awareness of:

- the damage that fraud causes;
- the risk of fraud within all services, and;
- the need to adopt a zero tolerance approach to tackling it.

The Audit Commission's recent report - 'Protecting the Public Purse' September 2009 - announced the introduction of an annual fraud and corruption survey. This is the first of those surveys and is being sent to over 500 public bodies. We are aware that some public bodies may not, at present, formally record all of the information that we seek in our survey. Where this is the case, we would urge those bodies to start to do so now and for the future to help us assess the extent of fraud and corruption and to help public bodies to be more effective in tackling it.

We will use the information from this survey for research, to inform future reports, and develop and spread best practice on counter fraud and corruption activities. We will pass elements of collated information from the survey to the National Fraud Authority (NFA). The NFA will use the data to develop understanding of the national picture of fraud and to design national counter fraud strategies.

## Future surveys

In the future we will send you this survey mid-May. It will cover the previous financial year. We will ask you to complete and return this survey by the end of June. We plan to publish an annual 'Protecting the Public Purse' report each autumn.

Thank you for taking the time to complete this survey and supporting the national fight against fraud and corruption.

Regards

*Steve Bundred, Chief Executive*

**This survey covers fraud detected in the financial year ended 31 March 2009.**

**Please complete and return this survey by 6 December 2009.**

## Completing the survey

### Navigation

If at any point you would like to go back a page, please use the "back" button at the foot of the page, not the "back" button in the browser. Once you have completed the survey, please send us your response by clicking on the submit button at the end of the survey.

### Queries

If you have a query or experience difficulty with the language or content of this survey, please contact:

## Save

If you save your survey part way through completion it will store the information in a cookie on that computer. You must use the same computer (and user account) when you return to the survey. You will then be given the option to load your previously entered responses. It is not possible to complete part of the survey on one computer then complete it on another, nor pass a semi-completed survey to another person to complete. If collecting information from different sources you must collate the information and submit ONE response. Your responses are not sent to us until you press Submit on the final page.

## Viewing or Printing all questions

This survey uses routing to display only answers that are relevant to you. To view and print *all* questions in the survey, open the "Plain Text Version" link from the top left of the first (previous) page of the survey. Once printed you should close that page then open the survey again from the link you were sent. There is a Print button on the final page that allows you to keep a record of your responses. If needed use this option *before* pressing Submit.

[Confidentiality & Legislative Information \(Opens in a new window\)](#)

**We will ask further questions about detected frauds, including the number and the value. You may find it useful to have this information ready before continuing.**

## Glossary

### FINANCIAL YEAR

**This survey covers fraud detected in the financial year ended 31 March 2009.**

### FRAUD

For the purposes of this survey we define fraud as:

'An intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken including, disciplinary action, civil action or criminal prosecution.'

### CORRUPTION

For the purposes of this survey we define corruption as:

'The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its councillors or officers.'

We will use the information from this survey for research, to inform future reports, and develop and spread best practice on counter fraud and corruption activities.

### DETECTED INCIDENTS

The statistics we are trying to establish are those based on facts. The survey, therefore, collects only detected incidents of fraud and corruption. We define a detected incident to be:

'Where action has been taken following an investigation or enquires, and as a result an officer with management authorisation has determined that on the balance of probabilities a fraud or act of corruption has occurred. Action could include, but not limited to, the stopping of an entitlement, the raising of a debt or overpayment, prosecution, dismissal or some form of internal disciplinary action'

### VALUE

For the purposes of this survey the value of fraud is based on the balance of probability which is the evidential standard used in civil court cases. For this survey civil debt recovery need not have taken place, but the consideration of recovery is possible. The balance of probability is defined as:

It is more likely than not that fraud has occurred for the financial amounts and duration the information at hand tends to confirm.'

### COUNCILLORS

We use the term 'Councillor' to mean all elected and appointed persons on local government councils.

## EMPLOYEES

We use the term 'Employees' to mean all staff that fall under a remit of the public body. This includes for example, police officers, support officers, fire fighters, temporary and contract personnel.

## HOUSING BENEFIT (HB) AND COUNCIL TAX BENEFIT (CTB)

For the purposes of this survey for the value of HB and CTB fraud the fraudulent overpayments figure declared on the subsidy returns made to the Department for Work and Pensions covering the year should be used

## TENANCY FRAUD

For tenancy fraud we do not require a value figure because of the complexity involved in determining a correct amount. Therefore, a standard value will be applied to each reported case.

## NATIONAL FRAUD AUTHORITY

We will pass elements of collated information from the survey to the National Fraud Authority (NFA). The NFA will use the data to develop understanding of the national picture of fraud and to design national counter fraud strategies.

## Public Body Information

### Q1.1 Your details

Name of public body	Walsall Council
Name of 151 Officer / Chief Financial Officer?	James Walsh
Name of person completing the survey?	Charles Barber
Position of person completing the survey?	Audit Manager
Telephone number of person completing the survey?	01922 652932
Email address of person completing the survey?	barberc@walsall.gov.uk

## Fraud Measurement

Q1.2 Which of the following types of fraud have been detected in your organisation in 2008/09.

Please tick all that apply.

- Housing Benefit (HB) and Council Tax Benefit (CTB) fraud
- Housing fraud Non Benefit
- Council Tax fraud
- National Non Domestic Rates (NNDR) fraud
- Procurement fraud
- Fraudulent Insurance claims
- Social Services Provision fraud
- Economic and Third Sector support fraud
- Debt fraud
- Pensions fraud
- Investment fraud

- Expenses fraud
  - Abuse of position for financial gain
  - No frauds detected**
  - Other, please state
- Other please specify text here

### Housing Benefit (HB) and Council Tax Benefit (CTB) Fraud

**Q2.1 HB and CTB fraudulent overpayments declared on the DWP subsidy returns for the year**

Number of Cases     185  
Value (£'s)             424829

**Q2.2 Did any of these cases above involve employees or councillors?**

- Yes
- No

**Q2.3 If yes, please complete the two boxes below**

Number of Cases     \_\_\_\_\_  
Value (£'s)             \_\_\_\_\_

### Housing Fraud Non Benefit

**Q3.11 Do you assist other Registered Social Landlords in your area in combating tenancy fraud?**

- Yes
- No

If so, please provide details?

### Council Tax Fraud

**Q4.1 Council Tax Single Person Discount (SPD) fraud - (The total value, including previous years, of council tax owed when a decision during the year determined that the liable person was not entitled to a SPD)**

Number of Cases     2831  
Value (£'s)             725949

**Q4.2 Did any of these cases above involve employees or councillors?**

- Yes
- No

**Q4.3 If yes, please complete the two boxes below**

Number of Cases     \_\_\_\_\_  
Value (£'s)             \_\_\_\_\_

### Council Tax Fraud

**Q4.4 Council Tax other discounts and entitlements**

Number of Cases     102  
Value (£'s)             36259

Yes

No

**Q4.6 If yes, please complete the two boxes below**

Number of Cases

Value (£'s)

**Social Services Provision Fraud**

**Q8.1 Social Services Provision fraud** - (Any fraud linked to social services provision. This could include, but not limited to, payments to contractors for house modifications, direct payments to those in need to purchase their own care, failing to declare capital and assets, care provision by contractors or a non governmental organisation)

Number of Cases 2

Value (£'s) 150

**Q8.2 Did any of these cases above involve employees or councillors?**

Yes

No

**Q8.3 If yes, please complete the two boxes below**

Number of Cases 2

Value (£'s) 150

**Payroll and Employee contract fulfilment fraud**

**Q13.1 Payroll and Employee contract fulfilment fraud** - (This could include, but not limited to, the creation of non existent employees, unauthorised incremental increases, the redirection or manipulation of payments, false sick claims, not working required hours, or not undertaking required duties)

Number of Cases 2

Value (£'s) 701

**Expenses fraud**

**Q14.1 Employee expenses fraud** - (Any fraud linked to expenses claims. This could include, but not limited to, false declarations of mileage, false documentation to support allowances, breaches of authorisation and payment procedures)

Number of Cases 1

Value (£'s) 134

**Q14.2 Councillor expenses fraud** - (Any fraud linked to expenses claims. This could include, but not limited to, false declarations of mileage, false documentation to support allowances, breaches of authorisation and payment procedures)

Number of Cases 0

Value (£'s) 0

**Abuse of position for financial gain**

**Q15.1 Abuse of position for financial gain** - (This could include frauds not reported elsewhere. The financial gain could be for the fraudster or other including, but not limited to, the misappropriation or distribution of funds by someone taking advantage of their position such as payments officers, bursars or finance managers; or fraudulently securing a job for a friend or relative)

Number of Cases 1



How many detected incidents of the following did you have?

**Q17.1 Disabled parking concessions (Blue Badge) - (This could include false representation, or renewals after legitimate holder has died)**

Number of Cases 0

**Q17.2 Did any of these cases above involve employees or councillors?**

- Yes  
 No

**Q17.3 If yes, please complete the box below**

Number of Cases

**Q17.4 Recruitment fraud - (Recruitment fraud involves any applications for employment or subsequently where any of the details prove to be false. This could include, but not limited to, false identity, immigration (no right to work or reside), false qualifications, false CV)**

Number of Cases 0

**Q17.5 Data manipulation, involving an employee, where there was an advantage (financial or otherwise) to them, another person or the organisation? - (This could include, but not limited to, the falsifying of statistics to ensure a target is met or the adjustment of accounts to remain within set financial limits)**

Number of Cases 0

#### AF70 Fraud Reporting

External Auditors are required to report to the Audit Commission all frauds over £10,000 and all incidents of corruption within the audited body - these reports are called AF70s

**Q18.1 Of all the fraud cases you have reported, in how many cases did the fraud value amount to over £10,000?**

Number of Cases 7

**Q18.2 Not included in figures elsewhere, how many incidents of corruption did you have involving a councillor?**

Number of Cases 0

**Q18.3 Not included in figures elsewhere, how many incidents of corruption did you have involving an employee?**

Number of Cases 0

#### Emerging Risks

**Q19.1 What emerging risk areas for fraud or corruption did you identify during 2008/09?**

With over 7% of the SPD accounts being identified as fraudulent this has to be seen as an emerging risk area, however the data matching exercise and promotion of this approach to customer would be an appropriate response to tackle the risk going forward. That can also be attributed to other disregards

#### HB/CTB Prosecutions

**Q20.1 How many people did you prosecute for HB/CTB fraud? (first court hearing in 2008/09)**

Number of people 30

**Q20.2 Did any of these cases above involve employees or councillors?**

No

**Q20.3** If yes, please complete the box below

Number of Cases

**Q20.4** How many HB/CTB prosecutions resulted in a guilty outcome? (sentenced in 2008/09)

Number of Cases 28

**Q20.5** Did any of these cases above involve employees or councillors?

Yes

No

**Q20.6** If yes, please complete the box below

Number of Cases

### All Other Prosecutions

**Q21.1** How many people did you prosecute for non benefit fraud? (first court hearing in 2008/09)

Number of people 0

**Q21.2** Did any of these cases above involve employees or councillors?

Yes

No

**Q21.3** If yes, please complete the box below

Number of Cases

**Q21.4** How many non benefit prosecutions resulted in a guilty outcome? (sentenced in 2008/09)

Number of Cases

**Q21.5** Did any of these cases above involve employees or councillors?

Yes

No

**Q21.6** If yes, please complete the box below

Number of Cases

### Corruption Prosecutions

**Q22.1** How many people did you prosecute for corruption? (first court hearing in 2008/09)

Number of people 0

**Q22.2** How many corruption prosecutions resulted in a guilty outcome? (sentenced in 2008/09)

Number of Cases 0

### Fidelity Guarantee Insurance

**Q23.1** Have you made any claims under your Fidelity Guarantee Insurance?

Yes

No

### Audit Committee

**Q24.1** Do you have an audit committee?

**Q24.2 Which of the following best describes your audit committee?**

- A stand-alone audit committee
- A wider committee that includes some or all of the functions of an audit committee

**Counter Fraud and Corruption Activity**

**Q25.1 Do you have a dedicated Counter Fraud and Corruption Resource?**

- Yes
- No

**Q25.2 Do you undertake an annual assessment of corporate fraud and corruption risk?**

- Yes
- No

**Q25.3 Do you have a counter fraud and corruption plan?**

- Yes
- No

**Q25.5 Do you produce an annual report on counter fraud and corruption activity and performance?**

- Yes
- No

**Anti Money Laundering (AML) Policy**

**Q26.1 Do you have an AML Policy?**

- Yes
- No

**Q26.2 Do you take active steps each year to raise awareness of this policy?**

- Yes
- No

**Whistleblowing Policy**

**Q27.1 Do you have a whistleblowing policy?**

- Yes
- No

**Q27.2 Do you take active steps each year to raise awareness of this policy?**

- Yes
- No

**Q27.3 How many whistleblowing disclosures did you have?**

Number of disclosures      0

**Best Practice**

**Q28.1 If you have any examples of counter fraud or corruption activity that you consider to be best practice please provide details**

The Benefit Services Investigations Team work jointly on appropriate cases with the Department of Work and Pensions, this enables the whole offence to be brought before the Courts and the shared best practice and investigation techniques / information sharing etc has a positive effect on the team's

complete the survey. Please send us your response by clicking on the submit button below.

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**Q19.1 What emerging risk areas for fraud or corruption did you identify during 2008/09?**

With over 7% of the SPD accounts being identified as fraudulent this has to been seen as an emerging risk area, however the data matching exercise and promotion of this approach to customer would be an appropriate response to tackle the risk going forward. That can also be attributed to other disregards and exemptions and a similar approach to the reviews needs to be considered in future

**Q28.1 If you have any examples of counter fraud or corruption activity that you consider to be best practice please provide details**

The Benefit Services Investigations Team work jointly on appropriate cases with the Department of Work and Pensions, this enables the whole offence to be brought before the Courts and the shared best practice and investigation techniques / information sharing etc has a positive effect on the team's ability to identify and investigate benefit fraud.

In partnership with Northgate, Walsall Council carried out a review of all SPD awards by targeting the high risk accounts following a cross matching exercise with Experian, this data matching allowed Northgate to challenge customers when information indicated more than one adult in occupation.