

Wiltshire Council

Report of Counter Fraud Activity 2017/18

December Update

Summary

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Appendix 1: Counter Fraud Work Plan Update 2017/18

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Latest Protecting the English Purse report potentially identified nationally Council's fraud loss of £212m per annum.

12 audits and reviews have commenced in 2017/18 and 23 recommendations made.



Role of SWAP and Counter Fraud Work Summary

The Counter Fraud service for Wiltshire Council is provided by South West Audit Partnership (SWAP). SWAP is a Local Authority controlled company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors and uses accredited counter fraud specialists.

SWAP aims to ensure an effective counter fraud framework operates for the Council to minimise the risk of financial and reputational loss. Further to raise fraud awareness across the Council by promoting a counter fraud culture. The Counter Fraud Plan for 2017/18 reflects SWAP's proactive and preventative approach but we ensure flexibility into being able to carry out reactive investigations as required.

For the 2017/18 Counter Fraud Plan 12 reviews have been initiated of which 4 are at final report stage and 1 at draft. The audits have not identified any actual or potential fraudulent activity but common issues reported included ineffective procedures and improvement to cash handling and monitoring.

A key part of the Council's Counter Fraud Framework is the Anti-Fraud and Corruption Strategy. This is currently being updated and SWAP have provided a structure and comments to assist the production and ensure an effective and embedded strategy.



Amendments to Counter Fraud Plan 2017/18

Planned counter fraud work is detailed in Appendix 1. Our work remains under constant review to ensure that, if necessary, internal audit and counter fraud staff resources can be targeted at areas of fraud risk to the Council. Any changes that are required are agreed with the Director of Finance and Procurement (Section 151) and are reported to the Committee.

There have been no amendments so far to the Counter Fraud Plan for 2017/18.

Audit Plan Area	Audit Title	Indicative Quarter Planned Start	Actual Start (Fieldwork)	Audit Status	Opinion	Draft Report Issued	Final Report Issued	Recommendations/Actions						Comments
								5 = Major			↔		1 = Minor	
								No. of Recs	5	4	3	2	1	
2017/18 Audits and Reviews at Final/Complete (Status Green)														
Counter Fraud – Internal Audit Reviews	Registration Service	1	24/04/2017	Final	Reasonable	07/07/2017	12/07/2017	3	0	0	3	3	0	Audit finalised.
Counter Fraud – Internal Audit Reviews	City Hall Salisbury	1	01/06/2017	Final	Reasonable	13/09/2017	20/09/2017	7	0	0	7	0	0	Audit start delayed due to change of lead auditor.
Counter Fraud – Internal Audit Reviews	Licensing (Taxi and Private Hire)	1	15/05/2017	Final	Reasonable	07/09/2017	09/11/2017	7	0	0	7	0	0	Audit start delayed due to awaiting information from management
Counter Fraud – Internal Audit Reviews	Car Parking	1	12/07/2017	Final	Reasonable	30/10/2017	31/10/2017	1	0	0	1	0	0	Follow-up work to review new car parking cash collection arrangements.
2017/18 Audits and Reviews at Draft (Amber Status)														
Counter Fraud – Internal Audit Reviews	Staff Travel and Expenses	2	01/10/2017	Draft	Partial	23/11/2017	-	5	0	0	5	0	0	Use of data analytics to review.
2017/18 Audits and Reviews in Progress (Amber Status)														
Counter Fraud – Proactive & Preventative	Counter Fraud Strategy & Framework	2	03/10/2017	Fieldwork										Review delayed due to waiting for initiation meeting with Directors. Structure provided, and comments made. Currently waiting for draft strategy to be produced then further review. .
Counter Fraud – Proactive & Preventative	National Fraud Initiative (NFI)	1-3	01/04/2017	Fieldwork										Ongoing and liaising. Further review work planned for December.

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Counter Fraud – Proactive and Preventative	Whistleblowing Arrangements	2	03/10/2017	Planning & Initiation										Review delayed due to waiting for initiation meeting with Directors. On 05/10/2017
Counter Fraud – Proactive and Preventative	Fraud Intelligence Hub	2-4	-	Planning & Initiation										Liaising with CIPFA Counter Fraud Centre over joining a pilot hub.
Counter Fraud -Reactive	Ad-hoc Investigations	1-4	20/11/2017	Fieldwork										One referral received by SWAP so far for 2017/18 and investigation taking place.
Counter Fraud – Internal Audit Reviews	Housing Tenancy Management	2	-	Planning & Initiation										Audit start delayed due to sickness absence of lead auditor. Fieldwork to commence in December.
Counter Fraud – Internal Audit Reviews	Market Trading	3	17/10/2017	Fieldwork										Approaching draft report stage.
2017/18 Audits an Reviews Planned but Not Yet Commenced (Status Green)														
Counter Fraud – Proactive and Preventative	Data Analytics Exercises	1-4		Not Yet Commenced										Specific areas being considered for the use of data analytics.
Counter Fraud – Proactive and Preventative	Organisation Fraud Awareness	1-4		Not Yet Commenced										Awaiting meeting with Associate Directors to discuss programme.
Counter Fraud – Proactive and Preventative	Fraud Referral Process	2		Not Yet Commenced										Requested by Directors not to undertake at present as part of wider management review.
Counter Fraud – Internal Audit Reviews	Direct Payments (Children)	4		Not Yet Commenced										Planned to commence in January 2018.

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Counter Fraud – Internal Audit Reviews	Financial Assessments	3	-	Not Yet Commenced									Planned to commence in December 2017	
Counter Fraud – Internal Audit Reviews	Pupil Premium	2		Not Yet Commenced									Delayed due to issues over ability to carry out data matching and potential changes to Pupil Premium.	
Counter Fraud – Internal Audit Reviews	Schools Admissions and Places Planning	3	-	Not Yet Commenced									Planned to commence in December 2017	