



Audit and Standards Committee Report

REPORT TO AUDIT AND STANDARDS COMMITTEE

DATE

13th July 2017

REPORT OF Head of Strategic Finance

ITEM

SUBJECT Internal Audit Annual Fraud Report

SUMMARY

The purpose of this report is to inform the Audit and Standards Committee of the work undertaken by Internal Audit on fraud and corruption focusing on, the outcomes of the work from its investigations and the work undertaken on the National Fraud Initiative.

RECOMMENDATIONS

1. That the Audit and Standards Committee notes the content of this report.

**FINANCIAL IMPLICATIONS
CLEARED BY**

No
K Inman

**PARAGRAPHS
66**

BACKGROUND PAPERS

CONTACT POINT FOR ACCESS

**TEL NO.
0114 27 35587**

AREA(S) AFFECTED

**CATEGORY OF
REPORT**

Open

Statutory and Council Policy Checklist

Financial implications
YES /NO Cleared by: K Inman
Legal implications
YES /NO Cleared by:
Equality of Opportunity implications
YES /NO Cleared by:
Tackling Health Inequalities implications
YES /NO
Human rights implications
YES /NO
Environmental and Sustainability implications
YES /NO
Economic impact
YES /NO
Community safety implications
YES /NO
Human resources implications
YES /NO
Property implications
YES /NO
Area(s) affected
Corporate
Relevant Scrutiny Board if decision called in
Is the item a matter which is reserved for approval by the City Council? YES /NO
Press release
YES /NO

Sheffield City Council

Report to the Council's Audit and Standards Committee

Fraud and Investigations

July 2017

Purpose of the Report

1. This is an annual report produced by Internal Audit to show the work that has been undertaken across the Council in relation to Fraud and Investigations. This report is to “those charged with governance” which in the case of Sheffield City Council is the Audit and Standards Committee, to show the work that has been undertaken within Internal Audit and how this fits into the national picture. It will provide assurance on the work undertaken.
2. As reported previously the council no longer investigates Housing Benefits frauds. These are undertaken by the Single Fraud Investigation Service (SFIS) which is part of the Department of Work and Pensions (DWP). The team who previously undertook this work in Capita transferred to DWP.
3. The Cabinet Office is responsible for the National Fraud Initiative (NFI). This is a biennial process, where data is supplied from a number of Council systems and is matched to data supplied from other Councils and third parties such as DWP and banks and building societies. Any data matches are then supplied back to the Council to be investigated. This process is tracked and this report will show what the current situation is.
4. CIPFA produce an annual fraud and corruption tracker report, which correlates data from Councils and draws together an overall picture of fraud in Local Government across the Country. Information from the CIPFA report will be referenced in this report.
5. At the end of the report we have provided a checklist similar to previous years to provide the Audit and Standards Committee with assurance on the robustness of the Council's Counter Fraud arrangements. We have also noted the developments that we intend to take over the coming months to develop and update the Council's processes and strategies in relation to identifying and reducing fraud risk and in investigating incidents that occur.

Introduction

6. The current level of fraud reported in Local Government in 2016 is approximately £325 million; the actual level is estimated to be much higher than this at anything up to £2.2 billion. The total public sector fraud is estimated at £22 billion. The most significant areas by value is housing benefits and housing tenancy fraud, together accounting for 65% of the Local Government total. The most prevalent frauds committed relate to single person discount fraud which makes up over half of the reported frauds (but are of smaller value). (Source CIOFPA annual fraud and corruption tracker report).
7. These levels are significant and obviously reduce the resources available for front line services.
8. Sheffield City Council has robust processes to try to prevent and detect fraud. These have been reviewed and are included in the appendix to this report. The work of Internal Audit should also reduce the prevalence of frauds, by ensuring services and processes have robust controls in place.
9. In Sheffield City Council we require that Capita undertake an annual exercise into Single Person Discounts on Council tax. This exercise significantly reduces the risk of this type of fraud occurring.
10. The report highlights the work of Internal Audit in 2016/17 and proposed developments that are going to be undertaken this year.

Work undertaken in 2016/7

11. The volume of investigations undertaken by the Council has remained constant over the year (although significantly less than when housing benefits frauds were undertaken). The volume of cases undertaken by Internal Audit has also remained fairly static. In 2016/17, Internal Audit had 37 cases reported to it. Ten of these cases related to the theft of, or from, parking machines. Internal Audit were involved directly in the investigation of 16 of these cases and provided support to management (where applicable) in the remaining cases. Internal Audit has only a limited amount of qualified investigator resources and these are therefore targets at the most appropriate cases.
12. The cases reported to Internal Audit, covered a similar range of frauds as in previous years, with cases including false claims for services/benefits (blue badge applications) to theft and falsification of mileage claims. In all cases these were dealt with efficiently and following investigations appropriate sanctions were applied where the issues were found to be

proven. This resulted in a number of dismissals and in one case a member of staff was found guilty in court and had a suspended sentence for the theft of £11,000 of income. This was subsequently claimed from the Council's insurers.

13. In addition to the above cases the Council's Housing team were responsible for bringing 13 properties back for use by council tenants.
14. Parking services have also taken a more proactive approach to dealing with Blue Badge Fraud. The first batch of 17 individuals identified as fraudulently obtaining/ using a blue badge have now been taken through the magistrate's court and all 17 have been convicted.
15. There were a series of parking machine thefts in July 2016. These were spread across the City and included parks. Although the cash stolen in each case was only small in relation to the efforts taken by the criminals, the cost of replacing the machines amounted to over £60,000. Additional security measures were introduced by the council to try to prevent reoccurrence. The police were unable to apprehend the people responsible. No further cases of this type of theft were reported until May this year when several thefts from machines occurred (using different methods). Again the Council has reviewed its security arrangements in this area.
16. Other than in the case of theft (previously mentioned), no further internal cases were identified where the losses were significant. Where issues were identified during the investigation these were reported to management for action. In addition, where warranted, further work was undertaken in the form of additional audit reviews to ensure that where practicable, suitable measures are in place to minimise the chances of reoccurrence.
17. There have been a small number of whistle blowing cases which have been reported and investigated. These issues were all discussed with the Head of Strategic Finance, however in all cases there was no evidence of fraud taking place and no action was recommended against employees.
18. Four pieces of counter fraud work were undertaken and these did not identify any instances of fraud being undertaken. These were staff expenses payments, Right to Buy applications, petty cash expenditure and the completion of gifts and hospitality and declarations of interest. Recommendations have made in these areas where required, to improve control processes.
19. In addition, there was work on data matches relating to the NFI exercise which are reported later.

The Anti-Fraud plan for 2017/18

20. As can be seen from the Internal Audit plan for 2017/18 approximately 13% of the plan (or 213 days) is allocated to anti-fraud matters.
21. The plan covers 5 areas.
- Time for investigations (this is an allocation of time from which individual investigations are allocated).
 - Time to review and update the Council's anti-fraud arrangements.
 - Time to undertake work on the National Fraud Initiative, undertaking checking of the data matches and providing help and support to others reviewing the matches in service.
 - Time to undertake an annual review of the Housing Benefits processes, to include a review of the call centre provision.
 - Four reviews to access areas from an anti-fraud perspective which have been risk assessed as having a higher potential of fraud. This can be for a number of risk factors such as cash handling, or where control weaknesses were identified in the past. In the current year this will include Appointeeship Service, National Fraud report on Procurement Fraud, Analysis of Areas of High Fraud Risk, Vetting of New Starters and Agency Staff/Consultants.
22. At present, based upon the level of referrals in the past few years the resourcing should be adequate. However if the number of investigations should increase or become more complex, than resources may need to be reallocated in this area.

National Fraud Initiative (NFI)

23. This is a biennial exercise, which is organised through the Cabinet Office (previously the Audit Commission). The Council is mandated to supply a number of data sets covering such areas as payroll, pensions, creditors, debtors, housing tenants, supported care home residents, blue badge holders, insurance claims and the electoral roll. These were supplied to the Cabinet Office last September
24. A national exercise is undertaken to collate this information electronically and where appropriate to provide data matches. These matches were provided in January 2017. These could be frauds or error, but in most cases are a result of issues like timing differences in the data.
25. The National Fraud Initiative (NFI) for 2016/17 has returned 14,244 data matches for the council. These are categorised according to the

significance of the matches identified. The most significant matches are those classed as recommended. There were 4,466 matches in this category. So far the Council has managed to review 4,802 cases from the total data matches and closed these off. A further 35 cases are still being reviewed.

26. Internal Audit have provided support where required and have monitored and followed up actions until the cases were closed. Internal Audit will check the outcome and provide the required declaration that the exercise has been undertaken appropriately. Later this year there will a report which will show the outcomes of this work.

Other Potential Fraud Issues

27. The Council has a number of standard processes which aim to detect and remove potential frauds before they occur. Although these have the potential to be frauds, they dealt with as errors and are excluded from fraud recording. The issues raised appear for the most part to be repeated year on year and the normal work of internal audit is important in ensuring that services have the required controls in place to mitigate these fraud attempts.

28. Examples of the types of issues that we are referring to above are:

Phishing/ SMiSing – Increasingly individuals are being targeted within the Council in order to gain information. Other organisations are then reporting that this is being used to send through instructions to carry out bank transfers etc. As a Council we have noted some poor attempts at this, but we are always on our guard as they may get more professional. We are also regularly warning officers to be aware of these issues.

Bank Mandate Fraud – We continue to have attempted bank mandate frauds against us which simple checks have prevented being processed. The potential cost for these is significant. These frauds are all reported on line to Action Fraud for follow-up by the police.

Insurance Claims – We continue to have a number of instances where false or exaggerated claims have been submitted to the Council. These were found during checking procedures and were refused payment.

29. All of these issues highlighted are classed as suspicious incidents; these however were not prosecuted or reported as fraud

Checklist for those responsible for governance.

30. A checklist similar to previous years is included at Appendix A.
31. The tolerance of fraud within an organisation is a key element of a counter fraud framework. SCC has formally adopted a Policy Statement on Fraud & Corruption that underlines a zero tolerance to such acts. Fraud awareness training has been provided to services throughout the Council.

Developments in fraud investigation across the Council.

32. Internal Audit have undertaken a review of the investigations process in the Council and work has been undertaken to address the issues identified and to provide additional support and guidance to managers who undertake investigations. There is now a much closer and more structured working relationship between Internal Audit and HR as well as the Monitoring Officer to cover investigations and Whistle Blowing.
33. We are currently updating our strategies and policies for fraud and will be relaunching the drive for people to report frauds and other suspicious activity later in the summer along with a revised eLearning package.

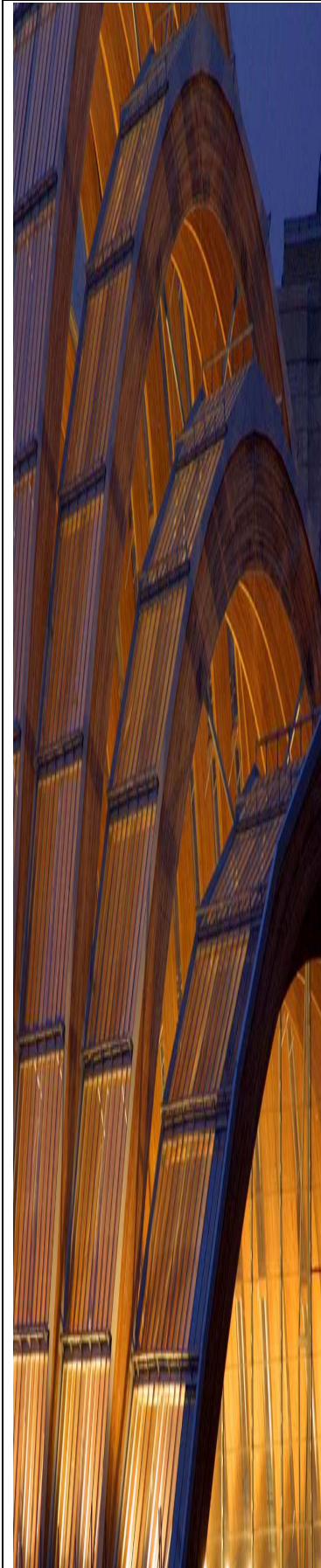
Training and Staff Development

34. The service remains committed to having a well-trained and qualified workforce to undertake investigations. The two officers in Internal Audit who undertake the majority of investigations work are both professionally qualified. They continue to support other officers in performing investigations where this is relevant.

Recommendations

35. That the Audit and Standards Committee notes the content of this report.
36. That the Audit and Standards Committee notes the completed checklist for those responsible for governance (Appendix A).

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Governance Checklist for Fraud 2016/17

**Sheffield City Council
July 2017**

**Prepared by Internal Audit
on Behalf of the Audit and
Standards Committee**

Introduction

The checklist allows councils to evaluate their arrangements. This document seeks to evaluate the arrangements in place within Sheffield City Council

This document has been prepared by Internal Audit to highlight to the Councils Audit and Standards Committee which is referred to as “those charged with governance” that the Council has in place adequate arrangements for the mitigation, detection and investigation of fraud that may occur within the Council.

General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	✓	
<p><u>Actions</u></p> <p>The Policy Statement - Fraud & Corruption incorporates a message from the Chief Executive which clearly states the 'zero tolerance' approach of the authority. It incorporates the fact that any instances of fraud or corruption will be treated as gross misconduct. The Policy Statement forms part of the Corporate Code of Conduct for Employees.</p> <p>The 'zero-tolerance' message was included in fraud awareness training events which were delivered to managers/employees across SCC. This message was also incorporated into a fraud awareness course available to staff via e-learning.</p>		
	Yes	No
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	✓	
<p><u>Actions</u></p> <p>The following fraud related strategies, policies and plans are in place: Financial Regulations 2015 Code of Conduct for employees Policy Statement – Fraud & Corruption (Appendix to the above)* Money Laundering Policy* Whistleblowing Policy Regulation of Investigatory Powers Act Policy Internal Audit Plan (incorporating pro-active and re-active counter fraud assignments) Finance Service Plan (including specific counter-fraud related deliverables) Fraud Response Plan* Fraud Risk Management guidance Annual Governance Statement (Fraud Risks) Fraud awareness e-learning module.*</p> <p>(* these documents are currently being reviewed and updated).</p>		
	Yes	No
3. Do we have dedicated counter-fraud staff?	✓	
<p><u>Actions</u></p> <p>Service Managers are responsible for the investigation of fraud within their respective areas. Internal Audit has accredited officers available to investigate larger scale allegations and provide advice to managers.</p> <p>Internal Audit has a limited resource for fraud investigation as outlined in the Annual Plan. At present there are two qualified fraud investigator in the service.</p> <p>There are dedicated officers in trading standards and in housing to investigate housing tenancy fraud.</p>		

	Yes	No
4. Do counter-fraud staff review all the work of our organisation?		✓
<p><u>Actions</u></p> <p>Internal Audit maintains a resource to address fraud issues e.g. policy issues, serious allegations etc. and the Internal Audit plan contains a small number of counter fraud exercises to review specific fraud risks.</p> <p>Service Management has the primary responsibility for internal fraud investigation (with the support of Human Resources).</p> <p>Internal Audit operates a risk based approach to auditing and key risks are identified for inclusion in the audit plan in conjunction with Service management. Internal Audit considers fraud risk for inclusion in the scope of each audit review.</p> <p><i>Action has been taken to address issues identified in a recent Internal Audit review of this area.</i></p>		
	Yes	No
5. Does a councillor have portfolio responsibility for fighting fraud across the council?		✓
<p><u>Actions</u></p> <p>Olivia Blake is the new Deputy Leader and Cabinet member for Finance and Resources. Her responsibilities align to the resources portfolio which encompassed Internal Audit. There is no specific responsibility delegated to the post to cover fighting fraud across the Council. All members of the Cabinet are responsible for fraud in their area, and are held to account by the Council as a whole.</p> <p>Internal Audit will arrange to brief Cllr Blake on the work undertaken by Internal Audit in relation to Fraud Investigations.</p> <p>The Audit and Standards Committee receive reports on Fraud arrangements across the Council.</p>		
	Yes	No
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	✓	
<p><u>Actions</u></p> <p>The Annual Governance Statement provides a level of assurance that fraud risks have been identified and addressed.</p> <p>The Internal Audit Plan is endorsed by the Audit and Standards Committee on an annual basis and the Senior Finance Manager (Internal Audit) produces an annual report which includes information on counter fraud activities.</p>		

	Yes	No
7. Have we assessed our management of counter-fraud work against good practice?	✓	
<p><u>Actions</u></p> <p>A new code of practice was produced by CIPFA at the end of March 2016 and we will review our practice against this. In preparation for this Internal Audit has undertaken a questionnaire with a quarter of Sheffield City Council staff to gauge their understanding of anti-fraud culture and where these need to be strengthened. Internal Audit have also attended National Anti-Fraud Network Conference and South and West Yorkshire investigators forums where best practice is shared and this is incorporated into our methods of working. This work is included with the 2017 Internal Audit Plan.</p>		
	Yes	No
8. Do we raise awareness of fraud risks with:		
■ new staff (including agency staff);	✓	
■ existing staff;	✓	
■ elected members; and	✓	
■ our contractors	✓	
<p><u>Actions</u></p> <p>Fraud is specifically covered in the Officer Code of Conduct. It is a requirement that all agency staff must comply with the code and it is the appointing manager's responsibility to ensure that the individuals concerned are fully compliant with the code at the start of their appointment. Specific short term appointments such as those of polling clerks may not cover, the full code, but specific fraud issues pertinent to these posts are specifically raised with the individuals concerned.</p> <p>Additional training has been provided to key staff on request. In addition there is an online training programme for fraud. This will be updated shortly, now that the Council's eLearning platform has been updated.</p> <p>A campaign will be launched later in the Summer to highlight to all staff and the wider public the Council's fraud identification and how to report fraud.</p> <p>Commercial fraud risks are addressed by a requirement for contractors to comply with all current legislation (and indemnity provision) being incorporated into the standard terms and conditions. In addition specific anti-competitive and anti-bribery conditions apply to the contracting process. Work in the area is included within the 2017 Internal Audit Plan.</p>		

	Yes	No
9. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	✓	

Actions

SCC maintains membership with Core Cities and the South & West Yorkshire fraud Investigators Group.

There is a Service Level Agreement (SLA) in place between the Council and Department for Work and Pensions (DWP) to cover the requirements brought in as a result of the new Single Fraud Investigation Service (SFIS) This was reviewed in 2016 and was found to be working satisfactorily.

The National Anti-Fraud Network (NAFN) and the Financial Crime Information Network provide bulletins on current fraud risks. Internal Audit staff are members of professional bodies such as CIPFA, Institute of Internal Auditors and CIMA. These bodies provide periodic updates in areas such as fraud risks. These updates are cascaded throughout the team as appropriate.

CIPFA has now become the lead Accountancy Body for fraud governance arrangements in local Councils following the demise of the Audit Commission. Internal Audit is closely monitoring developments and will use the new guidance produced by CIPFA to benchmark its services against.

	Yes	No
10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	✓	

Actions

As 9 and 10 above plus:

The Cabinet Office National Fraud Initiative (NFI) operates under formal arrangements and provides for the sharing of data between local authorities and other participating organisations. As part of the South and West Yorkshire investigators group information on fraud issues is shared on a regular basis. A shared portal has been developed by Cheshire Council to allow this to be undertaken in an easier way.

Internal Audit maintains an informal working arrangement with South Yorkshire Police.

We also use the online reporting system to Action Fraud.

	Yes	No
11. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	✓	
<p><u>Actions</u></p> <p>The annual Internal Audit Plan includes 'risk-based' audits based on a risk assessment and discussion with Service Directors. Each of these reviews includes an assessment of the internal controls within scope to identify instances in which they are not present or not working effectively. Auditors consider fraud risks for each assignment.</p> <p>Where appropriate recommendations are made to improve internal controls at the conclusion of each review, implementation is confirmed with the client and followed up.</p> <p>A small number of pro-active counter fraud reviews are included in the Internal Audit Plan that focuses on activities where, due to the nature of the service, the risk of fraudulent activity is heightened. At the conclusion of appropriate re-active investigations, systems and controls are reviewed to identify weaknesses and to recommend improvements to prevent future instances of fraud both within the relevant service area and corporately.</p> <p>A number of audits were undertaken following investigations to provide assurance to service areas where flawed internal controls had been identified during the investigation process.</p>		
	Yes	No
12. Do we maximise the benefit of our participation in the Cabinet Office National Fraud Initiative and receive reports on our outcomes?	✓	
<p><u>Actions</u></p> <p>The Council has been a participant in the NFI since 1995. Data matches are circulated to all relevant service areas and Capita for examination and resolution. Internal Audit maintains a coordinating and advisory role in addition to responsibility for examination of some data matches and validates the outcomes prior to the conclusion of each exercise.</p> <p>SCC participated in the NFI Council Tax and single person discount data matching exercise for the first time in 2012 and this is now an annual exercise. During the year Internal Audit reviewed the arrangements undertaken by Capita with regards to single person's discount. It was observed that their process was more robust than the NFI as it included additional data matches and filters. Going forward the Capita process will be used instead of the NFI process for this one aspect.</p>		
	Yes	No
13. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	✓	
<p><u>Actions</u></p> <p>SCC has adopted a detailed Anti Money Laundering Policy. This document includes an appendix which contains guidance to staff and is available via the Intranet. Incidents are reported to Internal Audit and in turn the National Crime Agency where appropriate.</p>		

	Yes	No
14. Do we have effective arrangements for:		
■ reporting fraud; and	✓	
■ recording fraud	✓	
<p><u>Actions</u></p> <p>Financial Regulations require Executive Directors to ensure that Internal Audit (on behalf of the Section 151 officer) is notified of all incidents of financial irregularity. Internal Audit records each reported incident.</p> <p>Fraud attempts against SCC have also been reported to Action Fraud.</p> <p>Although the above controls are in place, full compliance cannot be assured.</p> <p>A key issue to be reviewed going forward is to identify and record not only proven fraud activity, but also areas which are serious issues where actual fraud is indicated, but not proven.</p>		
	Yes	No
15. Do we have effective whistle-blowing arrangements? In particular are staff:		
■ aware of our whistle-blowing arrangements	✓	
■ have confidence in the confidentiality of those arrangements	✓	
■ confident that any concerns raised will be addressed	✓	
<p><u>Actions</u></p> <p>SCC has adopted an extensive Whistleblowing Policy that contains an explanation on whistleblowing arrangements and the reporting access routes including the details of designated contact officers. The Human Resources Service maintains a central register of allegations. Whistle blowing allegations are all reviewed and where appropriate fully investigated by someone independent of the area.</p> <p>It is noted that during the current year the number of whistleblowing actions with the potential to uncover fraud has risen. These are always dealt in confidence and followed up promptly.</p> <p>Regular meetings now take place with between Internal Audit, the Head of HR, and the Monitoring Officer to review Whistleblowing and Investigation cases.</p>		

	Yes	No
16. Do we have effective fidelity insurance arrangements?	✓	
<p><u>Actions</u></p> <p>SCC has adequate fidelity insurance cover.</p> <p>There is an annual requirement to complete a pro-forma for the fidelity guarantee insurance. This is undertaken by the Insurance Section with input from Internal Audit. This has recently been completed for the forthcoming year and accepted by the insurance company.</p>		
Fighting Fraud with reduced Resources	Yes	No
17. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once the SFIS has been fully implemented?	✓	
<p><u>Actions</u></p> <p>The Internal Audit plan is produced on an annual basis. The formulation of this plan incorporates new and emerging risks including those associated with the current financial climate. The resources are under review as there is very little capacity in the system should a major incident (or a number of smaller incidents) occur.</p>		
Current risks and issues	Yes	No
Housing tenancy		
18. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	✓	
<p><u>Actions</u></p> <p>A revised lettings policy was presented to Cabinet on 20th March 2013. There is a vetting and validation process in place to confirm identity and eligibility of each individual prior to the letting of any property.</p>		
	Yes	No
19. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	✓	
<p><u>Actions</u></p> <p>Home visits and day to day contact with tenants provides assurance on occupancy however resources have been allocated to recover properties identified. The NFI process also identifies issues with tenancies.</p> <p>The 2016/17 Internal Audit plan included a Counter Fraud review of the arrangements in this area.</p>		

Procurement	Yes	No
20. Are we satisfied our procurement controls are working as intended?	✓	
<p><u>Actions</u></p> <p>Internal Audit work is planned in this area for 2017.</p>		
	Yes	No
21. Have we reviewed our contract letting procedures to ensure they are in line with best practice?	✓	
<p><u>Actions</u></p> <p>Aspects of contract letting feature in the Internal Audit annual plan. Internal Audit conducted the following reviews: Commercial Services, Use of Consultants, and Contract Waivers. All audits covering the letting or management of contracts now include testing in this area.</p> <p>A review of the areas of devolved procurement across the Council was examined as part of the 2016/17 plan.</p>		
Recruitment	Yes	No
22. Are we satisfied our recruitment procedures:		
■ prevent us employing people working under false identities;	✓	
■ confirm employment references effectively;	✓	
■ ensure applicants are eligible to work in the UK; and	✓	
■ require agencies supplying us with staff to undertake the checks that we require?	✓	
<p><u>Actions</u></p> <p>The Council has in place controls to ensure that all of the above areas are covered; this included a requirement for the Council's Agency Staff provider to complete the appropriate propriety checking.</p> <p>Internal Audit has completed testing in this area as part of its normal auditing work, and no issues have been found in the performance of the controls linked to the above areas.</p> <p>The National Fraud Initiative matches payroll records against Immigration records every two years and reports any instances of potential illegal working for investigation. The most recent NFI exercise reports were delivered in February 2017 and there were no Immigration matches identified.</p> <p>Work is planned in this area of the 2017 internal audit plan to examine the vetting of new starts and contractors.</p>		

Council tax discount	Yes	No
23. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	✓	
<p><u>Actions</u></p> <p>The Council Tax and Business Rates systems (including discounts) are regularly reviewed by Internal Audit as part of the assurance provided on the Council's main financial systems.</p> <p>Capita undertake an annual exercise to review the application of single person discounts. This includes checking with third parties and has consistently controlled the validity of this discount.</p>		
Other fraud risks	Yes	No
24. Do we have appropriate and proportionate defences against emerging fraud risks:		
■ business rates;	✓	
■ Right to Buy;		✓
■ council tax reduction;	✓	
■ schools	✓	
■ grants	✓	
<p><u>Actions</u></p> <p>Emerging fraud risks are taken into account in the formulation of the Internal Audit annual plan in addition to other identified risks. Examination of emerging risks is included in the scope of planned audits or scheduled for specific future review. A review of the External Grants team is in the plan for 2017.</p>		