


## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

**09 January 2020**

<b>Subject:</b>	Counter Fraud Update
<b>Director:</b>	Executive Director – Resources Darren Carter
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	<p>Oliver Knight Counter Fraud Lead <a href="mailto:Oliver_knight@sandwell.gov.uk">Oliver_knight@sandwell.gov.uk</a></p> <p>Peter Farrow Audit Services and Risk Management Manager <a href="mailto:peter_farrow@sandwell.gov.uk">peter_farrow@sandwell.gov.uk</a></p>

### **DECISION RECOMMENDATIONS**

**That Audit and Risk Assurance Committee:**

Reviews and comments upon the accompanying report.

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## **1 PURPOSE OF THE REPORT**

- 1.1 The attached report provides an update on recent areas of counter-fraud activity undertaken by the Council's Counter Fraud Unit.

## **2 IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 Internal Audit and the Counter Fraud Unit operates across the Council and helps it accomplish its vision by bringing a systematic, disciplined approach to reducing the risk of fraud and helping to safeguard the council's assets.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The main purpose of the report is to provide the Audit and Risk Assurance Committee with details of recent counter-fraud activity undertaken by the Counter Fraud Unit.

## **4 THE CURRENT POSITION**

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The outcome of counter fraud activity is discussed with the relevant stakeholders and reported to the respective Director.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 There are no direct financial and resource implications arising from this report.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The Counter Fraud Unit operates within the following legal framework:
- The Fraud Act 2006
  - POSHFA (Prevention of Social Housing Fraud Act 2013)
  - PACE (Police and Criminal Evidence Act 1984)

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- General Data Protection Regulations
- CPIA (Criminal Procedure and Investigations Act 1996)
- RIPA (Regulatory Investigation Powers Act 2000)
- HRA (Human Rights Act 1998)
- Council Tax Reduction Scheme 2013

The Counter Fraud Unit investigators are required to investigate in accordance with the Local Government Act 1972. The following sections from this Act are relevant:

- Section 151 – Duty to protect public funds: Every Local Authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of the officers has responsibility for the administration of those affairs.
- Section 222 – Right to prosecute: Where a local authority consider it expedient for the promotion or protection of the interests of the inhabitants of their area they may prosecute, defend or appear in any legal proceedings and, in the case of any civil proceedings, may institute them in their own name.
- Section 223 – Right to appear in court: Any member or officer of a local authority who is authorised by that authority to prosecute or defend on their behalf or to appear on their behalf in proceedings before magistrates' court shall be entitled to prosecute or appear in any such proceedings and to conduct any such proceedings.
- Section 111 – Right to act: Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.
- The right to question suspects and witnesses – Police and Criminal Evidence Act 1998 - PACE (Code C):

## **9 EQUALITY IMPACT ASSESSMENT**

9.1 It was not necessary to undertake an Equality Impact Assessment.

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## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 The Counter Fraud unit helps to deter, prevent and detect fraudulent practice being committed against the council using the investigatory powers listed in paragraph 8.1 of this report.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 There are no direct sustainability issues arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 There are no direct health and wellbeing implications from this report.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 There is no direct impact on any council managed property or land from this report.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The purpose of the report is to keep the Audit and Risk Assurance Committee updated on the recent activities undertaken by the Counter Fraud Unit. As such, no decision is required.

## **16 BACKGROUND PAPERS**

- 16.1 The Counter Fraud Update Report.

**Darren Carter**  
**Executive Director – Resources**

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