To the Chair and Members of the
AUDIT COMMITTEE

AUDIT COMMISSION FRAUD SURVEY: KPMG PRESENTATION OF RESULTS

EXECUTIVE SUMMARY

1. Each year the Audit Commission requires local authorities to submit details of identified fraud. This is then summarised nationally and used in the production of the Audit Commission's publication *Protecting the Public Purse.*

2. For this year, our external auditor; KPMG, has had access to the data submitted by local authorities and has produced some comparative information.

3. KPMGs presentation of its analysis, attached at **Appendix 1**, shows Doncaster Council's position on a number of key indicators relative to other metropolitan borough councils.

4. Overall, the analysis shows an acceptable position for DMBC. The main headlines from the analysis are:

   • Doncaster MBC achieves a comparably high <u>overall</u> level of detected fraud cases and the value of detected fraud is in line with other metropolitan councils (slide 7)

   • The main reason for the overall position above is the Council's very high relative level of detected benefits fraud, where DMBC is the second highest amongst metropolitan authorities (slide 8)

   • DMBC does not record council tax discount as fraud and so it does not register in this area (slide 9). Instead, it records incorrect discounts as errors and recovers these from respective accounts. This approach has been agreed with the Audit Commission

   • DMBC detected social housing fraud (tenancy fraud) involving just one property (slide 10)

   • DMBC detected no blue badge fraud in the year, compared with an average of 13 cases per Northern Metropolitan Councils (slide 12).

5. As a result of the analysis, it is proposed:

   • Internal Audit will work with the service responsible for issuing blue badges to review arrangements in place for preventing and detecting fraud

   • Internal Audit will carry out selected further tests in fraud risk areas to assess the likelihood and extent of fraud and, where appropriate, take any follow up action.

6. KPMG will be available at the meeting to answer any questions on the analysis.

RECOMMENDATIONS

7. The Audit committee is asked to:

a) note the analysis produced by KPMG

b) support the actions proposed by officers following assessment of the analysis completed.

REASON FOR RECOMMENDED OPTION

8. This review helps to ensure that the Council's Anti-fraud, Bribery and Corruption arrangements continue to keep up with good practice and meet the Council's needs.

IMPACT ON THE COUNCIL'S KEY OBJECTIVES

9. The effective countering of the risk of fraud, bribery and corruption helps preserve the Council's assets and resources to achieve the objectives the Council has set.

RISKS & ASSUMPTIONS

10. The actions taken in response to the analysis assist the Council to address the risk of fraud, bribery and corruption in its operations and to reduce their impact.

LEGAL IMPLICATIONS

11. The review helps the Council to comply with legal and regulatory requirements relating to fraud legislation and the requirements of CIPFA and Audit Commission guidance.

FINANCIAL IMPLICATIONS

12. There are no specific financial implications arising from this report.

CONSULTATION

13. This report informs the Audit Committee on plans to further strengthen its Anti-fraud, Bribery and Corruption arrangements

BACKGROUND PAPERS
DMBC - Anti-fraud and Corruption Policy and Strategy.

REPORT AUTHOR
Colin Earl, Head of Internal Audit
Telephone 01302 862939, colin.earl@doncaster.gov.uk

Simon Wiles
Director of Finance and Corporate Services