

Borough Council of
**King's Lynn &
West Norfolk**



RESOURCES AND PERFORMANCE – AUDIT AND RISK COMMITTEE

**Tuesday 26 November 2013
at 6.00 pm**

Meeting Rooms 1, 2 and 3
King's Court
Chapel Street
King's Lynn
Norfolk PE30 1EX



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Borough Council of
**King's Lynn &
West Norfolk**



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX.
Telephone: 01553 616200
Fax: 01553 691663

15 November 2013

Dear Member

Resources and Performance – Audit and Risk Committee

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Tuesday 26 November 2013**, at **6.00 pm** in **Meeting Rooms 1, 2 and 3, King's Court, Chapel Street, King's Lynn**, to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. Apologies for absence

To receive any apologies for absence.

2. Minutes

To approve the minutes of the Resources and Performance – Audit and Risk Committee meeting held on 29 October 2013 (previously circulated).

3. Declarations of Interest

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

4. **Urgent Business Under Standing Order 7**

To consider any business which, by reason of special circumstances, the Chairman proposes to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

5. **Members Present Pursuant to Standing Order 34**

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman.

6. **Chairman's Correspondence** (if any)

7. **Matters referred to the Committee from other Council Bodies and responses made to previous Committee recommendations/requests**

To receive comments, and recommendations from other Council bodies, and any responses subsequent to recommendations, which this Committee has previously made. (N.B. some of the relevant Council bodies may meet after dispatch of the agenda).

At the Cabinet meeting held on 5 November 2013 the following response was made to the recommendation from the Resources and Performance Panel – Audit and Risk Committee meeting held on 29 October 2013, on the following item:-

Mid Year Treasury Report

RESOLVED: That the Panel support the recommendation to Cabinet as follows:

Cabinet is asked to note the report and the treasury activity.

Cabinet Response: “The Panel’s recommendation was duly taken into account when Cabinet considered the item.”

8. **Annual Audit Letter Year ending 31 March 2013** (pages 1 to 11)

Ernst and Young the Council’s External Auditors will present the Annual Audit Letter.

9. **Benefits Investigations Unit Half-Year Report** (pages 12 to 21)

The Committee are invited to note the report.

10. **Audit and Risk Committee Work Programme** (pages 22 to 23)

Committee Members are invited to consider the attached Audit and Risk Committee’s Work Programme.

11. Date of Next Meeting

To note that the next meeting of the Resources and Performance - Audit and Risk Committee will take place on **Tuesday 7 January 2014.**

To: Panel Members – Councillors P Beal (Chairman),
C Manning (Vice-Chairman), R Bird, D J Collis, J Collop, P Cousins, I Gourlay,
M Hopkins, H Humphrey, M Langwade, A Morrison, D Tyler, G Wareham,
T de Winton and A Wright

Portfolio Holders:

Agenda Item 8

Councillor N Daubney, Leader and Portfolio Holder for Resources

Agenda Item 9

Councillor N Daubney, Leader and Portfolio Holder for Resources
Councillor Mrs E Nockolds, Portfolio Holder for Health and Well Being

The following officers have been invited to attend for the items set out below:

Item 8: Ernst and Young, the Council's External Auditors

Item 9: Sarah Munson, Fraud Investigations Manager

Chief Executive

Deputy Chief Executive and Executive Director, Finance and Resources

All other Executive Directors

Press

Borough Council of King's Lynn & West Norfolk

Year ending 31 March 2013

Annual Audit Letter

29 October 2013



The Members
Borough Council of King's Lynn & West Norfolk
King's Court
Chapel Street
King's Lynn
Norfolk
PE30 1EX

29 October 2013

Dear Members,

Annual Audit Letter

The purpose of this Annual Audit Letter is to communicate to the Members of the Borough Council of King's Lynn and West Norfolk and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to their attention.

We have already reported the detailed findings from our audit work to the Audit and Risk Committee and to the Cabinet of the Council in the following reports:

2012/13 Audit results report for the Borough Council of King's Lynn & West Norfolk – to the Audit and Risk Committee Issued 20 August 2013 (draft)

2012/13 Audit results report for the Borough Council of King's Lynn & West Norfolk – to the Cabinet Issued 11 September 2013

The matters reported here are the most significant for the Authority.

I would like to take this opportunity to thank the officers of the Council for their assistance during the course of our work.

Yours faithfully

Rob Murray
Director
For and behalf of Ernst & Young LLP
Enc

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In March 2010 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and audited bodies’ (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission’s website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission’s appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Executive summary

Our 2012/13 audit work has been undertaken in accordance with the Audit Plan we issued on 20 March 2013 and is conducted in accordance with the Audit Commission’s Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Authority reports publicly on an annual basis on the extent to which they comply with their own code of governance, including how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- ▶ forming an opinion on the financial statements;
- ▶ reviewing the Annual Governance Statement;
- ▶ forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ▶ undertaking any other work specified by the Audit Commission.

Summarised below are the conclusions from all elements of our work:

<p>Audit the financial statements of the Borough Council for the financial year ended 31 March 2013 in accordance with International Standards on Auditing (UK & Ireland)</p>	<p>On 30 September 2013 we issued an unqualified audit opinion.</p>
<p>Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources.</p>	<p>On 30 September 2013 we issued an unqualified value for money conclusion.</p>

Issue a report to those charged with governance of the Council communicating significant findings resulting from our audit.

On 20 August 2013 we issued our draft report in respect of the Authority to the Audit and Risk Committee. An update was issued to the Council's Cabinet on 11 September 2013.

Report to the National Audit Office (NAO) on the accuracy of the consolidation pack the Council is required to prepare for the Whole of Government Accounts.

We reported our findings to the National Audit Office on 30 September 2013.

In this case the Council falls below the de minimis levels for full reporting to the NAO, and we were required to submit a 'Component Assurance Statement'.

Consider the completeness of disclosures in the Council's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work and consider whether it complies with CIPFA / SOLACE guidance.

No issues to report.

Consider whether, in the public interest, we should make a report on any matter coming to our notice in the course of the audit.

No issues to report.

Determine whether any other action should be taken in relation to our responsibilities under the Audit Commission Act.

No issues to report.

Issue a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

On 30 September 2013 we issued our audit completion certificate.

Issue a report to those charged with governance of the Authority summarising the certification of grant claims and returns work that we have undertaken.

We will issue the Annual Certification Report for 2012/13 in January 2014.

2. Key findings

2.1 Financial statement audit

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission. We issued an unqualified audit report on 30 September 2013.

As this was the first year of our appointment we carried out a detailed review of the Council's financial statements, including the Explanatory Foreword and the Council's Annual Governance Statement. Our processes detected a number of errors and omissions in the financial statements. In our experience this is not unusual in the first year of an audit engagement, but some of the issues detected resulted in additional audit time being spent. We reported the detail of this in our audit results report. The more significant issues are commented on below. This includes comments on the mid-year systems change to the housing and council tax benefit, National Non-domestic rates (NNDR) and council tax systems.

We are in the process of finalising an additional fee to reflect the impact of these issues which increased the amount of time required to audit certain aspects of the Council's accounts. Despite the audit being protracted officers maintained a good working relationship with us.

The main issues identified as part of our audit were:

Significant risk: Mid-year systems change for the revenues and benefits systems

The housing and council tax benefit, National Non-domestic rates (NNDR) and council tax systems underwent a mid-year system change, and were of higher risk to our audit opinion. Our systems understanding covered both the old and new systems, and the conversion process.

We considered the Council's risk assessment process, the data conversion processes and the related figures and balances in the financial statements. Although the process had not been straightforward for the Council, our review of the conversion process itself did not detect a risk of material misstatement for the financial statements.

Our work did detect a number of amendments required to the collection fund and the related balances in the financial statements, and this resulted in some additional audit work. We have agreed with finance officers that year end processes for the preparation of the financial statements relating to the Collection Fund and related balances should be revisited and improved.

Other key findings:

Joint arrangements:

The Council is increasingly entering into a number of partnership arrangements. As part of our audit we considered the Council's assessment of the Nar Ouse Regeneration Area joint arrangement and associated financial transactions with Norfolk County Council (the King's Lynn Development Partnership) under accounting standards. The Council originally assessed the arrangement as a 'jointly controlled operation'. Our view, based on the agreement and current financial standards, is that these are 'jointly controlled assets'. The Council agreed with our view and amended the financial statements resulting in a reduction in the Council's share of the land of approximately £0.5 million.

Finance officers have recognised that, with the increasing use of partnership arrangements that are financially significant, the Council needs to increase the robustness of its assessment of the accounting implications, and we welcome this commitment.

Grants – receipts in advance and amounts included in short-term creditors:
Our review of the council's long and short term creditor balances for grants indicated areas where the Code of Practice had not been appropriately applied. As a result of this our testing was extended and revisions to the financial statements were agreed. Whilst the errors were predominantly in respect of 'old' contributions rather than ones arising in the year, we have recommended to officers that they revisit procedures for accounting for grants and contributions. Finance officers have already determined to request copies of all s106 agreements to enable them to check the position on conditions which impact the accounting treatment.

Recharges and Corporate & Demographic Core charges:

The Council has refined its procedures for accounting for recharges between cost centres and the allocation of costs between the service lines during 2012/13. As a result of this our analytical review procedures detected some material variances between 2012/13 and 2011/12 under the various service lines in terms of both income and expenditure. A prior period adjustment under International Accounting Standard 8 (IAS 8) 'Accounting Policies, Changes in Accounting Estimates and Errors' was agreed. There was no overall impact on the Council's reported surplus or deficit on the provision of services, or on reported reserves.

The recharge methodology within the Council's general ledger did not accord with our expectations of an audit trail and caused some additional audit work in agreeing the amendments to the final version of the financial statements and the associated notes. We have agreed with officers that changes be made for 2013/14.

Assets held for Sale:

Under the Code of Practice assets can only be classified as 'Assets held for Sale' if they meet strict criteria. Our sample testing identified a number of classification errors as the criteria had not been met fully, and our testing was extended accordingly. We agreed a £3 million reclassification as part of our audit procedures. Officers are already considering how they will improve the assessment methodology for assets held for sale for the 2013/14 financial statements.

2.2 Value for money conclusion

We are required to carry out sufficient work to conclude on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

In accordance with guidance issued by the Audit Commission, in 2012/13 our conclusion was based on two criteria:

- ▶ The organisation has proper arrangements in place for securing financial resilience; and
- ▶ The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 30 September 2013. Our audit did not identify any significant matters.

2.3 Whole of Government Accounts

We reported to the National Audit office on 30 September 2013 the results of our work performed in relation the accuracy of the consolidation pack the Authority is required to prepare for the whole of government accounts.

The Council was below the de minimis levels for full reporting to the NAO, and we were only required to submit a 'Component Assurance Statement' covering property, plant and equipment and pension balances. Our report highlighted that a limited number of changes had been made to the property, plant and equipment balances in the final financial statements. As a result they were inconsistent with the consolidation pack which the Council was required to submit earlier in August. We also reported immaterial differences between the consolidation pack and financial statements in the reclassifications sections of the property plant and equipment note for cost and depreciation.

2.4 Annual governance statement

We are required to consider the completeness of disclosures in the Authority's Annual Governance Statement, identify any inconsistencies

with the other information of which we are aware from our work, and consider whether it complies with CIPFA / SOLACE guidance. We completed this work and did not identify any significant areas of concern but suggested additional disclosures be included regarding a limited assurance Internal Audit report containing high risk recommendations that were not yet sufficiently progressed.

2.5 Certification of grants claims and returns

We will issue the Annual Certification Report for 2012/13 in January 2014. This will include the position on the fees for this work.

2.5 Audit fees

The overall fee for the 2012-13 Code audit work is analysed below. We carried out no Non-Code work.

	Planned fee	Scale fee	Final
Code audit work	£67,488	£67,488	90,480

Our estimated final fee is £22,992 higher than the scale fee. This additional fee is in respect of:

- ▶ additional audit work on the housing and council tax benefit, National Non-domestic rates (NNDR) and council tax systems which were changed part way through 2012/13 (£9,770);
- ▶ dealing with elector correspondence (£1,050); and
- ▶ additional audit work on certain other aspects of our audit (£12,172). This included:
 - ▶ accounting for the collection fund
 - ▶ classification of grants received
 - ▶ classification of assets held for sale
 - ▶ consolidated income and expenditure classification and the consideration of the related prior year adjustment
 - ▶ classification of leases

Our proposed final fee has been discussed with the Chief Financial Officer and the Executive Director of Finance and Resources and is subject to review by the Audit Commission who will determine a final scale fee which will not exceed the £90,480 above.

3. Control themes and observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we decided to adopt a fully substantive approach to our audit following detailed planning considerations, we did not seek to test controls. This approach provides a good level of information on the Council's financial transactions on which to base our subsequent audits.

Although our audit was not designed to express an opinion on the effectiveness of internal of internal control we did not communicate any significant deficiencies in internal control to those charged with governance at the Authority.

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REVIEW & DEVELOPMENT REPORT

Type of Report: Half year report	Portfolio(s):- Performance
Author Name: Sarah Munson	Consultations:- Cllr E Nockolds David Thomason Jo Stanton Kate Littlewood
Tel: 01553 616560	
Email: sarah.munson@west-norfolk.gcsx.gov.uk	
OPEN	

PR&D Panel: Resources and Performance Panel – Audit and Risk Committee
Date: 26 November 2013
Subject: Half Year Report of Benefit Investigations Unit and Internal Audit work on the National Fraud Initiative.

Summary

The Benefit Investigations Unit, undertake work to prevent and detect benefit fraud, and Internal Audit co-ordinates the investigation of matches returned by the National Fraud Initiative exercises. This report provides Members with information regarding the work undertaken in both areas during the first half of 2013/2014 financial year.

Recommendation

To note the report

1. Purpose of the report

- 1.1 This report is intended to advise the Audit and Risk Committee of the work undertaken by the Benefit Investigations Unit and Internal Audit during the first half of the 2013/2014 financial year in respect of fraud investigation.

2. Background

- 2.1 The administration of the national Housing Benefits Scheme by the Council is the biggest single service provided by the Council. In 2012/2013 just over £52 million was paid to 14,671 claimants on low incomes to enable them to pay their rent and council tax payments. The number of people currently claiming is 14,582, with an estimated Housing Benefit cost for 2013/2014 of £41,676,378. The current spend on Council Tax Support is £10,937,348. On fraud, the Council's Benefit Investigation's Unit has the task of preventing and detecting benefit fraud.

- 2.2 Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), a data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. Specified datasets are submitted to the NFI by Internal Audit at particular times via a secure web link. These are then cross matched to the same datasets, in the same format, submitted by other public bodies. Any matches are then returned to the relevant bodies for investigation. The last data submission took place in 2012 and the results were released on 29th January 2013, with returned matches involving datasets on Payroll, Trade Creditor payments history, Trade Creditors standing data and Insurance claims.
- 2.3 The NFI also matches the various datasets to Housing Benefit Claims and these results are investigated by the Benefits Investigation Unit and are included in the results reported below.

3. Work undertaken by the Benefits Investigations Unit in the first half of 2013/2014

- 3.1 Every year, the Investigations Unit receive fraud referrals from a number of sources. Each case is risk assessed for investigation. Some referrals were passed to the Department for Work and Pensions (DWP) as they involved Social security benefits. Referrals not investigated are logged within the Investigations Unit. Cases were investigated by the 3 Fraud Investigations Officers in the Unit.

The table below details the number of referrals and investigations.

Referrals/ Investigations	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Referrals received	363	417	437
Referrals not investigated	108	97	95
Passed to DWP	52	76	68
Referrals investigated	203	244	274

- 3.2 The Unit has a Fraud Policy which sets out the Council's objectives and lays down guidelines on those cases that should be considered for prosecution. The Unit carry out regular Fraud Awareness training to staff in the Benefits Section, the Council Information Centre, Housing and other interested Departments.
- 3.3 Members of the public can contact the Investigations Unit using the free-phone telephone number 0800 281 879 or can complete a referral on-line via the Council's website. All information is treated in the strictest confidence.
- 3.4 Of the 203 cases that were formally investigated, 22 cases resulted in fraud being proven where formal action was taken, as the evidence gained was considered 'beyond all reasonable doubt'.

AGENDA ITEM 9

10 cases were taken forward for prosecution and the following sentences were given:-

- 2 year Conditional Discharge & £1,055.80 costs
- 16 month prison sentence
- 2 year Conditional Discharge
- 12 month Community Order with Women's Emotional Well-being Specified Activity Requirement & £50 costs
- £200 fine & £100 costs
- Community Order with 6 months supervision & 30 days requirement to undertake at a Women's Well-being Activity
- 27 weeks and 1 day custody, having already served 2 weeks on remand.
- 7 month prison sentence, suspended for 18 months due to poor health
- £150 fine & £100 costs
- 18 month Conditional Discharge

Prosecution cases have been reported within the press.

In addition to the above, 7 cases were offered and accepted an Administrative Penalty. An Administrative Penalty is an alternative to prosecution at 30% of the total overpayment, which is added to the overpayment to be recovered.

Cases where an offence has been committed wholly, or an attempt is made, where an offence of benefit fraud has been committed, but the fraud is discovered and stopped before any overpayment of benefit is made, after 8 May 2012, the Council will offer a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2,000), as per the Welfare Reform Act 2012.

In cases of Council Tax Support from 1 April 2013, the Council will offer a minimum penalty of £100 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £1,000) as per the Council Tax Reduction Schemes (Detection of Fraud & enforcement) (England) Regulations 2013.

5 other cases were offered and accepted a Simple Caution. The purpose of a Simple Caution is to deal quickly and simply with less serious offenders, to save unnecessary appearance in a criminal court and to reduce the chances of re-offending. A Simple Caution is a serious matter, which should be recorded and used in the future if a person should offend again. It may be cited in any subsequent court proceedings.

Formal Sanctions	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Total Sanctions	22	29	15
Prosecution	10	11	5
Administrative Penalty	7	11	5
Simple Caution	5	7	5

AGENDA ITEM 9

The table below details the 22 cases investigated. Their source of referral are shown in Appendix A.

Fraud Type	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Working & claiming benefit	6	14	7
Undeclared capital	2	3	4
Living together	10	7	4
Student loan	1	2	0
Non residency	2	2	0
Contrived tenancy	0	1	0
Undeclared private pension	1	0	0

- 3.5 Of the 203 cases investigated, 65 (71 in 2012/2013) cases completed, resulted in a 'positive outcome/saving'. This records the number of benefit claims corrected, following the Investigation's Unit intervention where Housing and Council Tax Benefit/Support cases have either been stopped, or corrected and identified an overpayment that is not fraudulent.

The table below details the 65 cases investigated. Their sources of referral are shown at Appendix B.

Fraud Type	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Non residency	12	18	22
Student Loan	2	2	0
Working & claiming benefit	17	22	38
Undeclared income	5	2	45
Contrived tenancy	2	0	0
Undeclared capital	2	4	3
Living together	6	3	7
Undeclared private pension	8	14	10
Undeclared Industrial injuries Benefit	1	0	0
Undeclared non dependant	7	6	0
Undeclared Invalid Care Allowance	3	0	0
Undeclared Incapacity Benefit	0	0	1

4. Financial implications

4.1 In the past, the work of the Investigations Unit was directly funded by the government with rewards for achievements of targets. Costs towards fraud prevention and detection are now all included within the Administration Subsidy that the Council receives to administer the Housing Benefit Scheme.

4.2 The Investigations Unit though do still generate income in addition to the government funding through the costs awarded against proven cases and the repayment of overpayments of benefit.

The table below details the overpayments identified for recovery.

Designated Overpayment	Amount (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Fraud	91,754.73	66,106.04	97,403.30
Claimant	83,059.36	68,515.39	141,716.07
Local authority error	1,712.63	5,429.62	847.83
Admin Delay	1,044.10	63.30	1,023.71
Total	177,570.82	140,114.35	240,990.91

4.3 The percentage of monies recovered from the overall amount outstanding of overpayments in the first half of 2013/14 is 15.59% (14.8% in 2012/13). 25.2% during the full year of 2012/13.

5. Work completed by Internal Audit on NFI matches

5.1 The matches returned to the Council for in January 2013 were distributed by the Audit Manager to the relevant officers to investigate. The reports received from the NFI as part of the 2012/13 exercise have been summarised in the table shown in **Appendix C**, together with the progress made against each report.

5.2 Due to timing differences on the part of the NFI Council Tax and Electoral Registration data are dealt with separately and the matches relating to Single Person Discount were released in February 2012. This has been the largest area of NFI matches outside that involving the Benefits Investigation Unit. A total of 1,111 matches were returned from NFI and 899 have been investigated and closed. Of these 146 were 'Closed – Error', with £74,406.22 being recovered by removing the discount and recalculating the Council Tax bill to include the amount outstanding. The remaining matches that have been closed were either 'No Issue' (741) or 'Already Known' (12). Work will continue on the 212 matches that have not been fully investigated and closed. These figures are not included in the table at Appendix C. The next data submission for the Council Tax/ Electoral Registration matching exercise is due early in 2014.

6. Single Fraud Investigation Service (SFIS) Update

It has been recommended by the SFIS project team that SFIS should be implemented as a single organisation within DWP. All necessary governance steps have to be approved as does securing HM Treasury funding. Until governance steps have been finalised and funding agreement is reached, formal announcements and commitments cannot be given.

Four pilots have been implemented from November 2012. It is proposed that SFIS will be implemented in a phased approach during 2014/15. There are no timings currently available. Details have not yet been received of the grant provided to the Council from the DWP for the provision to provide a Housing Benefit fraud investigation service during 2014/15. There is still uncertainty on the impact of staff and whether TUPE (Transfer of Undertakings (Protection of Employment)) will apply.

The investigation of Council Tax Support, Council Tax discounts and exemptions and Business Rates fraud, will remain with the Council.

The Committee will be updated as further information is released and it becomes clearer who will be responsible for Housing Benefit fraud investigations in the future and what the grant position will be.

7. Further information

Copies of the Council's Benefits Fraud Policy and Fraud Awareness Guidance can be obtained from Sarah Munson, the Council's Fraud Investigations Manager, telephone 01553 616560, e-mail:sarah.munson@west-norfolk.gcsx.gov.uk

APPENDIX A

REFERRALS – ‘BEYOND REASONABLE DOUBT’

Source of Referral	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Housing Benefit Data Matching Service	2	8	7
DWP	9	11	3
Hotline	1	0	0
Other Council	0	1	0
Housing Benefits Section	3	4	2
National Fraud Initiative	2	1	0
Overpayment Section	0	0	1
Benefit Enquiry Unit	0	2	0
Recovery Section	0	0	0
CIC	1	2	0
Anonymous Letter	1	0	1
Press	1	0	0
Other LA Section	1	0	1
Online Referral	1	0	0

APPENDIX B

REFERRALS – POSITIVE OUTCOME/SAVING

Source of Referral	Number (2013/14) (Apr to Sep)	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Housing Benefit Matching Service	28	38	101
DWP	6	5	9
Housing Association	2	2	0
Benefits Visiting Section	0	3	3
Hotline	2	3	2
Housing Benefits Section	4	5	2
Returned mail	8	10	3
National Fraud Initiative	6	0	1
BEU	1	1	2
Anonymous letter	1	0	0
CIC	0	1	1
CTAX Section	7	0	1
Online Referral	0	1	0
Other LA Section	0	2	0
Press	0	0	1

APPENDIX C

**NFI 2012/13 Date Matches
Summary of Progress**

(Shaded grey = Closed)

Dataset	NFI Matches report	No. matches	Comment
Payroll	66.0 : Payroll to Payroll, high quality, between bodies	9	Closed - No issue.
Payroll	78.0 : Payroll to Pensions	1	Closed - No issue.
Payroll	80 - Payroll to Creditors same bank accoun	8	Closed - No issue.
Payroll	81 - Payroll to Creditors address quality	9	Closed - No issue.
Creditors History	707.0 : Duplicate records by invoice reference, invoice amount and creditor reference	112	Closed. 109 - No issue, 2 - Already known and dealt with. 1 payment being recovered - value £2,520.
Creditors History	708.0 : Duplicate records by invoice amount and creditor reference	249	Closed. 243 - No issue 6 - Already known and deal with.
Creditors History	709.0 : VAT overpaid	3	Closed - No issue.
Creditors History	710.0 : Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference	5	Closed. 4 - No Issue. 1 Already known and dealt with.
Creditors History	711.0 : Duplicate records by supplier invoice number and invoice amount but different creditor reference and name	16	Closed - No issue.
Creditors History	713.0 : Duplicate records by postcode, invoice amount but different creditor reference and supplier invoice number and invoice date	3	Closed - No issue.
Creditors Standing	701.0 : Duplicate creditors by creditor name	236	Currently working on.
Creditors Standing	702.0 : Duplicate creditors by address detail	204	Closed - No issue.

APPENDIX C

**NFI 2012/13 Date Matches
Summary of Progress**

(Shaded grey = Closed)

Dataset	NFI Matches report	No. matches	Comment
			Closed. 7 - Error. Duplicate accounts have been closed. No issues arising. 25 - No issue.
Creditors Standing	703.0 : Duplicate creditors by bank account number	32	
Insurance	180.6 : Insurance Claimants to Insurance Claimants	6	Closed - No issue.
Benefits	ALL MATCHES DEALT WITH BY BEU		
Market Traders	NO MATCHES RETURNED		
Taxi Drivers	NO MATCHES RETURNED		
Alcohol Licences	NO MATCHES RETURNED		

(Shaded grey = Closed)

AUDIT AND RISK COMMITTEE WORK PROGRAMME 2013/2014**10 June 2013**

- Final Accounts and Statement of Accounts for year ended 31 March 2013
- Quarterly Progress Final Report 2012/2013
- National Fraud Initiative – Update on Work

25 June 2013

- Internal Audit Annual Report 2012/2013
- Review of the Effectiveness of Internal Audit Service/Internal Audit Terms of Reference Update
- Risk Management

23 July 2013

- Audit and Risk Effectiveness Review
- Benefit Investigations Unit Annual Report

27 August 2013

- 1st Item Annual Governance Statement (Training session 30 minutes to which all Members will be invited to attend)
- Quarterly Progress Update Quarter 1 2013-2014
- Business Continuity – Annual Update

9 September 2013

1st Item – Statement of Accounts – training session – open to all Members 1 hour)

Special Meeting – to consider the Statement of Accounts 2012/2013

Annual Governance Statement

24 September 2013

No meeting

29 October 2013

- Internal Audit Plan 2013/2014 – Progress report for the quarter July to September 2013
- Internal Audit Benchmarking Exercise
- Proposed Audit and Fraud Team
- Corporate Risk Register

26 November 2013

- Benefit Investigations Unit Half-Year Report – S Munson
- Annual Audit Letter – to be presented by the Council's External Auditor

7 January 2014

(5.30 pm start – Budget Process (1 hour) – 1st item – training session – open to all Members)

27 January 2014

25 February 2014

(5.30 start – Business Continuity/Emergency Planning Training (45 mins) – 1st item – training session – open to all Members)

- Quarterly Progress Report Quarter 3 2013-2014
- Strategic Internal Audit Plan 2014-2015

25 March 2014

- Business Continuity – Annual Update
- BCKL&WN Audit Plan 2014/2015 (external)
- Internal Audit – Strategic Audit Plan 2014/15

29 April 2014

- Corporate Risk Monitoring Report (October 2013 to March 2014)