

|                                |                     |
|--------------------------------|---------------------|
| <b>Audit Committee Meeting</b> | <b>Agenda Item:</b> |
|--------------------------------|---------------------|

|                         |  |
|-------------------------|--|
| <b>Meeting Date</b>     | 14 December 2011                             |
| <b>Report Title</b>     | Protecting the Public Purse                  |
| <b>Portfolio Holder</b> | Cllr Dewar-Whalley – Finance and Performance |
| <b>SMT Lead</b>         | Mark Radford – Corporate Services Director   |
| <b>Head of Service</b>  | Brian Parsons – Head of Audit Partnership    |
| <b>Lead Officer</b>     | Brian Parsons – Head of Audit Partnership    |
| <b>Key Decision</b>     | No   |
| <b>Classification</b>   | Open   |

|                        |  |
|------------------------|--|
| <b>Recommendations</b> | That the Committee note the publication by the Audit Commission ‘Protecting the Public Purse’ and that a report will be provided to a future meeting of the Committee setting out the Council’s arrangements for fighting fraud. |
|------------------------|--|

## **Purpose of Report and Executive Summary**

- 1.1 To allow the Audit Committee to consider the recently published report from the Audit Commission ‘Protecting the Public Purse’ and to note that a future report will be provided to the Committee setting out the Council’s arrangements for fighting fraud.

## **2 Background**

- 2.1 The Audit Commission publishes an annual report on ‘Protecting the Public Purse’. The report brings together information compiled by the Commission nationally, relating to fraud against local government. One of the key sources of information is the National Fraud Initiative.
- 2.2 The most recent report was published on 11 November 2011 and shows some worrying trends in terms of fraud, not least the significant increase in the value of staff fraud and procurement fraud.
- 2.3 The Audit Commission report is provided to allow the Committee to be aware of some of the key fraud areas that are of concern nationally to local government at the present time. The publication is shown as an appendix to this report.
- 2.4 A report will be provided to a future meeting of the Committee setting out the Council’s arrangements for managing the risk of fraud and tackling fraud where it exists.

### **3 Proposal**

3.1 The Committee is asked to note the report.

### **4 Alternative Options**

4.1 It is appropriate that the Audit Committee, as the Committee charged with governance, has an appreciation of the issues facing local government in terms of the fight against fraud. No other action could be recommended.

### **5 Consultation Undertaken or Proposed**

5.1 The future report on the Council's anti-fraud arrangements will include comment and contribution from those officers who are involved in anti-fraud work.

### **6 Implications**

| <b>Issue</b>                          | <b>Implications</b>   |
|---------------------------------------|---|
| Corporate Plan                        | Becoming a High Performing Organisation.  |
| Financial, Resource and Property      | Fraud needs to be addressed properly in order to protect the Council's financial position.  |
| Legal and Statutory                   | Fraud and theft are criminal offences and the Council must be geared up to deal with these issues.  |
| Crime and Disorder                    | As set out in the attached publication 'Protecting the Public Purse'.   |
| Risk Management and Health and Safety | Some of the risks to financial administration are set out in the Protecting the Public Purse publication. A future report to the Committee will set out how these risks are managed at Swale.<br><br>Where fraud against a local authority occurs it can have a damaging effect on the authority's reputation for financial management. |
| Equality and Diversity                | None identified at this stage.  |
| Sustainability                        | None identified at this stage.  |

### **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: 'Protecting the Public Purse 2011 – fighting fraud against local government' – the Audit Commission.

## **8 Background Papers**

8.1 None.