

Audit Wales 'Raising Our Game' Tackling Fraud in Wales

Executive Response

August 2020

The following is a response to the recommendations for improvements from Audit Wales report 'Tackling Fraud in Wales' published July 2020.

Report Title	Proposals for Improvement including overall lead.	Action response	RAG Status
<p>'Raising Our Game' Tackling Fraud in Wales : Leadership and Culture</p>	<p>R2 All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.</p> <p>Chief Officer – Governance</p>	<p>Once the fraud reporting system is live on the Council's website the Whistleblowing policy, Anti-Fraud and Corruption Strategy and Fraud Response Plan will be shared ideally through change exchange.</p> <p>Members will also be trained on their roles and responsibilities under the Whistleblowing Policy and the members Code of Conduct.</p>	
<p>Risk Management and Control framework</p>	<p>R3 All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.</p> <p>Chief Officer – Governance</p>	<p>Fraud is considered as part of the annual audit planning process.</p> <p>Further detailed fraud risk assessments to be undertaken by Internal Audit.</p>	
	<p>R4 Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.</p> <p>Chief Officer - Governance</p>	<p>As above will be used as part of the audit planning process to target resources to address area of high risk of fraud.</p>	
<p>Policies and Training</p>	<p>R5 All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.</p>	<p>In place.</p>	

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	Chief Officer - Governance		
	<p>R6 Staff working across the Welsh public sector should receive fraud awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.</p> <p>Chief Officer - Governance</p>	<p>In place. Internal Audit staff have and continue to attend Counter Fraud Accredited Courses in addition to their professional qualifications.</p> <p>A Auditor recently completed and become to qualified Counter Fraud Specialist.</p>	
	<p>R7 Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.</p> <p>Chief Executive</p>	<p>So far there has been minimal areas of fraud. However the latest could be used as an example. This fraud related to the change of supplier payment details.</p>	
Capacity and Expertise	<p>R8 All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.</p> <p>Chief Officer - Governance</p>	<p>Counter fraud and investigative work are two separate aspects.</p> <p>At Flintshire our response to investigating potential fraud is prompt and successful.</p> <p>There is always scope to expand the level of counter fraud we undertake in addition to NFI. Originally planned for 20/21 counter fraud work on Housing Tenants was to be undertaken. This will resume in 21/22.</p>	
	<p>R9 All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.</p> <p>Chief Officer - Governance</p>	<p>Already in place.</p>	
		<p>R10 This has and will continue to be explored.</p>	

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	<p>All public bodies should consider models adopted elsewhere in the UK relating to the pooling /sharing of resources in order to maximise the availability of appropriately skilled staff.</p> <p>Chief Officer - Governance</p>		
Tools and Data	<p>R11</p> <p>All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforces the tone from the top that the organisation does not tolerate fraud.</p> <p>Chief Officer - Governance</p>	<p>The Council has a clear Anti-Fraud and Corruption Strategy and Fraud Response Plan. Enforcement of fraud as a criminal offence rests with NWP and is beyond the control of the Council</p> <p>We would like to see greater recognition of fraud in the public sector by those responsible for the enforcement</p>	
	<p>R12</p> <p>All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.</p> <p>Chief Officer - Governance</p>	<p>Within Internal Audit Active Data is already used for data analytics for both the prevention and detection of fraud. There is however always opportunity to enhance the use of this software.</p> <p>To combat council tax fraud, data analytics are already embedded into the Revenues service to ensure single person discounts are only awarded to eligible taxpayers. A comprehensive review of SPD's is undertaken on a bi-annual basis to prevent fraud and assist with detection operations.</p> <p>Fiscal software is also used within Creditors to identify any potential duplicate payments.</p>	
Collaboration	<p>R13</p> <p>Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.</p>	<p>As a public body we already are part of the National Fraud Initiative where data is shared and analysed in an attempt to identify and fight fraud.</p>	

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	Chief Officer - Governance	Data analytics are deployed to ensure that single person discounts are only awarded to eligible taxpayers. A comprehensive review of SPD's is undertaken on a bi-annual basis to prevent fraud and assist with detection operations.	
Reporting and Scrutiny	<p>R14 Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.</p> <p>Chief Officer - Governance</p>	<p>This is included within the Internal Audit Annual Report.</p> <p>The financial recoveries of SPD fraud cases is captured and monitored as part of the bi-annual review.</p>	
	<p>R15 Audit committees must become fully engaged with counter-fraud, providing support and direction, monitoring and holding officials to account.</p> <p>Chief Officer - Governance</p>	This is already in place.	