

Report to the Audit and Governance Committee



Report Reference: AGC-001-2012/13
Date of Meeting: 21 June 2012

**Epping Forest
District Council**

Portfolio: Finance & Technology

Subject: Audit Commission National Local Government Studies

Responsible Officer: Steve Tautz (01992 564180)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) That the Committee consider the 'National Fraud Initiative 2010/11' report recently published by the Audit Commission, and any actions or implications for the Council arising from recommendations made by the Commission.

Executive Summary

This report provides details of national local government reports and studies recently published by the Audit Commission, that are relevant to the Council's areas of service provision.

Reasons for Proposed Decision

The Audit and Governance Committee receives details of all relevant national local government reports and studies published by the Audit Commission, in order to consider actions or implications for the Council arising from any recommendations made by the Commission. The Commission's executive summary (where produced), or the full report of each study, is provided to members for information.

Other Options for Action

None. Failure to consider recommendations of the Audit Commission and to take corrective action where necessary, could mean that opportunities for improvement were lost and might have negative implications for judgements made about the Council. The reports of the Commission's national local government studies are presented at the request of the Committee.

Report

1. The Audit Commission's national studies programme aims to improve local public services through an independent authoritative analysis of national evidence and local practice. The Commission has a duty to undertake studies designed to make recommendations for improving the economy, efficiency and effectiveness of certain bodies, and to improve the financial and other management of local public bodies. The Commission's national reports address strategic issues affecting specific sectors as well as the public sector as a whole, identifying practice that works, highlighting emerging findings and examining national trends to influence local practice and national policy. Each of national local government reports and studies published by the Audit Commission since 2000 can be downloaded from the Commission's website at:

<http://www.audit-commission.gov.uk/nationalstudies/localgov/pages/list.aspx?ctype=ACNationalStudy>

2. Arrangements for the reporting of local government reports and studies issued by the Commission were agreed by the Committee at its meeting on 24 September 2009. All such reports are considered by the Corporate Governance Group (CGG) in the first instance, and the views of the CGG on each study is reported to the Committee.

3. The following national local government study relating directly to the Council's areas of service provision, has recently been published by the Audit Commission.

'National Fraud Initiative 2010/11' (May 2012)

4. A summary of this study has not been published by the Audit Commission, and a full copy of the report is therefore attached as Appendix 1. The Commission has however published a separate member guide and checklist for the National Fraud Initiative, which is attached as Appendix 2.

5. This Audit Commission's National Fraud Initiative (NFI) has recently been considered by the Corporate Governance Group (CGG). The CGG noted that the NFI has continued to play a key role in the fight against fraud, and that the main areas of fraud identified by the initiative included pensions, Council Tax and Housing Benefit. Whilst the report concluded that most bodies had sound arrangements in place for managing the NFI and for investigating data matches, CGG noted that there was still some scope for improvement and that all audited bodies were recommended to ensure they maximised the benefits of participation in the NFI. In particular, local authorities were advised to take steps to retain the capability to follow up matches not related to Housing Benefit, after the proposed single fraud investigation service is introduced.

6. CGG noted that a change of emphasis was likely to take place in the approach of the Audit Commission to NFI issues, in that it will continue to develop NFI with a flexible range of data matching services to tackle the emerging fraud threats and meet the needs of participants. The Commission is to work with the National Fraud Authority to deploy the NFI to support the implementation of the 'Fighting Fraud Locally' initiative and extend the benefits of NFI more widely. CGG noted that the new approach to NFI would be focused on prevention rather than detection and that this had already been addressed in the work programme for the Internal Audit Unit for the current year, where a vacant post was specifically allocated to look at all areas of NFI activity including Housing, Council Tax and Benefits. Existing internal audit work to achieve data matching is to continue, and the CGG concluded that, so far as the Council is concerned, full compliance is currently being achieved with the requirements of NFI and the Audit Commission, and that there is no reason to suppose that this approach will not continue in the future.

7. The Committee is requested to consider the 'National Fraud Initiative 2010/11' report recently published by the Audit Commission, and any actions or implications for the Council arising from recommendations made by the Commission.

Resource Implications:

None.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations in this report for the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative, or any Crime and Disorder issues within the district.

Consultation Undertaken:

This report has been agreed by the Corporate Governance Group, and any possible actions or implications arising from the Audit Commission's national reports will be reported to the Committee. Relevant reports of the Audit Commission are also considered by Management Board as necessary.

Background Papers:

Audit Commission report: 'National Fraud Initiative 2010/11' (May 2012)

Impact Assessments:

Risk Management

There are no risk management implications arising from the recommendations contained in this report.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No. The content of this report has no specific equality implications. However, the equality implications arising from any proposals for action in respect of areas for local authority improvement recommended by the Audit Commission would need to be considered if these were to be pursued by the Council.

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?

N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A