



AUDIT & GOVERNANCE COMMITTEE

Monday, 10 July 2023

Subject	CORPORATE FRAUD ANNUAL REPORT 2022/23
Report by	Councillor Vince Langdon-Morris Cabinet Member with Responsibility for Resources and Value for Money
Supporting Officer	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report provides a summary of the performance of the Corporate Fraud Service for the period 1st April 2022 to 31st March 2023.

Options:

There are no options to be considered in relation to this report.

Recommendation/s:

That having commented on the activity of the Corporate Fraud Service for the year 2022/23, the Audit and Governance Committee notes the contents of the Corporate Fraud Annual Report.

Corporate Impact Assessment

Governance:

The corporate governance of the Council will be supported by embedding effective standards and strong safeguards for countering fraud and corruption.

This report has been prepared in accordance with the Audit and Governance Committee's terms of reference to: *"Monitor the counter-fraud strategy, activity and resources."*

ESC policies and strategies that directly apply to the proposal:

This report represents the work of the Corporate Fraud Service which supports the delivery of all services across the Council as described in the East Suffolk Strategic Plan.

Associated policies are the Council's Anti-Fraud and Corruption Strategy, Anti-Bribery Policy, Whistleblowing Policy, Covert Surveillance Policy and Anti-Money Laundering Policy.

Environmental:

There are no known environmental impacts arising from this report.

Equalities and Diversity:

There are no known Equality and Diversity implications arising from this report.

Financial:

The prevention, detection and recovery of fraud will help reduce the financial pressure on the Council.

Human Resources:

There are no known human resources implications arising from this report.

ICT:

There are no known ICT implications arising from this report.

Legal:

The Corporate Fraud Service conducts investigations in accordance with the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996, Data Protection Act 2018, UK General Data Protection Regulation, Human Rights Act 1998, Regulation of Investigatory Powers Act 2000, Investigatory Powers Act 2019, Criminal Justice Act 2003, Social Security Administration (Fraud) Act 2001, Council Tax Reduction Scheme (Regulations) 2012, Bribery Act 2010, Prevention of Social Housing Fraud Act 2013, Proceeds of Crime Act 2002, Money Laundering & Terrorist Financing (amendment) Regulations 2019 and the Criminal Finance Act 2017.

Risk:

This report provides the results of the Council’s response to fraud risk management during the financial year. The provision of an effective Corporate Fraud Service reduces the Council’s risks related to fraudulent activity.

External Consultees:

No external parties were consulted in the preparation of this report.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>

P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
The embedding of strong safeguards for countering fraud and corruption supports good governance and demonstrates effective financial management.			

Background and Justification for Recommendation

1 Background facts	
1.1	East Suffolk Council has a zero-tolerance approach to fraud and corruption, and has a dedicated Corporate Fraud Service with a comprehensive programme of proactive and reactive anti-fraud work.
1.2	The Corporate Fraud Service will investigate any aspects of fraud activity relating to the Council, partnerships and their services, whilst considering the risk of loss to the Council, loss of the services to its residents and reputational damage this may cause.
2 Current position	
2.1	Each year the Corporate Fraud Service expects to recover at least two times the cost of the Service from preventing fraudulent cases or identifying fraudulent payments for recovery. Full details of the value of the anti-fraud work carried out during 2022/23 can be seen in Appendix A of this report.
3 How to address current situation	
3.1	The Council will continue to uphold its zero-tolerance approach in working towards the prevention, detection and prosecution of fraud and corruption, as set out in the Corporate Anti-Fraud Business Plan 2022/23 presented to the Committee in March 2022.
4 Reason/s for recommendation	
4.1	This report is being presented to the Audit & Governance Committee to ensure the Committee is apprised of the Corporate Fraud Service work and performance over the last year, and in accordance with the Committee's terms of reference which stipulate (amongst other functions) that the Committee shall: 'Review the

	assessment of fraud risks and potential harm to the Council from fraud and corruption; and 'Monitor the counter-fraud strategy, activity and resources'.
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Appendices

Appendices:	
Appendix A	Corporate Fraud Annual Report 2022/23

Background reference papers:		
Date	Type	Available From
Mar 2022	Corporate Anti-Fraud Business Plan 2022/23	CMIS