

Corporate Fraud Business Plan 2024/25

1. Corporate Fraud Service Priorities

The Council maintains high standards of probity and has a good reputation with the residents which it serves, for protecting public finances. Sound systems of public accountability are vital to effective management and in maintaining public confidence. The minimisation of losses to fraud and corruption is essential for ensuring that public resources are used for their intended purpose of providing services to its residents. Fraud is a significant threat to any organisation. It costs its victims sometimes substantial sums of money and diverts resources away from those who need them.

The Councils corporate fraud activity in the coming year is aligned with the pillars sets out in the CIPFA guidance: 'Fighting Fraud and Corruption Locally 2020 – A Strategy for the 2020's':



These core pillars set an ethical standard within the organisation that focuses on the importance of high integrity from all employees, and it places responsibility on senior managers and members to demonstrate their commitment in tackling fraud.

By creating a strong anti-fraud culture, acknowledge the dangers through vigorous risk assessments, developing training, corroborating effectively and by enhancing our internal processes and technology, we can better deter and prevent fraud. In the instance where fraud, theft, bribery, or corruption are proven, we will ensure that consistent and proportionate action is taken, which can lead to prosecution. Furthermore, the Council will review and strengthen its defences so that we can continue to protect public monies and the local residents.

East Suffolk Council has a zero-tolerance approach to fraud, and the Corporate Fraud service is the lead team for advising the organisation on how to identify and manage fraud risk. The Corporate Fraud service is also responsible for investigation any potential attempts to defraud the Council in any department.

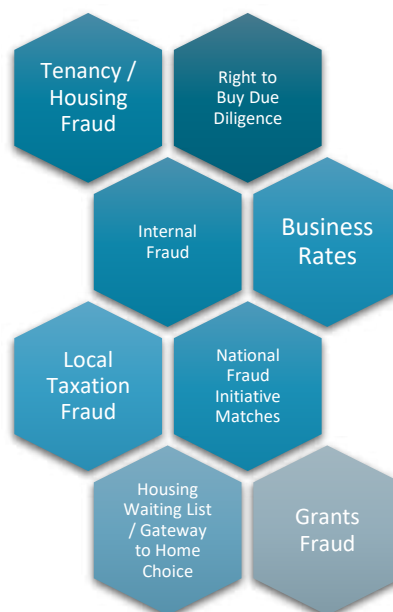
This Corporate Fraud Plan sets out the priorities and aims of the Corporate Fraud service in 2023/24, and how the service intends to support the aims of the Anti-Fraud and Corruption Strategy and other Corporate Fraud Policies.



£3,855,337
The financial benefit of
the Corporate Fraud
service in 2022/23

The Corporate Fraud service takes a well-developed approach to tackling fraud and corruption with a number of activities planned in the coming year. A best practice and pro-active approach is to tackle fraud through a combination of prevention and detection activities. The work is therefore split accordingly between reactive and proactive activity.

Some fraud risk areas to cover under pro-active- or re-active exercises:



In undertaking fraud investigations, the Council's skilled and experienced fraud investigators rely on the following legislation and related Policies (not an exhaustive list):

- Fraud Act 2006
- Money Laundering Regulations 2017
- Bribery Act 2010
- Prevention of Social Housing Fraud Act 2013
- Regulation of Investigatory Powers Act 2000
- Police and Criminal Evidence Act (PACE) 1984

- Criminal Procedures and Investigation Act (CPIA) 1996
- Human Rights Act 1998
- Proceeds of Crime Act 2002
- Data Protection Act 2018 and GDPR
- Local Government Act 1972

The Corporate Fraud Service has a number of risk areas to cover.



All local Authorities continue to face a significant fraud challenge. The tackling of fraud therefore remains a high priority to ensure that every penny is invested in delivering high quality services to residents.

As methods of fraud change within society, so must the way in which it is countered. By adapting with new emerging technology, we can improve our response, share vital information more effectively and better detect and recover fraud losses.

We expect Councillors and employees at all levels to lead by example to ensure the highest standards are established, maintained, and adhered to. Every employee has accountability and the responsibility to be vigilant and report any suspicions of fraud or corruption, through to the relevant reporting channels.

By creating a strong anti-fraud culture, acknowledging the dangers through vigorous risk assessments, developing training, corroborating effectively and by enhancing our internal processes and technology: we can better deter and prevent fraud.

Where fraud and corruption is identified, we have a duty to protect our residents within our community and by corroborating with other Councils and partner agencies, the Council can better safeguard the vulnerable who are most at risk.

The Fraud Triangle:

In recent times, the impacts of the Covid 19 pandemic, followed by the impacts of the war in Ukraine, rising inflation and the cost-of-living crisis have further exacerbated the challenges the Council faces from fraud and corruption with the temptations and opportunities for fraud have both risen significantly. Combined with the continued pressure and strain on the Council’s resources, this has continued to create an ideal environment for fraudulent activity where all elements of the fraud triangle in which fraud thrives have been heightened. Council’s Resources.



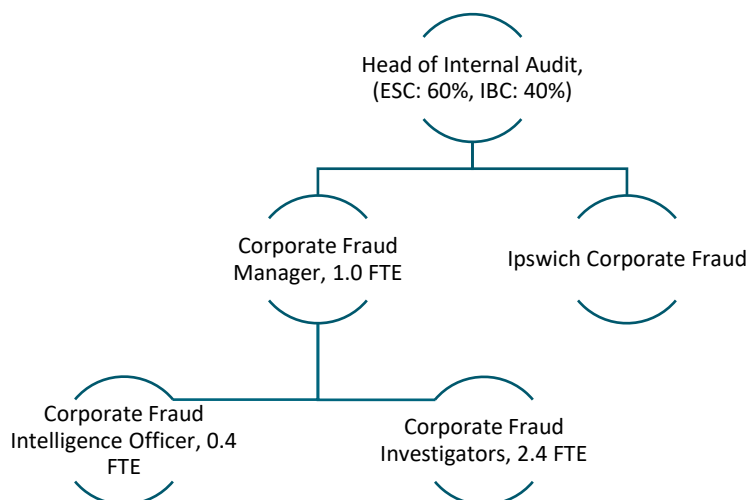
Motivation - Incentive or pressure to commit fraud,

Opportunity - A chance to commit fraud without being caught,

Rationalisation - Reasoning used to justify the fraud.

2. Resources

The Corporate Fraud service reports to the Head of Internal Audit and forms part of the Audit Services Partnership with Ipswich Borough Council.



The Corporate Fraud service in partnership with Ipswich Borough Council have skills that can be utilised in respect of the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017.

The Corporate Fraud Service at both East Suffolk Council and Ipswich Borough Council is led by the Head of Internal Audit and Fraud. She is also a National Crime Agency (NCA) Accredited Officer in respect of financial investigations and can authorise Proceeds of Crime cases and Money Laundering cases for both Councils.

She is the sole Accredited Officer enabled to access NCA system to report Suspicious Activity Reports (SAR's) as a defence for Anti-Money Laundering Procedures.

She has her own statutory powers by regularly reporting to the Surveillance Commissioner in respect of Regulation of Investigatory Powers Act 2000 authorisations (covert surveillance). During 2022/23 the Council has not used or completed any enquires under the Regulation of Investigatory Powers Act 2000.

She also reports to the Information Commissioner in respect of Data Protection/FOI appeals etc and acts as an Expert Witness on behalf of the Councils in any Tribunal appeals.

Alongside this expertise, one of the Corporate Fraud Investigators has qualified as a Financial Intelligence Officer accredited by the National Crime Agency within a few months of training. Further training will commence shortly to then become an Accredited Financial Investigator by the National Crime Agency.

In order to keep the National Crime Agency Accreditation both staff members must undertake and submit three/six monthly Continuous Personal Development (CPD) exercises in order not to forfeit the Accreditation. Therefore the Fraud Team hope to utilise these specific skills in the near future to enhance our Investigatory financial results.

Partnership arrangements also provide an opportunity to share training, knowledge, and expertise.

Fighting fraud and corruption is a not a one-off cost, it requires ongoing investment which flexes with the scale of risk and threat that all Councils face.

3. Measuring Results

An annual report of outcomes from the previous financial year 2023/24 is presented to the Audit and Governance Committee in a separate report usually in July each year.

Outputs are monitored on a monthly basis within the service by the Corporate Fraud Manager and reported to the Head of Internal Audit.