



Committee	Audit and Governance Committee
Date	11/03/2024
Subject	Corporate Fraud Business Plan 2024/25
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsuffolk.gov.uk
Chief Executive	Chris Bally Chief Executive chris.bally@eastsuffolk.gov.uk

Key Decision?	No
Is the report Open or Exempt?	OPEN

Purpose/Summary

To fulfil the Audit and Governance Committee's terms of reference that it 'Monitor the counter-fraud strategy, activity and resources'.

Recommendation(s)

That the Audit and Governance Committee endorses the East Suffolk Council Corporate Fraud Business Plan to be undertaken at the Council during 2024/25.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	There are various criminal offences relating to environmental damage that the Corporate Fraud Service can assist in investigating in relation to Businesses, Partnerships and individuals connected to the Council. For example-waste issues, fly tipping, fraud act, misleading statements made and money laundering. We support the Council's environmental aims relating to environmental and sustainability issues where appropriate.
Sustainable Housing	Corporate Fraud investigations are fundamental to support the Council's foundations of corporate governance, risk, and control. This fraud plan supports the housing aims by ensuring that tenancy frauds are investigated resulting in the property being returned to the housing stock. Due diligence is also undertaken on the Council's Right to Buy Houses to ensure the tenant legitimate claim and there are no money laundering issues.
Tackling Inequalities	Corporate Fraud supports the Council's foundations of corporate governance, risk, and control. There are no direct inequalities implications currently known that require investigations.
Thriving Economy	Corporate Fraud investigate any referred or pro-active cases in order to protect the public purse which is fundamental to support the Council's economic aims.
Our Foundations / governance of the organisation	This report has been prepared in accordance with the Audit and Governance Committee terms of reference 'Monitor the counter-fraud strategy, activity and resources'. The Corporate Fraud Business Plan represents the planned corporate wide anti-fraud work for the financial year 1 st April 2024 to 31 st March 2025, so that fraud risk is mitigated. The Corporate Fraud Business Plan implements the aims and delivery of the Corporate Anti-Fraud and Corruption Strategy previously approved by this Committee.

Justification for recommendations

1. Background

- 1.1. The Council maintains a zero-tolerance approach towards fraud and corruption, and the existence of a professional Corporate Fraud Service demonstrates the Council's commitment to this objective.

2. Introduction

- 2.1. The Council's Corporate Fraud Business Plan 2024/25 is the Council's response to combatting the financial, social, and personal cost of fraud to the Council, economy, and local community.
- 2.2. It is a key element in the council's Governance framework, designed to reduce the risk of fraud, corruption, and abuse in the delivery of local services.
- 2.3. Fraud is an act of deception carried out for personal gain or to cause loss, or a loss to another party. In the Public Sector fraud can be committed internally by workers or externally by suppliers, contractors, partnerships, and members of the public. Fraud covers a wide spectrum of activities and can affect all departments.
- 2.4. The Corporate Fraud Service is overseen by the Audit and Governance Committee.
- 2.5. The Audit and Governance Committees terms of reference include the responsibilities:
 - To review and approve the Corporate Fraud Business Plan and any policies to ensure they are appropriate to the needs of the organisation in respect of fraud risks.

3. Proposal

- 3.1. This report is to provide the Audit and Governance Committee with details of the proposed Corporate Fraud Business Plan for 2024/25, which is necessary to provide the Committee with the assurance they require in respect of fraud and support good governance.
- 3.2. The Fighting Fraud and Corruption Locally 2020 is the current national strategy for Council Leaders, Chief Executives, Finance Leads, and all those charged with governance in local authorities to use in defending against fraud in local government. This strategy sits alongside the CIPFA (Chartered Institute of Public Finance and Accountancy) – Code of Practice on managing the Risk of fraud and corruption.
- 3.3. The Corporate Fraud Business Plan 2024/25 is a direct response to meeting national strategy, guidance and achieving the Council's strategic plan objectives. It is a key contributor to enabling the Government's austerity measures in reducing public expenditure by reducing fraud. It is the Council's proactive and reactive fraud work, which is noted by the Council's external auditors and Central Government bodies.

4. Financial Implications

- 4.1. Each year the Corporate Fraud Service expects to recover at least twice the cost of the service from preventing fraudulent cases, stopping Right to Buys, tenancies fraud and/or identifying fraudulent payments for recovery. Which will offset the service costs.

5. Legal Implications

- 5.1. The Corporate Fraud Service relies on several statutory powers to deliver the Corporate Fraud Business Plan, including but not limited to primary legislation:
- Fraud Act 2006
 - Prevention of Social Housing Fraud Act 2013
 - Proceeds of Crime Act 2002
 - Bribery Act 2010.
 - The Money Laundering, Terrorist Financing and Transfer of funds Regulations 2017
 - Theft Act 1968
 - Police and Criminal Evidence Act 1984
 - Forgery and Counterfeiting Act 1987
 - Regulatory of Investigatory Powers Act 2000
 - Data Protection Act 2018 and GDPR
 - Local Government Act 1972
 - Human Rights Act 1998
 - Computer Misuse Act 1990
- 6. Risk Implications**
- 6.1. This report sets out how the Corporate Fraud Service intends to support fraud risk identification, mitigation, and response over the coming financial year.
- 7. Options**
- 7.1. There are no options to be considered in relation to this report.
- 8. Recommendations**
- 8.1. That the Audit and Governance Committee endorses the East Suffolk Council Corporate Fraud Business Plan to be undertaken at the Council during 2024/25.
- 9. Reasons for Recommendations**
- 9.1. To fulfil the terms of reference of the Audit and Governance Committee.
- 10. Conclusions/Next Steps**
- 10.1. The Head of Internal Audit Services is responsible for incorporating any required amendments and implementing the Committee-approved Corporate Fraud Business Plan in time for it to take effect from 01 April 2024.
- 10.2. The results of the Corporate Fraud Business Plan 2024/25 activity will be reported to the Audit and Governance Committee after the financial year ends, currently expected to be July 2025.

Areas of consideration comments

Section 151 Officer comments:

Not applicable

Monitoring Officer comments:

Not applicable

Equality, Diversity and Inclusion/EQIA:

Not applicable

Safeguarding:

Safeguarding issues addressed as necessary in referrals by the Fraud Service.

Crime and Disorder:

The Fraud Service will always work with other Council Services, Partnership's etc to minimise crime and disorder risks in order to protect the public purse and safety of the community and its residents and the environment.

Corporate Services implications:

(i.e., Legal, Finance, Procurement, Human Resources, Digital, Customer Services, Asset Management)

All corporate services within the council will require a fraud risk assessment during the next year. They are all required to support the Corporate Fraud Team in order to prevent and detect fraud with unrestricted scope, the necessary resources and access to information to enable it to fulfil its function on Fraud Team referrals. The Fraud Team will work with corporate services, partnerships, and departments to review the pillars of the Business Plan if required: govern; acknowledge; prevent and pursue to minimise any fraud risk implications.

Residents and Businesses consultation/consideration:

Not applicable

Appendices:

Appendix A | Corporate Fraud Business Plan 2024/25

Background reference papers:

None