



AUDIT & GOVERNANCE COMMITTEE

Monday, 13 March 2023

Subject	Corporate Fraud Plan 2023/24
Report by	Councillor Maurice Cook, Cabinet Member with responsibility for Resources Councillor Edward Back, Assistant Cabinet Member for Resources
Supporting Officer	Siobhan Martin Head of Internal Audit siobhan.martin@eastssuffolk.gov.uk 01394 444254

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:

To provide a strategic overview of the planned corporate anti-fraud work to be undertaken at the Council during 2023/24 and ensure Members of the Committee discharge their duties and responsibilities in accordance with the Committee's terms of reference.

Options:

No alternative options are presented in relation to this report

Recommendation/s:

That having commented upon the Corporate Fraud Plan 2023/24 the Committee endorses its contents.

Corporate Impact Assessment

Governance:

This report supports the Council's governance framework by setting out how the Corporate Fraud service intends to lead and direct the Council's response to fraud risk in the coming financial year.

ESC policies and strategies that directly apply to the proposal:

This report has links to the Council's:

- Anti-Fraud and Corruption Strategy
- Anti Bribery Policy and Procedure
- Anti Money Laundering Policy
- Covert Surveillance Policy
- Whistleblowing Policy
- Code of Corporate Governance

Environmental:

This report does not include direct links to the Council's strategic environmental aims.

Equalities and Diversity:

This report does not require the completion of an Equalities Impact Assessment.

Financial:

This report has financial implications due to its purpose in reducing the risk of financial losses through fraud.

Human Resources:

This report does not have any direct staffing implications.

ICT:

This report does not have any direct ICT (Information Communications Technician) implications.

Legal:

The Corporate Fraud service relies on several statutory powers to deliver the Corporate Fraud 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

Risk:

This report sets out how the Corporate Fraud Service intends to support fraud risk identification, mitigation, and response over the coming financial year.

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 checked="" 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 checked="" 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"/>
<p>How does this proposal support the priorities selected?</p> <p>The Council's Corporate Fraud Plan 2023/24 is the Council's response to combatting the financial, social and personal cost of fraud to the Council, economy, and local community. 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.</p>			

Background and Justification for Recommendation

1 Background facts	
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.
1.2	<p>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, and members of the public. Fraud covers a wide spectrum of activities and can affect all departments.</p> <p>The disruption caused by the Covid-19 Pandemic, followed by the impacts of the war in Ukraine, rising inflation and cost-of-living crisis mean that the temptations and opportunities for fraud have both risen significantly. The Corporate Fraud Service is always fluid reacting to cases involved with preventing, pursuing and/or prosecuting any fraud irregularity that involves public money.</p>
1.3	The Fighting Fraud and Corruption Locally 2020 is the current national strategy for council leaders, chief executives, finance directors, 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) (Chartered Institute of Public Finance and Accountancy) Code of Practice on managing the Risk of Fraud and Corruption.
1.4	The Corporate Fraud Plan 2023-2024 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, especially as the Covid-19 Pandemic has had a devastating impact across the globe. It also defines the Council's proactive and reactive anti-fraud work, which is noted by the Council's external auditors and Central Government bodies.
1.5	At East Suffolk Council the Corporate Fraud Service is managed by the Head of Internal Audit.

2 Current position

2.1	A key responsibility within the Audit and Governance Committee's terms of reference is to 'Monitor Council policies on... Anti-Fraud and Corruption'. The Corporate Fraud Plan at Appendix A represents the planned corporate wide anti-fraud work for the financial year 1 April 2023 to 31 March 2024.
2.2	The Corporate Fraud Service will continue to focus its anti-fraud activities in the areas of prevention, detection, and prosecution work, directed by the Head of Internal Audit, who also leads this service area at Ipswich Borough Council. In addition to this, providing a fraud risk assessment in respect of any Government grants administered by the Council. We assist in the completion of the Department for Business, Energy, and Industrial Strategy (BEIS) returns to Government in respect of any grants paid out whether any fraud or error occurred etc.
2.3	The financial year ahead will continue to be a year of further development and enhancement in the field of corporate fraud activity. This will be based upon the ever-changing increased fraud risk assessments of various Council sections which will be completed in areas not covered before.

3 How to address current situation

3.1	Fraud is an ongoing threat to the effective use of local government resources. The Council has developed this Corporate Fraud Plan to prevent and detect the numerous known and anticipated types and sources of fraud, that have been identified nationwide.
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4 Reason/s for recommendation

4.1	To request endorsement of planned corporate anti-fraud work to be undertaken at the Council during 2023/24.
4.2	To ensure Members of the Committee discharge their duties and responsibilities in accordance with the Committee's terms of reference.

Appendices

Appendices:

Appendix A	Corporate Fraud Plan 2023/24
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Background papers:

None