



AUDIT & GOVERNANCE COMMITTEE

Monday, 14 March 2022

Subject	CORPORATE ANTI-FRAUD BUSINESS PLAN 2022/23
Report by	Councillor Maurice Cook, Cabinet Member with responsibility for Resources Councillor Edward Back, Assistant Cabinet Member with responsibility for Resources
Supporting Officer	Mrs Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.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 2022/23 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 the Corporate Anti-Fraud Business Plan 2022-23 is commented upon and endorsed by the Committee.

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 implications.

Legal:

The Corporate Fraud service relies on several statutory powers in order 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

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"/>
How does this proposal support the priorities selected?			
<p>The Council's Corporate Fraud Business Plan 2022/23 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	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. The Coronavirus Pandemic has enabled fraudulent activity, specifically in relation to grant payments distributed by the Government. The Corporate Fraud Service is involved with preventing, pursuing and prosecuting any irregularity in such areas.
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 Code of Practice on managing the Risk of Fraud and Corruption.
1.4	The Corporate Anti-Fraud Business Plan 2022-2023 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 Coronavirus 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 Anti-Fraud Business Plan at Appendix A represents the planned

	corporate wide anti-fraud work for the financial year 1 April 2021 to 31 March 2022.
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, Covid 19 Business grants will continue to feature highly in our fraud enquires, also to assist completion of the Department for Business, Energy and Industrial Strategy (BEIS) returns to Government in respect of 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 anti-fraud activity given the ever-changing face of fraud given the COVID 19 (Coronavirus Pandemic) where fraud has increased substantially along with Brexit potentially changing some elements of anti-fraud work.

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 Anti-Fraud Business Plan in order to prevent and detect the numerous known and anticipated types and sources of fraud.
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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 2022/23
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 Anti Fraud Business Plan 2022/23
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Background reference papers:

Date	Type	Available From
2020	Fighting Fraud and Corruption Locally	CIFAS (on behalf of the Local Government Association) / Head of Internal Audit
2020	A Guide to Managing Fraud for Public Bodies	International Public Sector Fraud Forum / Head of Internal Audit
2020	National Fraud Initiative Report 2020	Cabinet Office / Head of Internal Audit
2019	CIPFA Fraud and Corruption Tracker Report	CIPFA / Head of Internal Audit
2014	Code of practice on managing the risk of fraud and corruption	CIPFA / Head of Internal Audit