



AUDIT AND GOVERNANCE COMMITTEE

Monday, 15 March 2021

CORPORATE ANTI-FRAUD BUSINESS PLAN 2021-2022

EXECUTIVE SUMMARY

1. The Corporate Anti-Fraud Business Plan 2021-2022 details the Council's proposed approach to the prevention, detection and prosecution of fraud and corruption. The plan sets out the high-level desired outcomes and management processes aligned to the Council's strategic themes and objectives.
2. This report is presented to the Audit and Governance Committee in compliance with its terms of reference to 'Monitor Council policies on ... Anti-Fraud and Corruption'.

Is the report Open or Exempt?	Open
Wards Affected:	All
Cabinet Member:	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer:	Mrs Siobhan Martin Head of Internal Audit 01394 444254 siobhan.martin@eastsoffolk.gov.uk

1. INTRODUCTION

- 1.1 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.
- 1.2 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.
- 1.3 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.

2. BACKGROUND

- 2.1 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.
- 2.2 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.
- 2.3 The Public Sector Audit Appointments Ltd, along with other designated post holders e.g. Head of Paid Service, Section 151 Officer, Monitoring Officer and Head of Internal Audit, requires local authority services to have in place an effective counter fraud strategy and plan. This report demonstrates that the Council has such a plan in place. Each year the Council's external auditors and Central Government quasi bodies note and comment upon the proactive and reactive work undertaken by the Council.
- 2.4 The Corporate Anti-Fraud Business Plan 2021-2022 is a direct contribution to meeting the Council's objectives and 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.

3. HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?

- 3.1 This report underpins the entire delivery of the East Suffolk Strategic Plan 2020-2024 by supporting the governance environment in which it operates. The Corporate Anti-Fraud Business Plan aims to deliver a mechanism to prevent, detect and prosecute fraudulent behaviour, and thus provide improved value for money given the finite local government resources available.
- 3.2 The work of the Corporate Fraud Service is directly aligned to protecting the public purse and has been designed to address the areas of concern identified locally and nationally.

4. FINANCIAL AND GOVERNANCE IMPLICATIONS

4.1 The Corporate Anti-Fraud Business Plan 2021-2022 works in conjunction with other fundamental documents; these form the foundations for Corporate Anti-fraud activity across the Council. Key supporting documents can be found on the Council's intranet and are listed as follows:

- Anti-Bribery Policy
- Anti-Fraud and Corruption Strategy (incorporating Prosecution & Sanction Policy)
- Whistleblowing Policy
- Regulation of Investigatory Powers Act 2000 (RIPA) Policy, currently being refreshed and entitled Covert Investigation Policy
- Code of Corporate Governance
- Anti-Money Laundering Policy

5. RISK MANAGEMENT

Risk Description	Consequence of risk	Risk Controls	Actions to mitigate risk (not exhaustive)
1. Failure to prevent and detect fraud.	Financial Loss. Inability to provide services to those in need. Reputational damage.	Investigations undertaken by Corporate Fraud Service through referrals. Preventative due diligence measures implemented across service processes. Professional Corporate Fraud Service raising awareness of fraud.	Referrals risk assessed and investigations conducted where appropriate. Sanctions publicised where appropriate. Due diligence measures undertaken as part of business as usual to prevent and deter fraud in the first instance. Fraud clinics held for staff. Responsible for promoting the International Fraud Awareness Week
2. Lost opportunity to work with Registered Social Landlords (RSL's) and neighbouring Councils.	Loss of income	Regular meetings with RSL's and neighbouring Councils.	Member of Tenancy Fraud Forum Promoting Corporate Fraud Services to social Landlords and other Councils currently being undertaken
3. Failure to undertake mandatory National Fraud Initiative data matching exercise.	Reputational damage. Financial cost	Matches co-ordinated by Internal Audit and Corporate Fraud Services.	Included as part of Internal Audit and Corporate Fraud Business Plans. Shown to produce savings across the Service area by this data matching

6. OTHER KEY ISSUES

6.1 This report does not require an Equality Impact Assessment, a Sustainability Impact Assessment, or a Partnership Impact Assessment.

7. CONSULTATION

7.1 Consultation has taken place with the Chief Executive and relevant Cabinet Member.

8. OTHER OPTIONS CONSIDERED

8.1 No further options have been considered.

9. REASON FOR RECOMMENDATION

9.1 To apprise Members of the planned corporate anti-fraud work to be undertaken at the Council. To ensure Members of the Committee discharge their duties and responsibilities in accordance with the Committee's terms of reference.

RECOMMENDATION

That the Committee comments upon and endorses the Corporate Anti-Fraud Business Plan 2021-2022.

APPENDICES

Appendix A: Corporate Anti-Fraud Business Plan 2021-2022

BACKGROUND PAPERS

Please note that copies of background papers have not been published on the Council's website, but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
April 2020	Fighting Fraud and Corruption Locally Strategy 2020 (issued by Local Government Associated and others)	Head of Internal Audit
February 2020	International Public Sector Fraud Forum 'A Guide to Managing Fraud for Public Bodies'	Head of Internal Audit
July 2020	National Fraud Initiative Report 2020	Head of Internal Audit
Summary 2019	CIPFA Fraud and Corruption Tracker Report	Head of Internal Audit