



**Corporate Anti-Fraud  
Business Plan  
2022-2023**

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## 1. INTRODUCTION

- 1.1 Local Authorities have a moral duty to safeguard public funds and take responsible steps to ensure that controls are in operation to mitigate, prevent, detect and prosecute fraudulent activity. The Corporate Anti-Fraud Business Plan is developed annually based upon key fraud risks and through necessity remains fluid to reflect the continuous changes derived from the changing fraud landscape, and fraud risks identified as they arise. The Plan also represents the Council's strategic response to counter fraud and corruption.
- 1.2 The Leader of the Council, his Cabinet and Senior Management Team set the tone of zero tolerance approach towards all fraud actioned against the Council, its customers and all stakeholders.
- 1.3 The Corporate Fraud Service at East Suffolk undertakes dedicated fraud prevention, detection, investigation and intelligence gathering activities. We will continue to create an anti-fraud culture and enhance services across the Council services, including partnerships aligned directly to the five key strategic themes detailed the Council's Strategic Plan 2020-2024, see diagram below:



- 1.4 The Corporate Fraud Service will acknowledge, prevent and pursue fraudulent behaviour in order to support the Council to help grow the economy, enable our communities, remain financially sustainable, deliver digital transformation and care for the environment, whilst ensuring a zero-tolerance approach to all fraud issues.
- 1.5 All Councillors, officers, employees, consultants, partnership staff, volunteers and agency staff, etc. are expected to commit to a zero-tolerance approach towards fraud and corruption in the administration of its responsibilities, whether internally or externally, captured within the relevant contracts and codes of conduct.
- 1.6 The Corporate Fraud Service receives referrals from internal staff, contractors, partnership staff, external agencies, and other government departments along with referrals from members of the public.

- 1.7 A confidential telephone “**fraud**” **hotline**’ **01394 444444**, and email: [fraud@eastsuffolk.gov.uk](mailto:fraud@eastsuffolk.gov.uk), is available to report any suspicion of fraud, please leave a message and someone will get back to you.
- 1.8 A **confidential** Whistleblowing **hotline (without fear of reprisal)** on **01394 444222**, is available to report concerns in respect of the Council’s standard of openness, propriety and integrity and commitment etc.

## **2. INTERNATIONAL & NATIONAL CONTEXT**

- 2.1 Tackling fraud in Local Government continues to remain high profile; driven by the duty to ensure public stewardship of Council resources and to enable Council’s to provide services to those in need whilst facing significant reductions in funding.
- 2.2 The loss and harm caused by fraud in the public sector is significant. The Annual Fraud Indicator 2017 which provides the latest set of government sanctioned estimates, suggests that fraud costs the public sector at least £40.3bn annually, £7.8bn of which is specifically in local government. This does not take into consideration the social harm caused by fraud.
- 2.3 Protecting the English Public Purse 2016 (latest edition) has been issued by the European Institute for Combatting Corruption And Fraud (TEICCAF) to continue the national series of reports previously published by the Audit Commission. The report specifically identified:
- Right to Buy (RTB) is documented as one of the largest emerging threats in the country.
  - Procurement fraud is continuing to rise, with the number of cases increasing by over 90%.
  - Insurance fraud is continuing to rise, with the number of cases doubling.
- 2.4 Fighting Fraud and Corruption Locally (FFCL) Strategy for the 2020’s was launched in March 2020. ESC continue to support the new Strategy in Fighting Fraud and Corruption Locally.
- 2.5 CIPFA fraud and corruption tracker survey gives a national picture of fraud, bribery and corruption across UK Local Authorities and the action being taken to prevent it. CIPFA has estimated that for local authorities in the UK, the total value of fraud identified and prevented in 2019/20 is £239.4 million<sup>1</sup>.
- 2.6 The survey showed that the largest growing fraud area is housing tenancy, with the two highest perceived fraud risks areas being procurement and Council Tax single person discount. For 2019/20 the survey has shown the main areas of fraud by volume are Council Tax, Blue Badge, Housing and Business Rates.
- 2.7 HM Government has reinforced its commitment to tackling corruption by issuing a UK Anti-Corruption Strategy 2017-2022.

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<sup>1</sup> CIPFA Fraud and Corruption Tracker National Report 2020 is the most recent report.

2.8 The Covid-19 pandemic has had a significant impact globally, and the fraud threat posed during the emergency situations has been higher than at any other time. The Anti-Fraud Business includes workstreams to continue the monitoring and response to new and ever evolving fraud risks at a local and national level.

<sup>1</sup> The Accounts and Audit Regulations 2015, Financial Procedure Rules, CIPFA Solace delivering good governance in Local Government: Framework, Local Government Act 1972, National Audit Office and Cabinet Office.

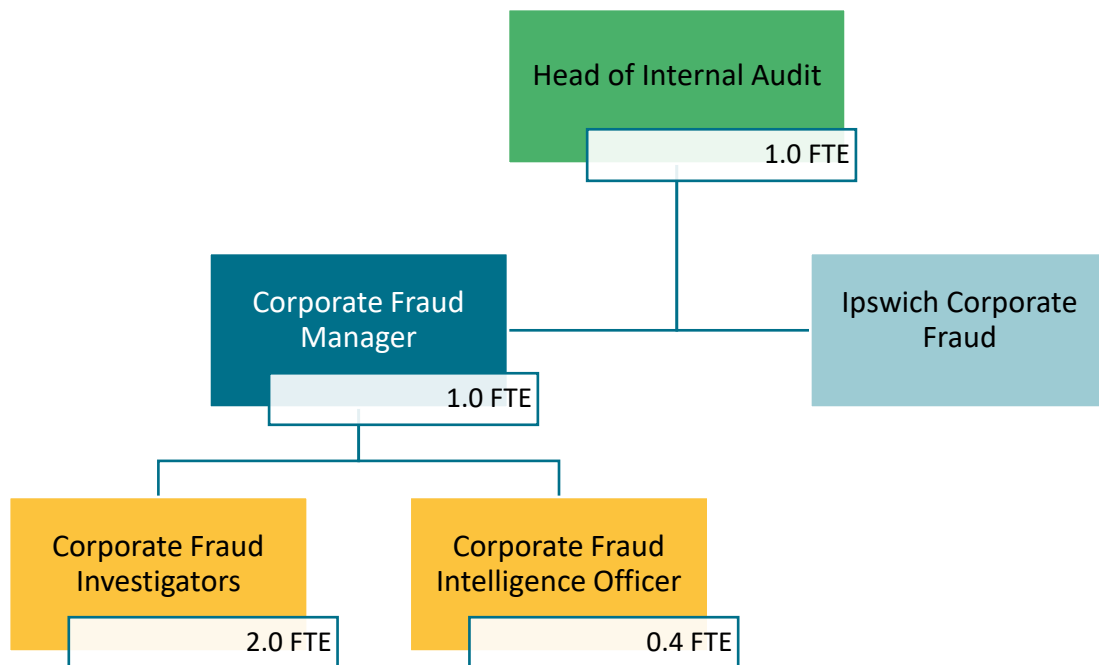
### **3. AIMS & OBJECTIVES**

3.1 The Corporate Fraud Service at East Suffolk Council is committed to:

- Raising awareness of the importance of tackling fraud;
- To complete Fraud self- assessment to identify areas for service improvement;
- Focusing on prevention and deterrence as a cost-effective means of reducing fraud losses to protect public resources, including improving the Council's intelligence framework;
- investigate potential fraudulent or corrupt activity and take appropriate action;
- Recover losses from fraud, using legislation such as Proceeds of Crime Act 2002 (POCA);
- Working with other organisations to prevent, deter and detect fraud and reduce loss through fraud and error;.
- A review of all fraud policies and procedures documents;
- A bespoke E-learning fraud awareness training package;
- Work with the Audit Team around key risk areas.

### **4. RESOURCES**

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



- 4.2 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 Head of Internal Audit is also authorised by the NCA as a Senior Authorised Officer.
- 4.3 Partnership arrangements provide an opportunity to share training, knowledge and expertise, with two full time equivalent Financial Investigators appointed at Ipswich Borough Council. This provides a significant advantage to both Council's as it enables them to recover financial losses due to criminal activity, as well as the ability to tackle broader criminal conduct cross boundary. These specialised Investigators delve into an alternative world of investigations, and we have the possibility of utilising their skills for compensation and/or confiscation cases.
- 4.4 To be effective, the Council will continually adapt its resources and be fluid in order to face the changing nature of the threat and its own business. The Coronavirus Pandemic has identified emerging different fraud risks which all Council staff and their partnerships need to be fully aware of in order to safeguard public money and support the public.
- 4.5 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 the Council faces, which the Coronavirus Pandemic has identified.

## 5. KEY ACTIVITIES 2022/23

- 5.1 Fighting Fraud and Corruption Locally 2020 – A Strategy for the 2020's was published in March 2020 and sets out the following themes:



5.2 Workstreams for the Corporate Fraud Service planned for 2022/23 have been aligned to common themes set out within the Council’s Ant-Fraud and Corruption Strategy and CIPFA Fighting Fraud and Corruption Locally – A strategy for the 2020’s. This also aligns to the East Suffolk Council’s Strategic Plan 2020-2024.

5.3 In addition to these workstreams the Service will be working on areas identified locally from BEIS COVID-19 Business Grant fraud risk assessments to investigate and conclude.

5.4 Corporate fraud investigations may fall within any of the following key areas but are not limited to areas identified by the National Fraud Initiative Report July 2020. Each area may have proactive and reactive exercises taking place:

- Coronavirus Pandemic related grant fraud
- Cyber Crime – a method used to commit crime across any area of the Council
- National Non-Domestic Rates – linked to grant fraud/business rates evasion
- Tenancy/Housing fraud
- Right to Buy (includes due diligence)
- Council Tax Single Person Discount/Reduction Scheme
- Procurement
- Car Park Enforcement
- Blue Badge Scheme (in partnership with Suffolk County Council)
- National Fraud Initiative Matches (statutory national exercise)
- Whistleblowing Investigation
- Recruitment
- Economic and Third Sector Support
- Abuse of Position

- 5.5 To be instrumental and actively promote the re-instatement of the Council's Enforcement Officers Group and assist Legal with revising the Enforcement Officers Policy across the Council's Enforcement Teams within the next few months.
- 5.6 In support of the fraud awareness programme, we will continue to deliver fraud awareness training to relevant staff and all Council Members.
- 5.7 Due to the ongoing risks highlighted within Protecting the English Public Purse 2016, the Corporate Fraud Service continues to focus work within the Housing Service.
- 5.8 A new case management system is being implemented for 2022/23; this will further embed the "prevent" theme by creating more effective integrated processes for referral management and efficient management reporting.

## **6. POST PANDEMIC FRAUD RISK LANDSCAPE**

- 6.1 Whilst the administration of COVID-19 business support grants will cease on 31 March 2022, post-event assurance will remain an ongoing workstream. Fraud Risk Assessments have been completed as required by the Department for Business, Energy and Industrial Strategy.
- 6.2 The Corporate Fraud Service will work with partners in relation to COVID-19 Business Grants to combat cross border and nationally organised crime.
- 6.3 It has been highly publicised that the risk of fraud and error has heightened during the pandemic, with increased opportunities to commit fraud. With this in mind, the Council's Corporate Fraud Service will endeavour to promote fraud prevention training in all Council sections. We will seek to understand any skills or knowledge gaps and support focused development and training where necessary.

## **7. PERFORMANCE**

- 7.1 An annual report of outcomes from the previous financial year 2021-2022 are presented to the Audit and Governance Committee in a separate report usually in July each year.
- 7.2 Outputs are monitored on a monthly basis within the service by the Corporate Fraud Manager and reported to the Head of Internal Audit.
- 7.3 The Council reports upon the use of covert investigation powers. During 2021-22 to date the Council has not used the Regulation of Investigatory Powers Act 2000.



## 8. FIGHTING FRAUD AND CORRUPTION METHODOLOGY

GOVERN	ACKNOWLEDGE	PREVENT		PURSUE
Having robust arrangements with Members and Senior Management support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Accessing and understanding fraud risks. Committing the right support and resource to tackle fraud and corruption. Communicating the risks to those charged with Governance.	Enhance information and technology use. Enhance fraud controls and processes. Develop effective anti-fraud culture. Communicating our activities and successes.		Prioritise fraud recovery and use of civil sanctions. Utilise Proceeds of Crime Act/Money Laundering regulations.
Adopt a robust Anti-Fraud and Corruption Strategy supported and approved by Audit & Governance Committee.	Review and assess all Fraud policies to ensure a comprehensive response.	Conduct targeted reviews in conjunction with Internal Audit to design out fraud from the outset, which will enhance fraud controls and processes across the organisation.	Conduct fraud investigations in line with risk assessment in response to referrals from internal staff, members of the public and external agencies etc.	Utilise civil sanctions with the option of prosecution where a criminal offence is committed.
Provide E-Learning fraud awareness training across the Council to all staff, members, contractors, partnerships etc.	Conduct a formal fraud risk assessment which will be used to create a fraud risk mitigation plan.	Perform due diligence money laundering checks on all Right to Buy housing applications. Perform due diligence in respect of rent accounts in line with money laundering regulations 2017.	Conduct proactive exercises via data technology across all high fraud risk areas in the Council.  Improve the fraud awareness understanding across all Council Sections including Members. The fraud service to promote their services in many enforcement areas, for the seizure of assets of offenders to recoup financial losses.	Publicise successes to align with the Councils Strategic Plan and to increase public confidence over value for money and spending decisions.
Undertake specific fraud awareness training to Council Members and other relevant staff.	Attend Team meetings to provide support and guidance relating to anti-fraud measures.	Instrumental in re-instated the Enforcement Officers Group in respect of using Proceeds of Crime Act 2002 / Money Laundering Regulations across the difference service areas.	Provide fraud information to all relevant staff and if appropriate members of the Public.  Undertake NFI data matching activities and any local proactive fraud drives assessed as a priority by the Head of Internal Audit.	Collaborating enforcement across geographical and sectoral boundaries (within a legal gateway)
Provide an update anticipate /Organise the ESC Enforcement Officers Policy.	Survey Members and Senior Management in respect of any corporate fraud issues.	Publicising the work of the fraud service through internal promotion and to the public through the Press Office.	Continue to maintain and grow good working relationships with external government agencies, social landlords' cross borders etc.	
<b>PROTECTING THE COUNCIL AND ITS RESIDENTS</b>				
Recognising the harm that fraud can cause in the community. Protecting itself and its' residents from fraud.				

