

Report of:	Head of Internal Audit, Veritau
Submitted to:	Corporate Affairs and Audit Committee, 29 September 2022
Subject:	Annual Counter Fraud Framework Report

Summary

Proposed decision(s)
<p>That the Committee notes:</p> <ul style="list-style-type: none"> • the updated Counter Fraud Strategy Action Plan • the updated Fraud Risk Assessment • the updated Anti-Fraud, Bribery, and Corruption Policy

Report for:	Key decision:	Confidential:
Information	n/a	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
<p>The prevention and detection of fraud as well as the recovery of losses helps the Council to ensure the effective use of public funds for the benefit of residents and to achieve its strategic goals. Having a strong approach in addressing fraud positively reinforces goals surrounding crime and anti-social behaviour.</p>	<p>The Council aims to make considerable investment in homes, cultural assets, and the town centre. Tackling fraud against the council increases the resources available to achieve these objectives.</p>	<p>Delivering balanced budgets, maintaining front line services, and addressing budget shortfalls. Losing money to fraud makes these goals more challenging. Preventing fraud from occurring and recovering lost funds is an opportunity to produce potentially significant savings for the Council.</p>

Ward(s) affected
None.

What is the purpose of this report?

1. To update members on the impact of fraud nationally and in particular on local authorities. The Council's counter fraud policy framework has been reviewed and the Counter Fraud Strategy action plan and the Fraud Risk Assessment have been updated for 2022/23.
2. The review also identified that the Council's Anti-Fraud, Bribery, and Corruption Policy required updating to reflect changes in legislation. The Police, Crime, Sentencing and Courts Act 2022 has removed councils' ability to offer simple cautions as an alternative to prosecution. A new process is proposed which can be used to offer offenders a formal written warning when it is not in the public interest to prosecute. The policy has also been revised to make it more readable and up to date.

Why does this report require a Member decision?

3. The Corporate Affairs and Audit Committee has a responsibility under the Council's constitution to keep under review the Council's counter fraud framework which is made up of policies such as the Anti-Fraud, Bribery, and Corruption Policy.
4. To protect public funds, it is important for the Council to have a framework in place to prevent, detect and deter fraud, and to recover any losses. A strong anti-fraud framework that minimises loss through fraud and error will ensure that the Council has more resources available to focus on providing services for people with the greatest needs, which is fundamental to tackling inequality and poverty.

Report Background

5. The annual counter fraud framework report is included in annex 1 to this report. An updated Anti-Fraud, Bribery, and Corruption Policy is included in annex 2. The new process for formal written warnings is highlighted as a tracked change in section 4 of annex 2.

What decision(s) are being asked for?

6. That the committee notes:
 - the updated Counter Fraud Strategy Action Plan
 - the updated Fraud Risk Assessment
 - the updated Anti-Fraud, Bribery, and Corruption Policy

Why is this being recommended?

7. A strong counter fraud framework that minimises loss through fraud or error and maximises recovery could mean the Council has more resources to achieve its strategic aims and to provide services for people with the greatest needs. The Council also has a duty to protect public funds.

Other potential decisions and why these have not been recommended

8. This report is for information. There are no other options available.

Impact(s) of recommended decision(s)

9. There are no implications to this report in relation to:

- ***Legal***
- ***Financial***
- ***Policy Framework***
- ***Equality and Diversity***

Risk

10. The Council will fail to comply with best practice for counter fraud work if Members are not regularly updated on counter fraud policy and risk.

Actions to be taken to implement the decision(s)

11. n/a

Annex

Annex 1 – Counter Fraud Framework Report 2022/23

Annex 2 – Anti-Fraud, Bribery, and Corruption Policy

Background papers

No background papers were used in the preparation of this report

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