Stevenage Borough Council

Audit Committee Report

Anti-Fraud Plan 2023/24

Purpose

1   This report provides members with details of the Councils Anti-Fraud Plan for 2023/24.

Recommendations

2   **The Committee is RECOMMENDED to:**

   I.   Review and approve the Anti-Fraud Plan 2023/24.

Background

3   Recent reports have been provided to officers and are being used by SAFS to ensure that the Council is aware of its fraud risks and finds ways to mitigate or manage these effectively wherever possible.

   These reports include:

   Fighting Fraud and Corruption Locally a Strategy for the 2020's. The strategy focuses on the governance and 'ownership' of anti-fraud and corruption arrangements. The Strategy also identifies areas of best practice and includes a 'Checklist' to compare against actions taken by the Council to deter/prevent/investigate fraud. The checklist is maintained and reviewed by SAFS and officers.

   Tackling Fraud in the Public Sector 2020. In 2019 CIPFA commissioned a survey and several round table events for senior managers in local government to establish what local authorities were doing to tackling fraud. The survey was conducted by an independent body with the support of LGA and MHCLG.

   The Public Sector Fraud Authority 2022/23: Building for Success. The government has created the Public Sector Fraud Authority to transform the way that the government manages fraud. The PSFA works with departments and public bodies to better understand and reduce the impact of public sector fraud.

4   According to reports from CIPFA, National Audit Office (NAO), Cabinet Office, and the Private Sector, fraud risk across local government in England exceeds £2billion each year, with some more recent reports indicating levels considerably above this.

5   The Cabinet Office, Department for Levelling Up Housing and Communities (DLUHC), NAO, and CIPFA have issued advice, and best practice guidance, to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for vigilance in recognising fraud risks and the investment of sufficient resources in counter fraud activities.

6   It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of identified fraud.

7   Stevenage Borough Council is a founding partner of the Shared Anti-Fraud Service (SAFS). Members of this committee have received reports about how this service works closely with the Shared Internal Audit Service (SIAS) dealing with all aspects of fraud from prevention and deterrence to investigation and prosecution, working with services and Council staff at all levels.

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8   The reports and papers mentioned at section 3 above and guidance from the NAO, DLUHC and the Local Government Association (LGA) recommend that organisations have effective and robust counter fraud and corruption measures. These measures require the acknowledgement of fraud as a tangible risk, policies, and procedures to deter and prevent fraud and the provision of sufficient resources to investigate fraud and recover losses caused by fraud. Above all an organisation should have a plan to protect itself against fraud.

9   Council officers and SAFS management develop and agree an **Anti-Fraud Plan** each year and the proposed plan for 2023/24 is presented at **Appendix A**.

The Plan and Fighting Fraud and Corruption Locally

10   The Anti-Fraud Plan for 2023/24 has been designed to meet the recommendations of the Fighting Fraud and Corruption Locally Strategy (FFCL) by adopting the 'pillars' of Protect, Govern, Acknowledge, Prevent and Pursue.

11   The Plan identifies officers/members who will have a role in delivering it and SAFS will work with all concerned to ensure they understand their role both in delivering the Plan and supporting the FFCL strategy.

12   Members will note that this Committee has a role in ensuring key elements in the Plan are implemented and in monitoring the Councils anti-fraud work.

13   We have also included new areas of work for SAFS working with senior managers including Fraud Risk Assessments, and a review of the Councils procurement/contact management processes.

Counter Fraud Funding and Resources 2023/24

14   At pages 4 – 6 of the main body of the Plan (**Appendix A)** details are provided of funding on counter fraud in 2023/24.

15   Page 7 of the Plan includes reference to the SAFS KPIs for 2023/24 and the SAFS Standards of Service agreed.

16   SAFS has changed the way it will deliver its services to all of its Partners in 2023/24 with a measurable number of service/workdays which will include staff training, investigation capacity, access to SAFS management, intelligence & fraud alerts, and data-analytics. The days, allocation across service areas, and programmes of work, have all been agreed with senior officers across the Council.

17   SAFS will maintain its relationship with third party specialist providers and national networks to keep the Council informed of new and emerging fraud threats or changes to best practice that assist in deterring/preventing fraud and corruption.

18   SAFS will continue to work closely with Council officers working in those services mentioned in the Plan.

19   Regular reports will be provided to senior manager and this Committee on progress delivering the Plan for 2023/24.

Appendices

20   The following appendices are attached to this report: -

   Appendix A – Stevenage Borough Council - Anti-Fraud Plan 2023/24.

List of Background Papers - Local Government Act 1972, Section 100D

21   (a)   International Public Sector Fraud Forum guidance 2022
   (b)   Fighting Fraud and Corruption Locally a Strategy for the 2020s.
   (c)   Fraud and Corruption Tracker 2019.
   (d)   UK Annual Fraud Indicator 2017.
   (e)   A Councillors Workbook on Bribery and Fraud Prevention.
   (f)   Local Government Transparency Code (February 2015).
   (g)   The National Fraud Strategy: Fighting Fraud Together.
   (h)   CIPFA Red Book 2 – Managing the Risk of Fraud – Actions to Counter Fraud and Corruption.