



Report for: **GOVERNANCE, AUDIT,
RISK MANAGEMENT &
STANDARDS
COMMITTEE**

Date of Meeting:	23/05/22
Subject:	Corporate Anti-Fraud Plan 2023/24
Responsible Officer:	Dawn Calvert – Director of Finance & Assurance
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1: Corporate Anti-Fraud Plan 2023/24

Section 1 – Summary and Recommendations

This report sets out the 2023/24 Corporate Anti-Fraud Plan

Recommendations:

The Committee is requested to: Review and approve the Corporate Anti-Fraud Plan 2023/24.

The Committee is also asked to note the annual plan process, the plan development process, and the resources available to complete the plan.

Section 2 – Report

Corporate Anti-Fraud Team Plan 2023-24 (Appendix 1)

Background

- 2.1 Fraud remains the most common crime in England and Wales costing the UK economy in the region of £137bn annually. According to the Office for National Statistics in England and Wales Crime Survey (year ending December 2022), fraud accounted for 3.7 million offences, more than 1 million offences than the next most common offence; that of theft at 2.7 million offences. Fraud is not a victimless crime; it causes untold harm to individuals, businesses and communities.
- 2.2 Public Sector fraud accounted for £40.4 billion. Harrow Council is not immune to fraud and corruption and to mitigate against these risks, an annual risk-based fraud plan is developed in addition to the Internal Audit Plan 2023-24 so that fraud risks are managed effectively.

Annual Fraud Plan Process

- 2.3 The 2023/24 plan has been developed taking into consideration both internal and external factors that assess fraud risks according to their likelihood and impact. A new methodology for assessing fraud risks for the purposes of plan development has been undertaken to fall in line with the authorities' established risk assessment process. Careful consideration has also been given to incidents of fraud and corruption identified in 2022/23 which have been fed into the plan development. Externally, a number of national reports and trends have been reviewed and high-risk fraud areas across the sector assessed accordingly and feature in the plan.

Development of the Draft Fraud Plan

- 2.4 The draft plan has been developed by drawing on a number of sources of data:-

- Alignment to the Local Government Fraud Strategy, Fighting Fraud & Corruption Locally Strategy (FFCL) 2020
- A review of the authorities' Corporate Anti-Fraud & Corruption Strategy (under consultation at present)
- Discussions with the Head of Internal Audit and Interim Risk Manager to co-ordinate common interest work where possible;
- Local knowledge about known fraud risks the authority faces and fraud instances identified in 2022/23;
- Findings from the Financial Cost of Fraud 2021 Crowe UK and The University of Portsmouth;
- Review of fraud and corruption trends and patterns across the UK and more specifically London.
- A review of the Cifas Fraudscape 2023 Report
- The ONS England and Wales Crime Survey (year ending December 2022)
- The House of Lords Fraud Act 2006 and Digital Fraud Committee Report November 2022.

2.5 Fraud and corruption threats not only remove resources from critical services but can cause immeasurable social harm to individuals and communities and create poor morale amongst employees. Having a robust annual plan in place to mitigate fraud and corruption risks ensures that the authority knows what threats are faced where practicably possible, is able to prevent and disrupt criminals from perpetrating fraud and finally it enables the authority to react quickly when fraud does occur through a clear fraud response plan.

Resources

2.6 The plan is delivered by an in house Corporate Anti-Fraud Team of 5 FTE's including the Service Manager. All officers in the team are Accredited Counter Fraud Officers and the Service Manager is a qualified as Accredited Counter Fraud Manager. Resources are such that it is vital that the plan developed is risk based so as to direct resources at areas where financial losses and their impact are greatest.

Legal Implications

The terms of reference for the Committee include the follow requirements:

- to review and approve the annual Corporate Anti-Fraud Team Plan.

Financial Implications

The functions of the Corporate Anti-Fraud service are delivered within the budget available.

Risk Management Implications

The risk of fraud has been taken into consideration in the development of the plan.

Equalities implications / Public Sector Equality Duty

Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

The Internal Audit plan will have positive equalities impacts for example ensuring and measuring compliance with HR policies and the financial management of schools to give two examples.

Council Priorities

The Corporate Anti-Fraud Team contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support the priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer, Dawn Calvert

Date: 11/05/23

Statutory Officer: Isha Prince

Signed on behalf of the Monitoring Officer, Jessica Farmer

Date: 11/05/23

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

Section 4 - Contact Details and Background Papers

Contact: Justin Phillips, Corporate Anti-Fraud Manager, 02084241609

Background Papers: None.

If appropriate, does the report include the following considerations?

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| 1. Consultation | YES / NO |
| 2. Priorities | YES / NO |