

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 08 March 2022

Reporting officer: James Larkin, Head of Audit & Counter Fraud Shared Service
(Chief Audit Executive)

Subject: Counter Fraud Plan 2022-23

Purpose and summary of report:

To present for approval the Counter Fraud Plan for 2022-23.

Recommendations:

1. Members approve the Counter Fraud Plan 2022-23 presented at Appendix 2.

Key Implications:	
Item	Implications
Legal	Section 151 of the Local Government Act 1972 places a duty on local authorities to make arrangements for the proper administration of their financial affairs. The prevention, detection and investigation of fraud contributes to this requirement to ensure that public money is protected from fraud.
Finance and Value for Money	An adequate and effective Counter Fraud function helps to identify fraud and error that could have an adverse effect on the financial statements of the council. Since the inception of the shared service, the financial savings achieved through counter fraud activity have always exceeded the costs incurred. For example, the budgeted costs for counter fraud in 2021-22 were approximately £73,383 (35% of GBC shared service costs) and financial savings as of 31 December 2021 were £332,376, representing good value for money.
Corporate Plan	The work of the Counter Fraud supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress.
Climate Change	There are no direct climate change implications to this report.

1. Introduction

- 1.1 Since 1 March 2016 the council's counter fraud activity has been delivered by the Internal Audit & Counter Fraud Shared Service with Medway Council. Planned counter fraud activity has previously been included as part of an overall plan for Audit & Counter Fraud as officers were working in multi-disciplinary roles. Following a return to designated roles, and in line with recommended best practice, a separate work plan has been produced to cover all counter fraud activity and provide more detail around the work of the Counter Fraud Team than has previously been specified in the joint plans.

2. Counter Fraud Plan 2022-23

- 2.1 The Counter Fraud plan for 2022-23 has been designed to show how the council will aim to use the available resource and is broken down into four keys areas of activity:
- 2.2 **Fraud Awareness and Prevention** – prevention is better than cure, so there will be resource dedicated to educating staff around fraud risks, what they should be alert to and the role they play in trying to prevent it happening. It is also intended that fraud risk assessments will be completed in key areas of inherent risk to assess the controls and residual risks. Officers will be available to attend corporate working groups to offer advice where fraud risks are being considered as part of ongoing projects. There will also be a review of the councils Anti-Fraud & Corruption Strategy to ensure it remains in line with best practice.
- 2.3 **Pro-Active Counter Fraud Activity** – This will involve work to pro-actively identify potential instances of fraud and error and will primarily involve participation in the National Fraud Initiative Exercise and activities co-ordinated by the Kent Intelligence Network, but it may be possible to conduct internal exercises specific to the fraud risks of the council that not picked up by those larger projects.
- 2.4 **Responsive Investigation Activity** – This will form the largest area of work for the team and will relate to the investigation of alleged fraud / error / malpractice. While officers will primarily be responsible for the investigation of alleged fraud, their skills may be used by HR in the investigation of complex disciplinary matters.
- 2.5 **Other Counter Fraud Activity** – the council has a service level agreement with the Single Fraud Investigation Service to provide information relating to housing benefit claims that they are responsible for investigating. The team also respond to requests for information under the Data Protection Act that are received from the Police and other investigating bodies, including other local authorities. While it does not directly contribute to the performance of the service, it does require a level of resource, which is why it is included in the plan.
- 2.6 As members will be aware, the counter fraud measures have been removed from the Internal audit Quality Assurance & Improvement Programme. However, there are a number of performance measures that are relevant to the Team, and these are outlined in section five of the plan document. It will be noted that many of them do not have targets for the outturns and this is because of the largely responsive nature of the service, which dictates where resource must be allocated. For example, the investigation of existing cases of suspected fraud will always take priority, so there may have to be less resource dedicated to identifying further cases if there is no resource available to then investigate.
- 2.7 However, it is important to demonstrate where the service has applied its resource and the outcomes achieved. Members will receive details of the outturns against

these indicators as part of the periodic update reports and the annual counter fraud report.

2.8 A copy of the Counter Fraud Plan 2022-23 is presented at Appendix 2.

3. Appendices

3.1 The following documents are to be published with the report:

3.2 Appendix 2: Counter Fraud Plan 2022-23

4. Background Documents

4.1 There are no background documents.

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Secondary Implications	
Risk Assessment	The prevention, detection and investigation of fraud contributes to the council meeting its duties under section 151 of the Local Government Act 1972. The Counter Fraud Plan is intended to demonstrate how the council will use its Counter Fraud Resource to best support this duty by identifying and taking appropriate action in suspected and proven instances of fraud, as well as seeking redress.
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data ? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. No
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk . N/A
Equality Impact Assessment	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	The counter fraud arrangements of the council acknowledge that the council can be exposed to fraud and are intended to, as far as possible, prevent fraud occurring and pursue criminal action if needed when fraud is detected. Working with partners to combat crime and disorder has a positive contribution to community safety in its broadest sense.
Digital and website implications	The Local Government Transparency Code requires the publication of data relating to Fraud Investigation; this is published in line with the requirements on the council's website.
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.