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| REPORT TO: | AUDIT SUB-COMMITTEE (SPECIAL) | AGENDA ITEM: 11 |
| DATE OF MEETING: | 29th MAY 2019 | CATEGORY: DELEGATED |
| REPORT FROM: | STRATEGIC DIRECTOR (CORPORATE RESOURCES) | OPEN |
| MEMBERS' CONTACT POINT: | KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk | DOC: u/ks/revenues and benefits/fraud/fraud committee report 19 20 |
| SUBJECT: | ANTI-FRAUD and CORRUPTION PLAN 2019/20 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendations

1.1 That the proposed Anti-Fraud and Corruption Plan attached to this report is approved.

2.0 Purpose of Report

2.1 To consider an updated Anti-Fraud and Corruption Plan. This sets out how the Council aims to prevent and detect fraud, together with action the Council will take when dealing with identified cases of fraudulent activity.

3.0 Detail

3.1 The Plan is aimed at directing the Council's Fraud Service to achieve its targets. These targets are to:

- Embed fraud awareness as part of the competency framework for employees.
- Instil routine fraud checking as part of the Council's operational processes across all services.
- Further develop Fraud Partnership arrangements to include sanction targets.
- Maximise recovery of fraudulent payments and return of Council Assets to exceed in value the in-year budgeted costs of the Fraud Service to the Council.
- Report the results of Team activities on a monthly basis to the Head of Customer Services and the Strategic Director (Corporate Services).
- Continue joint working arrangements with the Department for Work and Pensions.

- Minimise the potential for misuse of supported accommodation claim arrangements and funding by providers and related financial organisations.

4.0 Financial Implications

- 4.1 The Council's Fraud Service is delivered in Partnership with Derby City Council. The Council is also part of a wider Derbyshire Partnership which has attracted Government funding to develop the use of ICT and which has funded the implementation of a joint software package.
- 4.2 The Corporate Resources Service Plan includes a performance target for the value of fraud identified to exceed the cost of the Council contributing to the Partnership.
- 4.3 This performance target was introduced for 2017/18 and is reported to the Finance and Management Committee. Performance for the past two years is shown in the following table.

| | 2017/18 £ | 2018/19 £ |
|---------------------|----------------------------|----------------------------|
| Cost of Partnership | 36,867 | 40,764 |
| Fraud Identified | 88,000 | 96,000 |

- 4.4 The Partnership focuses on the prevention of fraud by ensuring that robust controls and processes are in place which makes it difficult for a potential fraudster to commit a fraud. This includes close working and sharing of information with other agencies.
- 4.5 The value of fraud identified may not necessarily lead to cash or capital assets being recovered. A large part of the value represents the savings to the public purse due to a fraud being detected before it occurs, for example, additional discount being awarded in a fraudulent "right to buy" application. In these cases, the value represents the potential loss of public resources had that fraud been committed.
- 4.6 In other cases, for example discounts being awarded for Council Tax, the value will represent the amount of cash recovered which has been over claimed due to fraud.

5.0 Corporate Implications

Employment Implications

- 5.1 None

Legal Implications

- 5.2 None directly from the Plan itself.

Corporate Plan Implications

5.3 None directly.

Risk Impact

5.4 Fraudulent activity is a key risk in the Corporate Services' Risk Register. The adoption of an anti-fraud and corruption plan is designed to mitigate the risk through the prevention and detection of fraud.

6.0 Community Impact

Consultation

6.1 None required

Equality and Diversity Impact

6.2 It is considered that the Plan does not discriminate against any of the protected characteristics in the Equality Act 2010. The focus is on whether a fraud is or has been committed rather than the type of person or the group of individuals that may be committing fraud.

Social Value Impact

6.3 The prevention and detection of fraud helps to safeguard the "public purse".

Environmental Sustainability

6.4 Not applicable in the context of the report

7.0 Background Papers

7.1 None