

COMMITTEE: AUDIT & GOVERNANCE REF NO: AG/15/21

DATE: 1 MARCH 2016

**SUBJECT: CORPORATE FRAUD BUSINESS PLAN
2016-17**

PORTFOLIO HOLDER: COUNCILLOR MARTIN COOK

HEAD OF SERVICE: DAVID FIELD

The Corporate Fraud Business Plan 2016-17 details the Council's corporate approach to the prevention, detection and prosecution of fraud and corruption. The plan sets out the desired outcomes and management processes aligned to the Council's strategic objectives to provide value for money by identifying fraud and error across the Council's activities.

This report is presented to the Audit & Governance Committee in compliance with its terms of reference, '*Advising Council on the implementation of an anti-fraud culture/statement for the Council.*'

Ward(s) affected:

Not Applicable.

List of Appendices included in this report:

Appendix 1: Corporate Fraud Business Plan 2016-17

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This report was prepared after consultation with:

Internal consultees:

Corporate Management Team

External consultees, EY

The following policies form a context to this report:

(all relevant policies must also be referred to in the body of the report)

Building a Better Ipswich

1. Introduction

- 1.1 An annually updated Anti-Fraud Business Plan has been in place for many years and supports the zero tolerance approach Ipswich Borough Council has to fraud and corruption.
- 1.2 A key responsibility within the Audit & Governance Committee's terms of reference is for '*Advising Council on the implementation of an anti-fraud culture/statement for the Council.*'
- 1.3 The Audit & Governance Committee receives a Corporate Fraud Business Plan each year, usually in March and also a Corporate Fraud Annual Report detailing the full year's performance, usually in June of each year.

2. Background

- 2.1 The Council has a zero tolerance approach towards fraud and corruption, and the existence of a professional Corporate Fraud team demonstrates the Council's commitment to this objective.
- 2.2 The National Audit Office scrutinises public spending on behalf of Parliament. Under the Local Audit & Accountability Act 2014, the Comptroller and Auditor General has a duty to prepare, publish and maintain a Code of Audit Practice which sets out how local auditors must carry out their responsibilities under the Act. It is clear that auditors have public sector organisations have wider duties to include aspects of public stewardship and the use to which the resources have been put.
- 2.3 The Corporate Fraud Business Plan 2016-17 is a direct contribution to meeting the Council's objectives and a key contributor to enabling the Government's austerity measures in reducing public expenditure by reducing fraud.

3. Relevant Policies

- 3.1 Building a Better Ipswich underlying principle: Value For Money.

4. Risk Management

Risk Description	Consequence of risk	Risk Controls	Probability of risk occurring taking account of controls (scale 1-6) 1 – almost impossible 6 – very high	Impact of risk, if it occurred taking account of actions (scale 1 – negligible; 4 – catastrophic)	Actions to mitigate risk
1. Failure to prevent and detect fraud.	<p>Financial Loss.</p> <p>Inability to provide services to those in need.</p> <p>Reputational damage.</p>	<p>Investigations undertaken by Corporate Fraud Team through referrals.</p> <p>Preventative due diligence measures implemented for some service processes.</p> <p>Corporate Fraud team raising awareness of fraud.</p>	4	3	<p>Referrals risk assessed and investigations conducted where appropriate. Sanctions publicised where appropriate.</p> <p>Due diligence measures undertaken as part of business as usual to prevent and deter fraud in the first instance.</p> <p>Monthly fraud clinics held for staff.</p>
2. Lost opportunity to work with Registered Social Landlords (RSL's) and neighbouring Councils.	Loss of income	Regular meetings with RSL's and neighbouring Councils.	4	2	Member of Tenancy Fraud Forum
3. Failure to undertake mandatory National Fraud Initiative data matching exercise.	Reputational damage.	Matches co-ordinated by Internal Audit and Corporate Fraud Services.	3	2	Included as part of Internal Audit and Corporate Fraud Business Plans.

5. Environmental Impact Assessment

- 5.1 There are no known direct or indirect environmental impacts arising from this report.

6. Equalities and Diversity Implications

- 6.1 There are no known Equality and Diversity implications arising from this report.

7. Financial Considerations

- 7.1 The Corporate Fraud Business Plan aims to deliver a mechanism to prevent, detect and prosecute fraudulent behaviour and thus provide improved value for money given the finite Local Government resources available. The work of the Corporate Fraud Team is directly aligned to protecting the public purse, reducing crime and delivering value for money.
- 7.2 The Corporate Fraud Team is a support service and is funded by the services across the Council which receive professional fraud support.

8. Legal Considerations

- 8.1 Ipswich Borough Council has a contract with Suffolk Coastal District Council which delivers strategic and operational management of the Internal Audit and Fraud Service.

9. Performance Monitoring

- 9.1 Set out in **Appendix 1: Corporate Fraud Business Plan 2016-17.**

10. Conclusions

- 10.1 This report is to apprise members of the planned Corporate Fraud work and ensure members of the Committee discharge their duties and responsibilities in accordance with the Committee's terms of reference for *'Advising Council on the implementation of an anti-fraud culture/statement for the Council.'*

11. Recommendations

- 11.1 **That the Committee comments upon and endorses the Corporate Fraud Business Plan 2016-17.**