

Corporate Fraud Services Business Plan 2016-2017

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1 INTRODUCTION

- 1.1 Local Authorities have a duty to safeguard public funds and take responsible steps to ensure that controls are in operation to mitigate, prevent, detect and prosecute fraudulent activity. All Councilors and officers are committed to a zero tolerance approach towards fraud and corruption in the administration of its responsibilities, whether inside or outside the Council.
- 1.2 The Corporate Fraud Team at Ipswich Borough Council undertakes dedicated fraud prevention, detection, investigation and intelligence gathering activities.
- 1.3 The Corporate Fraud team receives referrals from internal staff, external agencies and departments along with anonymous referrals from members of the public. A confidential telephone fraud 'hotline' (01473 433999), is available for members of the public to report their suspicion of fraud. Reports can also be made via the Council website.
- 1.4 The loss and harm caused by fraud in the public sector is significant. The National Fraud Authority Annual Fraud Indicator 2013 showed an estimated annual loss of £2.1 billion to fraud in local government. This loss excludes business rates which is a main area of income generation. This also does not take in to consideration the social harm caused by fraud.
- 1.5 Protecting the English Public Purse 2015 has been issued by The European Institute for Combatting Corruption and Fraud (TEICCAF) to continue the national series of Protecting the Public Purse reports previously published by the Audit Commission. The report specifically identified:
 - Right to Buy (RTB) emerging as a significant area of fraud risk, with detected fraud cases more than doubling during 2014/15.
 - Insurance fraud is continuing to rise, with the value and number of cases nearly doubling.
 - Significant increase in cases of economic and third sector fraud (increase of 183 per cent).
 - Business rate fraud cases have more than doubled.

2 AIMS & OBJECTIVES

- 2.1 The Corporate Fraud Team at Ipswich Borough Council is committed to:
 - Raising awareness of the importance of tackling fraud;
 - Focusing on prevention and deterrence as a cost-effective means of reducing fraud losses to protect public resources;

- Investigate potential fraudulent or corrupt activity and take appropriate action;
- Recover losses from fraud, using legislation such as the Proceeds of Crime Act (POCA);
- Working with other organisations to prevent, deter and detect fraud and reduce loss through fraud and error.

3 RESOURCES

- 3.1 The Corporate Fraud Service forms part of the Audit Services Partnership arrangements with Suffolk Coastal District Council and Waveney District Council.
- 3.2 Whilst 2 full time equivalent Corporate Fraud Investigators are directly employed by Ipswich Borough Council reporting to the Audit Manager. Partnership arrangements provide an opportunity to share knowledge and expertise; with a further two full time equivalent posts appointed at Suffolk Coastal District Council.
- 3.3 Both Corporate Fraud Investigators at Ipswich Borough Council are accredited financial investigators, with a further financial investigator employed by Suffolk Coastal District Council. This provides a significant advantage to the Council as it enables us to recover financial losses due to criminal activity, as well as the ability to tackle broader criminal conduct.

4 KEY ACTIVITIES 2016-17

- 4.1 Conduct fraud investigations during the year within any of the following key areas (as identified within Protecting the Public Purse 2014 and Protecting the English Public Purse 2015):
- Tenancy fraud
 - Right to Buy (includes continuing due diligence support)
 - Council Tax Reduction Scheme
 - National Non Domestic Rates
 - Procurement
 - Abuse of position
 - Insurance claims
 - Blue Badge Scheme (in partnership with Suffolk County Council)
 - Economic, third sector and grants
 - National Fraud Initiative Matches (statutory national exercise)
 - Whistleblowing
 - Abuse of position
 - Payroll and Expenses
 - Recruitment

Due to the emerging risks highlighted with the recent publication of Protecting the English Public Purse 2015, the Corporate Fraud team will continue to focus work within Housing Services.

- 4.2 Provide fraud awareness training to services across the Council. Particularly; Housing & Community Services, Shared Revenues Partnership and Customer Services.
- 4.3 Improve understanding across the Council, including Members, about the assistance the service can provide in many enforcement areas, not least, for the seizure of assets of offenders to recoup financial losses.
- 4.4 Publicising the work of the Corporate Fraud Service through fraud clinics internally and to the public through Press Officers.
- 4.5 Reviewing housing succession applications prior to award.
- 4.6 Undertaking National Fraud Initiative data matching activities and any local proactive fraud drives assessed as a priority by the Head of Internal Audit.
- 4.7 Conduct secondary Single Person Discount checks as agreed with the Shared Revenues Partnership.
- 4.8 Continue to work closely with Internal Audit to assess fraud risks across the Council and improve processes to reduce such risks.
- 4.9 Undertake joint exercises with Suffolk County Council for Blue Badge enforcement.
- 4.10 Foster and maintain working relationships with Registered Social Landlords within the area to provide support with housing investigations if required.

5 PERFORMANCE

- 5.1 An annual report will be presented to the Audit & Governance Committee, usually in June each year.
- 5.2 Outputs are monitored on a monthly basis within the service.
- 5.3 Performance indicators to be agreed and reported quarterly with Housing & Community Services.