

Counter Fraud Annual Plan 2024/2025

Prepared by:

Mark Harrison, Counter Fraud Manager &

Claire Goodenough, Head of Audit

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Appendix A

Introduction

The Role of Counter Fraud

The role of counter fraud is to reduce fraud losses within the Council through the promotion of quality and enforceable policies and procedures. Part of the work of the team is to provide reliable and accurate information, guidance and advice on the use of fraud controls, facilitate understanding of frauds facing the Council and proactively deter, prevent and detect areas of weakness or actual losses.

The context in which local government services are delivered has changed. The increasing risk of fraud by motivated offenders, the reduced local authority resources and the associated impact upon local control frameworks add pressure to the council's risk exposure from fraud.

The 2020 Fighting Fraud and Corruption Locally Strategy built upon three pillars of activity (acknowledge, prevent and pursue). This further developed to support the "six Cs" which are culture, capability, capacity, competence, communication and collaboration. In 2022 Central Government established the Public Sector Fraud Authority (PSFA) who have developed guidance, standards and training aimed specifically at developing public sector fraud teams. The team continue to work with the PSFA and our plans align with their guidance and support.

The proactive work of the counter fraud team is an essential resource in educating all employees and council partners around improve behaviours and activity. Whilst enforcement, detection

and recovery of losses forms an aspect of the service, the proactive work is the most impactful of the roles we deliver.

The Council has high expectations of propriety, integrity and accountability from all parties we interact with. Enabling proactive delivery and application of resources will help deliver consistency, fairness and objectivity across our work. Lessons learned and supportive reviews form part of what the team offers.

The counter fraud team work closely with the internal auditors to share intelligence, support the work on each department and, when appropriate, share resources for the advancement and improvement of specific services or assignments.

The counter fraud plan provides the mechanism through which the Head of Internal Audit can gain assurance around the effectiveness of counter fraud strategies, the level of support and engagement across the council and share lessons learned and promote the improvement should policies contain potential fraud weaknesses.

Counter fraud work is always considered as proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant officers and the audit committee, to ensure it continues to reflect the needs of the Council and add value.

Your Counter Fraud Team

Your counter fraud service is led by Claire Goodenough, Head of Internal Audit & Risk and is supported by Mark Harrison as Counter Fraud Manager. The audit team comprises of two principal investigators, one principal counter fraud auditor and one senior audit/fraud officer. The team of 5.54 full time equivalents is sufficient resource to deliver the counter fraud requirement for 2024/2025. The team is not divided in their delivery and when investigators are not deployed on live investigations, they support the proactive work and information sharing required to improve knowledge, understanding and education.

Conformance with Standards

The PSFA was launched in August 2022 to improve the performance within the public sector for tackling fraud, expanding the breadth and depth of counter fraud knowledge and delivering a unified function to tackle public sector fraud. As part of the 2022/23 work the PSFA has developed professional standards and guidance for investigators and fraud prevention professionals. We have aligned the service with these standards and guidance for 2024/2025 with the aim of sharing practice, being part of the emerging fraud risks arena and providing a high quality service to our communities in reducing fraud in the public purse.

Developing the Counter Fraud Plan 2024/2025

The team used a variety of sources, information and data to inform the development of the counter fraud plan with the aim and objectives of securing council assets, reputation and reduce potential losses.

The areas shown in figure 1, were utilised to inform the delivery plan for 2024/2025.

The later part of 2023/2024 saw the development of a Counter Fraud Representation Group (CFRG) which had membership across all directorates where intelligence, information lessons learned and ways of detecting and avoiding fraud opportunities are discussed.

The team have been proactive in effective communication and held a sharing session with Assistant Directors and above where discussions were used in the formation of the plan. Having clear expectations on zero tolerance to fraud and promoting areas of strong counter fraud performance can have a significant impact upon the culture and behaviour of staff.

During the coming financial year, internal audit and counter fraud will work together to support effective delivery and reduce the impact upon service delivery through one visit with multiple outcomes.

To ensure the plan remains timely and relevant to the changing needs and requirements of the council, work has been arranged so it delivers across the full year and revisits specific events to enable sign posting of improvements and ascertain where further support and guidance may be needed.

Education and continual self-assessment and improvement plays a key role in developing a resilient and confident counter fraud service.

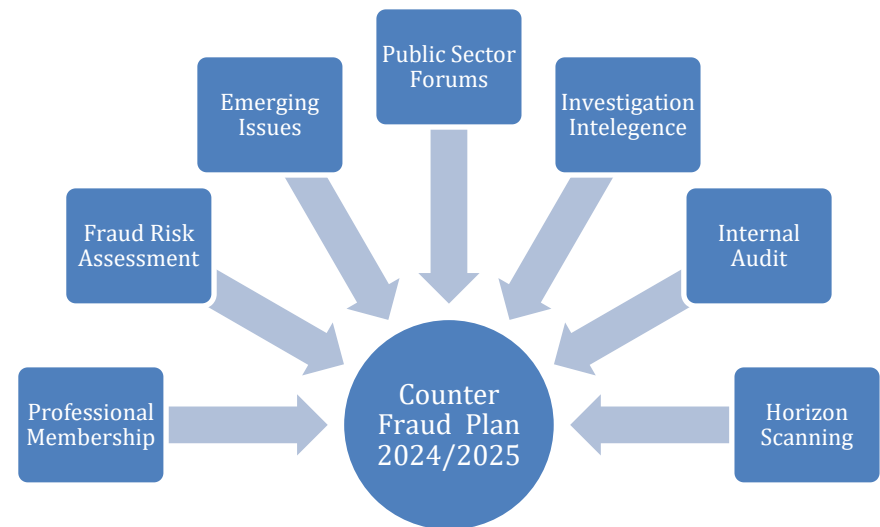


Figure 1

Counter Fraud Plan 2024/25

Project	Expected Impact	Risk Link	High-level Scope	Proposed Timing
Collaboration with Internal and External Partners	The expected impact of our counter fraud team collaborating with internal and external partners is a more coordinated, proactive, and effective approach to combating fraud, leading to improved detection, prevention, and response capabilities, as well as enhanced public trust and confidence in the organization's integrity and accountability.		Collaboration and education, sharing of intelligence and cross pollination of best practice.	Q1/2/3/4
Communication Plan	The communication plan for our counter fraud team plays a critical role in promoting awareness, engagement, and accountability in fraud prevention efforts, contributing to a culture of integrity and resilience within the Council.	Transparency	Re enforcement of the Counter Fraud message	Q1/2/3/4
Expenses	The expected impact of the team's resource in checking expenses is to promote integrity, transparency, and accountability in expense management. this will help to safeguard the Council's resources, reputation and reduce losses. By proactively addressing fraud risks and non-compliant practices, the team contributes to the council's financial health and operational effectiveness.	Financial losses	Ensure public funds are used effectively in line with policy	Q1/2/3/4
Sundry Accounts	From the team checking the controls for sundry accounts it will promote transparency, accountability, and integrity in financial management, thereby safeguarding the council's assets, reputation, preventing losses and long-term success.	Financial losses / Reputational damage	Ensure public funds are used effectively in line with policy	Q1/3
Data Collection	Data collection will enhance the council's ability to deter losses by effectively identifying, assessing, and mitigating fraud risks. By leveraging data analytics to inform fraud prevention efforts, the team can proactively deter potential losses and safeguard the council's assets and reputation.	Financial losses / Reputational damage	Providing good value council services	Q1/3
Procurement and Contract Controls	Conducting counter fraud checks on procurement and contract controls contributes to the council's financial integrity, operational efficiency, regulatory compliance, and reputation, thereby safeguarding resources and fostering trust among stakeholders.	Transparency	Providing good value council services	Q3

Payroll/General ledger	Checking controls on payroll and the general ledger will mitigate fraud risks, ensure compliance with regulations, protect assets, and enhance financial transparency and accountability. By strengthening controls and promoting a culture of integrity, the council can safeguard its financial health and reputation.	Key Controls	Providing good value council services	Q3-Q4
Counter fraud risk assessments	Counter fraud risk assessments play a critical role in identifying, prioritising, and mitigating fraud risk. By proactively managing these risks, the council can protect assets, reputation, and stakeholders' interests, ultimately contributing to long-term success and sustainability.	Fraud Risks	Safeguarding of the public purse from loss	Q1/2/3/4
Whistleblowing Policy awareness	Raising awareness of the whistleblowing policy to promote a culture of transparency, accountability, and integrity across the Council. By empowering employees to speak up about fraud concerns and providing them with the necessary support and protections, the council can strengthen its assurance, prevention efforts and safeguard the adequacy of this work.	Fraud Risks / Reputational Damage	Encourage trust and confidence within the programme	Q1/2/3
Employee Counter Fraud Training	Employee counter fraud training is essential in building a culture of vigilance, integrity, and ownership. By educating employees about the risks and consequences of fraud and empowering them to take action, training helps safeguard assets, reputation, and long-term success.	Fraud Risks / Reputational Damage	Providing good value council services	Q2/4
Continuous development and improvement	The continuous development of our counter fraud team is essential for building a highly skilled, adaptable, and effective workforce capable of addressing the evolving challenges of fraud prevention and detection. By investing in the professional growth and development we can strengthen resilience to fraud risks and protect assets, reputation, and stakeholders' interests. Conduct post-incident reviews to learn from fraud cases and enhance preventative measures adds strength and value across the service.		Providing good value council services	Q1/2/3/4