



Doncaster Council

Report

Date: 29th April, 2021

To the Chair and Members of the
AUDIT COMMITTEE

COUNTER FRAUD ACTIVITY REPORT

EXECUTIVE SUMMARY

1. A new counter fraud strategy has been launched for local government, the Fighting Fraud and Corruption Strategy 2020. Arrangements for counter fraud at the Council are being adapted to meet this new strategy. The report that is attached, explains the new changes and gives an overview of the counter fraud function here at Doncaster Council.
2. The Council's Anti-Fraud, Bribery and Corruption Framework (its policy and strategy on how to deal with fraud and corruption) has been adapted to match the new strategy. Changes to it are largely cosmetic or are changes in terminology, with the exception of changes to the Prosecutions and Sanction Policy where new text has been added to explain how decisions as to whether or not to prosecute an offence are made. This enhanced clarity is based on the public interest decision test as administered by the Crown Prosecution Service.
3. The Council's policy remains to prevent, detect, investigate and prosecute fraud and corruption on a risk basis with action taken wherever it is in the public interest to do so.
4. Fighting Fraud and Corruption Locally Strategy 2020 has resulted in the audit plan being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. Having a clearly set out plan of our proactive and reactive fraud work is designed to meet the requirements of the new strategy and make the counter fraud plan more transparent.
5. The attached report contains the following elements:
 - An assessment of compliance with the Fighting Fraud and Corruption Locally Strategy 2020 as required by the strategy;

- Updates to the Anti-Fraud, Bribery and Corruption Framework so that it matches the latest strategy;
- Horizon scanning for new fraud risks and the assessment of fraud risks for the Council; and
- Presentation of the new Counter Fraud Plan for the Internal Audit Service and an assurance map mapping coverage of the plan and activities to the risks on the fraud risk register (as required by the new strategy).

EXEMPT REPORT

6. This report is not exempt.

RECOMMENDATIONS

7. The Audit Committee is asked to support the report and approve:
- The Fighting Fraud and Corruption Locally Self-Assessment;
 - The changes to the Anti-Fraud, Bribery and Corruption Framework;
 - The Counter Fraud Plan and the assurance map which maps all the proposed activities to fraud risks.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. Fraud and corrupt activity divert scarce resources away from Council and other public services. They cost the taxpayer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses and deter fraudulent activity. Typically, the most vulnerable in society bear the cost of most of the fraud as it limits council spending on those users that need our services the most.

BACKGROUND

9. A counter fraud strategy has been in place in the form of an Anti-Fraud, Bribery and Corruption Framework since 1999 and it has been through many iterations as counter fraud strategy across local government changes in response to the changing fraud landscape.
10. Counter fraud work has always been a feature of the Internal Audit Plan, the latest strategy and changes proposed increase transparency and ease of access.

OPTIONS CONSIDERED

11. Not applicable

REASON FOR RECOMMENDED OPTION

12. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	No implications.
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	Fraud and error reduces the money available to the public purse and, therefore, has an impact on the Council's ability to provide services and develop Doncaster for its citizens.
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	No implications
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in 	No implications.

	Outcomes	Implications
	<p>life</p> <ul style="list-style-type: none"> • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Error and fraud against the Council directly affect the public purse by reducing the amount of monies available to the Council to provide services and improvements for Doncaster citizens.</p>

RISKS AND ASSUMPTIONS

13. Failure to address fraud and corruption risks causes:-
- reputational damage to the Council from fraud and corrupt practices;
 - diverts scarce resources away from priority services to the detriment of our citizens.

LEGAL IMPLICATIONS [SRF 19/04/21]

14. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. The work detailed within this report supports that obligation.

FINANCIAL IMPLICATIONS [SJT 16/04/21]

15. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery at a time of increased budgetary pressure and service demands.
16. The financial benefits of effectively minimising fraud in this period can be found in the body of the report.

HUMAN RESOURCE IMPLICATIONS [KM 19/04/21]

17. Whilst there are no resource implications directly caused by this report, there are implications for Human Resources where employees undertake fraud, (or are alleged to have undertaken). In these cases, Human Resources are involved in all investigations to ensure that these are conducted properly, and appropriate and timely action is taken against the employee.

TECHNOLOGY IMPLICATIONS [PW 19/04/21]

18. There are no anticipated technology implications in relation to this report.

HEALTH IMPLICATIONS [RS 15/04/21]

19. There are no direct health implications in this report. Effective audit and governance should contribute to improved health and wellbeing by maximising the effectiveness of public spending. Preventing and detecting fraud and error is a contributor to good governance.

EQUALITY IMPLICATIONS [NFW 13/04/21]

20. Every citizen in Doncaster is affected by fraud both as a result of fraud committed against them and fraud committed against the Council. Whilst every citizen is affected, fraudsters generally target citizens with protected characteristics such as the young, the elderly, those with mental health issues or those with learning disabilities. Similarly, reductions in the Council's spending power as a result of fraud and error reduce monies available to support Doncaster Citizens. Whilst every citizen is again affected by this, groups with protected characteristics are the most vulnerable to these affects as they access a higher proportion of Council services.

CONSULTATION

21. None

BACKGROUND PAPERS

22. The Fighting Fraud and Corruption Locally Strategy 2020 as available on the CIPFA website.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

23. All abbreviations and acronyms are written in full in the report with their abbreviations used only after the first instance. Items used are:
 - NFI – National Fraud Initiative
 - FTE – Full time equivalent employees
 - HMRC – HM Revenue and Customs
 - BEIS – The Department for Business Energy and Industrial Strategy

REPORT AUTHOR & CONTRIBUTORS

Nicola Frost-Wilson, Internal Audit Manager,
Tel 01302 862931 E-mail – Nicola.Frost-Wilson@Doncaster.gov.uk

Appendices

Appendix A – Counter Fraud Activity Report and Associated Appendices

**Faye Tyas
Assistant Director of Finance**