



# Doncaster Council

## Report

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Date: 28<sup>th</sup> April, 2022

To the Chair and Members of the  
**AUDIT COMMITTEE**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
n/a	n/a	No

### COUNTER FRAUD ACTIVITY REPORT

#### EXECUTIVE SUMMARY

1. The attached report covers the Council's Counter Fraud Plan for 2022/23. This plan has been constructed in line with the Council's Anti-Fraud, Bribery and Corruption Framework (as approved by the Audit Committee in April 2021) and in line with the Fighting Fraud and Corruption Strategy 2020 for Local Government.
2. 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;
  - Horizon scanning for new fraud risks and the assessment of fraud risks for the Council;
  - Assessments of counter fraud resource levels; and
  - Presentation of the new Counter Fraud Plan for Doncaster Council 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).
3. Fighting Fraud and Corruption Locally Strategy 2020 resulted in the audit plan last being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. This has been continued this year. 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.

#### EXEMPT REPORT

4. This report is not exempt.

## RECOMMENDATIONS

5. The Audit Committee is asked to support and approve:

- The Fighting Fraud and Corruption Locally Self-Assessment;
- 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?

6. Fraud and corrupt activity divert scarce resources away from Council and other public services. They cost the tax payer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses, maximise recovery 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

7. 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.

8. Counter fraud work is an expected element of every council's approach to fraud and is required under the Fighting Fraud and Corruption Strategy 2020.

## OPTIONS CONSIDERED

9. Not applicable

## REASON FOR RECOMMENDED OPTION

10. Not applicable

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Doncaster Living:</b> 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"><li>• The town centres are the beating heart of Doncaster</li><li>• More people can live in a good quality, affordable home</li><li>• Healthy and Vibrant Communities through Physical Activity and Sport</li><li>• Everyone takes responsibility</li></ul>	<p>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. Preventing fraud and deterring it saves money that can be spent on other activity.</p>

	<b>Outcomes</b>	<b>Implications</b>
	for keeping Doncaster Clean <ul style="list-style-type: none"> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<b>Connected Council:</b> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	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.

## **RISKS AND ASSUMPTIONS**

11. Failure to address fraud and corruption risks cause:-

- reputational damage to the Council from fraud and corrupt practices;
- the diversion of scarce resources away from priority services to the detriment of our citizens.

## **LEGAL IMPLICATIONS [Initials: SRF Date:13.04.22]**

12. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in this report under the requirements of the Government's Transparency Agenda which assists the Council in demonstrating it is delivering value for money. This information will be published on the Council's website.

## **FINANCIAL IMPLICATIONS [Initials: SJT Date:12.04.22]**

13. 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.

14. The financial benefits of effectively minimising fraud in this period can be found in the body of the report

## **HUMAN RESOURCE IMPLICATIONS [Initials: SH Date: 12.04.22]**

15. 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 [Initials: PW Date:14.04.22]**

16. There are no specific technology implications in relation to this report. However, cyber enabled crime continues to rise as outlined in the Counter Fraud Activity Report. A dedicated Cyber Security Team has been formed within Digital & ICT and the technical tools in place to deter and monitor cyber-attacks are continually being updated and implemented. The Council's technical security arrangements are also monitored annually by the Cabinet Office and various security audits are undertaken on a regular basis. A retainer with a specialist technical security company is also in place in case we need assistance in the event of a cyber-attack. Mandatory training in relation to cyber-crime, cyber security and staying safe on line is also being rolled out across the organisation.

### **HEALTH IMPLICATIONS [Initials: RS Date:12.04.22]**

17. 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 [Initials NFW Date: 04.04.22]**

18. 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**

19. None

### **BACKGROUND PAPERS**

20. The Fighting Fraud and Corruption Locally Strategy 2020 is available on the CIPFA website.

### **GLOSSARY OF ACRONYMS AND ABBREVIATIONS**

21. 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

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### **Appendices**

**Appendix A – Counter Fraud Activity Report and Associated Appendices**

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