



Welwyn Hatfield Borough Council

Audit Committee Report

Anti-Fraud Plan 2023/24

## Purpose

- 1 This report provides members with an introduction to the Hertfordshire Shared Anti-Fraud Service (SAFS) and details of the Councils Anti-Fraud Plan for 2023/24.

## Recommendations

- 2 **The Committee is RECOMMENDED to:**
  - I. **Note the Councils membership of the Shared Anti-Fraud Service.**
  - II. **Review and approve the Anti-Fraud Plan 2023/24.**

## Background

- 3 From April this year the Council will join the Hertfordshire Shared Anti-Fraud Service (SAFS). SAFS was set up in 2015 and is an award-winning anti-fraud function hosted by Hertfordshire County Council. SAFS Objectives are determined by its Board and for 2023/24 are as follows:
  1. ***Ensure ongoing effectiveness and resilience of Partner anti-fraud arrangements***
  2. ***Deliver financial benefits in terms of cost savings or increased revenue to Partners***
  3. ***Develop the Hertfordshire 'FraudHub' – working principally with the Cabinet Office and Synectics Solutions.***
  4. ***Improve the reach into new areas of fraud risk across all Partner services, with a focus on new & emerging fraud risks, shared best practice and fraud 'alerts'***
  5. ***Develop services which can be marketed to 3<sup>rd</sup> Parties or shared for mutual benefit***
  6. ***Continue to develop SAFS as a recognised centre of excellence nationally***
- 4 Recent reports have been provided to officers and are being used by SAFS to ensure that the Council is aware of its fraud risks and finds ways to mitigate or manage these effectively wherever possible.

These reports include:

***Fighting Fraud and Corruption Locally a Strategy for the 2020's.*** This document replaces the previous 2016-2019 Strategy on which all current Anti-Fraud Plans are based however, much of the format/themes/content of the previous document are retained with key changes being around the governance and 'ownership' of anti-fraud and corruption arrangements.

***Tackling Fraud in the Public Sector 2020.*** In 2019 CIPFA commissioned a survey and several round table events for senior managers in local government to establish what local authorities were doing to tackling fraud. The survey was conducted by an independent body with the support of LGA and MHCLG.

***The Public Sector Fraud Authority 2022/23: Building for Success.*** The government has created the Public Sector Fraud Authority to transform the way that the government manages fraud. The PSFA works with departments and public bodies to better understand and reduce the impact of public sector fraud.

- 5 According to reports from the Chartered Institute for Public Finance and Accountancy (CIPFA), National Audit Office (NAO), Cabinet Office, and the Private Sector, fraud risk across local government in England exceeds £2billion each year, with some more recent reports indicating levels considerably above this.
- 6 The Cabinet Office, Department for Levelling Up Housing and Communities (DLUHC), NOA, and CIPFA have issued advice, and best practice guidance, to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for vigilance in recognising fraud risks and the investment of sufficient resources in counter fraud activities.
- 7 It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of identified fraud.
- 8 Welwyn Hatfield Council will join the Hertfordshire Shared Anti-Fraud Service (SAFS) in April 2023. The Senior Leadership Team have received reports about how this service will work across all services and in partnership with the Shared Internal Audit Service (SIAS) dealing with all aspects of fraud from awareness and risk assessment to prevention and deterrence, to investigation and prosecution, working with services and staff at all levels.

## Report

### **Anti-Fraud Plan 2023/24**

- 9 The reports and papers mentioned at section 3 above and guidance from NAO, DLUHC, formerly MHCLG, recommend that organisations have effective and robust counter fraud and corruption measures. These measures require the acknowledgement of fraud as a tangible risk, policies, and procedures to deter and prevent fraud and resources to investigate suspected fraud and recover losses. Above all an organisation should have a plan outlining how it will protect itself against fraud and corruption.
- 10 Council officers working with SAFS have developed and agreed an **Anti-Fraud Plan** for 2023/24 and this can be found at **Appendix A**.

### **The Plan and Fighting Fraud and Corruption Locally**

- 11 The Anti-Fraud Plan for 2023/24 has been designed to meet the recommendations of the Fighting Fraud and Corruption Locally Strategy (FFCL) by adopting the 'pillars' of Protect, Govern, Acknowledge, Prevent and Pursue.
- 12 The plan identifies officers/members who will have a role in delivery and SAFS will work with all concerned to ensure they fully understand their role in the Plan and supporting the FFCL strategy.

- 13 Members will note in the Plan that this Committee has a role in ensuring that the Council meets its objectives.
- 14 The Plan includes KPIs for SAFS in 2023/24 and a copy of the latest Fighting Fraud and Corruption Locally Strategy.

#### **Counter Fraud Resources 2023/24**

- 15 Page 7 of the Plan includes reference to the SAFS KPIs for 2023/24 and the SAFS Standards of Service agreed.
- 16 SAFS will deliver its services to all of its Partners in 2023/24 with a measurable number of service/workdays which will include staff training, investigation capacity, access to SAFS management, intelligence & fraud alerts, and data-analytics. The days, allocation across service areas, and programmes of work, have all been agreed with senior officers across the Council.
- 17 SAFS will maintain its relationship with third party specialist providers and national networks to keep the Council informed of new and emerging fraud threats or changes to best practice that assist in deterring/preventing fraud and corruption.
- 18 SAFS will continue to work closely with Council officers working in those services mentioned in the Plan.
- 19 SAFS will provide this Committee and senior managers with reports during the year on progress with delivering the Anti-Fraud Plan for Welwyn Hatfield Council.

#### **Appendices**

- 20 The following appendices are attached to this report:  
**Appendix A** – Welwyn Hatfield Council Anti-Fraud Plan 2023/24.

#### **List of Background Papers - Local Government Act 1972, Section 100D**

- 21
  - (a) International Public Sector Fraud Forum guidance 2022
  - (b) Fighting Fraud and Corruption Locally a Strategy for the 2020s.
  - (c) Fraud and Corruption Tracker 2019.
  - (d) UK Annual Fraud Indicator 2017.
  - (e) A Councillors Workbook on Bribery and Fraud Prevention.
  - (f) Local Government Transparency Code (February 2015).
  - (g) The National Fraud Strategy: Fighting Fraud Together.
  - (h) CIPFA Red Book 2 – Managing the Risk of Fraud – Actions to Counter Fraud and Corruption.