

## Counter Fraud Update Report

<b>Corporate Priority:</b>	All
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 To provide Members with a copy of the fraud log for 2020/21 and a six monthly update on counter fraud activity.

### 2 Recommendation

#### That Committee

- 2.1. **Notes the report.**

### 3 Reason for Recommendations

- 3.1 To ensure the Committee has an oversight of the Council's investigation and counter fraud activity.

### 4 Background

- 4.1 The Council has a zero tolerance to fraud and corruption which is communicated and enforced through its policies and procedures. In order to actively promote this culture and ensure controls are robust as possible, the Head of Internal Audit and the Director for Corporate Services review fraud risks and assess against good practice on a regular basis. Opportunities are also sought to engage with staff and maintain awareness of key policies and expectations.

- 4.2 This report is intended to provide an update on counter fraud activity during the last year and to provide a summary of outcomes from any fraud investigation work during that period.

## **5 Main Considerations**

- 5.1 During the last year, pro-active counter fraud activity at the Council has included the following:
- a) Conducting an assessment of the Council's counter fraud arrangements against the latest Fighting Fraud and Corruption Locally guidance in December 2020. A summary of which is provided as Appendix A to this report. There was one action point arising from this which has since been completed;
  - b) Updating of Fraud Awareness training module on the online learning platform and monitoring of completion rates by staff. This module has now been deemed as mandatory for all staff and reminders issued to those yet to complete the session;
  - c) Monitoring of the Council's new 'Report Fraud' mailbox;
  - d) Regular review of the Council's Fraud Risk Register and reference to this in planning Internal Audit coverage for the financial year;
  - e) An all staff briefing by the Head of Internal Audit and Monitoring Officer on 9<sup>th</sup> September 2020. This covered an update on ethical governance policies, fraud trends and whistleblowing;
  - f) Updating of the Fraud Response Plan to align with latest best practice and to review strengthening of processes in light of any lessons learnt from investigations conducted in the last year;
  - g) Promotion of Fraud Awareness Week in November 2020 via the Council's intranet. This included a requirement for all staff to complete the updated online training module by the end of December 2020 and promoted the newly updated Fraud Response Plan;
  - h) Quarterly review of the fraud risk register and highlighting of potential areas for coverage in the 2021/22 audit plan;
  - i) Support from the Internal Audit and Counter Fraud service in conducting post payment assurance checks on grants paid to local businesses during the Covid-19 pandemic and some pre-payment checks for later rounds of funding. This has included conducting checks via the Cabinet Office's National Fraud Initiative tools and advising on alerts and intelligence gathered from work at other shared service clients;
  - j) An additional item in the staff newsletter in October 2020 regarding specific fraud trends highlighted during the pandemic and risks to be alert to, both in the workplace and to share with vulnerable family members or friends outside of the workplace; and
  - k) Producing a new page on the Council's external website to provide advice and guidance on where to report different types of fraud and promoting the new 'Report Fraud' mailbox. This should signpost members of public to the most appropriate body for reporting any concerns of fraud or corruption, including a clear line of reporting for any allegations of fraud against the Council, including housing related fraud, to the Head of Internal Audit.

- 5.2 Also during this period, the Head of Internal Audit has been notified of fact finding investigation work in relation to one internal investigation and outcomes of investigations into some Covid-19 business grant applications. These have been reflected in the Fraud Log at year end, with the formal outcome, where appropriate. Under the revised Fraud Response Plan, any draft reports on fraud related allegations must be shared with the Head of Internal Audit for review before issuing and this should enable consistent oversight of any such cases, even where Internal Audit has not been actively engaged in the investigation.

## **6 Options Considered**

- 6.1 Not applicable.

## **7 Consultation**

- 7.1 Not applicable.

## **8 Next Steps – Implementation and Communication**

- 8.1 Internal Audit will continue to work with the Council to build upon its counter fraud work to date and to continue to review and manage fraud risks.

## **9 Financial Implications**

- 9.1 There are no financial or other resource implications arising directly from this report.

**Financial Implications reviewed by: Dawn Garton, Director for Corporate Services**

## **10 Legal and Governance Implications**

- 10.1 There are no legal implications arising directly from this report.

**Legal Implications reviewed by: Kieran Stockley, Monitoring Officer**

## **11 Equality and Safeguarding Implications**

- 11.1 There are no equalities or safeguarding implications arising directly from this report.

## **12 Community Safety Implications**

- 12.1 There are no community safety implications arising directly from this report.

## **13 Environmental and Climate Change Implications**

- 13.1 There are no environmental or climate change implications arising directly from this report.

## **14 Other Implications (where significant)**

14.1 There are no other implications arising directly from this report.

## **15 Background Papers**

15.1 Not applicable.

## **16 Appendices**

16.1 Appendix A: Fighting Fraud and Corruption Locally self-assessment (including action plan)

16.2 Appendix B: Fraud log 2020/21

<b>Report Author:</b>	<b>Rachel Ashley-Caunt</b> , LGSS Head of Internal Audit
<b>Report Author Contact Details:</b>	07824 537900 RAshley-Caunt@rutland.gov.uk
<b>Chief Officer Responsible:</b>	<b>Dawn Garton</b> , Director for Corporate Services
<b>Chief Officer Contact Details:</b>	01664 502444 DGarton@melton.gov.uk