

## COUNTER FRAUD STRATEGY 2022 to 2025

<b>Cabinet Member(s)</b>	Cllr Ian Edwards Cllr Martin Goddard
<b>Cabinet Portfolio(s)</b>	Leader of the Council Finance
<b>Officer Contact(s)</b>	Muir Laurie, Finance Directorate
<b>Papers with report</b>	Counter Fraud Strategy 2022-25

### HEADLINES

<b>Summary</b>	This report seeks Cabinet approval for the Business Assurance Counter Fraud Team (BACFT) Counter Fraud Strategy 2022 to 2025.
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Strong financial management.</i></p> <p>The BACFT supports the Council's statutory obligation to safeguard public finances through strong financial management. The Counter Fraud Strategy demonstrates the Council's corporate approach to tackling fraud and corruption over the next three years.</p>
<b>Financial Cost</b>	There are no direct financial implications arising from this report.
<b>Relevant Committees</b>	Corporate, Finance and Property Select Committee (scrutiny) Audit Committee (review and monitor)
<b>Relevant Ward(s)</b>	All wards

### RECOMMENDATION

**That the Cabinet approve the Council's Counter Fraud Strategy for 2022 to 2025 as set out in Appendix A.**

## Reasons for recommendation

The BACFT's primary objective is to provide the London Borough of Hillingdon Council, and its residents, with a professional and highly performing risk-based counter fraud service covering all areas of Council business. A service which proactively and effectively manages the risk of fraud inherent in the provision of services to the residents of the Borough and within the administration of public finances. This includes robustly pursuing the prevention and detection of fraud and corruption through reactive and proactive investigation, championing and reinforcing a borough-wide counter-fraud culture, taking appropriate sanction and prosecution action where necessary. This gives assurance to the Council over its fraud risks and builds residents' confidence in the Council and its protection of the public purse.

The recommendation is to approve the Counter Fraud Strategy for 2022 to 2025, which sets out the strategic approach to fraud prevention and detection.

## Democratic compliance / previous authority

As a strategic policy across spanning areas, Cabinet approval is ultimately required.

## Audit Committee comments

Audit Committee, which has the remit to monitor and review strategies on anti-fraud, endorsed the Counter Fraud Strategy 2022-25 at its meeting on 1<sup>st</sup> February 2022.

## SUPPORTING INFORMATION

### The role of the Business Assurance Counter Fraud Team

The BACFT supports the Council in meeting its statutory responsibility under section 151 of the Local Government Act 1972 for the prevention and detection of fraud and corruption. The work of the BACFT underpins the Council's commitment to a zero-tolerance approach to fraud, bribery, corruption, and other irregularities, including any money laundering activity.

According to the Chartered Institute of Public Finance & Accountancy, the public sector, and more specifically local authorities, lose an estimated £2.1bn each year to fraud and corruption. This loss directly affects the services that local authorities provide, negatively impacting on the availability of resources, reducing the money able to be spent on key services and damaging the reputation of councils with their residents. The scarcity of councils' resources within the current economic and public health climate creates a further urgency to respond robustly to the fraud threat and is a key element when ensuring the proper administration of public money.

Wherever a local authority provides a valuable service to its residents, such as social housing, grants payments, the disabled facilities grant, payment to suppliers or staff, or a benefit payment, there is the opportunity for fraud.

The challenge for all councils is in ensuring that fraud losses within its services and payments are minimised or, where possible, prevented altogether. The challenge is increased further when considering that fraudsters are continually innovating, finding new ways to defraud, to access benefits and services they are not entitled to, and receive wrongful payments. The number and

range of fraud risks faced by the council has also changed as a direct result of the Covid-19 pandemic, due to the changes to services provided, ways of working and financial help available to individuals and businesses, all of which carry an inherent risk of fraud and which the Counter Fraud Strategy seeks to address.

### **A strategic approach to counter fraud**

It is vitally important to have a clear strategy in place to define and direct the Council's approach to effectively manage both the internal and external risk of fraud and corruption. This demonstrates the Council meeting its statutory responsibilities and supports its vision of '*putting our residents first*' by ensuring that public funds are not lost to fraud and corruption.

The Counter Fraud Strategy 2022-25 sets out the BACFT's strategy within several key objectives:

1. Maximise loss prevention within Council services through effective counter fraud activity;
2. Limit the opportunity for instances of fraud and corruption across the Council through effective prevention measures;
3. Create a strong deterrent effect to fraud and corruption;
4. Improve the Council's reputation across all stakeholders through the visibility of effective counter fraud activities;
5. Improve the Council's overall governance arrangements;
6. Reinforce an organisational culture of zero-tolerance to fraud;
7. Embed and maintain an organisation wide fraud risk awareness; and
8. Achieve the BACFT Operational Work Plan for each financial year.

### **Financial Implications**

There are no direct financial implications linked to the Counter Fraud Strategy 2022-25.

## **RESIDENT BENEFIT & CONSULTATION**

### **The benefit or impact upon Hillingdon residents, service users and communities**

The impact of fraud and corruption threatens the prosperity of the London Borough of Hillingdon and its residents, with the potential to erode confidence in the Council as an institution. Fraud and corruption take money away from essential Council services and reduces the Council's ability to help those most in need.

The effects of fraud are often compounded by its link to organised criminal activity and the negative impact on the community and increased levels of related crime. This makes counter fraud work a crucial activity for the Council, with the benefits of an effective counter fraud service, supported by an effective corporate framework, being felt by all residents, essential service users and communities alike.

## **Consultation carried out or required**

No consultation was carried out in relation to this report. The Counter Fraud Strategy does not involve proposals that directly affect law abiding residents; therefore, no consultation is required.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance has reviewed the report and concur with the financial implications set out above, that there are no direct financial implications associated with the recommendations in this report.

### **Legal**

The Borough Solicitor confirms that the legal implications are included in the body of the report.

## **BACKGROUND PAPERS**

NIL