

Wiltshire Council

Audit and Governance Committee

22 November 2023

Subject: Anti-Fraud activity update report

Executive Summary

This report provides an update for the Audit and Governance Committee on the activity undertaken in the period on proactive and reactive Anti-Fraud activity.

Proposal(s)

To note the update on Anti-Fraud activity.

Reason for Proposal(s)

The Audit and Governance Committee have responsibility for the oversight of risk mitigation and activity action undertaken including that specifically on Anti-Fraud. As part of the governance and assurance controls an Anti-Fraud, Bribery and Corruption Policy is approved by the committee and it is best practice for the committee to receive updates on any activity associated with this policy and updates on fraud risk.

Lizzie Watkin

Director of Finance & Procurement (S.151 Officer)

Wiltshire Council

Audit and Governance Committee

22 November 2023

Subject: Anti-Fraud activity update report

Purpose of Report

1. This report provides an update for the Audit and Governance Committee on proactive and reactive Anti-Fraud activity.

Relevance to the Council's Business Plan

2. Providing updates on areas of risk and specific fraud risk following the approval of the Anti-Fraud, Bribery and Corruption policy is best practice and supports a good governance framework that evidences a strong financial control environment to help protect the public purse.
3. The policies and reporting are reflective of the Council's aims within its business plan to be open and transparent and ensure that all are working together. They are also consistent with the Council's aim for prevention and early intervention which would equally apply with internal arrangements.

Background

4. The committee approved a new Anti-Fraud, Bribery and Corruption Policy at its meeting on 27 April 2022. This policy set out the council's commitment and approach to tackling fraud, bribery and corruption, responsibilities for reporting any suspicions and the importance of tackling fraud.
5. A vital part of tackling fraud is pro-active internal audit activity and reactive response when there are allegations of potentially fraudulent activity against the council.
6. As part of the services provided to us by SWAP, our internal auditors provide support on the detection and prevention of fraud from their specialist Counter Fraud team. This includes support to investigations, counter fraud reviews, fraud awareness training, advice and support on fraud prevention and policy development and a confidential fraud reporting service.

Main Considerations for the Council

7. The following paragraphs set out the activity undertaken relating to the Anti-Fraud, Bribery and Corruption policy since the last report to the Audit & Governance Committee on Fraud Risk in November 2022.
8. Two pro-active audits have been completed, focussed on two areas of higher risk of fraud for the council of Adult Social Care Interim Loans and Purchasing

Cards. The results of these audits have been reported to the committee as part of the Internal Audit reports to the committee. Actions identified included four priority 2 actions and three priority 3 actions. There were no priority 1 actions identified, which are those highest rated actions that mitigate major risk areas or major failings.

9. In this period there have been three cheque fraud allegations made at schools, with two investigations complete and reported to Action Fraud and one investigation in progress. Of the two concluded investigations no losses were sustained by the schools.
10. One allegation of fraud against the Pension Fund and a Pension Fund member was made. The investigation is complete, fraud found to have been committed with financial loss sustained by the Fund and the information has been reported to Action Fraud.
11. One allegation of misconduct by an employee perpetrated against the council was reported through the council's confidential reporting line on MyWilts. The investigation is complete, and the service continue to engage with the Police on this matter.
12. A further audit was carried out following a report through the Whistleblowing process, reported direct to SWAP's confidential reporting service. This was not a report of alleged fraud but is reported for completeness of the involvement of SWAP's counter fraud team. The allegation was in relation to a safety regulation breach and following an interview with the whistleblower an audit review of process and controls compliance was included in the audit plan, was carried out and is now complete.

Overview and Scrutiny Engagement

13. Anti-Fraud, Bribery and Corruption activity and reporting is the responsibility of the Audit and Governance Committee there has been no engagement with the Overview and Scrutiny Committee.

Safeguarding Implications

14. There are no safeguarding implications associated with this report.

Public Health Implications

15. There are no public health implications associated with this report.

Procurement Implications

16. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

17. The Anti-Fraud, Bribery and Corruption policy is designed to give workers, members and the public assurance that they have an avenue where they can raise any issues associated with any alleged attempts of fraud, bribery or

corruption and where they have serious concerns the policy will be applied equally to all and therefore the policy is consistent with the council's public sector equalities duties.

Environmental and Climate Change Considerations

18. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

19. This update on anti-fraud activity does not require any formal decision. By not providing updates, the committee will not have assurance and will not be aware of the anti-fraud activity undertaken for the council and action taking place to address any weaknesses or gaps.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

20. This update on anti-fraud activity does not require any formal decision. By providing this update, the committee will gain assurance and will be aware of the anti-fraud activity undertaken for the council and action taking place to address weaknesses and gaps in mitigations.

Financial Implications

21. The Anti-Fraud, Bribery and Corruption policy and reporting on specific fraud controls and mitigations in place supports the financial control environment by clearly setting out the council's approach to the prevention, detection and reporting of all forms of financial irregularity and helps protect the public purse.

Legal Implications

22. There are no legal implications associated with this report. Examples of relevant legislation is included in the Fraud Act 2006, the Bribery Act 2010, the Theft Act 1968, the Forgery and Counterfeiting Act 1981, the Criminal Finance Act 2017 and the Proceeds of Crime Act 2002.

Workforce Implications

23. The Anti-Fraud, Bribery and Corruption policy is designed to give workers assurance that they have an avenue where they can raise any issues associated with any alleged attempts of fraud, bribery or corruption and where they have serious concerns the policy will be applied equally to all. The policy sets out the framework and ensures that there is a safe, reliable, and confidential way of staff reporting any suspicious activity. SWAP have a confidential fraud reporting service and reporting through this route is treated in confidence. Any workers raising concerns or allegations are also supported by the Whistleblowing policy and anonymity is protected.

24. Any concerns or allegations relating to workers will be investigated independently in line with the Anti-Fraud, Bribery and Corruption policy and all relevant HR policies will be followed.

Options Considered

25. It is best practice for the council to have an approved Anti-Fraud, Bribery and Corruption policy with update reporting associated with this policy.

Conclusions

26. It is recommended that Audit and Governance Committee note this update report.

Lizzie Watkin

Director of Finance & Procurement (S.151 Officer)

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10/11/2023

Appendices

None

Background Papers

Anti-Fraud, Bribery and Corruption Policy