



**Southern Internal
Audit Partnership**

Counter Fraud Unit

WEST SUSSEX COUNTY COUNCIL

Annual Counter Fraud Plan 2022-2023

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1. Forward

Leaders of public service organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

Published in October 2014, the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption sets out the principles that define the governance and operational arrangements necessary for an effective counter fraud response.

It is these principles that underpin the Southern Internal Audit Partnership's approach to support the management of the risk of fraud and corruption within the County Council.



The County Council promotes a zero tolerance culture to fraud and corruption:

'West Sussex County Council is determined that the culture and tone of the organisation is one of honesty, openness and absolute opposition to fraud and corruption. The Council's expectation on propriety and accountability is that members and staff at all levels will observe the highest standards in ensuring adherence to legal requirements, rules, procedures and practices.' (WSCC - Anti Fraud & Corruption Strategy)

The County Council maintains a suite of strategies and policies to support the effective management of the prevention, detection and investigation of fraud and corruption (Anti Fraud & Corruption Strategy and Fraud Response Plan; Whistleblowing Policy and Anti Bribery Policy). This document provides an extension to the County Council's existing policies affording a framework of reactive and proactive initiatives to detect fraud and/ or demonstrate assurance that fraud has not taken place.

The Counter Fraud Plan compliments the internal audit strategy and annual plan focusing resource against assessed fraud risks in addition to new and emerging threats.

2. The Changing Face of Fraud

The changing context in which local government services are delivered, the increasing risk of fraud by motivated offenders, reduced local authority resources and associated changes to existing local control frameworks continue to increase the risk exposure to fraud.

In recognition of this, the 2020 Fighting Fraud and Corruption Locally Strategy, has built upon the three pillars of activity that local authorities should concentrate their fraud prevention efforts on. The elements of 'govern' and 'protect' have been added as tenets to underpin those of 'acknowledge', 'prevent' and 'pursue'.

The principles of the required approach are outlined in (fig 1).



fig 1 (Fighting Fraud & Corruption Locally – The local government counter fraud & corruption strategy)

These principles are underpinned by demonstrable regard to:



3. Reactive Fraud Activity

The Southern Internal Audit Partnership will work seamlessly with management in the effective review and investigation of any reported incidents of fraud and irregularity. All such reviews will be co-ordinated by professionally accredited (CIPFA (CCIP), ACFS) staff, in accordance with the County Council’s Anti-Fraud & Corruption Strategy.

By its nature such reactive fraud and irregularity work is unpredictable with regard its level and duration. Recent history has demonstrated in relative terms limited levels of required activity in respect of reactive fraud work within the County Council, however, a contingent level of capacity for such eventualities is considered prudent.

4. Proactive Approach

Whilst the established process to reactive fraud assists the County Council in responding to notified incidents or suspicions of fraud and irregularity, it is equally important to ensure proactive initiatives are appropriately explored to understand, prevent, and detect fraud risks across the organisation.

Such proactive measures have been designed alongside the themes outlined within the 'Six Cs' (culture, capability, capacity, competence, communication and collaboration) and are mapped within Annexe 1.

The Southern Internal Audit Partnership's understanding of the County Council's service activities with research from national surveys / publications, benchmarking with other local authority fraud risks and our previous proactive fraud reviews undertaken have been used to inform our identified proactive reviews for consideration as part of our proactive fraud activities for 2022-23.

It is also recognised that 2022 is a National Fraud Initiative upload year and as such the Southern Internal Audit Partnership will be facilitating this process to ensure that the deadline for submission of data is achieved. The deadline for submission is usually October but in 2020 was extended to December due to the demands on local authorities in reacting to the COVID 19 pandemic. At this time it is not yet known whether the Cabinet Office will continue with a December deadline or revert back to the usual submission date of October. However, all data must still be as at the end of September so the pre upload work will need to continue on a similar timeframe as usual. Resulting matches from the exercise will be available from January 2023.

Additionally, we will liaise and facilitate work required regarding information requests received from other local authorities during the process of their investigations into positive matches.

5. Fraud Action Plan 2022-2023

Many of the aspects contributing to an effective approach to fraud risk management are implicit within the Southern Internal Audit Partnership's established processes to which the County Council are a part. This is demonstrated through our dedicated and qualified Counter Fraud Unit, the tools to which they have access and participation in national and local collaboration groups. Building on this intelligence and in discussion with Senior Management the following action plan of proactive fraud activity is proposed for 2022-23:

Activity	Scope	Responsible Officer	Due Date	Expected Outcome
CIPFA Fraud Survey	Completion of the annual CIPFA fraud survey	Iona Bond Counter Fraud Manager Nick Barrett, Senior Counter Fraud Officer	Q2	Access to the results of the national survey which provides useful benchmarking information and information into fraud trends which is used to inform the proactive fraud plan.
National Fraud Initiative	To facilitate the timely delivery of the 2022 data upload and review of matches. Respond to requests for information from other local authorities.	Nick Barrett, Senior Counter Fraud Officer Vanessa Anthony, Senior Counter Fraud Officer	Q1- Q4	Identify and make appropriate enquiries into identified matches and ensuring appropriate recovery action is instigated as appropriate.
Proactive Fraud Review (x3)	Specific projects will be identified during the course of the year and selected on the basis of relevance to fraud exposure, any national trends or local intelligence emerging.	Nick Barrett, Senior Counter Fraud Officer Vanessa Anthony, Senior Counter Fraud Officer	Q1 – Q4	Identification of weaknesses within the control processes where due consideration to fraud exposure may not have been considered to enable corrective action to be taken. Identify any potential exposure to fraud activity

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	Data matching analytics will be utilised to enhance the depth and breadth of work undertaken within each project.			that warrants additional in-depth review. Potential areas include procurement, payroll, pensions, grants, expenses.
Training & Awareness	To maintain a level of fraud awareness across the organisation (including training)	Vanessa Anthony, Senior Counter Fraud Officer Nick Barratt, Senior Counter Fraud Officer	Ongoing	Issue of Fraud Bulletins Issue of Briefing Notes Update of all relevant internal 'sign posts' regarding fraud referral to SIAP
Annual Report on Fraud & Irregularity	To produce an end of year report to those charged with governance covering all reactive and proactive fraud initiatives.	Neil Pitman Head of Southern Internal Audit Partnership	Q1 (2022-2023)	To present a report to ELT and Regulation, Audit & Accounts Committee outlining progress against the 'Fraud Action Plan 2022-2023' relaying outcomes, assurance, investigations, sanctions, savings etc. as appropriate.

Six C's – Matrix

Annexe 1

