



Governance Scrutiny Group

Thursday, 30 May 2024

Annual Fraud Report 2023/24

Report of the Executive Manager – Finance and Corporate Services

1. Purpose of report

The purpose of this report is to summarise the incidence of fraud and fraud prevention activities at Rushcliffe Borough Council (“the Council”) during the year 2023/24.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group considers the Annual Fraud Report for 2023/24.

3. Reasons for Recommendation

- 3.1. To provide an annual update to the Governance Scrutiny Group regarding the Council’s fraud prevention environment and report on any frauds, if identified.
- 3.2. The Annual Fraud Report 29 June 2023 recommended that the Council should carry out a Fraud Risk Assessment in the next 12 months. This has been completed but due to the sensitivity of the details in the review, it is not included in this report. BDO will report on their review of the assessment at the September meeting.
- 3.3. This report has been prepared by BDO LLP (“BDO”) to summarise the fraud prevention and detection activities undertaken by the Council. For the avoidance of doubt, BDO has not undertaken a full fraud risk assessment or audited any information provided to it (as summarised within this report) by the Council’s officers. That said, when BDO undertake other audit work, if a fraud is suspected or identified, then it would be investigated; and reported to the Governance Scrutiny Group if a fraud was proven. Their detailed report is appended with no frauds identified.

4. Supporting Information

- 4.1. The appended report highlights the current landscape regarding fraud and the public sector. The Public Sector Fraud Authority (PSFA) in its 2023 Annual Report, entitled ‘Cross- Government Fraud Landscape’ highlighted, amongst other things, that detected fraud and error increased by 52% in

2021-22 from the prior year (rising from £541m to £823m) and that a significant proportion of the increase was linked to COVID related fraud.

- 4.2. In November 2023 the PSFA published its latest Annual Report, which highlighted that the PFSA had surpassed its target of achieving £180 million of savings for the taxpayer in its first 12 months by preventing and recovering £311 million. Approximately 50% of the amount prevented and recovered was in relation to COVID and Bounceback loan schemes.
- 4.3. Part of the level of detected fraud in the public sector arises from the National Fraud Initiative (NFI) exercises, which this Council is actively involved with. Further commentary is covered in Section 5 of the report.

5. Other Options Considered

Not Applicable.

6. Risks and Uncertainties

If recommendations are not acted upon there is a risk internal controls would be weakened, and the risk would materialise. No significant risks identified.

7. Implications

Financial Implications

- 7.1 There are no financial implications associated with the recommendations to this report.

Legal Implications

- 7.2 There are no legal implications associated with the recommendations to this report.

Equalities Implications

- 7.3 There are no equalities implications associated with the recommendation to this report.

Section 17 of the Crime and Disorder Act 1998 Implications

- 7.4 There are no section 17 implications associated with the recommendations to this report.

Biodiversity Net Gain Implications

- 7.5 There are no Biodiversity Net Gain implications associated with the recommendation to this report.

8. Link to Corporate Priorities

Quality of Life	The detection and subsequent investigation of fraudulent activity supports the Council's ability to deliver services across its priority areas.
Efficient Services	
Sustainable Growth	
The Environment	

9. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group considers the Annual Fraud Report for 2023/24

For more information contact:	Peter Linfield, Director – Finance and Corporate Services plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	None
List of appendices:	Appendix 1 – BDO Annual Fraud Report 2023/24