

EAST SUSSEX FIRE AUTHORITY

Meeting	Scrutiny & Audit Panel
Date	20 January 2022
Title of Report	Counter Fraud Update
By	Assistant Director Resources / Treasurer
Lead Officer	Alison Avery, Finance Manager & Ellen Williams, Interim Risk & Insurance Officer

Background Papers	None
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Appendices	Appendix 1 – Summary of NFI Matches for investigation Appendix 2 – Counter Fraud Action Plan – Qtr. 3 – 2021/22
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Implications

CORPORATE RISK	✓	LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT	To provide an update on the Authority's Counter Fraud approach and the National Fraud Initiative (NFI)
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EXECUTIVE SUMMARY	<p>In accordance with the Counter Fraud Action Plan, progress is being made on the introduction of targeted training on fraud awareness. This is an integral part of the Service's commitment to promoting to all staff a counter fraud culture, and to improve awareness of governance, ethics and individual responsibilities.</p>
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NFI is provided by some 1,200 participating organisations from across the public and private sectors to prevent and detect fraud. By integrating thousands of data sets encompassing hundreds of millions of records, every check is thorough.

The NFI data matching plays an important role in protecting the public purse against fraud risks. However, the NFI is only one

element of an effective anti-fraud strategy. It must be supported by strong anti-fraud cultures and effective counter-fraud policies and procedures that emphasise that fraud is unacceptable.

This report updates the Panel on progress made in the investigation of NFI matches and associated outcomes.

RECOMMENDATION

The Panel is recommended to:

- (i) Note the progress being made in the investigation of NFI matches and associated outcomes; and
 - (ii) Consider the report and whether any further information or assurance is required at this stage
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1. INTRODUCTION

- 1.1 This report brings an update to members on the progress of the implementation of recommendations made as part of the Counter Fraud Action Plan and the outcomes of the investigations of NFI Matches.

2. COUNTER FRAUD ACTION PLAN QUARTER 3 AND FRAUD UPDATE

- 2.1 In accordance with the agreed Counter Fraud Action Plan, the implementation of targeted training on fraud awareness is being progressed with the objectives to confirm ESFRS requirements; agree contents and to personalise the training to incorporate and reflect ESFRS policies and risks.
- 2.2 The roll out of the training has been agreed with senior management and will be initially aimed at staff in high risk areas such as finance, procurement, HR and key operational staff. It is anticipated that this training will be launched during Q1 2022. Alongside the targeted training, an E-Learning package will be developed in house with the objective that all staff receive appropriate fraud awareness training
- 2.3 A communications strategy is also being developed. Policies in support of the Anti-Fraud Policy are being reviewed to ensure that they are up to date and comprehensive. The Whistle – Blowing (Raising Concerns) Policy has already been updated and approved through consultation with relevant parties and is available to view on the intranet.
- 2.4 There is one current fraud case under investigation regarding the over claiming of hours by a contractor's employee. This is being pursued both with the contractor, following work by internal audit and liaison with Sussex Police.

3. NATIONAL FRAUD UPDATE

- 3.1 All matches arising from the NFI exercise have been investigated and closed. Appendix 1 provides details of the matches investigated. Pension related matches have been reviewed separately by our administrators – FPS matches are complete and we are awaiting an update on LGPS.
- 3.2 There have been no cases of actual fraud or error, and consequently no savings arising from the investigations, however the work has identified further areas for review, namely:
- Disclosure of secondary employment and a requirement to review of the outside employment policy;
 - HR/risk implications of the potential contraventions of the Working Time Directive and Driving Hours Regulations where there is secondary employment;
 - The accuracy of standing data on payroll e.g. indicators of employment status for retained firefighters and
 - Housekeeping issues on SAP in terms of standing data such as duplicate creditor records, which could increase risk of fraud or error.
- 3.3 Further updates on this work will be provided in due course.