

# Birmingham City Council

## Audit Committee

29<sup>th</sup> November 2023



**Subject:** Annual Counter Fraud Report 2022/23  
**Report of:** Sarah Dunlavey, Assistant Director Audit and Risk Management  
**Report author:** John Preston, Group Auditor Corporate Fraud

Does the report contain confidential or exempt information?  Yes  No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:

### 1 Executive Summary

1.1 This report updates the Audit Committee on how the Council has managed the risk of fraud during the period April 2022 to March 2023.

### 2 Recommendation(s)

2.1 Members are asked to note the work undertaken during the year and draw assurance from the policies and procedures that are in place to prevent and detect fraud and error.

### 3 Background

3.1 The annual counter fraud report is a standalone report to summarise how the risk of fraud is being managed by the Council.

3.2 The level of fraud across the UK economy and the public sector continues to remain of national interest.

3.3 Counter fraud and error work remains a priority for the Council, and we continue to reinforce the 'zero tolerance' message.

3.4 Processes and procedures are in place for the prevention and detection of fraud and error, and we will utilise appropriate sanctions for those who commit fraud against the Authority, including criminal prosecutions.

- 3.5 We have increased our financial investigation capability in order to utilise more tools to investigate fraud and money laundering and recover the proceeds of crime.
- 3.6 The number of fraud and error referrals received has reduced slightly since last year. The value of fraud reported has decreased since last year, which was artificially high due to fraud around COVID-19 financial support measures. However, it is up on 2020/21 levels.
- 3.7 Social housing and Council Tax exemptions / discounts continue to remain high risk areas. We have achieved positive results in these areas, and these are outlined further in the report.

#### **4 Options considered and Recommended Proposal**

- 4.1 This report is for information purposes.

#### **5 Legal Implications**

- 5.1 Section 151 of the Local Government Act requires the Chief Finance Officer (as responsible officer) to ensure proper administration of the Council's financial affairs.

#### **6 Financial Implications**

- 6.1 Whilst there are no direct financial implications, fraud is a long-standing threat to public services. The Public Sector Fraud Authority estimates that a minimum of £33bn per year is currently lost to fraud and error across the public sector.

#### **7 Public Sector Equality Duty**

- 7.1 There are no equality duty or equality analysis issues relating to the information set out in this report.

#### **8 Other Implications**

##### **8.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 8.2 Sound internal controls and financial management underpins all the Council's priorities, plans and strategies. These are key to creating a culture of 'zero tolerance' to fraud.
- 8.3 The Council's Anti-fraud and Corruption Policy outlines the corporate approach and key responsibilities to managing the risk of fraud.

## **9 Background Papers**

9.1 Anti-fraud and Corruption Policy.

9.2 Fraud and Corruption Response Plan.

## **10 Appendices**

10.1 Appendix 1 Annual Counter Fraud Report 2022/23.