**Message from SCC Internal Audit – February 2017**

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| |  | | --- | | At a time when every penny should be invested in delivering high quality services to local people, tackling fraud head on is a priority.  It is deeply unfair to allow opportunist fraudsters and/or organised criminals to steal money that should be used for front line services. Therefore, it is our responsibility that strong controls and processes are maintained.  This ‘focus on fraud’ special highlights some areas for us to be aware of, the controls to consider to reduce the risk of fraud or error, and reminds us of the fraud related policies and procedures that we have in place.  I would like to take this opportunity to remind colleagues that we have a zero tolerance of fraud, and that we will investigate any suspected fraudulent activity and take action through both the disciplinary and criminal routes.  Remember, we are all responsible for preventing fraud. | |  | |  |   signature  Peter Frost Head of Audit Services The Cost of Fraud  |  | | --- | | **The risk of fraud is increasing.**Fraud skills and threats are constantly changing and becoming more sophisticated.  You are one of the most effective deterrents against fraud, which is vital to the protection of the public purse.  The Chartered Institute of Public Finance and Accountancy estimates approximately £325 million worth of fraud was detected or prevented within the public sector in 2015/16. The type of fraud (and some examples) associated with County Councils are:  **Social Care Fraud**   * Failure to declare income/capital * Inappropriate use of the funds for the means they were allocated   **No recourse to public funds**(People from abroad who are subject to specific immigration controls which prevent them from gaining access to benefits of public housing) -   * False representation of immigration status * Claiming from more than one authority   **Procurement**   * False, inflated or duplicate invoices * Bias, bribery or corruption in the award of contracts   **Insurance**   * False, inflated or duplicate claims   **Grants**   * False applications * Inappropriate use of funds or abuse of the grant application   **Pensions**   * Failure to report a death   **Payroll**   * False claims, ghost employees   **Recruitment**   * Deception through falsifying application forms |  Our Fraud Policies and Procedures We have several fraud related policies and procedures in place to protect the public purse against fraud and corruption:   * Anti-Fraud and Corruption Strategy * Fraud Response Plan * Anti-Bribery Policy and Procedures * Anti-Money Laundering Policy and Guidance * Code of Conduct * Whistleblowing Policy   These can be obtained via the following web page  [Audit Services](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&100&&&https://www.suffolk.gov.uk/council-and-democracy/council-departments-services-and-senior-officers/resource-management/audit-services/) |
| How we have been affected Some of the fraudulent activity we have recently experienced includes   * Cyber-attacks and phone scams have been experienced, with the view to obtaining money or disrupting services. * A primary school Office Manager was given a 12-month custodial sentence, suspended for a year, and 240 hours’ community service following a guilty plea to fraud by abuse of position (approximately £30k) * An ACS Business Support Manager was tried at Crown Court and given a custodial sentence after being found guilty of taking monies from vulnerable adults (approximately £24k) * Two members of staff were dismissed after falsifying expenses records * On several occasions, Suffolk County Council has received fraudulent requests for bank details to be changed, known as mandate fraud. On one occasion this was successful.  Mandate Fraud  |  | | --- | | Mandate fraud involves the changing of account details for supplier or customer accounts in order to gain control of an account and clearly benefiting from unauthorised payments.  Requests may be received by phone, letter, or email to update account details.  If you receive a request from a supplier or customer to amend any details, you must undertake adequate due diligence checks before asking the Payments Team to amend the supplier’s record.   * Always verify requests to amend payment details by contacting the organisation directly using established contact details (via the telephone or in writing). * Never accept the request at face value via email, telephone or letter alone; nor use the contact details on correspondence for verification, if it differs from the usual contact number.   Remember, it is quite rare for an organisation to change its bank account details, so if you get a request it is worth checking it out first.  The Action Fraud [website](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&101&&&http://www.actionfraud.police.uk/mandate-fraud) has useful guidance in relation to mandate fraud including the precautions to take. |  Cyber Security  |  | | --- | | Cyber security is critical to the health and growth of every organisation.  We need to be aware of the Cyber threats and how to identify & report them.  IT are constantly reviewing security measures to keep our data, systems and network safe, having recently invested in new technology to manage our data flows into and out of our network.  Information security is very important and if you spot anything suspicious, please report it using the **Information Security Incident Reporting form** on IT Self Service.  On this page, examples of the most common Information Security Incidents are listed.  You should also be familiar with the [IT and information security policies](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&102&&&https://suffolknet.sharepoint.com/sites/myscc/IT/Pages/IT-security-policies.aspx) that are in place to assist with cyber security and best practices.  [An eLearning module](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&103&&&https://suffolknet.sharepoint.com/sites/myscc/hr/Pages/my-learning.aspx) is available 'LADEL127 Introduction to IT Security'.  This module provides an introduction to all aspects of IT security for all network users.  For more cyber security advice, including cyber security at home and reporting online fraud at home, view these websites:  [http](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&104&&&http://www.actionfraud.police.uk)[://](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&105&&&http://www.actionfraud.police.uk)[www.actionfraud.police.uk](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&106&&&http://www.actionfraud.police.uk)  [https](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&107&&&https://www.cyberaware.gov.uk)[://](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&108&&&https://www.cyberaware.gov.uk)[www.cyberaware.gov.uk](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&109&&&https://www.cyberaware.gov.uk)  [https](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&110&&&https://www.getsafeonline.org)[://](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&111&&&https://www.getsafeonline.org)[www.getsafeonline.org](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTcwMjA4LjY5NzE0NzIxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE3MDIwOC42OTcxNDcyMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3MTM5MjMwJmVtYWlsaWQ9ZXh0ZXJuYWxnbG9iYWxzY2NlbWFpbHNAc3VmZm9say5nb3YudWsmdXNlcmlkPWV4dGVybmFsZ2xvYmFsc2NjZW1haWxzQHN1ZmZvbGsuZ292LnVrJmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&112&&&https://www.getsafeonline.org). |  What could you do to reduce fraud? Across the public sector, certain levels of control are expected or required; for example to reduce the risk of fraud or human error to a level which is deemed acceptable to the public and other stakeholders.  **As a manager what could you do to reduce fraud?**  Across the public sector certain levels of control are expected or required; for example, to reduce the risk of fraud or human error to a level which is deemed acceptable to the public and other stakeholders.  Examples of controls that you could consider for your areas of responsibility are:  **Segregation of duties** – separate people being involved in a process (e.g. separation of initiation, authorisation, recording).  No one person to be responsible for recording and processing a complete transaction.  **Organisation** – ensuring that people know what they are doing and have knowledge of their role, responsibilities, and their lines of reporting.  **Authorisation (or Approval)** – transactions should be authorised within set limits.  **Physical (the physical custody of assets)** – all assets (e.g. cash, laptops, phones etc.) should be held securely and procedures in place designed to limit access to authorised personnel only.  **Supervision** – all actions by all levels of staff should be supervised.  **Personnel** – staff should be competent (recruitment procedures, training, and development) and appraisals should be undertaken regularly.  **Arithmetical and Accounting** – Transactions should be checked to ensure they are authorised, complete, correctly recorded, and processed accurately.  **Management** -  there should be a hierarchy of responsibility to ensure individuals and services are accountable. How do I report it? **If you suspect fraud or corruption please report it to**[**Peter Frost**](mailto:peter.frost@suffolk.gov.uk)**.**   |  | | --- | | Award | |