

**Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety**

Report to:	<b>Audit Committee</b>
Date:	<b>19 March 2012</b>
Subject:	<b>Counter Fraud and Investigations Work Plan 2012/13</b>

**Summary:**

The Council's counter fraud arrangements demonstrate its commitment to strong governance and best use of resources. The 2012/13 Work Plan helps us to respond to Central Government expectations to tackle fraud and error. With the changes in the way Council services are delivered, the regulatory landscape and the economic pressures, it is important to maintain our counter fraud response and continue to build our resilience to the fraud threat.

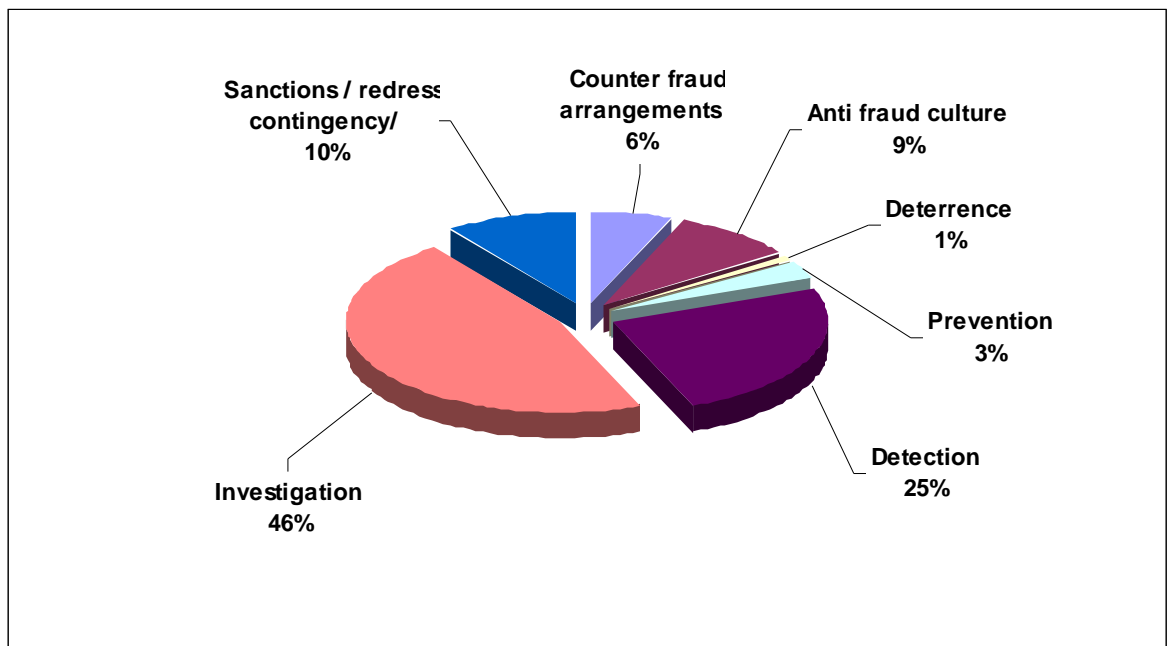
**Recommendation(s):**

To review and approve the Counter Fraud Work Plan for 2012/13.

**Background**

- 1 With our new structure fully resourced for 2012/13 we aim to increase our pro-active counter fraud work whilst maintaining our investigative capacity. We intend to continue with these two distinct work streams within the counter fraud and investigations team.
- 2 In response to recommendations from both the National Fraud Authority and Audit Commission we have allocated some resource to make better use of our IT systems by further developing our data analytics capability. We will pool this resource to support a bigger piece of development work we plan to complete to enhance our due diligence audit activity. This will ensure we maximise our resources and benefit from the synergy of dovetailing our counter fraud pro-active activity with the due diligence audit of the Council's key financial systems.
- 3 Throughout 2012/13 we plan to focus on raising awareness on the risk of fraud and corruption. This will involve engaging with managers, revisiting the Council's fraud risk assessment and attending team meetings across directorates to deliver short targeted messages on:
  - Council policy, expectations and individual responsibility
  - common fraud indicators

- how to respond when irregularities arise
  - hints & tips to reduce fraud risks
  - local fraud cases, prosecutions & recovery of losses
- 4 Following our data analytics development work we propose to carry out data analysis and fraud testing throughout the year, in areas such as:
- procurement (including procurement card use)
  - payroll
  - expenses
  - imprest (petty cash) accounts
  - mobile phone and internet use
  - payments (creditors)
- 5 We have dedicated 25% of the work plan to fraud and error detection - in addition to the continuous testing noted above, our pro-active work will cover the 2012/13 National Fraud Initiative and areas of emerging fraud risk highlighted nationally and locally.
- 6 Action plans resulting from our proactive and investigation work will focus on recovery action (where loss through fraud & error is identified) and recommendations to improve systems, process or policy to prevent reoccurrence. .
- 7 This graph shows how we propose to allocate the counter fraud resources for 2012/13:



## **Conclusion**

The Work Plan for 2012/13 includes development work to enhance our fraud detection activities and sufficient resource to ensure we increase fraud awareness across the Council. Our additional resources will protect our investigation capabilities and will also strengthen our work around deterrence, prevention and loss recovery.

## **Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **Appendices**

These are listed below and attached at the back of the report	
Appendix A	Draft Work Plan 2012/13

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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