

Counter Fraud Policy

Protecting Lincolnshire County Council Resources

Counter Fraud Policy Statement

CONTROL

Owner/ Policy Lead Officer:	Stephanie Kent (Counter Fraud & Investigations Manager)
Location:	Orchard House, County Offices, Lincoln
Consultation:	Audit Committee / Standards Committee / Executive
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Review Arrangements:	Every two years (Owner/Policy Lead Officer and Audit Committee)

INTRODUCTION

Lincolnshire County Council takes a **zero tolerance** stance to all forms of fraud, corruption and theft, both from within the Authority and from external sources. We recognise fraud can:

- undermine the standards of public service that the Council is attempting to achieve
- reduce the level of resources and services available for the residents of Lincolnshire
- result in major consequences which reduce public confidence in the Council

FRAUD is a deception which is deliberate and intended to provide a direct or indirect personal gain. The term “fraud” can include criminal deception, forgery, blackmail, corruption, theft, conspiracy or the covering up of material facts and collusion. By using deception a fraudster can obtain an advantage, avoid an obligation or cause loss to another party. The Fraud Act 2006 identifies three criminal offences:

- false representation
- failure to disclose information
- abuse of position

CORRUPTION is the deliberate misuse of your position for direct or indirect personal gain. “Corruption” includes offering, giving, requesting or accepting a bribe or reward, which influences your actions or the actions of someone else.

THEFT is where someone steals cash or other property. A person is guilty of “theft” if he or she dishonestly takes property belonging to someone else and has no intention of returning it.

We are committed to the highest possible standards of openness, probity, honesty, integrity and accountability. We expect all staff, councillors and partners to apply these standards which are included in our Code of Conduct, supported by the Council’s values (PERFORMS) and long-term commitments to improve Lifestyle, Excellence, Access, Diversity and Security within Lincolnshire (LEADS).

We will seek to deter and prevent fraud, corruption and theft to ensure that all risks in these areas are reduced to the lowest level possible. Where we suspect or detect fraud,

corruption or theft we will thoroughly investigate and deal with any proven fraud in a consistent and balanced way. We will apply appropriate sanctions against those committing fraud and will attempt to recover all losses.

SCOPE

This policy applies to:

- All County Council Employees and Councillors
- Staff and Committee Members of Council funded voluntary organisations
- County Council's Partners
- County Council Suppliers, Contractors and Consultants
- LCC residents

AIMS AND OBJECTIVES

We aim to:

- reduce fraud and loss within the Council to an absolute minimum and maintain that level
- protect the Council's valuable resources by ensuring they are not lost through fraud but are used for improved services to Lincolnshire residents
- create a Counter Fraud culture which highlights the Council's **zero tolerance** of fraud, corruption and theft, which defines roles and responsibilities and actively engages everyone – the public, councillors, staff, managers and policy makers
- provide a best practice Counter Fraud Service which:
 - proactively deters, prevents and detects fraud, corruption and theft
 - investigates suspected or detected fraud, corruption and theft
 - enables the Council to apply appropriate sanctions and recover all losses
 - provides recommendations to inform policy, system and control improvements, thereby reducing the Council's exposure to fraudulent activity

PRINCIPLES

We will not tolerate abuse of our services or resources and have high expectations of propriety, integrity and accountability from all parties identified within this policy.

We will ensure that the resources dedicated to our Counter Fraud activities are sufficient and those involved are trained to deliver a professional counter fraud service to the highest standards.

Fraud is a crime and will result in disciplinary, legal and/or criminal action against the individual(s) concerned. We will ensure consistency, fairness and objectivity in all our investigation work – everyone will be treated equally. The Head of Corporate Audit and Risk Management will authorise the referral of all cases of suspected fraud to the Police.

We want everyone to report any genuine suspicions of fraudulent activity. However, we will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, we may take disciplinary or legal action.

We will work with our partners (e.g. the police, district councils and other investigative bodies) to strengthen and continuously improve our arrangements to counter fraud and corruption.

RESPONSIBILITIES

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
Chief Executive	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Assistant Chief Executive (Monitoring Officer)	To advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice.
Assistant Director – Finance (Section 151 Officer)	To ensure the Council has an adequately resourced and effective Counter Fraud and Internal Audit service.
Audit Committee & Standards Committee	To monitor the Council's policies and consider the effectiveness the Whistleblowing and Counter Fraud & Corruption arrangements.
Councillors	To support and promote the development of a strong counter fraud culture.
External Audit	Statutory duty to ensure that the County Council has in place adequate arrangements for the prevention and detection of fraud, corruption and theft.
Corporate Audit & Risk Management (Counter Fraud and Investigations Team)	To develop and implement the Counter Fraud Policy and promptly investigate cases of suspected fraud reported under this policy or via the Whistleblowing arrangements. To make recommendations to improve controls and reduce the risk of fraud in the future.
Managers	To promote staff awareness, refer all suspected fraud to the Counter Fraud Investigations Team and apply the policy of zero tolerance . To ensure that they assess the risk of fraud, corruption and theft in their service areas and reduce these risks by implementing strong internal controls.
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns to management, the counter Fraud Investigation Team or via the Whistleblowing arrangements.

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
Public, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions.

APPROACH TO COUNTERING FRAUD

We will fulfil our responsibility to reduce fraud and protect our resources by completing work in each of the following key areas:

DETERRENCE	We will promote and develop a strong counter fraud culture, raise awareness and provide information on all aspects of our counter fraud work. This will include publicising the results of all proactive work, fraud investigations, successful sanctions and any recovery of losses due to fraud.
PREVENTION	We will strengthen measures to prevent fraud – the Audit and Investigation Teams will work with managers and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.
DETECTION	We will continuously assess those areas most vulnerable to the risk of fraud. These risk assessments will inform the our annual Proactive Counter Fraud Work Plan – the Counter Fraud and Investigations Team will carry out work in these high risk areas to detect existing and new types of fraudulent activity.
INVESTIGATION	Appropriately trained investigators will investigate any fraud detected through the planned proactive work, cases of suspected fraud referred from internal or external stakeholders or received via the whistleblowing arrangements.
SANCTIONS	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal, criminal and disciplinary action, where appropriate.
REDRESS	A crucial element of the our response to tackling fraud is recovering any monies lost through fraud– this is an important part of our strategy and will be rigorously pursued, where appropriate.

OUTCOMES

Investigation activity itself does not represent the outcomes of our counter fraud work. We recognise that by preventing fraud we will reduce losses and the delivery of our counter fraud work plan will improve overall outcomes and achieve the aims & objectives of this policy. We will measure the effectiveness of our counter fraud arrangements by focusing on outcomes such as:

- high levels of fraud awareness (survey results / attendance at training sessions)
- zero tolerance to fraud (number of referrals / disciplinary results)
- reduced losses through fraud-proofing policy and systems
- levels of recovery
- levels of reporting
- delivery of the annual counter fraud work plan (ensuring best practice)
- reducing the risk of fraud thereby protecting Council resources
- successful prosecutions and other sanctions

We will monitor these outcomes using a range of measures which will be reported to the Council's Audit Committee and published in our Annual Counter Fraud Report.

REPORTING, ADVICE AND SUPPORT

If you genuinely believe that someone is committing a fraud or you suspect corrupt practices, these are your reporting options:

- your line manager (or a more senior manager if you suspect your line manager is involved)
- Stephanie Kent (Counter Fraud & Investigations Manager)
stephanie.kent@lincolnshire.gov.uk
- Lucy Pledge (Head of Corporate Audit & Risk Management)
lucy.pledge@lincolnshire.gov.uk
- Councillor Neville Jackson, Counter Fraud Champion
- Whistleblowing facility:

Telephone: 0800 0853716 (dedicated confidential free phone number)

Email: whistleblowing@lincolnshire.gov.uk

In writing: Lincolnshire County Council
PO Box 640
Lincoln
LN1 1WF

To avoid potentially contaminating evidence, managers should not investigate themselves and instead immediately report all suspicions of fraud or corruption to the Counter Fraud and Investigations Team – please refer to the Council's [Fraud Response Plan](#) for more detail.

We will treat all concerns or suspicions with discretion and in confidence. If you need advice or support or would like to report a concern, please contact Stephanie Kent on 01522 553682.

FURTHER INFORMATION

- [Counter Fraud Leaflet](#)
- [The Constitution](#)
- [Finance and Contract Regulations](#)
- [Whistleblowing Policy](#)
- [Fraud Response Plan](#)
- [Code of Conduct](#)
- [Money Laundering Policy](#)
- [Annual Counter Fraud Work Plan](#)
- [Audit Lincolnshire Website](#)
- [Governance Framework](#)