



Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Audit Committee
Date:	24 July 2017
Subject:	Counter Fraud Annual Report 2016/2017

Summary:

This report provides information on the overall effectiveness of the Authority's arrangements to counter fraud and corruption and reviews the delivery of the 2016/17 counter fraud work plan.

Recommendation(s):

To assess the overall effectiveness of the Council's arrangements to counter fraud and corruption and the progress made to implement policy.

Background

The Counter Fraud Annual Report provides an overview of the investigation and proactive counter fraud work completed in 2016/17.

This summary provides information to enable the Committee to review the outcomes and overall effectiveness of the Council's arrangements. The progress reports submitted throughout the year and this annual report are the key sources of assurance for the Committee on the adequacy of Council's counter fraud activities.

The report supports the Committee in discharging its terms of reference around:

- To review the assessment of fraud risks and the potential harm to the council from the risk of fraud
- To monitor the counter fraud strategy, actions and resources.

In accordance with its responsibility for ensuring good governance and accountability, the Audit Committee may wish to consider:

- How the Council's counter-fraud strategy measures against best practice?
- How confident is the Committee that good counter fraud practice is adopted in the Council and its partners?
- Has the Committee an awareness of the major fraud risks faced by Lincolnshire County Council?

- Does the Committee receive assurance on the delivery of counter-fraud plans to address its fraud risks?
- Does the Committee oversee major areas of fraud identified and the implementation of consequential action plans to address the issues raised?

Conclusion

With its dedicated counter fraud and investigation resource, the Council has continued to maintain its commitment to preventing and detecting fraud during 2016/17. The arrangements in place to counter fraud remain effective and this is demonstrated by the significant increase in value of losses recovered from investigations during the year.

The number of fraud referrals received and subsequently the level of investigation activity increased during 2016/17. This impacted on the Counter Fraud and Investigations team's ability to deliver all areas of the Counter Fraud Work Plan. However, the team were able to ensure the strongest possible sanctions were taken in cases where fraud has been identified – where the evidence has met the requirements for criminal proceedings we have referred cases to Lincolnshire Police with a view to prosecution taking place. Several such cases with a total value of £83k are currently being investigated.

Our drive to increase awareness of fraud has continued in 2016/17. We focus our promotion of fraud awareness in areas of high risk to ensure potential indicators of fraud can be recognised. It is pleasing that we have seen fraud attempts prevented in areas where we have completed extensive awareness work with teams.

The Lincolnshire Counter Fraud Partnership has continued its successful collaboration with its partner authorities. LCFP is enhancing fraud resilience and fraud proofing across Lincolnshire through its co-ordination of targeted fraud awareness campaigns; sharing fraud intelligence and best practice; delivering savings and making effective use of resources. Notable achievements of the partnership in 2016/17 include the development and launch of a fraud awareness e-learning package and its promotion of whistleblowing facilities has seen a significant increase in reports made.

Consultation

a) Policy Proofing Actions Required

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Counter Fraud Annual Report

Background Papers

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

This report was written by Lucy Pledge, who can be contacted on 01522-553692 or lucy.pledge@lincolnshire.gov.uk.

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