

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

Report to:	<b>Audit Committee</b>
Date:	<b>19 November 2018</b>
Subject:	<b>Counter Fraud Progress Report to 30 September 2018</b>

**Summary:**

This report provides an update on our fraud investigation activities and information on progress made against our Counter Fraud Work Plan 2018/19.

**Recommendation(s):**

To note the outcomes of our counter fraud work and identify any actions it requires.

### Background

1. This report provides an update on the progress made against the Counter Fraud Work Plan 2018/19, including our investigation activities. Details can be found in Appendix A, including:

- Key messages
- Proactive work
- Investigations
- Progress against plan
- Other matters of interest

### Conclusion

2. We are making strong progress against the work plan for 2018/19. Key achievements include:

- We have completed our annual update of the Fraud Risk Register
- A proactive review to detect Procurement Fraud has been completed – this was one of the key priorities identified within the fraud risk assessment.
- Work in other key priority areas of fraud risk (schools and cyber fraud) has been delivered in 2018/19

3. We have recently submitted a substantial amount of records to the Cabinet Office for the National Fraud Initiative 2018/19. This is a data matching exercise and it is mandatory for public bodies to participate. The purpose of the process is to identify fraud, error and overpayment and we expect to make recoveries when the matches are provided in January 2019.
4. Fraud referrals have increased in 2018/19 to date – we have received 13 (more than double the referrals at the same stage in 2017/18). From analysis of the referrals received, schools and procurement fraud continue to be prominent. We have also noted an increase in social care referrals being made recently – we intend to respond to this raised level with some proactive work in Quarter 4 of 2018/19. We had already included time within our Counter Fraud Work Plan and the referrals emphasise the need to deliver work in that area.
5. We have secured recovery of over £7k in funds during the year to date. We expect that this will increase with legal efforts to secure a further £39k lost through a fraud case and amounts expected to be recouped through the National Fraud Initiative analysis.
6. This progress report is designed to provide the Committee with assurance that:
  - the Council's Counter Fraud arrangements are effective
  - progress has been made against the annual Counter Fraud Work Plan
  - the Council responds to the fraud risks that it faces, assessing and prioritising those where risks are considered to be high

## 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 Progress 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](mailto:lucy.pledge@lincolnshire.gov.uk) .