

Agenda Item 8



Regulatory and Other Committee

Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	17 June 2019
Subject:	Counter Fraud Annual Report 2018/2019

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 2018/19 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 2018/19.

This summary provides information to enable the Committee to review performance and the 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 duties 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.

Details included within Appendix A includes information on:

- Fraud referrals received and investigations conducted
- Investigation outcomes and recovery of fraud losses
- Proactive work delivered with a view to detecting and preventing fraud
- Fraud awareness work
- The recent update of the council's Fraud Risk Register
- Work delivered by the Lincolnshire Counter Fraud Partnership.

Conclusion

We can provide assurance that arrangements in place to counter fraud continue to remain effective. The number of referrals received in 2018/19 increased significantly – this demonstrates the effectiveness of our fraud awareness work and closer working with services to develop knowledge and reporting of fraud risks.

The level of recoveries was lower in 2018/19 although we were involved directly in preventing frauds taking place. We were able to complete 91% of the work tasks included within the annual Counter Fraud Plan for the year including an update of the Fraud Risk Register and also significant proactive work exercises in areas highlighted as raised fraud risks:

- Procurement fraud
- School fraud
- Social Care fraud
- Cyber fraud

The Counter Fraud and Investigation Team have seen success during 2018/19. We received national recognition in winning the Excellence in Counter Fraud Award at the 2019 Government Counter Fraud Awards – this related to our Fraud Awareness e-learning training course developed in conjunction with the Lincolnshire Counter Fraud Partnership and our efforts to raise fraud awareness within schools.

The Lincolnshire Counter Fraud Partnership has continued its successful collaboration with its partner authorities. Since the partnership's creation in 2015 the LCFP has now generated savings valued at £2.2m. An exercise on identifying incorrect Single Person Discounts during the year saw over 3000 discounts removed – these totalled £75k in value. This has a positive impact as it increases Council Tax revenue collection that benefits district councils and Lincolnshire County Council.

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
Appendix B	Counter Fraud Work Plan 2018/19
Appendix C	Referrals : 2014/15 to 2018/19
Appendix D	CIPFA Guidance for Audit Committees

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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