

Regulatory and Other Committee

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

Report to:	Audit Committee
Date:	23 June 2014
Subject:	Counter Fraud Annual Report 2013/2014

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 2013/14 counter fraud work plan.

Recommendation(s):

To consider 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 fraud proactive and investigation work completed over the year. 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 on the adequacy of Council's counter fraud activities.

Conclusion

The Council's counter fraud commitment and arrangements remain strong – over the years we have had excellent fraud loss recovery results and whilst we haven't had the same levels of recovery in 2013/14, we have had other appropriate outcomes such as successful prosecution, dismissal and/or resignations. The Council's zero tolerance to fraud is clear, all potential frauds are investigated and appropriate sanctions applied, where possible. We believe our continued efforts in these areas contribute to the reducing levels of detected fraud within the Authority.

It is, however, important for the Council to increase its fraud awareness activities and ensure it maintains a strong counter fraud response during this period of change. This is particularly relevant as we see the introduction of new service delivery models, reduced staffing and the de-layering of staff structures, along with a new and less onerous control framework.

CIPFA guidance for audit committees provides a checklist of key actions to help committees fulfil their role of assessing the adequacy of the Council's counter fraud arrangements. In addition to considering the activities within this report, the Committee may also wish to cover the following actions during 2014/15:

- ensuring the Counter Fraud Strategy meets the recommended practices (*the Council's Counter Fraud Policy due to be revised 2014*)
- championing good counter fraud practice to the wider organisation (*through member training events and in-year fraud awareness sessions*)
- understanding the level of risk the authority is exposed to (*using information from the ongoing update of the Council's fraud risk profile*)
- reviewing the annual counter fraud plan of activity and resources to ensure it is in line with the strategy and risk profile (*annual work plan already approved by the Committee and regular reports on progress received*)
- monitoring performance of counter fraud function (*via progress and annual reports*)
- overseeing major areas of detected fraud (*updated received via routine progress reports*)

Key guidance to assist the audit committee to fulfil the above recommended actions are contained in various governance publications, including:

- Delivering Good Governance in Local Government (CIPFA 2012)
- Managing the Risk of Fraud and Corruption (CIPFA – revised version expected 2014)

We can support the Committee over the coming year, by completing an assessment against the available best practice (when available) and agreeing actions for improvement, where necessary.

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.