



County Offices  
Newland  
Lincoln  
LN1 1YL

1 July 2022

**Audit Committee**

A meeting of the Audit Committee will be held on **Monday, 11 July 2022** in the **Council Chamber, County Offices, Newland, Lincoln LN1 1YL** at **11.00 am** for the transaction of business set out on the attached Agenda.

Yours sincerely

A handwritten signature in cursive script that reads 'Debbie Barnes'.

Debbie Barnes OBE  
Chief Executive

**Membership of the Audit Committee**

**(7 Members of the Council and 2 Non-Voting Added Members)**

Councillors Mrs S Rawlins (Chairman), M G Allan (Vice-Chairman), S Bunney, P E Coupland, J L King, P A Skinner and A N Stokes

**Non-Voting Added Members**

Mr I Haldenby, Independent Added Member  
Mr A Middleton, Independent Added Member



**AUDIT COMMITTEE AGENDA  
MONDAY, 11 JULY 2022**

<b>Item</b>	<b>Title</b>	<b>Pages</b>
<b>1</b>	<b>Apologies for Absence</b>	
<b>2</b>	<b>Declarations of Members' Interests</b>	
<b>3</b>	<b>Minutes of the meeting held on 13 June 2022</b>	5 - 10
<b>4</b>	<b>Draft Statement of Accounts 2020/21</b> <i>(To receive a report from Sue Maycock (Head of Finance – Corporate), which invites the Committee to scrutinise and comment on the draft Statement of Accounts 2020/21)</i>	To Follow
<b>5</b>	<b>Internal Audit Annual Report 2021/22</b> <i>(To receive a report by Lucy Pledge (Head of Internal Audit and Risk Management), which provides the Committee with the adequacy of the Council's Governance, Risk and Control environment and delivery of the Internal Audit plan for 2021/22)</i>	To Follow
<b>6</b>	<b>Counter Fraud Annual Report 2021/2022</b> <i>(To receive a report by Matthew Waller (Audit Manager), which provides information on the overall effectiveness of the Authority's arrangements to counter fraud and corruption and reviews the delivery of the 2021/22 counter fraud work plan)</i>	11 - 30
<b>7</b>	<b>Work Programme</b> <i>(To receive a report by Lucy Pledge (Head of Internal Audit and Risk Management), which invites the Committee to consider its work programme for the upcoming year)</i>	To Follow

### **Democratic Services Officer Contact Details**

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**Please Note:** for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for Audit Committee on Monday, 11th July, 2022, 11.00 am \(modern.gov.co.uk\)](https://www.lincolnshire.gov.uk/agenda-for-audit-committee-on-monday-11th-july-2022-11.00-am)

All papers for council meetings are available on:  
<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



**AUDIT COMMITTEE  
13 JUNE 2022**

**PRESENT: COUNCILLOR MRS S RAWLINS (CHAIRMAN)**

Councillors M G Allan (Vice-Chairman), S Bunney, P E Coupland, P A Skinner and A N Stokes

Also in attendance: Mr A Middleton (Independent Added Member)

Councillor J L King and Mr I Haldenby attended the meeting as observers via Microsoft Teams

Officers in attendance:-

Robert Close (Democratic Services Officer), Andrew Hancy (Head of Business Support), David Ingham (Head of Information Assurance), Shagofta Noreen (Complaints Manager), Lucy Pledge (Head of Internal Audit and Risk Management) and Matthew Waller (Internal Audit Manager)

**1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor J L King and Mr Ian Haldenby who both observed the meeting remotely via Microsoft Teams.

**2 DECLARATIONS OF MEMBERS' INTERESTS**

In relation to Minute Five on the agenda, Councillor P A Skinner declared he was a member of South East Councils Partnership.

In relation to Minute Four on the agenda, Councillor P E Coupland declared he was a member of Lincolnshire Pension Fund Pension Committee.

**3 MINUTES OF THE MEETING HELD ON 28 MARCH, 2022**

RESOLVED

That the minutes of the meeting held on 28 March 2022 be confirmed and signed by the Chairman as a correct record.

**4 INTERNATIONAL AUDIT STANDARD - RESPONSE TO MANAGEMENT PROCESSES QUESTIONS**

Consideration was given to a report produced by the Head of Internal Audit and Risk Management which provided the Committee with an assessment around whether the Council and Pension Fund financial statements may be mis-stated due to fraud or error.

Responses were made to questions from members of the Committee on the following topics:

- Valuation of Highways Assets – Work was ongoing to establish appropriate estimations for Council assets, particularly those of highways infrastructure, which may go on to impact to time scales for accounts sign off. The assets within the Highways network were discrete, thus, future improvements to a local section impacted upon the wider network. However, there was a concern that, as assets were being repaired, the maintained sections were not removed from the accounts. This raised a query from the external auditors that the gross cost may have been overstated within the accounts. While depreciation occurred among highways assets, officers were confident that the network value of the road network was appropriate. CIFA, working with external auditors, issued a short-term consultation as a solution to this financial year's accounts which was due to conclude imminently.
- Anticipated Future Challenges – The Council benefitted from a strong internal control framework which continuously adapted to developing challenges. Moreover, all relevant professional networks were engaged with to promote sharing best practice and undertaking of horizon scanning. The Counter Fraud Plan included national framework benchmarking and exercised a proactive Counter Fraud Strategy.
- The Council's Property Portfolio – Properties were revalued on a five-year rolling programme by the Council's external contractor. Upon revaluation, if material changes were identified, the Council could request a revaluation of all properties. Moreover, the five-year programme was recommended within the CIFA accounting code of practice. A valuation, arising at the close the previous financial year, resulted in an increase to a new asset, the Energy from Waste Plant. Upon this valuation, officers requested that it be revalued.
- Geopolitical Events Impacting on Lincolnshire Pension Fund Valuations – A response would be circulated in writing to the Audit Committee prior to the next meeting.

## RESOLVED

That the Audit Committee endorse the assessment, agreeing that it accurately reflected the Council's management process to minimise the risk of fraud or error in the County Council and Pension Fund financial statements.

5 INTERNAL AUDIT - EXTERNAL QUALITY ASSESSMENT 2022

Consideration was given to a report produced by the Head of Internal Audit and Risk Management which provided the Committee with information on the result of the external quality assessment undertaken on Assurance Lincolnshire in March 2022.

Members stressed their appreciation of the Council's full conformity to the External Quality Assessment 2022.

Responses were made to questions from members of the Committee on the following topics:

## RESOLVED

- Remote Working – Internal Audit operated in a hybrid manner for a long time, thus complete remote working's during the Covid-19 Pandemic, while challenging, was supported by established precedent and effective technology. Face-to-face engagements and working practices still held a necessary function within the team. New starters in the Audit Teams were invited to spend time in the office five days a week during the beginning of their employment to fully apprise them within internal practices.

- Staffing – The market for professional staff continued to be competitive, particularly as locational demands ceased through remote working arrangements. The Council recently benefitted from several successful recruitment exercises through internal development schemes and external advertisements with broader candidate specifications. It was, however, acknowledged that broader candidate specification resulted in an extended time for effective autonomous development. Apprenticeships were promoted for internal staff seeking to progress through levels six and seven, in addition to entry level three auditors. Members were assured that extensive recruitment enabled effective succession planning for more senior roles.
- Resourcing Demands – The Audit Team operated a business plan stating key strategy, including income generation targets, however prioritised support for internal clients and partners within Lincolnshire. Currently, the Audit Team sought to maintain its current clientele rather than expand operations.
- Assurance Lincolnshire – Assurance Lincolnshire sought to protect the quality of the internal audit function within Lincolnshire. Where Local Councils operated their internal audit function internally, Lincolnshire County Council (LCC) worked collaboratory to share best practice. Currently, LCC was in partnership with East Lindsey and the City of Lincoln District Councils, in addition Nottinghamshire County Council was an affiliate member of Assurance Lincolnshire. Moreover, LCC benefitted from an informal working relationship with North Lincolnshire Council (NLC) and North East Lincolnshire Council (NELC) for audit matters of joint public health.
- Data Analytics – The Council already operated data analytics across its financial systems but hoped to expand this onto its wider transactional systems. In addition, officers were hoping to create a dedicated IT resource while maintaining an expected standard of IT literacy throughout the Audit Team. Bids were being planned for development for workforce development.

#### RESOLVED

The Audit Committee noted the positive outcome of the External Quality Assessment for Assurance Lincolnshire and were assured over the quality and effectiveness of the Council's Internal Audit Function.

#### 6 CORPORATE AND STATUTORY ANNUAL COMPLAINTS REPORT 2021/22

Consideration was given to a report produced by the Complaints Manager - Business Support which provided the Committee with analysis of corporate and statutory complaints received by Lincolnshire County Council during the year 2021/2022.

Members of the Committee felt that they would appreciate an update report six months after the annual report.

Responses were made to questions from members of the Committee on the following topics:

- Complaint Actions – Quarterly reports were produced for directorates enabling them to create actions plans to reduce customer dissatisfaction particularly exploring opportunities for staff training. The increase in overall contacts, officers felt, was indicative of an accessible and robust complaints process.

- Highways Complaints – A significant project was ongoing to improve services through keeping customers up to date of defect status and planned future developments through Fix My Street. An increasing number of complaints were being resolved in favour of the complainant resulting in early resolution of customer dissatisfaction.
- Presentational concerns – Officers acknowledged Members’ presentational concerns in relation to the omission of 2020/21 total contacts from the ‘Comparison of Contacts and Complaints’ chart. It was clarified that, in relation to the Reasons for ‘Complaint where Fault was Found’ chart, Lack of Service and Lack of Communication, listed within the key, represented a nominal figure. Officers however appreciated that, in future, inclusion of comparative data for the former chart and a numerical breakdown of the latter chart would be beneficial to Members.
- Seriousness of Complaints – The reasons for, and action arising from, complaints, remained consistent with previous years. In instances of acutely serious complaints immediate prioritisation was initiated to ensure the appropriate steps were taken.
- Misdirected Complaints – The complaints process contained a facility for redirecting complaints to different council’s or bodies. Moreover, where a complaint was received from another council or body, these were logged with the respective area and in the body they came from.
- Adult Social Care – Complaints of timescale deficiencies were mitigated through appropriate expectations being set and effective communicating, this had been fed back to all service areas. There was no significant increase in upheld complaints that were escalated to the Parliamentary Health Services Ombudsman or the Local Government Social Care Ombudsman and, generally, their investigation conclusion reflected that of the Council.
- Household Waste Recycling Centres – Complaints relating to restrictions on material relate, mainly, to the first quarter due to limited booking arrangements still being in place. These complaints had been relayed to relevant service areas.
- Heads of Service Actions – In addition to reporting to Directorate Leadership Teams, complaints formed part of the Corporate Dashboard and fed through to Corporate Leadership Team and subsequently Directorate Leadership Teams. Officers were confident that they had a robust system which promoted effective action against complaints.

## RESOLVED

1. That the findings of the Corporate and Statutory Annual Complaints Report 2021/22 be acknowledged to enable them to be published externally.
2. That the Audit Committee receive an update following six months of this meeting.

7 INFORMATION ASSURANCE ANNUAL REPORT 2021/22

Consideration was given to a report produced by the Head of Information Assurance which summarised key activity undertaken by the Information Assurance (IA) team during 2021/22.

Responses were made to questions from members of the Committee on the following topics:

- Data Breach Complaints – If a member of the public issued a complaint through the Information Commissioner's Office (ICO), the Council may not be made aware until a number of months passed since the first contact, thus, there may be a backlog still to be revealed.



However, officers were confident that the number of complaints remained lower than last year.

- Core information assurance E-Learning – While only 82 per cent of staff had completed the E-Learning training per annum, the figure was taken from all employees of the Council. Some of whom joined, or departed, from the organisation within that annual period. Officers were working with HR to develop a greater breakdown of information. Moreover, staff were encouraged to undertake training throughout the year with strong support from senior management. The ICO were satisfied from all staff to be trained over a two-year period.
- Accessible Language – Officers, appreciating their technical language may not be accessible to the wider staffing of the Council, undertook an exercise with a test group to communicate their message in plain English.

RESOLVED

1. That the information assurance activity for 2021/22 be noted.
2. That the key activity demonstrating that the IA function remains effective and is relevant to the council's needs be noted.

8 WORK PROGRAMME

The Head of Internal Audit and Risk Management introduced the Work Programme which provided the Committee with core assurance activities currently scheduled for the 2021 work programme.

The Committee requested that the Complaints' report come back to the committee after six months of this meeting.

Members asked when the Integration of Health and Social Care system would be brought to the Committee while acknowledging that the system, to be implemented in July, would need time to embed as to effectively analysis assurance.

RESOLVED

That the work programme as amended above be approved.

The meeting closed at 11.38 am

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

Report to:	<b>Audit Committee</b>
Date:	<b>11 July 2022</b>
Subject:	<b>Counter Fraud Annual Report 2021/2022</b>

**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 2021/22 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 2021/22.

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
- Work delivered by the Lincolnshire Counter Fraud Partnership
- Investigation outcomes and recovery of fraud losses
- Proactive work delivered with a view to detecting and preventing fraud
- Fraud awareness work

## Conclusion

We can provide assurance that arrangements in place to counter fraud continue to remain effective. The number of referrals received in 2021/22 decreased – although a significant number of cases had been carried forward from the previous year.

The level of recoveries was lower in 2021/22 although we were involved directly in preventing frauds taking place and have several live cases awaiting action from Police/CPS.

We were able to deliver 90% of the work tasks included within the annual Counter Fraud Plan.

The Lincolnshire Counter Fraud Partnership has continued its successful collaboration with its partner authorities. The key focus during 2021/22 was the review of Single Person Discount (SPD) bulk review, which is estimated to generate Council Tax revenue of £1.3m net - with a net gain for LCC of £930k. The review also saw over 3200 discounts removed. This review has a positive impact as it increases Council Tax revenue collection that benefits both district councils and Lincolnshire County Council.

## Consultation

### a) Risks and Impact Analysis

N/A

## Appendices

These are listed below and attached at the back of the report	
Appendix A	Counter Fraud Annual Report 2021/22

## 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).

# Counter Fraud

## Annual Report



## July 2022

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Appendix A - Counter Fraud Plan 2021/22

**Lucy Pledge** - Head of Audit and Risk  
[Lucy.pledge@lincolnshire.gov.uk](mailto:Lucy.pledge@lincolnshire.gov.uk)

**Gary S Douglas**– Principal Investigator  
[Gary.Douglas@lincolnshire.gov.uk](mailto:Gary.Douglas@lincolnshire.gov.uk)

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This report has been prepared solely for the use of Members and Management of Lincolnshire County Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed Internal audit plan.



The Council continues to have effective counter fraud arrangements in place. The delivery and outcome of reactive counter fraud plan is monitored by the Audit Committee.

## Key Messages

### Fraud & Investigations

Counter Fraud & Investigation work has continued throughout 2021/22 with working practices adapting to new ways of working.

It is now generally accepted that there has been a general upturn in fraudulent activity arising from the pandemic with fraudsters adapting very quickly to take advantage of the ongoing pressures on public bodies.

Due to the nature of fraud remaining by and large a hidden crime it may still be some time before the full extent of loss to the UK economy and Local Government in particular is recognised.

We have delivered 90% of work planned for 2021/22.

In 2021/22 we carried forward **17** live investigations and received a further **12** referrals. **25** cases have been closed during the year with the following outcomes:

- 8 individuals subject to disciplinary proceedings -resulting in either a dismissal, final written warning or resignation.

- 5 cases currently with Lincolnshire Police
- 2 Management actions
- 10 No further action or unfounded

#### Whistleblowing activity

We continue to manage and triage the Whistleblowing hotline for Lincolnshire local authorities. An analysis of referrals made to the Reporting Line in 2021/22 identifies a total of 86 referrals were received (96 in 2020/21) with 59 referrals relating to districts (a slight drop from 63 in 2020/21).

- The main type of district referral relates to council tax and housing tenancy fraud
- The largest proportion of reports in 2021/22 related to City of Lincoln (29%) compared with 32% in 2020/21. SKDC at 23% (a significant decrease from 49% of total referrals in 2020/21) - there is no obvious reason why referrals relate mainly to these two districts
- Only 2 Covid-19 specific referrals were received in 2021/22 (8% of total in 2020/21).





The Council continues to have effective counter fraud arrangements in place. The delivery and outcome of proactive counter fraud plan is monitored by the Audit Committee.

## Key Messages

### Counter Fraud

In 2021/22 we undertook validation of applications submitted for Business Recovery Fund grants being offered to small businesses. As a result, we identified a large fraud in excess of £300k. This is currently being investigated by Lincolnshire Police and as part of our work has led to investigations of grant fraud in other Counties.

Maintaining awareness of fraud has been key. We have ensured regular communications were issued and are currently working on innovative methods of delivering our messages.

### Lincolnshire Counter Fraud Partnership

The Partnership continues to meet its key aims of improving fraud resilience and fraud proofing across Lincolnshire by improving fraud intelligence: raising fraud awareness: sharing fraud intelligence, best practice and expertise. It provided the partners with a tailored fraud newsletter.

Key focus in 2021/22 related to council tax fraud/error: delivering the 2020 /21 Single Person Discount (SPD) bulk review and securing approval for the business case for a rolling review of SPD to enhance recoveries.

The 2021 SPD bulk review performed by Datatank concluded in November 2021 is estimated to generate Council Tax revenue of £1.3m net - with a net gain for LCC of £930k. The review removed 3062 discounts with an average cancellation rate of 3.8%.



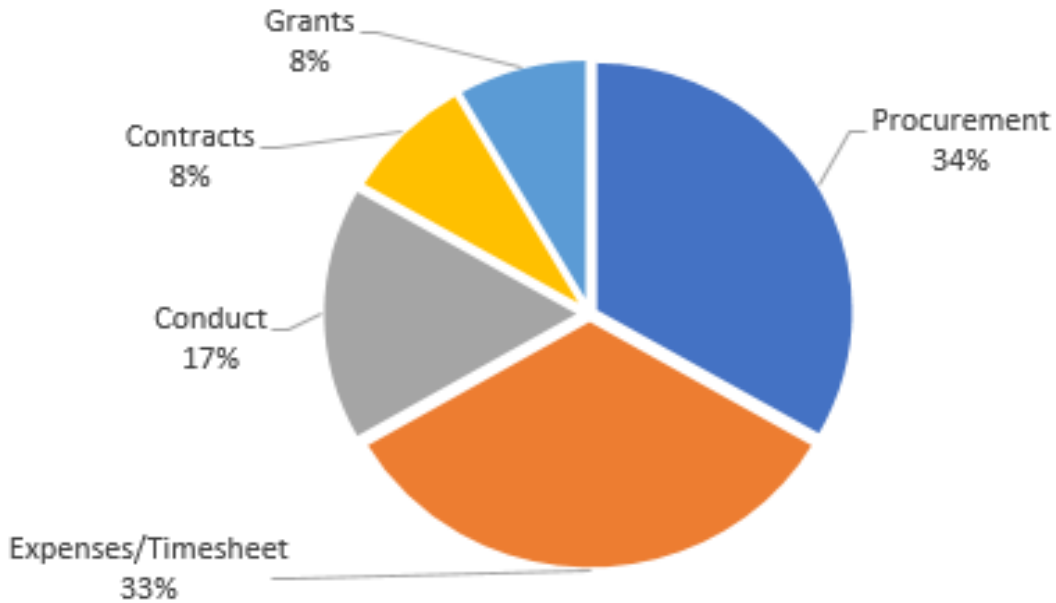


# Fraud Referrals

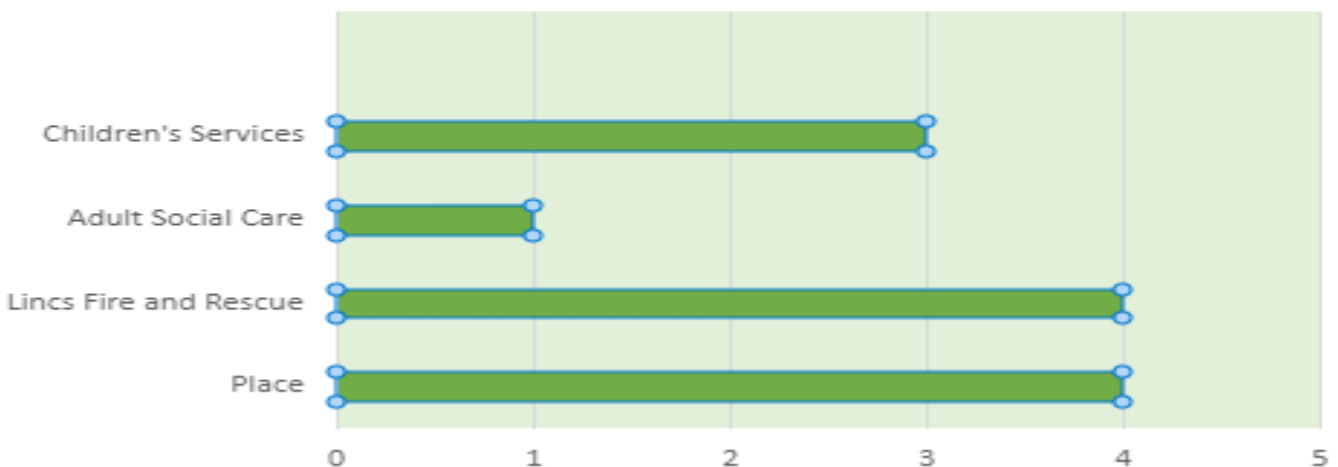
2021/22 saw a decrease in the number of fraud referrals received – 15 referrals in comparison with 20 in the previous year. 11 of these investigations were completed during the year and 4 have been carried forward at various stages of disciplinary or criminal investigation into 2022/2023.

Types of the referrals are shown below in the available chart.

### 21/22 Investigations/Referrals by Type



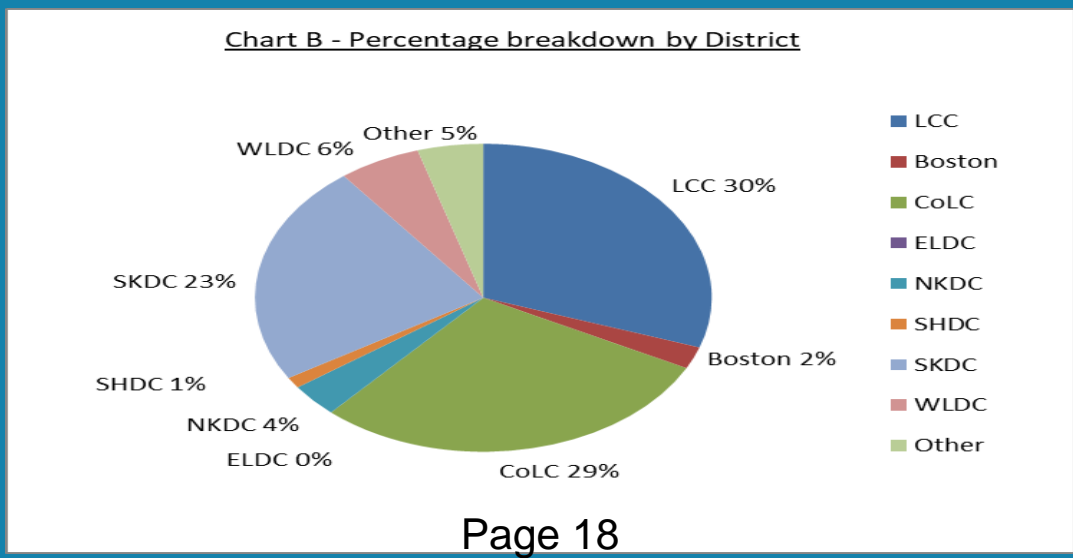
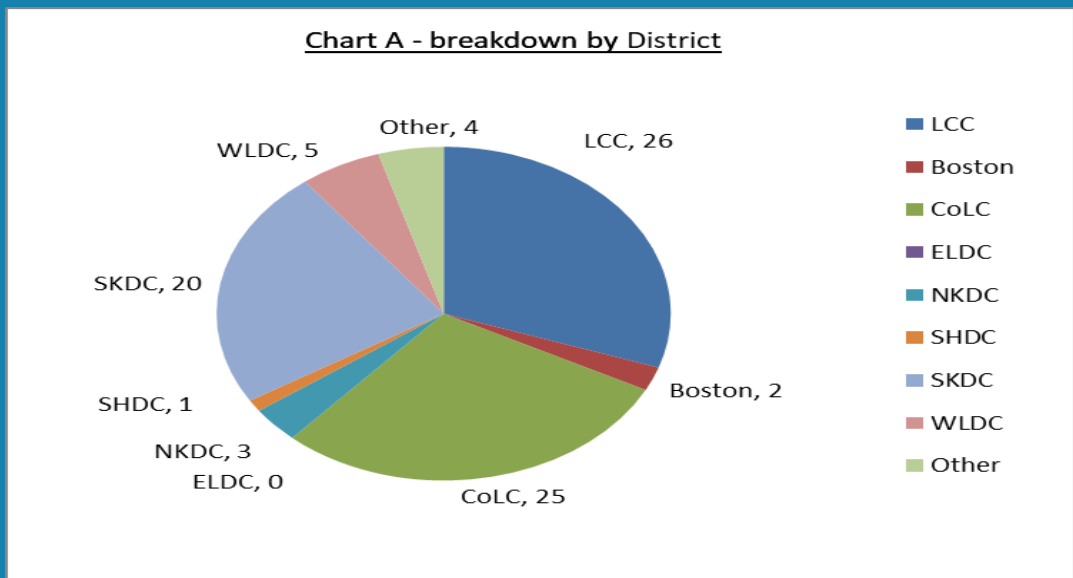
### 21/22 Investigations/Referrals by Area



# Whistleblowing activity – 86 Referrals in 2021-22

An analysis of referrals made to the Reporting Line in 2021/22 identifies a total of 86 referrals were received (96 in 2020/21) with 59 referrals relating to districts (a slight drop from 63 in 2020/21).

- The main type of district referral relates to council tax and housing tenancy fraud
- The largest proportion of reports in 2021/22 related to City of Lincoln (29%) compared with 32% in 2020/21. SKDC at 23% (a significant decrease from 49% of total referrals in 2020/21) - there is no obvious reason why referrals relate mainly to these two districts
- Only 2 Covid-19 specific referrals were received in 2021/22 (8% of total in 2020/21).



# Investigation Outcomes

As expected, we have had a variety of outcomes from cases completed. We have managed to conclude a total of 25 cases during the year - we still have one long term case arising in 2019/20 that is on-going and this is being considered for criminal prosecution and we are currently going through a CPS Right of review process. We currently have 7 investigation cases open at various stages. The headlines regards outcomes include:

**5**

**Cases with  
Police or Action  
Fraud**

These are at various stages of investigation. Ensuring appropriate sanctions are given in investigations where we gather evidence to support a fraud is a key element in our fraud response



**2**

**Recoveries  
made**

Recovery of losses through fraud is another key component of the Counter Fraud Policy. 2 recoveries of fraud losses (value £53,000k) have been made. One of our investigations in 2021/22 has a potential recovery in excess of £300,000. This is currently with the police for investigation and is expanding



**3**

**Dismissals**

Sanctions against those guilty of committing fraud are key a deterrent. 8 cases were subject to disciplinary proceedings with - 3 dismissals of the individuals involved.



**1**

**Significant  
fraud  
prevented**

We were able to directly contribute to the prevention fraud this year to the value of £450,000. We have pushed out the 'Zero Tolerance of Fraud' to employees throughout the LCC



**£12.5  
Million saved**

The Counter Fraud and Investigation Team is in its 11<sup>th</sup> Year . In its 11 years it has been responsible for savings to the taxpayer of over £12.5 Million through recoveries and fraud stopped.



# Proactive Work

Due to the changing circumstances and priorities brought about by the pandemic. The main areas of risk identified for post Covid-19 reviews were:

- Cyber Fraud
- Procurement Fraud
- Payment and Creditor Fraud
- Payroll and Employee Fraud
- Grant Fraud

We have been successful in delivering work in all of these priority areas as follows:

## Payroll and Employee Fraud

We routinely analyse payroll expense and allowance claims submitted. The change in working circumstances means the inherent fraud risks are potentially raised – therefore we identified payroll claims as a key proactive area for review. During the year a number of investigations / referrals were made in this area. These have resulted in 1 Summary Dismissal, 2 Management actions and 1 Final written warning

## Cyber Fraud

We liaise regularly with the Information Assurance team on cyber fraud risks. This has been prevalent since the pandemic began and we have worked on joint communications to help awareness.

## Procurement Fraud

We have also delivered proactive work on purchasing card use and contract review work. Procurement fraud is a key risk so we have also delivered awareness work to ensure relevant teams are aware of the threats. Card reviews have directly led to ongoing investigations.

## Payment and Creditor Fraud

We identified at an early stage that there was a threat around supplier fraud with sought after goods and services e.g. PPE. We reviewed approximately 1000 new suppliers created since March 2020 and have found no evidence of any fraudulent transactions during that time. This provides some assurance that the Council's process for on-boarding new suppliers is effective.

## Small Business Grants work

The Counter Fraud and Investigation and Finance Teams were involved in the design of systems to validate the applications submitted for Business Recovery Fund grants. In an area of high fraud risk, we provided advice on fraud controls required to deter fraudulent submissions.

We also employed our data analytic skills to identify potentially fraudulent applications – we conducted bank account and active company checks against all 500+ applicants. We also matched several datasets to identify duplicates - our reviews directly led to £77.5k payments being stopped. To date £1.64m has been paid to help small businesses in this scheme.

# Proactive work - Fraud Awareness

Ensuring and maintaining awareness plays a key part in Lincolnshire County Council's response to fraud.

The change in working arrangements and conditions required following the pandemic has meant that we have not been able to use some of our traditional methods of doing this – for example, face to face presentations.

However, we have adapted our skills and resources to ensure that key messages and information can still be released.

- Developing an in-house version of the fraud awareness e-learning training 'Fraud in the Workplace' for launch to LCC staff and managers. Content has been updated and has a new look / feel which should encourage completion. It includes a 'tone from the top' video message from our Chief Executive which promotes our anti-fraud culture and zero tolerance to fraud. This will be launched in the 1<sup>st</sup> Quarter of 2022/23



## Targeted communications

We have worked closely with specific service areas to tailor online presentations to help raise fraud awareness relevant to their work. These have included Children's Services, Business Support and Corporate Property Teams.

Developing a Counter Fraud Hub to consolidate Counter Fraud information and make it easier and clearer to signpost staff to relevant information.

# Lincolnshire Counter Fraud Partnership

## LCCP focus 2022/23

LCCP will continue to share local and national fraud intelligence and manage the Confidential Reporting Line. It will continue to support the districts in raising fraud awareness and provide a focus on fraud risks. It will provide partners with re-freshed 'Fraud in the workplace' e-learning for use by staff and members.

It will continue to support generation of council tax revenue from dealing pro-actively with council tax fraud / error by delivering the SPD Continuous Rolling Review (revised target November 2022). The project is a collaboration between LCC, the Lincolnshire districts and the OPCC.

It will strengthen the anti-fraud culture, proactively manage fraud risk and improve fraud resilience across Lincolnshire by keeping the council tax records accurate and up to date throughout the year.

The project is estimated to deliver revenue of £7m gross over a 5 year period, **£2m net more** over the same period compared to the current biennial approach. LCC's net revenue return is estimated at £4.5m.

**Helping partners to minimise Covid-19 Business Grant fraud by sharing fraud intelligence, alerts and best practice throughout the pandemic**

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
<b>CIPFA Code of Practice – Key Principle A : Acknowledge Responsibility</b>		
A1 - Acknowledge the threat of fraud and corruption	Member Training and Audit Committee Support	Outstanding – carried forward to 2022/23 workplan
A2 - Acknowledge the importance of a culture that is resilient to the threats of fraud and corruption	Counter Fraud Annual Plan and Progress Reports to Audit Committee	Completed
A3 - Governing Body acknowledges its responsibility for the management of its fraud and corruption risks	Lincolnshire Counter Fraud Partnership Plan and Reports for Lincolnshire Finance Officers Group	Completed
A4 - Governing Body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption		

**20 Days (3%)**

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
<b>CIPFA Code of Practice – Key Principle B : Identify Risks</b>		
B1 - Fraud risks are routinely considered as part of risk management arrangements	Horizon Scanning & Annual Self-assessment against Fighting Fraud and Corruption Locally.	Completed
B2 - The organisation identifies the risks of fraud and corruption	Benchmarking Activity – CFACT Tracker (annual survey), peer groups and trend analysis of LCC investigations	Completed
B3 - The organisation publishes estimates of fraud loss to aid evaluation of fraud risk exposures	Research and develop fraud loss estimate system	Outstanding
B4 – The organisation evaluates the harm to its aims and objectives	Collaboration in assurance mapping process - Counter Fraud and Investigations, Audit and Risk teams	Completed
	Update of Fraud Risk Registers	Completed
	Fraud Risk Register – present report to Audit Committee	Completed
	Identify priority service areas for awareness training	Completed

**20 Days (3%)**



<b>Specific step (from CIPFA Code of Practice)</b>	<b>Nature of work and Indicative Scope</b>	<b>Scheduling</b>
<b>CIPFA Code of Practice – Key Principle C : Develop a Strategy</b>		
<p><b>C1 - Governing Body formally adopts a counter fraud and corruption strategy to address identified risks</b></p> <p><b>C2 - Strategy includes the organisation's use of joint working or partnership approaches</b></p> <p><b>C3 - The strategy includes both proactive and responsive approaches:</b></p>	<p>Annual Counter Fraud Work Plan</p> <p>Strategy and Policy review/ refresh</p> <p>Update investigation practice notes</p> <p>Refresh Communications Strategy</p> <p>Feasibility study for establishment of a County wide data hub</p>	<p>Completed</p> <p>Counter fraud policies currently under review – Presentation to Audit Committee July 2022</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
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**CIPFA Code of Practice – Key Principle C : Develop a Strategy**

- Proactive action:**
- Develop counter fraud culture
  - Prevent fraud through implementation of robust internal controls
  - Use of techniques such as data matching
  - Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters
- Responsive action:**
- Detecting fraud through data and intelligence analysis
  - Implementing effective whistleblowing arrangements
  - Investigating fraud referrals
  - Applying sanctions and seeking redress

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**10 Days (1%)**

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
<b>CIPFA Code of Practice – Key Principle D : Provide Resources</b>		
D1 - Annual assessment whether level of resource invested to countering fraud and corruption is proportionate to the level of risk	Lincolnshire Counter Fraud Partnership resource	Completed
D2 - The organisation utilises an appropriate mix of experienced and skilled staff	Whistleblowing facility – logging reports, referrals and follow up action	Completed
	LCC – Support and advice	Completed
D3 - The organisation grants counter fraud staff unhindered access to its employees	Engagement with national and regional best practice groups (including Midland Fraud Group) – sharing intelligence, CIPFA Standards and Fighting Fraud and Corruption Locally.	Completed
	Enhance data analytic training and capability	Completed
D4 - The organisation has protocols in place to facilitate joint working and data and intelligence sharing	E-Learning	Outstanding & carried forward to 2022/23 work plan

70 Days (9%)

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
<b>CIPFA Code of Practice – Key Principle E : Take Action</b>		
E1 - The organisation has put in place a policy framework which supports the implementation of the Counter Fraud Strategy	Completion of work in progress from 2020/21 Counter Fraud Plan	Completed
E2 - Plans and operations are aligned to the strategy	National Fraud Initiative–Processing & Reporting	Completed
E3 - Making effective use of initiatives to detect and prevent fraud, such as data matching or intelligence sharing	Promotion and Delivery of Communications Plan, targeted fraud awareness sessions and Fraud Clinics (Virtual delivery)	Completed
E4 - Providing for independent assurance over fraud risk management, strategy and activities	Pro-active reviews on higher risk areas – linked to fraud risk assessment. Key priorities for 2021/22 are currently: Covid grants and support schemes Procurement and contracts Adult Social Care Support for Internal Audit due diligence and key control testing. (Payroll & employees/ payments & creditors)	Counter Fraud Work Plan amended to reflect changed work priorities due to Covid-19 - completed
E5 - Report to the Governing Body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy. Conclusions are featured within the Annual Governance report	Liaison & intelligence sharing meetings with Information Assurance Teams (Cyber risks)	Completed

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
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## CIPFA Code of Practice – Key Principle E : Take Action

* Note also Specific Step – C3		
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**170 Days (23%)**

**365 days for Investigations (49%)**

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope	Scheduling
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Contingency	Emerging risks	
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**90 Days (12%)**

**TOTAL – 745 DAYS**

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