

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

Report to:	Audit Committee
Date:	21 March 2016
Subject:	Counter Fraud and Investigations Work Plan 2016/17

Summary:

The Council's counter fraud arrangements demonstrate its continued commitment to strong governance and best use of resources. Our response to Central Government's expectations for tackling fraud and corruption is reflected in the draft 2016/17 Counter Fraud and Investigations Work Plan. It is important we maintain our counter fraud response and resilience as the changes to Council service delivery continue to evolve.

Recommendation(s):

To review and approve the Counter Fraud Work Plan for 2016/17.

Background

- 1 In response to central government's expectations for tackling fraud and corruption, we aim to continue to focus on our prevention, detection and investigation work.
- 2 CIPFA issued its Counter Fraud Code of Practice on Managing the Risk of Fraud and Corruption in 2014. This document sets out good practice in this area and to ensure our work reflects the key principles within the code we have now aligned our plan with the same themes:
 - Acknowledging responsibility
 - Identify risks
 - Develop a strategy
 - Provide resources
 - Take action
- 3 During the year we will review the Council's Counter Fraud policy to ensure that we comply with the code of practice. We will also refresh the Whistleblowing and Money Laundering policies and arrangements to ensure they reflect any changes in legislation.

- 4 Our whistleblowing and counter fraud awareness activity will continue throughout 2016/17. We plan for more engagement through briefing sessions with service managers, members and staff to ensure awareness at all levels.
- 5 We will continue to use our data analytics expertise to enhance our analysis and fraud & error testing across key financial systems – employing a continuous testing approach. Data will also be analysed when delivering proactive exercises in areas carrying increased fraud risk. Much of the work on updating the Council's fraud risk assessment has been completed and this will be finalised in 2016/17.
- 6 We will continue our proactive work in priority areas such as procurement fraud and will work accordingly with the relevant teams across the Council. We also plan to engage with schools to promote fraud awareness and to assess fraud risks.
- 7 We will be required to submit datasets across several systems for the 2016/17 National Fraud Initiative data matching exercise.
- 8 Action plans resulting from our proactive and investigation work will focus on recovery action (where loss through fraud & error is identified) and recommendations to improve systems, process or policy to prevent reoccurrence.
- 9 The work of the Lincolnshire Counter Fraud Partnership will continue. Lincolnshire County Council were allocated monies by the DCLG to create the partnership to improve Lincolnshire local authorities response to tackling high risk areas of corporate fraud - with progress and delivery being monitored by the Chief Finance Officer Group. The group has been fully operational since May 2015 and achieved significant savings through several projects. Partner authorities risk profiles are currently being updated and a work plan for 2016/17 is being developed.

Conclusion

10. Maintaining resilience to fraud is essential when public funds are under so much pressure and risks are increased.
11. The Council's Counter Fraud Work Plan for 2016/17 provides a robust response to Central Government's expectations for tackling fraud and corruption. This demonstrates the Council's continued commitment to ensuring good governance during a period of significant change to service delivery.
12. The Audit Committee plays a key role in monitoring the effectiveness of Council policies on confidential reporting code, anti-fraud and anti-corruption policy and the Council's complaints process. In considering the proposed Counter Fraud work plan the Committee should be able to:

- Gain assurance that the Council has effective arrangements in place to fight fraud locally
- Confirm that counter fraud resources are targeted to the Council's key fraud risks.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Counter Fraud Work Plan 2016/17
Appendix B	CIPFA Fraud and Corruption Tracker (Survey Report 2015)

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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