

## Regulatory and Other Committee

### Open Report on behalf of Pete Moore, Executive Director Finance and Community Safety

Report to:	<b>Audit Committee</b>
Date:	<b>18 July 2016</b>
Subject:	<b>Counter Fraud Annual Report 2015/2016</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 2015/16 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 2015/16.

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 for the Committee on the adequacy of Council's counter fraud activities.

The report supports the Committee in discharging its terms of reference 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.

In considering this report the Audit Committee may wish to consider the following:

- How the Council's counter-fraud strategy measures against best practice?
- Has the Committee an awareness of the major fraud risks the Council faces?

- Is confident that good counter fraud practice is adopted in the Council and its partners
- Obtained assurance on the delivery of counter-fraud plans to address these risks?
- Overseeing any major areas of fraud identified and the implementation of consequential action plans

## **Conclusion**

The Council has maintained its commitment to countering fraud and the arrangements in place to support this are effective. The recoveries secured from our investigation work were limited in 2015/16. However, during the year we concluded our work on the 2014/15 National Fraud Initiative exercise and instigated recovery of over £30k in our proactive review of the data matches identified in that process – this represented an 88% increase on the total identified in the previous exercise (2012/13). We will soon be providing data for the 2016/17 exercise.

Through our investigative work we have been able to ensure sanctions are taken wherever possible and have achieved results in that respect – including successful prosecutions and dismissals. Our 'lessons learned' approach includes production of action plans following investigations. These aim to prevent reoccurrence of the issues arising again – therefore, fraud prevented and the associated future savings made are also positive outcomes and measures of success.

In 2015/16, we continued to promote fraud awareness heavily to ensure a strong counter fraud response. We have targeted specific areas of high fraud risk – for example, procurement fraud and have worked closely with commissioning teams in this area. We have used various media outlets and communication channels to maximise the promotion of our counter fraud arrangements in an effort to reach all stakeholders. The increased usage of our Whistleblowing line provides evidence this has succeeded.

The Lincolnshire Counter Fraud Partnership has been highly successful with 2 projects (Council Tax Single Person Discount and Council Tax Reduction) identifying £680k in savings for the partners involved. The partnership has also been involved extensively in promotional activities with a view to developing an anti-fraud culture throughout Lincolnshire. The Council's Counter Fraud and Investigation Team will continue to work closely with the LCFP to build upon the results achieved. The partnership is currently developing a fraud healthcheck to review the response to fraud and corruption. This draws on a fraud assessment tool produced by CIPFA and the Fighting Fraud and Corruption Locally strategy.

Policy documents, including the Counter Fraud Policy, Fraud Response Plan Money Laundering Policy and Whistleblowing Policy are due for review in 2016/17. This will further strengthen and update the counter fraud response already in place. All documents will reflect guidance issued within Fighting Fraud and Corruption

Locally – the recently refreshed counter fraud strategy aimed at local government organisations.

Our counter fraud work plan for 2016/17 is already aligned to themes included within the CIPFA Code of Guidance for Managing the Risk of Fraud and Corruption. The Counter Fraud and Investigation Team assist the audit committee through a regular programme of self-assessment to ensure the Council's counter fraud arrangements continue to conform with the principles contained within the code. The Council will complete the Lincolnshire Counter Fraud Partnership's healthcheck to further support this process.

## **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 Policy

## **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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