

Counter Fraud 2021/22 Work Plan



**Lincolnshire County Council
March 2021**

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The contacts at Assurance Lincolnshire are:

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The Planning Process

Introduction

This report sets out proposed work of the Counter Fraud and Investigation Team for 2021/22. The aim is to give you a high level overview of the activities we are likely to cover during the year, with indicative scope for each theme. The draft plan gives you an opportunity to comment on the plan and the priorities that we have established.

Our plan has been developed as a statement of intent to enable us to respond to changes during the year. Whilst every effort will be made to deliver the plan, we recognise that we need to be flexible and prepared to revise activity – responding to changing circumstances or emerging risks, working within agreed resources.

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 plan. It is important that we maintain our counter fraud response and resilience as the changes to the Council's service delivery continue to evolve.

Background

The Counter Fraud and Investigations Team (CFIT) is well established and has a track record of delivering both pro-active counter fraud work and responding to whistleblowing allegations and reports of suspected fraud.

The Audit Committee provides oversight on the effectiveness of the Council's counter fraud arrangements – including the progress and delivery of this work plan. We provide Progress Reports during the year and an Annual Report on the outcome of our work.

Lincolnshire Counter Fraud Partnership was established in 2015. This partnership is made up of all the local authorities and the Police in

Lincolnshire. Lincolnshire Council's and Lincolnshire Police have agreed to continue fund this initiative for 2021/22.

The Counter Fraud Plan 2021/22 has been developed to deliver a proportionate response to the risk of fraud for both Lincolnshire County Council and its partners in the Lincolnshire Counter Fraud Partnership. This reflects new risks emerging from the pandemic.

Developing the plan

In April 2020, the Government's Local Government Counter Fraud and Corruption Strategy - Fighting Fraud and Corruption Locally (FFCL) was refreshed. The Strategy is supported by the CIPFA's Code of Practice for Managing the Risk of Fraud, providing a blueprint for a tough response to fraud committed against local authorities.

The Council's counter fraud arrangements are designed to adhere to the principles and specific areas expected and identified in the CIPFA Code of Practice and response to recommendations from FFCL.

To ensure that the plan reflects key areas, we have aligned the 2021/22 Counter Fraud plan to the CIPFA Code's 5 key principles:

- Acknowledge responsibility
- Identify risks
- Develop Strategy
- Provide resources
- Take action

In 2021/22 there is a heavy focus on taking action. This includes continued pro-active work to prevent and detect fraud, and resource for investigation when fraud is suspected.

Figure 1 below also shows other key sources of information that has helped inform the plan.

Figure 1



We have prioritised our audit work, taking account of the impact an activity will have. Our Counter Fraud Plan and indicative scope have therefore been developed to:

- ensure continuing good practice for fraud prevention and detection
- respond to higher risk areas identified in LCC's Fraud Risk Register
- tackle cross cutting themes identified by the Lincolnshire Counter Fraud Partnership
- react to emerging fraud risks, including those arising from the pandemic

Our Work Plan sets out delivery – Appendix A

Delivery and Focus

Delivering the Plan

We propose to allocate our Counter Fraud resource as shown in **Figure 2** - with the proposed counter fraud activities outlined at Appendix A.

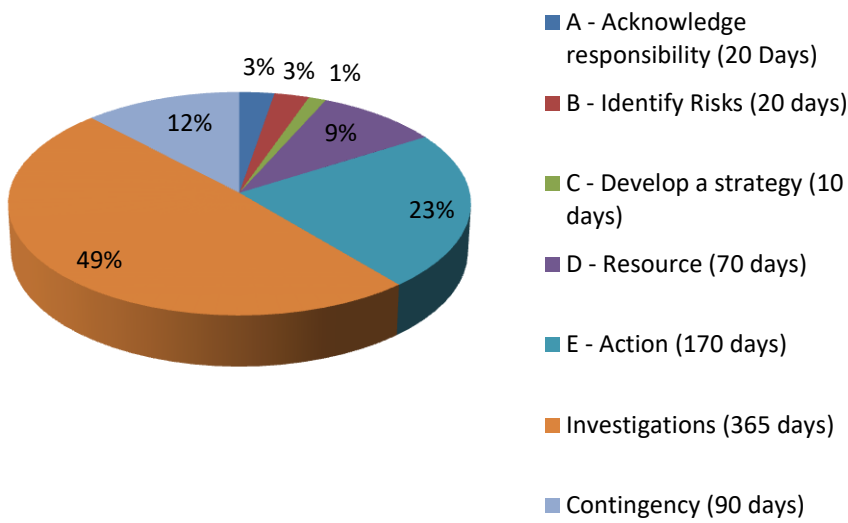
The plan identifies specific areas that will be

delivered, but also some unallocated contingency. The contingency allows for greater flexibility to respond to emerging risks and larger scale investigations.

This will be modified in accordance with investigative demands, emerging risks, requests from management and practical considerations around the timing of counter fraud activity.

The Council's Counter Fraud Plan is 745 days.

Allocation of Counter Fraud Resources



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Staff Resource

The core team who will deliver the Counter Fraud Plan are:

Name	Grade
Dianne Downs	Audit Team Leader
Donald Adams	Principal Investigator
Matt Drury	Principal Investigator
Gillian Martin	Principal Investigator
Gary Douglas	Principal Investigator
Ashley Simons	Senior Investigator

Full contact details for the team can be found at Appendix B

The team will be supported by specialists from Assurance Lincolnshire and our wider audit frameworks as and when appropriate and by our pool of Relief Conduct Investigators.

The mix of staff delivering our Counter Fraud plan is shown below:

Grade	2021/22 plan (Average Days)	Grade Mix %
Head of Corporate Audit & Strategic Risk Management	15	2%
Team Leader - Audit	90	12%
Principal Investigator	463	62%
Senior Investigator	177	24%
Totals	745	100%

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Appendix A – Counter Fraud Plan 2021/22

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle A : Acknowledge Responsibility	
<p>A1 - Acknowledge the threat of fraud and corruption</p> <p>A2 - Acknowledge the importance of a culture that is resilient to the threats of fraud and corruption</p> <p>A3 - Governing Body acknowledges its responsibility for the management of its fraud and corruption risks</p> <p>A4 - Governing Body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption</p>	<p>Member Training and Audit Committee Support</p> <p>Counter Fraud Annual Plan and Progress Reports to Audit Committee</p> <p>Lincolnshire Counter Fraud Partnership Plan and Reports for Lincolnshire Finance Officers Group</p>
20 Days (3%)	

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle B : Identify Risks	
<p>B1 - Fraud risks are routinely considered as part of risk management arrangements</p> <p>B2 - The organisation identifies the risks of fraud and corruption</p> <p>B3 - The organisation publishes estimates of fraud loss to aid evaluation of fraud risk exposures</p> <p>B4 – The organisation evaluates the harm to its aims and objectives</p>	<p>Horizon Scanning & Annual Self-assessment against Fighting Fraud and Corruption Locally.</p> <p>Benchmarking Activity – CFACT Tracker (annual survey), peer groups and trend analysis of LCC investigations</p> <p>Collaboration in assurance mapping process - Counter Fraud and Investigations, Audit and Risk teams</p> <p>Update of Fraud Risk Registers</p> <p>Fraud Risk Register – present report to Audit Committee</p> <p>Identify priority service areas for awareness training</p>
20 Days (3%)	

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Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle C : Develop a Strategy	
<p>C1 - Governing Body formally adopts a counter fraud and corruption strategy to address identified risks</p> <p>C2 - Strategy includes the organisation's use of joint working or partnership approaches</p> <p>C3 - The strategy includes both proactive and responsive approaches:</p> <p>Proactive action:</p> <ul style="list-style-type: none"> • 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 <p>Responsive action:</p> <ul style="list-style-type: none"> • Detecting fraud through data and intelligence analysis • Implementing effective whistleblowing arrangements • Investigating fraud referrals <p>Applying sanctions and seeking redress</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>
10 Days (1%)	

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Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle D : Provide Resources	
<p>D1 - Annual assessment whether level of resource invested to countering fraud and corruption is proportionate to the level of risk</p> <p>D2 - The organisation utilises an appropriate mix of experienced and skilled staff</p> <p>D3 - The organisation grants counter fraud staff unhindered access to its employees</p> <p>D4 - The organisation has protocols in place to facilitate joint working and data and intelligence sharing</p>	<p>Lincolnshire Counter Fraud Partnership resource</p> <p>Whistleblowing facility – logging reports, referrals and follow up action</p> <p>LCC – Support and advice</p> <p>Engagement with national and regional best practice groups (including Midland Fraud Group) – sharing intelligence, CIPFA Standards and Fighting Fraud and Corruption Locally.</p> <p>Enhance data analytic training and capability</p> <p>E-Learning</p>
70 Days (9%)	

Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle E : Take Action	
<p>E1 - The organisation has put in place a policy framework which supports the implementation of the Counter Fraud Strategy</p> <p>E2 - Plans and operations are aligned to the strategy</p> <p>E3 - Making effective use of initiatives to detect and prevent fraud, such as data matching or intelligence sharing</p> <p>E4 - Providing for independent assurance over fraud risk management, strategy and activities</p>	<p>Completion of work in progress from 2020/21 Counter Fraud Plan</p> <p>National Fraud Initiative–Processing & Reporting</p> <p>Promotion and Delivery of Communications Plan, targeted fraud awareness sessions and Fraud Clinics (Virtual delivery)</p> <p>Pro-active reviews on higher risk areas – linked to fraud risk assessment. Key priorities for 2021/22 are currently:</p> <ul style="list-style-type: none"> • 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)

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Specific step (from CIPFA Code of Practice)	Nature of work and Indicative Scope
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	<ul style="list-style-type: none"> Liaison & intelligence sharing meetings with Information Assurance Teams (Cyber risks)
170 Days (23%)	
365 days for Investigations (49%)	

Additional work	Nature of work and Indicative Scope
Contingency	Other - emerging risks / expansion of planned work.
90 Days (12%)	
TOTAL – 745 DAYS	

Appendix B –STAFF CONTACTS

NAME	GRADE	EMAIL
Lucy Pledge	Audit and Risk Manager	Lucy.Pledge@lincolnshire.gov.uk
Dianne Downs	Team Leader- Audit	Dianne.Downs@lincolnshire.gov.uk
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