

Counter Fraud

2022/23 Work Plan



Lincolnshire County Council
March 2022

Contents

The Planning Process

Page 1

Introduction
Background
Developing the plan

Delivery and Focus

Page 4

Delivering the plan

Appendices

Page 5

A – Draft Counter Fraud Plan

The contacts at Assurance Lincolnshire are:

Lucy Pledge CMIIA, QIAL

Head of Audit and Risk Management

Lucy.pledge@lincolnshire.gov.uk

Gary Douglas

Principal Investigator - CFIT

Gary.douglas@lincolnshire.gov.uk

The Planning Process

Introduction

This report sets out proposed work of the Counter Fraud and Investigation Team for 2022/23. 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 2022/23.

The Counter Fraud Plan 2022/23 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 2022/23 Counter Fraud plan to the CIPFA Code's 5 key principles:

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

This includes continued pro-active work to prevent and detect fraud, and resource for investigation when fraud is suspected.

We will launch a County wide Anti-Fraud Poster and Leaflet campaign to all LCC staff and also launch our new Counter Fraud Hub which includes our E-Learning package. The Counter Fraud Hub will give staff information on how to report fraud, information on the Whistleblowing facility and contact details of Counter Fraud Team members.

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

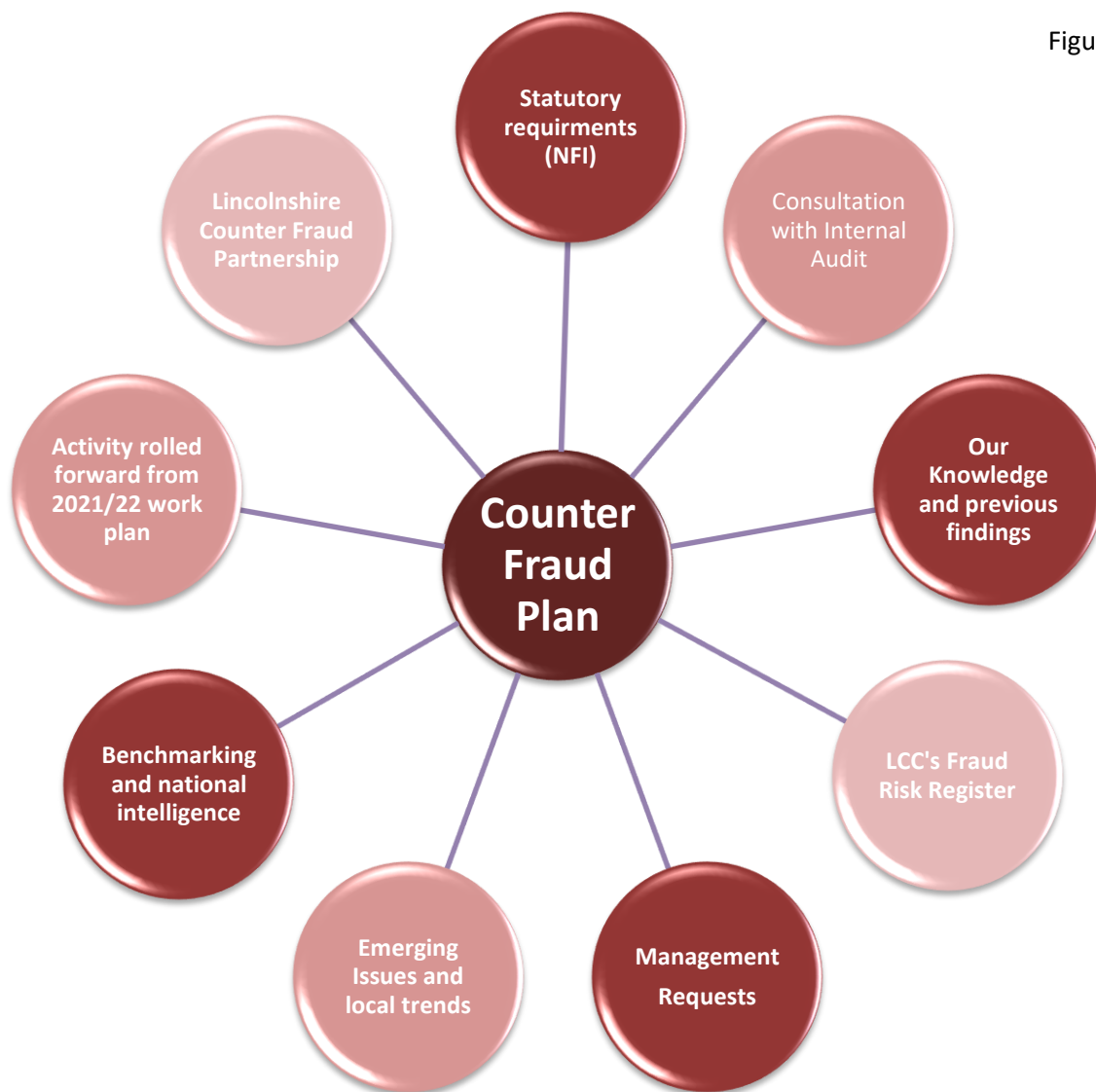


Figure 1

We have prioritised our counter fraud 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
- make the best use of combined audit and counter fraud resources by aligning proactive counter fraud work with relevant audit areas eg procurement , payroll adult social care etc.

Our Work Plan sets out delivery Appendix A

Delivery and Focus

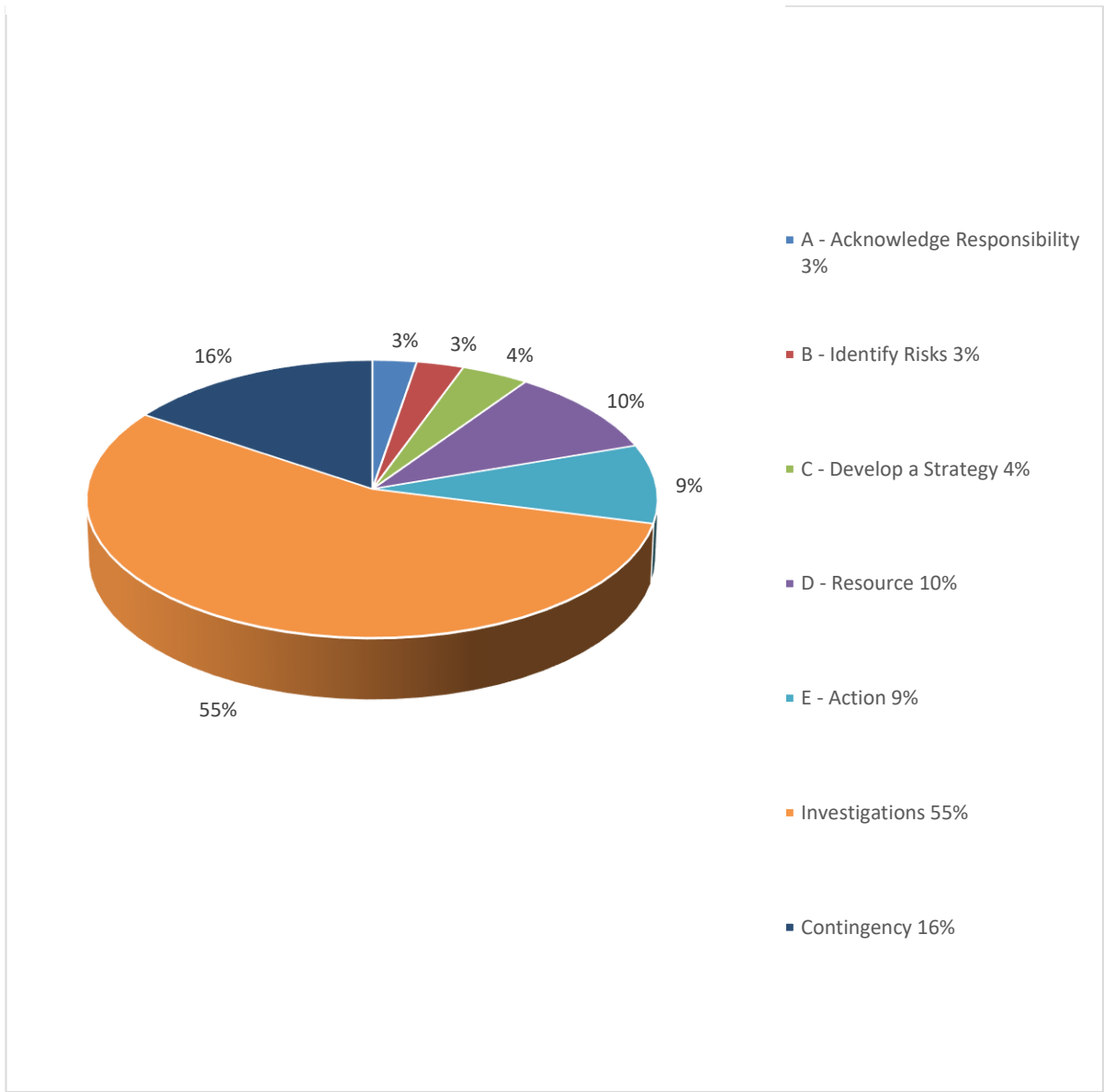
Delivering the Plan

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. 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 team has provision for three full time equivalent posts. The Council's Counter Fraud Plan is 523 days.

Allocation of Counter Fraud Resources



APPENDIX A – Counter Fraud Plan 2022/23

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>
14 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>Update and presentation of Fraud Risk Registers</p> <p>Fraud Risk Register – present report to Audit Committee</p> <p>Identify priority service areas for awareness training</p> <p>Collaboration in assurance mapping process - Counter Fraud and Investigations, Audit and Risk teams</p>
15 Days (3%)	

APPENDIX A – Counter Fraud Plan 2022/23

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 • Launching of new Counter Fraud Hub & Fraud E-Learning • 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 23/24</p> <p>Strategy and Policy review</p> <p>Update investigation practice notes</p> <p>Fraud Communications Strategy</p> <p>Launch of new Counter Fraud Hub and Fraud E-Learning (Q1/2022)</p> <p>Use of Data Analysis process in identifying Fraud Risk.</p> <p>Publication of LCC Whistleblowing arrangements</p>
21.5 Days (4%)	

APPENDIX A – Counter Fraud Plan 2022/23

Specific step (From CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle D : Provide Resources	
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 Whistleblowing facility – logging reports, referrals and follow up action LCC – Support and advice
D2 - The organisation utilises an appropriate mix of experienced and skilled staff	Engagement with national and regional best practice groups (including Multi Agency Intelligence Network (MAIN Lincs Police) & Midland Fraud Group) – sharing intelligence, CIPFA Standards and Fighting Fraud and Corruption Locally.
D3 - The organisation grants counter fraud staff unhindered access to its employees	Enhance data analytic training and capability
D4 - The organisation has protocols in place to facilitate joint working and data and intelligence sharing	Schools E-Learning (development and promotion) Fraud Awareness E learning LCC Launch of new Counter Fraud Hub NSDC Fraud Risk workshop
53 Days (10%)	

Specific step (From CIPFA Code of Practice)	Nature of work and Indicative Scope
CIPFA Code of Practice – Key Principle E : Take Action	
E1 - The organisation has put in place a policy framework which supports the implementation of the Counter Fraud Strategy	National Fraud Initiative–Processing & Reporting for 2022/23
E2 - Plans and operations are aligned to the strategy	Promotion and Delivery of Communications Plan, targeted fraud awareness sessions and Fraud Clinics (Virtual delivery)
E3 - Making effective use of initiatives to detect and prevent fraud, such as data matching or intelligence sharing	Pro-active reviews on higher risk areas – linked to fraud risk assessment. Key priorities for 2022/23 are currently:
E4 - Providing for independent assurance over fraud risk management, strategy and activities	<ul style="list-style-type: none"> • Procurement Card Review (across all Services) • Adult Social Care • Support for Internal Audit due diligence and key control testing. (Contract Management, Payroll & employees/ payments & creditors)

APPENDIX A – Counter Fraud Plan 2022/23

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	
48 Days (9%)	
290 days for Investigations (55%)	

Additional work	Nature of work and Indicative Scope
Contingency	Other - emerging risks / expansion of planned work.
81.5 Days (16%)	
TOTAL – 523 DAYS	

This page is intentionally left blank