

Counter Fraud and Anti- Corruption Strategy 2022 - 2025





Lincolnshire County Council's main focus is to provide quality services for our communities, enabling the county to be a great place to live, work support families and visit.

To make sure our services deliver good value for our communities, we must make sure Council resources are used wisely. Council funding is already stretched, so it is essential we all take action to protect public funds from fraud.

Each pound lost to fraud, represents a loss to the public purse. Fraud losses mean the Council has less money to provide services to people who need them. The UK Government recognises that fraud costs the public sector at least £40.3bn annually. It is estimated more than £7.8bn is lost to fraud in Local Government each year. Beating fraud is in everyone's interest.

As managers of public resources, every Council has a responsibility to fight fraud, corruption and theft. Fraud, theft and corruption are not victimless crimes; they take vital money away from important services. Lincolnshire County Council recognises that fraud can:

- Undermine the standards of public service that the Council is attempting to achieve;
- Reduce the level of resource and services available to the residents of Lincolnshire; and
- Result in major consequences which reduce public confidence in the Council.

Introduction

A message from our Chief Executive:

The Counter Fraud and Anti-Corruption Strategy has been developed in response to the growing threat of fraud against public sector finances. It is a statement of how **we will protect Lincolnshire County Council resources from fraud.**

Lincolnshire County Council has adopted a stance of **zero tolerance to all forms of fraud, corruption and theft.**

Debbie Barnes OBE
Chief Executive
Lincolnshire County Council

The Corporate Plan

The Council's **Corporate Plan** underpins our 'One Council' approach and ensures that our services and strategies are working to shared goals.



The **Corporate Plan** has identified **four key priorities** for the Council and we are determined that in future 'our people' and communities will have:

1. **High aspirations**
2. **The opportunity to enjoy life to the full**
3. **Thriving environments**
4. **Good value Council services**

For more information on our Corporate Plan follow the link:

[Our Vision: Working for a better future](#)

Good governance is essential in the public sector to meet legal requirements and to uphold public expectations that we will make good use of resources.

Having a holistic approach to tackling fraud is part of good governance; to minimise risks of fraud losses and financial irregularity against the Council. This means public money can be used for delivering the Council's priorities.

This strategy supports the Councils Corporate plan, working for a better future and 'One Council' approach. It will help the Council provide good-value services for local residents and communities.

We want to develop a culture where staff are accountable for their actions and are empowered to make decisions, so that fraud risks are managed well.

The aim of this strategy is to provide an effective framework to protect Council resources from fraud and corruption.

Our vision

We will protect Lincolnshire County Council resources from fraud and corruption.

We want to develop a culture where staff are accountable for their actions and are empowered to make decisions so that fraud risks are managed. There will be a **zero tolerance to all forms of fraud, corruption and theft.**

Outcomes

By 2025 we aim to:

- identify fraud risks as part of our management arrangements and evaluate what this means for the Council, including any new and emerging risks,
- ensure our Councillors and staff are aware of fraud and corruption risks, their impacts and what the Council does to minimise these risks,
- make sure our counter fraud and anti-corruption measures are proportionate to risks,
- develop and maintain a culture where staff and members are accountable for their actions,
- help our staff to feel empowered to make decisions so that fraud risks are managed well,
- ensure effective internal control measures are in place making it difficult for fraud and error to occur
- demonstrate that the Council has taken steps to achieve fraud savings. and recoveries – including sanctions when appropriate,
- protect the wider public purse through strategic partnerships,
- Continue to deliver a best practice response, meeting professional guidance and responding to any changes in legislation,
- Promote good practice and, where appropriate, gain recognition in national or regional awards for good practice.

Making it happen

We acknowledge that there is an inherent risk of fraud and corruption against the Council. Strong governance and an ethical culture can build resilience against these risks.

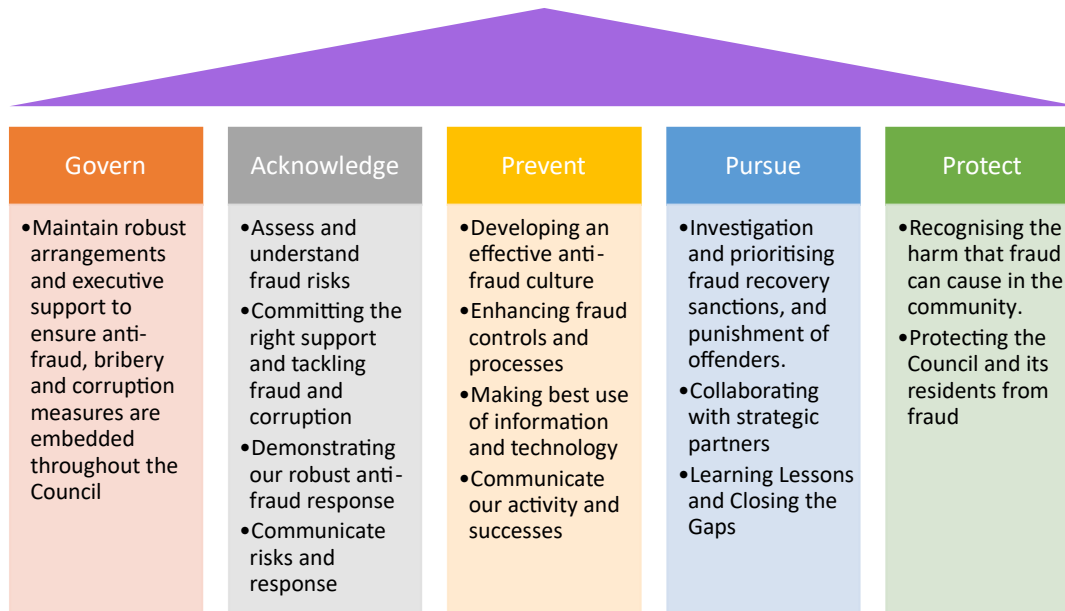
We are clear on our vision to **protect our resources** from risks of fraud and corruption.

Lincolnshire County Council will continue to take a **zero-tolerance** stance to all forms of fraud, bribery, corruption and theft.

To help us deliver our vision, we have aligned our strategy and local response in Lincolnshire to national best practice*

Our response follows five pillars of activity:

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Our response to fraud and corruption will be:

- Risk based, following fraud risk assessment
- Proportionate – to risks we face
- Completed with due diligence
- Communicated
- Monitored and reviewed

* *Fighting Fraud and Corruption Locally (FFCL) provides a national strategy for 2020's in response to economic crime and fraud. FFCL is endorsed by a range of organisations including Local Government Association, CIPFA Counter Fraud Centre, SOLACE and counter fraud experts from numerous English Local Authorities.*

Governance

The Council's Constitution sets out how the Council operates and how decisions are made. This includes a commitment to counter-fraud and anti-corruption:

"The Council is committed to ensuring the maintenance of high standards in every aspect of its activities. As part of this commitment the Council will ensure that opportunities for fraud and corruption are identified and actively managed to reduce possible risks. Where there is a suspicion of fraud or corruption the Council will deal with it in a firm and controlled manner. This has been accepted by the full Council within their Policy."

The Audit Committee is charged with:

"...monitoring the effectiveness of the Council's Financial Regulations, Procurement Policy and Procedures and other strategies for counter fraud and anti-bribery, whistle blowing and anti-money laundering."

Our Policy Framework:

We have developed policies to tackle fraud and corruption:

- ✓ Counter Fraud and Anti-Corruption Policy
- ✓ Fraud Response Plan - which explains how we will respond to fraud concerns
- ✓ Whistle-blowing policy
- ✓ Anti-Money Laundering Policy

We have embedded counter-fraud arrangements throughout our other policies, risk management arrangements and systems of internal control.

These include:

- ✓ Risk Management Strategy
- ✓ Officer and Councillor Codes of Conduct – including rules on avoiding and stopping conflicts of interest
- ✓ Pecuniary Interest & Conflict of Interest Register
- ✓ Financial procedures : FP2 covers Risk Management and Internal Control including counter-fraud arrangements
- ✓ Information Security Policy (which includes cyber security)

This is supported across the wider governance framework. Arrangements to prevent fraud bribery and corruption can be found in other policies and guidance documents and strategies. For example:

- ✓ contract and procurement procedure rules (CPPRs)
- ✓ Recruitment policies (verification of staff identity)
- ✓ VAT policy (mitigation for Corporate Criminal Offences of Tax evasion)
- ✓ Safer Lincolnshire Handbook- strategic response to tackling fraud as part of serious organised crime

This list is not exhaustive but demonstrates how our arrangements are holistically designed to support and embed a counter-fraud culture.



Acknowledge

The Council has made provision for resource in a dedicated counter-fraud and investigations (CFIT), as part of the Corporate Audit and Risk Management Service. The Head of Audit and Risk Management is responsible communicating fraud risks and responses in annual reports to the Audit Committee:

- fraud risk assessments
- Annual Counter fraud plans explaining how fraud will be tackled.
- Annual reports what work has been delivered and on effectiveness of Counter Fraud and Whistle-blowing arrangements

• **Horizon Scanning: Fraud risk Assessment**

It is important that the Council understands its exposure to fraud as part of risk management arrangements. CFIT resource will be used to research new and emerging fraud risks and threats so that information can be shared across the Council. This will support fraud risk assessment across service areas to update the Council's Fraud Risk Registers. Fraud threats constantly evolve, so our response to fraud will be agile.

Fraud control in emergency management

During emergency times, the Council's normal internal controls may change. Fraud risks may be heightened as fraudsters seek to exploit vulnerabilities and weak spots in temporary arrangements. We will apply the overarching principles:

- Acknowledge and accept risks are higher than normal
- Integration of fraud control resources in process design
- Implementation of low friction control measures
- Carry out targeted post-event assurance work
- Control framework re-assessment following move following recovery

Prevent and Pursue



Fraud and corruption are unacceptable. Fraud prevention is everyone's responsibility. Our **Counter Fraud and Anti-Corruption Policy** provides a more detailed view of what we mean by fraud and corruption. The Policy sets out:

- The Council's position with aims and principles
- Scope - Who the policy applies to
- Steps including prevention, detection, investigations, recovery & sanctions
- who is responsible for action
- how this will be monitored and reported.

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Specialist resource has been dedicated to support delivery of the Counter Fraud and Anti-corruption strategy.

Annual Counter Fraud plans:

The Counter Fraud and Investigations Team (CFIT) will develop plans each year so that the Council can respond to current and emerging risks. These plans will translate this high-level strategy and our policies into action. Our annual plans will be risk based and will allow us to prioritise the highest fraud and corruption threats and identify areas where resources can be targeted for maximum impact. Our Annual Counter Fraud Plans will be aligned to the 'CIPFA Code of Practice on Managing the Risk of Fraud and Corruption'.

We will take action to deliver a blend of pro-active and re-active counter fraud work to address priorities.

Our plans set out programmes of work to:

- ✓ Raise fraud awareness – our policies, spotting risks, knowing how to act and publishing actions taken against fraudsters.
- ✓ Prevent – our culture, governance and internal controls - reducing weak spots
- ✓ Detect – including reporting of concerns, use of technology such as data analytics and specialist resources
- ✓ Implement whistleblowing arrangements
- ✓ Investigate referrals of fraud concerns
- ✓ Take sanctions & seek redress so that fraudsters are brought to account quickly and losses recovered
- ✓ Collaborate strategically – including participation in National Fraud Initiative work

Preventing Bribery and Corruption

We will make sure arrangements are embedded throughout policies and governance arrangements to prevent corruption. Specific guidance on how to conduct business through contract negotiations are included in Contract and Procurement Procedure Rules, and suppliers and Partners are required to comply with Council Policies when delivering goods and services on behalf of the Council.

There are clear rules in Codes of Conduct for officers and Councillors regarding the acceptance of gifts, hospitality or donations. Risks of bribery and corruption will be included in the Annual Fraud Risk Assessment: where high risks are identified. This can be addressed through work delivered in Annual Counter Fraud plans.

Counter Fraud by Design

CFIT are available to provide specialist advice and support. The team will encourage early contact from managers so that Counter Fraud arrangements can be built into new, or changing, systems and processes during development phases.

Reporting concerns

Our **Whistleblowing Policy**

sets out what should be reported and how. Please read the policy for more information. Contact details for reporting concerns are also at the end of this strategy. We will ensure resource is made available to maintain our whistleblowing arrangements.

Investigation

Our **Counter-fraud and Anti-corruption Policy** is supported by a **Fraud Response Plan** - which explains what to do if you suspect fraud or corruption and how we will deal with fraud concerns when they are reported. This sets out our intent to investigate and, where fraud is found, to apply sanctions and seek redress.

We will ensure investigation resource is made available to follow up fraud concerns.



Protect

Our actions to prevent and pursue fraud and corruption against the Council are designed to protect Council resources. We recognise fraud can also cause harm in the wider community.

This means we need to work in collaboration with our strategic partners to protect both the Council and its residents from fraud.

Lincolnshire County Council is one of the partner organisations of the Safer Lincolnshire Partnership (SLP). The SLP is the single multi-agency forum for addressing community safety issues across Lincolnshire.

The SLP has identified tackling serious organised crime as a strategic priority. This includes fraud.

Its current work is focused on preventing fraud and scams against members of the public, and making sure individual victims are supported.



Further Information

If you need help or advice to manage your fraud risks, or have a general enquiry about fraud, please contact our Counter Fraud and Investigations Team (CFIT):

CounterFraud@lincolnshire.gov.uk

If you believe that someone is committing a fraud or suspect corrupt practices, these can be reported via:

your line manager (or a more senior manager if you suspect your line manager is involved)

Whistleblowing facility:

Telephone: 0800 0853716 (dedicated confidential free phone number)

Email: whistleblowing@lincolnshire.gov.uk

In writing: Lincolnshire Local Authorities

PO Box 640

Lincoln

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