



Counter Fraud and Anti-Corruption Policy Statement

Protecting Lincolnshire County
Council Resources

Audit Committee/Executive

October 2022

Contents

- 1. Introduction..... 3
- 2. Definitions 3
 - 2.1. Fraud..... 3
 - 2.2. Bribery 3
 - 2.3. Corruption 3
 - 2.4. Theft 4
- 3. Scope 4
- 4. Aims and objectives 4
- 5. Principles 5
- 6. Responsibilities..... 5
- 7. Our approach for countering fraud and corruption: 7
- 8. Outcomes 8
- 9. Reporting advice and support 9
- 10. Policy Control 9
- 11. Further Information: 10
- APPENDIX A : Fraud Response Plan 11
- APPENDIX B : Fraud Response Flowchart 14

1. Introduction

Lincolnshire County Council has a **zero-tolerance** stance to all forms of fraud, bribery, corruption, and theft, both from within the Authority and from external sources. We recognise fraud can:

- undermine the standards of public service that the Council is attempting to achieve
- reduce the level of resources and services available for the residents of Lincolnshire
- result in major consequences which reduce public confidence in the Council

We are committed to the highest possible standards of openness, probity, honesty, integrity, and accountability. We expect all staff, councillors, and partners to apply these standards which are included in our Code of Conduct, supported by the Council's values to be Professional, Respectful, Resourceful and Reflective.

We will **protect our resources** from risks of fraud and corruption. We will seek to deter and prevent fraud, corruption, and theft to ensure that all risks in these areas are reduced to the lowest level possible. Where we suspect or detect fraud, corruption, or theft we will thoroughly investigate and deal with any proven fraud in a consistent and balanced way. We will apply appropriate sanctions against those committing fraud and will attempt to recover all losses.

2. Definitions

- 2.1. **Fraud** is a deception which is deliberate and intended to provide a direct or indirect personal gain. The term "fraud" can include criminal deception, forgery, blackmail, corruption, theft, conspiracy or the covering up of material facts and collusion. By using deception, a fraudster can obtain an advantage, avoid an obligation, or cause loss to another party.
- 2.2. **Bribery** means offering, promising, giving, demanding, or accepting an unearned reward to influence an official to gain advantage. This can include gifts, hospitality, fees, rewards, jobs, favours or preferential treatments and is a form of corruption.
- 2.3. **Corruption** is the deliberate misuse of your position for direct or indirect personal gain. "Corruption" includes offering, giving, requesting, or accepting a bribe or reward, which influences your actions or the actions of someone else. The Bribery Act 2010 makes it possible for Senior Officers to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe. It also created the Corporate Offence of "Failing to prevent bribery on behalf of a commercial organisation" (corporate liability). To protect itself against the corporate offence the Act also requires organisations to have "adequate procedures in place to prevent bribery." This policy statement, the LCC Code of Conduct and Whistleblowing policy are designed to meet that requirement.

2.4. **Theft** is where someone steals cash or other property. A person is guilty of “theft” if he or she dishonestly takes property belonging to someone else and has no intention of returning it. she dishonestly takes property belonging to someone else and has no intention of returning it.

3. Scope

This policy applies to:

- All County Council Employees and Councillors
- Staff and Committee Members of Council funded voluntary organisations
- County Council’s Partners
- County Council Suppliers, Contractors, and Consultants
- Lincolnshire County Council residents

4. Aims and objectives

We aim to:

- reduce fraud and corruption losses within the Council to an absolute minimum and maintain that level,
- protect the Council’s valuable resources by ensuring they are not lost through fraud or corruption but are used for improved services to Lincolnshire residents,
- promote our Counter Fraud culture which highlights the Council’s **zero tolerance** of fraud, corruption, and theft, which defines roles and responsibilities and actively engages everyone – the public, councillors, staff, managers, and policy makers,
- provide a best practice Counter Fraud Service which:
 - proactively deters, prevents, and detects fraud, corruption, and theft,
 - investigates suspected or detected fraud, corruption, and theft,
 - enables the Council to apply appropriate sanctions and recover all losses,
 - provides recommendations to inform policy, system, and control improvements, thereby reducing the Council’s exposure to fraudulent activity,
- work with strategic partners to protect against harm that fraud can do in the community.

5. Principles

We will not tolerate abuse of our services or resources and have high expectations of propriety, integrity and accountability from all parties identified within this policy.

We will ensure that the resources dedicated to our Counter Fraud activities are sufficient and those involved are trained to deliver a professional counter fraud service to the highest standards.

Fraud and corruption are crimes and will result in disciplinary, legal and/or criminal action against the individual(s) concerned. We will ensure consistency, fairness, and objectivity in all our investigation work – everyone will be treated equally.

We want everyone to report any suspicions of fraudulent activity. However, we will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, we may take disciplinary or legal action.

We will work with our partners (e.g. the police, district councils and other investigative bodies) to strengthen and continuously improve our arrangements to counter fraud and corruption.

We will protect public funds and will collaborate with strategic partners to protect against harm that fraud can have within the community.

6. Responsibilities

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. Specific roles and responsibilities are identified in the Constitution and Financial Procedures:

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
Chief Executive	Ultimately accountable for the effectiveness of the Council’s arrangements for countering fraud and corruption.
Monitoring Officer	To advise Councillors and Officers on ethical issues, standards, and powers to ensure that the Council operates within the law and statutory Codes of Practice.
Executive director for resources (Section 151 Officer)	<p>To develop and maintain Counter Fraud Policy and Whistleblowing Policies, endorsed, and approved by the Audit Committee and published on the Council's website.</p> <p>To ensure the Council has an adequately resourced and effective Counter Fraud and Internal Audit service.</p>

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
Audit Committee	<p>To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.</p> <p>To monitor 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.</p> <p>To promote high standards of conduct amongst staff and Councillors and have a nominated fraud champion.</p>
Councillors	<p>To support and promote the development of a strong counter fraud culture.</p>
External Audit	<p>Subject to the concept of materiality, provides reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity.</p>
Corporate Audit & Risk Management (Counter Fraud and Investigations Team)	<p>To report significant matters of fraud or financial irregularity to the Section 151 Officer, Head of Paid Service (Chief Executive), the Executive and the Audit Committee</p> <p>To develop and implement the Counter Fraud Policy and promptly investigate cases of suspected fraud reported under this policy, via the Whistleblowing arrangements or the National Fraud Initiative.</p> <p>To make recommendations to improve controls and reduce the risk of fraud in the future.</p> <p>To maintaining whistleblowing reporting arrangements.</p> <p>To ensure that where fraud is found proportionate action is taken for sanctions and redress.</p>
Executive Directors	<p>To ensure that this policy is adhered to and that they assess the risk of fraud, corruption, and theft in their service areas - reducing these risks by implementing strong internal controls.</p> <p>To report all suspected fraud or financial irregularity in their service areas to the Head of Internal Audit.</p>
Other Managers	<p>To promote staff awareness, refer all suspected fraud to the Counter Fraud Investigations Team and apply the policy of zero tolerance. To ensure that they assess the risk of fraud, corruption and theft in their service areas and reduce these risks by implementing strong internal</p>

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
	controls.
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption, and theft, and to report any genuine concerns to management, the counter Fraud Investigation Team or via the Whistleblowing arrangements.
Public, Partners, Suppliers, Contractors, and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions

7. Our approach for countering fraud and corruption:

We will fulfil our responsibility to reduce fraud and protect our resources by taking a strategic approach consistent with that outlined in the Local Government Fraud Strategy - Fighting Fraud and Corruption Locally. The national strategy consists of five pillars of activity:



* 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.

We will produce a Counter fraud and anti-corruption strategy to set out how we intend to turn the five pillars of activity into priority areas for action to **protect Lincolnshire County Council resources from fraud.**

Our strategy will be supported by annual Counter Fraud Plans providing more detail of planned action. These will be aligned to CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and will include provision for prevention and investigation.

8. Outcomes

Investigation activity itself does not represent the outcomes of our counter fraud work. We recognise that by preventing fraud we will reduce losses and the delivery of our counter fraud work plan will improve overall outcomes and achieve the aims & objectives of this policy. We will measure the effectiveness of our counter fraud arrangements by focusing on outcomes such as:

- high levels of fraud awareness (survey results)
- zero tolerance to fraud (number of referrals / disciplinary results)
- reduced losses
- levels of recovery
- levels of reporting
- delivery of the annual counter fraud work plan (ensuring best practice)
- reducing the risk of fraud
- successful prosecutions and other sanctions

9. Reporting advice and support

If you genuinely 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
LN1 1WF

- Emma Bee (Team Leader - Audit) emma.bee@lincolnshire.gov.uk
- Lucy Pledge (Head of Service) lucy.pledge@lincolnshire.gov.uk
- Cllr Susan Rawlins, Audit Committee (Chairman)

To avoid potentially contaminating the evidence, **managers should not investigate themselves** and instead immediately report all suspicions of fraud or corruption to the Counter Fraud and Investigations Team – refer to the Council’s Fraud Response Plan for more detail.

We will treat all concerns or suspicions with discretion and in confidence. If you need advice or support, please contact The Counter Fraud and Investigations Team at: CounterFraud@lincolnshire.gov.uk

Our fraud response plan (Appendix A) sets out how to report concerns and how we will handle reports.

10. Policy Control

Owner/ Policy Lead Officer: Lucy Pledge (Head of Internal Audit & Risk Management)

Location: Orchard House, County Offices, Lincoln

Consultation: Audit Committee / Executive

Date: October 2022

Review Arrangements: Every three years (Policy Lead Officer/Audit Committee)

11. Further Information:

- The Constitution: [Constitution – Lincolnshire County Council](#)
- Finance Procedures: [Financial procedures – Lincolnshire County Council](#)
- Contract and Procurement Procedure Rules (CPRs): [Contract and Procurement Procedure Rules \(lincolnshire.gov.uk\)](#)
- Code of Conduct (Councillors)
- Assurance Lincolnshire Website : Assurance Lincolnshire – Counter fraud - Lincolnshire County Council
- Code of Conduct (Staff): [Code of conduct – Policy overview - Lincolnshire County Council](#)
- Fraud Response Plan
- Annual Counter Fraud Annual Plans
- Whistleblowing Policy
- Anti-Money Laundering Policy

APPENDIX A: Fraud Response Plan

INTRODUCTION

1. The Council has a **zero tolerance** to all forms of fraud, corruption, and theft. This means we will apply the toughest sanctions where fraud is proven – disciplinary and criminal.
2. This Fraud Response Plan is part of the **Counter Fraud Policy** and our aim is to reduce fraud and loss to an absolute minimum and keep it there.
3. You should follow this response plan if you are a staff member, councillor, partner, contractor, or Lincolnshire resident. We all have a responsibility to report any suspicion of fraud and to cooperate in any investigation, if necessary. If you work for the Council and fail to report your suspicions, you may be in breach of our Counter Fraud Policy and action may be taken against you or your organisation.
4. **Fraud** is a crime and involves a deception which is deliberate and intended to provide a direct or indirect personal gain – for example: false expenses, exaggerated pay claims, altering accounting records, bogus invoices, forged cheques, fixing tender results, contract irregularities etc.
5. **Corruption** is the deliberate misuse of your position for direct or indirect personal gain such as: offering, giving, requesting, or accepting a bribe or reward which influences your actions or someone else's.
6. **Theft** is where someone steals cash or other property belonging to someone else with no intention of returning it.
7. This guidance only tells you what to do if you suspect fraud - for other concerns you should refer to: Grievance, Disciplinary, Dignity at Work or Corporate Complaints Policies. Alternatively, you can report fraud suspicions using our Whistleblowing Policy.

WHAT SHOULD YOU DO IF YOU SUSPECT FRAUD (See flowchart)

8. Immediately report your suspicions to:
 - your line manager (or more senior manager if you think they may be involved)
 - emailing whistleblowing@lincolnshire.gov.uk
 - or whistleblowing hotline – **0800 0853716**
 - Lincolnshire County Council, PO Box 640, Lincoln, LN1 1WF (confidential PO Box)
 - the Counter Fraud and Investigation Team (CFIT) – Emma Bee, Team Leader Audit emma.bee@lincolnshire.gov.uk

9. **Top Tips**

Don't	Do
Delay – report the matter quickly	Record your suspicions – write down what you have found, seen, and heard
Approach or accuse individuals directly – you may alert them, and evidence may be destroyed	Keep any evidence you have in a safe place until you can pass it to CFIT unless you risk alerting the suspect
Tell anybody else – you don't know who may be involved	Tell us who you are – we will want to talk to you as you may know more than you realise
Investigate yourself – you may spoil the evidence and prevent a criminal prosecution	Keep calm

SAFEGUARDS

- 10. **Harassment, bullying or victimisation** – if you have raised your concerns in good faith, we will take action to prevent you from reprisal.
- 11. **Confidentiality** – if you feel it is necessary, we will try to protect your identity – however, this will not be possible if the investigation leads to criminal action.
- 12. **Anonymous referrals** – we do not encourage these as it affects our ability to investigate. However, we will always investigate any case of suspected fraud.
- 13. **Malicious referrals** – if we find that your referral is malicious or has been made for personal gain, we will take action against you under the Council's Disciplinary Policy or relevant agreement if you work for one of our partners.

INVESTIGATION

- 14. All suspected fraud must be referred to CFIT.
- 15. CFIT will assess the initial information and decide how to proceed. This will include a strategy meeting with the relevant manager.
- 16. Following best practice defined in the Counter Fraud and Investigations Manual, CFIT will investigate most cases of suspected fraud – management may investigate low level fraud involving an employee after consultation with CFIT.

POTENTIAL OUTCOMES

17. **Criminal Prosecution** – the Head of Corporate Audit and Risk Management on advice from CFIT will authorise the referral to the police for investigation.
18. **Disciplinary Action** – at the end of the investigation CFIT will produce an outcome report. If this involves an employee and fraud is proven, the likely outcome will be dismissal. If fraud is not proven there may still be matters which need to be considered under the Council's disciplinary procedures.
19. **Recovery through Civil or Criminal Proceedings** – we will seek to recover all losses subject to legal advice and where it is cost effective to do so. We will recover any loss caused by an employee through salary, pension, or insurance.
20. **Weaknesses in the System of Controls** – we will produce an Action Plan to address any system or management weaknesses and to reduce the risk of fraud and error in the future.

APPENDIX B: Fraud Response Flowchart

Fraud Response Plan

