



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	14 November 2022
Subject:	Counter Fraud Progress Report 2022/2023

Summary:

This report provides information on the overall effectiveness of the Authority's arrangement to counter fraud and corruption and reviews the delivery of the 2022/23 counter fraud workplan during the year to date.

Recommendation(s):

For the Committee to review and feedback on the overall effectiveness of the council's arrangements to counter fraud and corruption and the progress made to implement the policy.

Background

The Counter Fraud Progress Report provides an overview of the investigation and proactive counter fraud work completed during the period April to September 2022.

This summary provides information to enable the Committee to review performance and the effectiveness of the Council's arrangements. The annual and progress reports 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 duties 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.

Details included within Appendix A includes information on:

- Fraud referrals received and subsequent investigations made
- Investigation outcomes

- Proactive work to detect and prevent fraud
- Lincolnshire Counter Fraud Partnership and its delivery of work

Conclusion

The Counter Fraud progress report covers work undertaken against the 2022/2023 workplan during the period 1 April 2022 to 18 October 2022.

The risks of fraud remain high, and we continue to promote vigilance on how fraud can occur, raising awareness to staff of the changing methods which fraudsters use to exploit our weaknesses and commit wrongdoing. We receive Intelligence alerts from the National Anti- Fraud Network (NAFN) which provide information about fraud, risks and trends which may affect the Council.

We have recently updated the Counter Fraud, Whistleblowing and Anti-Money Laundering policies which – will be launched following approval by the Corporate Leadership Team and the Audit Committee.

Since April 2022 we have seen an increase in the number of direct bank mandate fraud attempts against LCC. Working with Serco colleagues, we have successfully prevented losses exceeding £1m.

We are actively working on 8 cases currently, some of which are complex and take significant resources to gather evidence to prepare files to take forward for further sanctions including prosecution.

We have had a slight decrease in whistleblowing referrals received between April and September 2022 (44), in comparison to the same period for 2021/22 (49).

We continue to work on some complex cases of significant value alongside Lincolnshire Police and other law enforcement agencies – which we anticipate will lead to prosecutions and financial recoveries.

We have continued our awareness work in 2022/23 to promote knowledge and understanding of fraud and have made progress with several new areas being developed:

- New Counter Fraud Hub – to be launched in November 2022
- Communication plan and regular updates through communication channels
- To ensure our methods of raising awareness remain interesting and informative

Appendix A – shows our Counter Fraud Progress Report – November 2022.

Consultation

a) N/A

Appendices

These are listed below and attached at the back of the report
Appendix A Counter Fraud Progress Report

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Gary Douglas, who can be contacted on 01522-553689 or gary.douglas@lincolnshire.gov.uk.

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