



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

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| Report to: | Audit Committee |
| Date: | 19 June 2023 |
| Subject: | Counter Fraud Annual Report 2022/2023 |

Summary:

This report provides information on the delivery of the 2022/23 counter fraud work plan and provides comment on the Authority's arrangements to counter fraud and corruption.

Recommendation(s):

To assess the overall effectiveness of the Council's arrangements to counter fraud and corruption and the progress made to implement policy.

Background

The Counter Fraud Annual Report provides an overview of the investigation and proactive counter fraud work completed in 2022/23.

This summary provides information to enable the Committee to review performance and the effectiveness of the Council's arrangements. The progress reports submitted throughout the year and this annual report 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:

- reviewing the assessment of fraud risks and the potential harm to the council from the risk of fraud &
- monitoring the counter fraud strategy, actions and resources.

Appendix A includes information on:

- Fraud Landscape.
- Counter Fraud Resource.
- Delivery of 2022/23 Counter Fraud Plan.
- Commentary of planned pro-active delivery.
- Fraud referrals received and investigations conducted &
- Lincolnshire Counter Fraud Partnership.

Conclusion

In 2022/23 the levels of specialist counter fraud staff resource available to the council was significantly reduced and impacted on the ability to fully deliver the Annual Counter Fraud Plan.

We delivered 58% of the planned days in the annual Counter Fraud workplan with a significant proportion of this time being used for investigations. The amount of delivery time for pro-active activity was much lower than anticipated.

Fewer whistle-blowing and confidential reporting referrals were received in 2022/23 than in previous years. There may be a link to a reduction in time spent on promoting fraud awareness.

We have some confidence that LCC fraud prevention controls continue to be applied as part of its normal operating processes. £1.048m of attempted mandate frauds were prevented by colleagues at LCC and our Serco partners. Several of our other investigations were brought to us from management concerns following routine monitoring.

20 fraud investigations were closed during 2022/23. Four were not proven and the remainder resulted in a range of outcomes including Police referrals, Council disciplinary processes and recommendations for management actions to improve fraud controls.

We can provide assurance that counter fraud arrangements continue to be effective, however we recognise that this can be boosted through further pro-active work in 2023/24.

Consultation

a) Risks and Impact Analysis

N/A

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | Counter Fraud Annual Report 2022/23 |

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 Claire Goodenough, who can be contacted via claire.goodenough@lincolnshire.gov.uk.