

SUBJECT:	COUNTER FRAUD STRATEGY
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	AUDIT MANAGER

1. Purpose of Report

- 1.1 To review and seek approval for the revised Counter Fraud and Anti-Corruption policy/strategy.

2. Executive Summary

- 2.1 The Council's counter fraud policy/strategy was updated in 2016 to reflect the latest guidance from CIPFA (Chartered Institute for Public Finance and Accountancy) and DCLG (Department for Communities and Local Government).
- 2.2 This 2018 review ensures the strategy is up to date and also updates the action plan.

3. Background

- 3.1 There have been changes and new initiatives linked to counter fraud over recent years, including the transfer of Council investigation staff to the DWP (Department for work and pensions). With pressure on resources the Council took the opportunity to bid for additional funding with partners and was successful with other Lincolnshire Authorities and a Lincolnshire Counter Fraud partnership was created to help develop and implement counter fraud projects. This continues until at least March 2019. The Audit Committee receives six monthly counter fraud update reports. The updated policy / strategy reflects any recent changes and ensures that best practice is included. The action plan focusses on core areas and we will be working to implement these over the coming months.

4. Policy/Strategy

- 4.1 Within the strategy the key policy statement remains the same:

The Council is opposed to any form of fraud or malpractice. The Council is committed to operating in an open and honest way in order to :-

- Prevent , deter and detect fraud and malpractice;
- Allow scrutiny and investigation to take place, both internally and externally
- Allow rigorous enforcement to take place; and
- Reinforce good practice and prevent reoccurrence

Roles and responsibilities have been updated; there are sections on fraud risk, resources, workplan, benchmarking and partnerships, communication, training, compliance, use of technology.

4.2 A fraud work plan is included (Annex D). The key actions from the workplan include:

- Ensuring counter fraud training is delivered to all staff and members
- Continue to work with the Lincolnshire Counter Fraud partnership to deliver ongoing counter fraud projects such as the Council Tax single person discount review
- Complete the housing tenancy fraud review
- Prepare and deliver the 2018/19 National Fraud Initiative work
- Ensure the fraud risk register is kept up to date and mitigation actions completed

There are actions (mitigation) held within the fraud risk register (Annex E) and there is a separate Lincolnshire Counter Fraud Partnership workplan (18/19) which is reported separately to Audit Committee.

The Council's "Amber" fraud risks are as follows:

- Insurance
- Council Tax
- Council Tax Support
- Housing Benefit
- Housing Tenancy
- IT/Data (Cyber risks)
- Election Fraud
- Partnerships

4.3 The policy/strategy does reflect the limited resources available to the Council and risks/actions aim to maximise efficiency and effectiveness where possible.

5. Strategic Priorities

5.1 There are no direct impacts on strategic priorities but an effective counter fraud framework can help support all priorities.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

There are no direct financial impacts.

6.2 Legal Implications including Procurement Rules

There are no direct legal or procurement impacts.

6.3 Equality, Diversity and Human Rights

An equality analysis would be undertaken for individual policies as they are introduced or updated which are linked to this strategy.

7. Risk Implications

7.1 There is limited capacity in the organisation in some areas to support counter fraud activities however we continue to make the best use of our resources including working with local partners to maximise combined resources. In addition where there are opportunities for additional funding, this may be directed at training and / or new resources to investigate fraud; the Council aims to maintain focus on counter fraud. The Council has been successful with partners in securing dedicated one –off fraud related funds and will continue to seek additional funding when and if it becomes available.

8. Recommendation

8.1 To consider and comment on the attached policy/strategy and recommend to Executive for approval

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? Two (Annex A and B)

List of Background Papers: None

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