

<b>SUBJECT:</b>	<b>INTERNAL AUDIT ANNUAL FRAUD REPORT</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>AMANDA STANISLAWSKI AUDIT MANAGER</b>

## **1. Purpose of Report**

- 1.1 This report informs the Audit Committee of performance against the 2024/25 Counter Fraud Work Plan and the outcomes of pro-active fraud work and investigations.
- 1.2 To provide the Audit Committee members with an update on the fraud risk register.

## **2. Background**

- 2.1 The Council is opposed to any form of fraud and malpractice and is committed to operating in an open and honest way. There is a Counter Fraud and Anti-corruption Policy in place which sets out the Council's Strategy and the action it takes to reduce fraud.
- 2.2 A report is presented every six months to the Corporate Management Team and the Audit Committee setting out the action taken by the Council, incidences of fraud and, on an annual basis, the results of the review of its fraud risks.

## **3. Annual Fraud Report**

- 3.1 The report summarises the number of cases during 2024/25 comparing them with the previous year. A summary of the cases is as follows:-
  - Referrals to the DWP have decreased slightly from 8 to 7.
  - The review of Single Person Discounts undertaken in 2024/25 resulted in 1,039 discounts being removed due to customers not responding to the reminder letters.
  - There have been 6 cases of potential fraudulent payments being made through the online payment system for Council Tax.
  - The number of notices to quit issued to tenants has also increased again from 25 to 30, freeing up currently unoccupied properties for others.
  - There have been 7 unsuccessful attempts made to set up direct debits on the Council's bank accounts.
  - There has been no fraud reported for Elections, IT, Payroll, Human Resources or any other service areas.
- 3.2 The latest National Fraud Initiative (NFI) commenced in October 2024 with the reports being issued between December 2024 and April 2025. The current total number of matches is 1,656 and so far 20% have been processed.

- 3.3 Progress has been made against completing the actions within the Counter Fraud Action Plan and these are detailed within the report. There are 2 actions which are still in progress and these have been added onto the 2025/26 action plan. These include raising awareness of fraud scams within the Council and within the community. A revised action plan has been produced for 2025/26 which incorporates the results of the assessment against the Fighting Fraud and Corruption Locally checklist of best practice as well as other actions.
- 3.4 Whilst referred to as 'Whistleblowing' most referrals which the Council receives do not meet the Public Interest Disclosure Act (PIDA) definition of whistleblowing and are in fact confidential referrals. The Council did not receive any whistleblowing referrals during 2024/25 but it did receive 16 confidential reports which was an increase of 4 from 2023/24. The focus has changed in the type of reports with an increase in tenancy related reports for both Council and private rented properties and in NNDR in respect of artificially splitting up businesses. So far 4 allegations have proven to be correct and appropriate action has been taken.
- 3.5 As part of the Council's fraud strategy a counter fraud risk register is maintained. A review has been undertaken which has considered the risks on the register and the mitigating actions.
- 3.6 The Fraud Risk Register contains 24 risks. None are Red, 12 are Amber and 12 are Green. The 2 highest rated are IT/Data/Cyber Fraud and Council Tax.

#### **4. Organisational Impacts**

##### **4.1 Finance (including whole life costs where applicable)**

There are no direct financial implications arising as a result of this report.

##### **4.2 Legal Implications including Procurement Rules**

There are no direct legal implications arising as a result of this report.

##### **4.3 Equality, Diversity and Human Rights**

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no direct E and D implications arising as a result of this report.

## **5. Recommendation**

- 5.1 The Audit Committee consider and comment on the contents of the report and appendix.

**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?** One

**List of Background Papers:** None

**Lead Officer:**

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