

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

COUNTER FRAUD PROGRESS REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To inform Members of key issues arising from counter fraud work.
- 1.2 Regular reporting on counter fraud issues is an important source of assurance for Members to fulfil their role and provides supporting evidence for the annual approval of the Governance Statement.

2. BACKGROUND INFORMATION

- 2.1. The council's framework to combat fraud, corruption and misappropriation was approved by Audit Committee in September 2021. The framework follows national guidance as laid out in the document 'Fighting Fraud and Corruption Locally -a strategy for the 2020's', and is based upon the key principles of:
 - Govern
 - Acknowledge and understand
 - Prevent and detect
 - Pursue
 - Protect
- 2.2. This update (attached in appendix 1) highlights the work carried out in each of these areas and demonstrates the Council's continuing commitment to minimise the risk of fraud.
- 2.3. During the period covered by this report, there have been no significant frauds reported and no major issues have been identified as a result of the fraud work undertaken.

3. OPTIONS FOR CONSIDERATION

- 3.1. The Committee is asked to consider whether regular reports on proactive and reactive fraud work will provide sufficient assurance on the adequacy of counter fraud arrangements during 2022-23. The Committee is invited to ask questions about the contents of the report and seek clarification as necessary.

4. ANALYSIS OF OPTIONS

- 4.1 The progress report is designed to provide this Committee with the assurance required to fulfil its role effectively.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1. Regular reviews of counter fraud arrangements should safeguard the council's assets and ensure that value for money is achieved in the use of resources. Minor costs associated with the telephone and publicity for the Hotline will continue to be maintained within the Finance Service budget.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1 Fraud is a risk to both the council's finances and its reputation. Resources lost to fraud, both monetary and through the provision of services are resources that are no longer available to support the council's aims and in turn the community.
- 6.2 Regular reviews of counter fraud arrangements should minimise the risk of fraudulent attacks on Council finances and services.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (if required)

- 7.1 There is no impact assessment required for this report. This progress report does not constitute a key decision and there are no new material impacts to individuals, the community, workforce, place or other impacts as a result of this update.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 8.1 There are no conflicts of interests to declare.

9. RECOMMENDATIONS

- 9.1. That the Audit Committee considers the assurance provided by the progress report on the adequacy of counter fraud arrangements, and:
- 9.2. That the Audit Committee considers whether the counter fraud work programme delivers a sufficient level of assurance on the adequacy of counter fraud arrangements.

- 9.3. Members are also asked to consider whether a member with lead responsibility for fraud should receive a regular report that includes information, progress and barriers on the assessment against the FFCL checklist, fraud risk assessment and horizon scanning.
- 9.4. To consider whether the production of an annual fraud plan would provide additional assurance on the council's fraud arrangements, or whether the current arrangements are satisfactory.

DIRECTOR: OUTCOMES

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Background Papers used in the preparation of this report:

NLC Anti-Fraud Strategy
Annual fraud Indicator 2023