

Audit and Governance Committee

DATE	09/11/2023
REPORT OF SUBJECT	Executive Director – Place and Resources Review of Anti-Fraud and Corruption Strategy & Fraud Response Plan
STATUS	Open

CONTRIBUTION TO OUR AIM

Effective anti-fraud and corruption arrangements support the delivery of the Council's strategic objectives by contributing to effective governance arrangements designed to underpin them.

EXECUTIVE SUMMARY

This report introduces the council's updated Anti-Fraud and Corruption Strategy. The approval of the strategy will provide a clear and consistent message that the risk of fraud and corruption is real, will not be tolerated, and is the responsibility of all council employees to minimise.

It provides a framework for the effective deterrence, detection, investigation, and sanction of fraudulent or corrupt activity.

The accompanying Fraud Response Plan reinforces the council's zero tolerance of fraud by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption, and how the council will deal with such allegations.

RECOMMENDATIONS

It is recommended that the Committee considers and approves the Anti-Fraud and Corruption Strategy & Fraud Response Plan.

REASONS FOR DECISION

The Committee's responsibilities include monitoring and reviewing the effectiveness of the council's arrangements in relation to fraud and corruption. Consideration of the Anti-Fraud and Corruption Strategy is a key part of those responsibilities.

1. BACKGROUND AND ISSUES

The council's Anti-Fraud and Corruption Strategy was last approved by Audit and Governance Committee in January 2021. The strategy follows national guidance as laid out in the document, 'Fighting Fraud and Corruption Locally - A Strategy for the 2020s', and is based upon the key principles of:

- Govern
- Acknowledge and Understand

- Prevent and Detect
- Pursue
- Protect

The strategy and accompanying Fraud Response Plan have been reviewed to ensure that our response is as robust as possible to protect public funds through good governance, awareness of the fraud risks, the ability to prevent and detect fraud, and in acting against those that seek to defraud us.

In reviewing the strategy and response plan, only minimal changes have been made to increase clarity and provide an update on the latest available data in relation to fraud losses in Local Government.

2. RISKS AND OPPORTUNITIES

Every pound lost to fraud is a pound that the council cannot invest in the place and people of North East Lincolnshire. Failure to have an adequate anti-fraud and corruption strategy increases the risk of the council suffering losses due to fraud.

Effective and coordinated anti-fraud arrangements are essential to protect the council against the loss of resources and reputation, and to ensure help and support reaches those in need and entitled to it.

3. OTHER OPTIONS CONSIDERED

No other options were considered. The review and updating of the Anti-Fraud and Corruption Strategy is essential to ensure the council's response to the risk of fraud is robust and appropriate.

4. REPUTATIONAL AND COMMUNICATIONS CONSIDERATIONS

As well as financial loss caused by fraud, there can also be reputational impacts for those organisations which do not manage the risk of fraud effectively.

5. FINANCIAL CONSIDERATIONS

There is no additional expenditure required as a consequence of this strategy.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no specific implications for Children's Services.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no climate change or environmental implications arising from this report.

8. CONSULTATION WITH SCRUTINY

Not applicable. This report is subject to discussion with the Audit and Governance Committee.

9. FINANCIAL IMPLICATIONS

The latest national estimate for fraud losses in Local Government amounts to £8.8bn per year¹. Therefore, failure to implement this strategy and associated policies and procedures is likely to lead to significant loss to the council.

10. LEGAL IMPLICATIONS

There are no direct legal implications arising from the report.

11. HUMAN RESOURCES IMPLICATIONS

The council takes matters in relation to fraud and corruption seriously. Any allegations involving employees are dealt with through the council's disciplinary procedure, and where cases are proven appropriate, sanctions issued which may include dismissal and/or referral to the police.

12. WARD IMPLICATIONS

There are no specific ward implications.

13. BACKGROUND PAPERS

Anti-Fraud and Corruption Strategy (January 2021)
Fighting Fraud and Corruption Locally – A Strategy for the 2020s
Annual Fraud Indicator 2023
Fraud Response Plan (November 2021)

14. CONTACT OFFICER(S)

Peter Hanmer, Head of Audit and Assurance (x3799)

Victoria Pritchard, Fraud Investigation Officer (x5858)

Sharon Wroot
Executive Director – Place and Resources

¹ Annual Fraud Indicator 2023



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Version No.	V8.0

Anti-Fraud and Corruption Strategy

Foreword

The public are entitled to expect the council to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for and with it. They also expect that the council will safeguard public funds and ensure that they are available and used for their intended purpose. North East Lincolnshire Council's priorities are clear:

'Stronger economy and stronger communities'

To deliver these priorities at a time of financial constraint, we need to maximise the resources available to us. Any fraud against the council takes more money away from services and undermines our ability to achieve our aims.

The message is clear, the council will not tolerate fraud and corruption.

We will take the strongest possible action against those who seek to defraud the council. This includes our own councillors, officers, contracting partners, and external individuals and organisations. Our desire is to be a model of public probity, affording maximum protection to the funds we administer.

Introduction

This strategy sets out the council's approach to minimising the risk of fraud and corruption occurring, detecting its possible occurrence, and the actions it takes when fraudulent activity is suspected and identified.

In developing this strategy, the council has adopted the five key principles included in 'FIGHTING FRAUD AND CORRUPTION LOCALLY - A Strategy for the 2020s'¹. These are:

- Govern – having robust anti-fraud arrangements embedded throughout the organisation
- Acknowledge – acknowledging and understanding fraud risk
- Prevent – preventing and detecting fraud
- Pursue – punishing fraudsters and recovering losses
- Protect – protecting the council from fraud

The benefits of having a coordinated and robust approach to anti-fraud and corruption laid out in this strategy include:

- Greater ability to prevent losses due to fraud occurring by improving the understanding of the risk
- Being more resilient to fraud and more aware of new fraud risks
- Providing support to the national agenda for fighting fraud
- Being able to clearly account for the effectiveness of the council's counter fraud arrangements to the public, partners, and national stakeholders. This will feature as a core element in the Annual Governance Statement
- Providing assurance over counter fraud arrangements
- Ensuring that resources for counter fraud activity are in line with the potential risk
- Providing assurance that fraud risk is being managed

Govern

Tackling fraud is everyone's business. We are all responsible for ensuring the council does not lose vital funds to fraud.

The message is clear – we will not tolerate fraud and corruption

The council has a robust framework of procedures and controls which provide the major elements of its anti-fraud and corruption governance arrangements. This strategy is an integral part of a range of policies and procedures that provide a corporate framework to help counter any fraudulent activity. These have been

¹ [Fighting fraud and corruption locally, a strategy for the 2020's](#) was published in March 2020

formulated in line with the appropriate legislative requirements and professional best practice and include:

- Fraud Response Plan
- Reporting a Concern (Whistleblowing) policy
- Anti-Bribery policy
- Anti-Money Laundering policy
- Code of Corporate Governance
- The Constitution including Contract Procedure Rules and Financial Regulations
- Employee Code of Conduct
- Gift and Hospitality policy
- Risk Management policy
- Information Security policy

Such an approach supports the delivery of the council's priorities and the five key high-level outcomes contained in the outcome's framework.

Acknowledge

All organisations are at increasing risk of fraud and corruption. The illegal and hidden nature of fraud makes it hard to measure accurately. To give some idea of the size of the risk, the estimated level of annual fraud loss across local government in 2010 was £0.7bn². In 2016 this figure was estimated at £7.3bn³. The latest figures show an estimated increase from £7.8bn in 2017 to £8.8bn in 2021-2022⁴.

Acknowledging this risk is the most important part in developing an appropriate and effective anti-fraud response. Recognising fraud must also incorporate a thorough understanding and knowledge about what the fraud problem is, where it is likely to occur, and the scale of potential losses.

The council has many of the components for a strong counter fraud response in place including:

- A dedicated and professionally qualified counter fraud team as part of its shared services arrangements for Internal Audit with North Lincolnshire Council to promote awareness of fraud related risks. They undertake criminal investigations where necessary to protect public funds
- Control arrangements for key financial systems that are robust and underpinned by statutory requirements, council financial regulations, and scrutiny through internal and external audit
- Identification of fraud risks facing the council

² Annual Fraud Indicator 2010 – National Fraud Authority

³ Annual Fraud Indicator 2016 – Experian, PKF Littlejohn and University of Portsmouth Centre for Counter Fraud Studies

⁴ Annual Fraud Indicator 2023 – Crowe, Peters & Peters, and University of Portsmouth

- An Audit Committee that will review this strategy as part of its responsibility for considering the effectiveness of counter fraud and corruption activities at the council
- Publication of this strategy and of specific fraud initiatives to raise public awareness
- Production of an annual fraud report which is available to the public which openly acknowledges the fraud risks the council faces, the types of fraud that have occurred during the year and our response to those risks
- Participation in collaborative counter fraud work with other agencies through the National Fraud Initiative
- The use of data matching to identify potential fraud
- Fraud awareness campaigns to raise awareness of fraud, money laundering and bribery within the council and how to report concerns
- An annual self-assessment of our fraud response based on the checklist provided in the CIPFA, 'Fighting Fraud and Corruption Locally' document
- External audit of our fraud arrangements

The council recognises that new fraud risks are continually emerging and therefore we will continually review our arrangements, considering the latest guidance available to ensure our counter fraud response is robust.

Prevent

More than ever, preventing losses from occurring in the first place is a crucial strand of a robust counter fraud strategy. The council has well established policies, procedures, and processes which incorporate efficient and effective internal controls to safeguard the council's resources. The existence, appropriateness, and effectiveness of which are independently monitored and reported on by the council's Internal Audit team.

The council will continue to:

- Ensure that anti-fraud controls are considered by management when developing new systems and processes
- Ensure that the testing of the effectiveness of the design and operation of those anti-fraud controls is considered when prioritising internal audit work
- Conduct proactive exercises into high-risk areas

However, prevention extends beyond making sure that there are appropriate system and process controls in place. It depends on the development of an effective anti-fraud culture that reinforces a zero tolerance to fraud and corruption and deters criminals from committing fraud in the first place. An anti-fraud culture should seek to motivate staff and ensure that they understand the importance of tackling fraud, are able to recognise fraud and abuse, and know how and where to report suspicions of fraud.

The council develops its anti-fraud culture by:

- Making new staff aware of their responsibilities as part of the induction process
- Regularly updating the council's Reporting a Concern (Whistleblowing) policy so it takes account of updated national guidance and advice, and publicising these changes
- Publicising its Counter Fraud Strategy and Annual Fraud reports

No matter how good the council's preventative measures are, fraud cannot be completely eradicated. To this end, the council has a robust Fraud Response Plan that provides a framework for the investigation of allegations of fraud.

Additionally, the council will continue to make use of information and technology to verify and validate transactions, or to uncover potential and actual fraud, including the following:

- Continued participation in the National Fraud Initiative to investigate potential frauds identified through national data matching
- Development of other data matching techniques to prevent and detect fraud in high-risk areas
- Provision of a suite of fraud awareness materials to enable employees to prevent and detect fraud

Pursue

The council will take robust and appropriate action to investigate, punish, and recover funds from those who seek to defraud it.

We will seek the strongest available sanctions against any member of the public, contractor, member, or employee who commit fraud against the council, its clients, or the public purse. This may include prosecution and additionally for employees, disciplinary action. Prosecutions will be considered in line with the council's Prosecution policy.

Where appropriate, the council will also work with other public authorities including the Police, Department for Work and Pensions, and our insurance providers. We will share information to prevent, detect, and investigate acts of fraud against the public purse.

The council will always seek to recover any funds or assets that have been lost due to fraud and will use all means available to do so under the council's Debt Recovery Strategy and where appropriate, the Proceeds of Crime Act legislation.

The council will seek to publicise the outcomes of such investigations in the Annual Fraud Report to provide the public with the assurance that public funds are being protected and to act as a deterrent to those that may consider committing fraud in the future.

Protect

By adopting the principles of Govern, Acknowledge, Prevent and Pursue, the council can protect itself from fraud and the harm fraud can cause both to the council and to the residents of North East Lincolnshire.

This strategy will be reviewed bi-annually against best available practice to ensure that the council stays protected. In addition, the council will assess its counter fraud arrangements against the checklist produced by CIPFA to complement their 2020s strategy and will act to strengthen its arrangements where necessary.

Appendix 1: Definition of Terms

As per the Fraud Act 2006, fraud is a criminal offence. Fraud is any action taken by an individual, group, or organisation which is designed to facilitate dishonest gain at the expense of (or loss to) the council, the residents of North East Lincolnshire, or the wider national community and can include:

- **Fraud by False Representation:** Dishonestly making a false representation, and intend by making the representation, to make a gain for themselves or another, or cause a loss or expose another to a risk of loss.
- **Fraud by (wrongly) Failing to Disclose Information:** Dishonestly failing to disclose information which they are under a legal duty to disclose, and intend by failing to disclose the information, to make a gain for themselves or another, or cause a loss or expose another to a risk of loss.
- **Fraud by Abuse of Position:** Occupying a position in which the post holder is expected to safeguard, or not act against, the financial interests of another person, dishonestly abuse that position, and intend by such abuse, to make a gain for themselves or another, or cause a loss or expose another to a risk of loss.

Theft is stealing any property belonging to the council or which has been entrusted to it (i.e., client funds), including cash, equipment, vehicles, and data. Theft does not necessarily require fraud to be committed. Theft can also include the stealing of property belonging to our staff or members whilst on council premises.

A person is guilty of theft under the Theft Act 1968 if they 'dishonestly appropriate property belonging to another with the intent of permanently depriving the other of it', or they dishonestly retain a wrongful credit. For example, where they do not report and repay an overpayment of salary or advance.

Corruption is defined as an act done with the intent to give some advantage which is inconsistent with a public servant's official duty and the rights of others. In the public sector, it can also be defined as the abuse of power by a public official for private gain. Forms of corruption vary but include bribery, extortion, nepotism, cronyism, and embezzlement.

Bribery is defined as the offering, giving, soliciting, or acceptance of inducements or reward designed to influence official action or decision making. Under the Bribery Act 2010, organisations are expected to implement anti-bribery measures and both organisations and individuals can face significant penalties for failure to meet these requirements.

Money laundering is the process by which the proceeds of crime are changed so that they appear to come from a legitimate source. Legislation concerning money laundering is included within the Proceeds of Crime Act 2002 (POCA) and Money

Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended).

A **Whistleblower** is a person who tells someone in authority about alleged dishonest or illegal activities, including fraud occurring in any public or private organisation.

The Public Interest Disclosure Act 1998 provides legal recourse for an employee raising the concern should they feel they have been treated unfairly because of "whistleblowing".

Appendix 2: Roles and Responsibilities

Councillors	<ul style="list-style-type: none"> • facilitate an anti-fraud and anti-corruption culture • demonstrate a commitment to this strategy and ensure it has the appropriate profile within the council
Cabinet	<ul style="list-style-type: none"> • ensure the strategy is effectively implemented across the council
Audit Committee	<ul style="list-style-type: none"> • to approve the corporate Fraud Strategy • to monitor and review the effectiveness of the council's anti-fraud and corruption arrangements • ensure that there is strong political and executive support for work to counter fraud and corruption • ensure consistency across the council in the implementation of this strategy
Section 151 Officer	<ul style="list-style-type: none"> • ensure that those working to counter fraud and corruption are professionally trained and accredited for their role, and attend regular refresher courses to ensure they are up to date with new developments and legislation • ensure that there is a level of financial investment in counter fraud and corruption work that is proportionate to the risk that has been identified • ensure that reports on investigations include a section on identified policy and system weaknesses that allowed the fraud/corruption to take place where appropriate
Directors, Assistant Directors, and Heads of Service	<ul style="list-style-type: none"> • ensure the risks of fraud and corruption are identified, recorded on the risk register as required, and action plans implemented to reduce the risk to an acceptable level • ensure the anti-fraud and anti-corruption strategy is implemented within their area of responsibility • ensure that any allegations or suspicions of fraud are reported in line with the Fraud Response Plan, or if appropriate, the Reporting a Concern (Whistleblowing) policy • ensure the risk of fraud and corruption is considered in all new processes
Monitoring Officer	<ul style="list-style-type: none"> • regularly publicise and monitor compliance with expected standards of ethical conduct • ensure that progress in raising standards is communicated to stakeholders • ensure that effective whistleblowing arrangements are established • ensure registers of interests, gifts & hospitality are maintained • ensure councillors and officers are fully aware of their obligations in relation to probity

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	<ul style="list-style-type: none"> • ensure that those working to counter fraud and corruption are undertaking this work in accordance with a clear ethical framework and standards of personal conduct
Audit and Assurance	<ul style="list-style-type: none"> • support Directors, Assistant Directors, Heads of Service, and their managers in identifying and mitigating risks for fraud and corruption • promote an anti-fraud culture, including awareness campaigns, risk assessments, and development of tools to identify potentially fraudulent activity • ensure all allegations are recorded and risk assessed • conduct investigations in line with legislation, standards, and rule of conduct • ensure that those carrying out fraud investigations are adequately trained • notify HR and Legal Services (at the outset of investigations into employees) • make recommendations where weaknesses are identified, and ensure action plans implemented to prevent reoccurrences • undertake proactive exercises into areas where the risk of fraud is greatest • consider fraud risks when determining the annual Audit Plan and the content of specific audit assignments
People and Culture	<ul style="list-style-type: none"> • ensure that there is an effective propriety checking system (i.e., safe recruitment) implemented by appropriately trained staff • ensure employment policies support the anti-fraud and anti-corruption framework • monitor effective and appropriate sanctions are applied in all appropriate cases • ensure that all staff in People and Culture are aware of the Fraud Response Plan and the action to take if they suspect fraudulent activity • inform Audit and Assurance at the outset of any conduct investigation
Managers	<ul style="list-style-type: none"> • ensure all employees are aware of their responsibilities under the anti-fraud and anti-corruption framework • ensure all employees have read the Employee Code of Conduct and understand their responsibilities • ensure all employees understand the Reporting a Concern (Whistleblowing) policy and reporting arrangements • ensure employees are aware of the process for reporting allegations of fraud • ensure accurate and timely reporting of gifts and hospitality

Employees	<ul style="list-style-type: none"> • understanding of expected behaviour and of their responsibility to report suspected fraud or corruption and the appropriate methods to do so
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BACKGROUND INFORMATION	
Document Purpose	To summarise the council's approach to anti-fraud and corruption, give advice and guidance to all relevant staff on their expected role in countering fraud, and identify what needs to be considered when determining the level of the council's anti-fraud response.
Author	Mark Edwards
Last Review and Publication Date	November 2023
Target Audience	Council Wide
Subject	Prevention, detection and response to fraud and corruption
Reference and Version	NEL AFCS V8.0
For Further Copies	Mark.Edwards@nelincs.gov.uk
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Impact Assessment (incl. E&D) done?	N/A
IA Action Plan with Recommendations Produced	N/A



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Fraud Response Plan

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1. Introduction

- 1.1. North East Lincolnshire Council is committed to the highest possible standards of openness, probity, and accountability in all its affairs.
- 1.2. The council's Anti-Fraud and Corruption Strategy makes it clear that the council is committed to a zero-tolerance approach to fraud and corruption from both internal and external sources. Where fraud or corruption is suspected, the council will deal with the allegations seriously.
- 1.3. The Fraud Response Plan reinforces the council's zero tolerance of fraud by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption, and how the council will deal with such allegations.

2. What is fraud and corruption?

- 2.1. Fraud is any action taken by an individual, group, or organisation which is designed to facilitate dishonest gain at the expense of (or loss to) the council, the residents of North East Lincolnshire, or the wider national community.
- 2.2. Corruption is defined as an act done with the intent to give some advantage which is inconsistent with a public servant's official duty and the rights of others. In the public sector, it can also be defined as the abuse of power by a public official for private gain. Forms of corruption vary but include bribery, extortion, nepotism, cronyism, and embezzlement.
- 2.3. Examples of fraud and/or corrupt acts include:
 - Fraud committed by members of the public - where individuals or companies fraudulently obtain (or attempt to obtain) money, services, or concessions from the council. For example, by making false claims for council tax reduction, council tax discounts or exemptions, business rates reliefs, or adult social care payments.
 - Fraud committed by employees or councillors - where an employee or councillor makes false claims for expenses, mileage claims, overtime or hours worked (flexi time), or other concessions available to them as a council employee.
 - Misuse of council equipment - where council equipment or assets are used for personal use i.e., council vehicles, stock, equipment, computers, or internet access.

- Abuse of position – where an employee or councillor uses their position within the council for personal gain, or to the detriment of the council.
- Financial misconduct – where an employee or councillor deliberately manipulates or misreports financial information, or deliberately fails to follow the council's financial procedure (and other) rules.
- Bribery – where an employee or councillor offers or accepts a bribe or inducement to encourage that person to perform their functions or activities improperly, or to reward a person for having already done so, where there is an expectation that those functions are performed impartially or in good faith. For further information, please see the council's Anti-Bribery Policy.
- Theft - includes the taking without authority of physical assets, such as computer equipment or other consumable items. It also covers the taking of personal information held by the council and intellectual property rights without consent.

2.4. This list is not exhaustive and there may be other activities undertaken by employees that are unlawful, contravene council policies and procedures (particularly in relation to procurement or financial rules), or amount to improper conduct.

2.5. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from Audit and Assurance.

3. Employee responsibilities

3.1. All employees, partners, and contractors have an obligation to report suspicions of fraud, corruption, or financial misconduct.

3.2. Where an employee suspects that a member of the public is defrauding the council, they should report their suspicions to Audit and Assurance. Some services have specific procedures to do this (i.e., Local Taxation and Benefits). For those that do not, employees can raise their concerns by e-mail to benefitfraud@northlincs.gov.uk, or by telephone to 01472 326298 (option 1). Further information is available on the council intranet by searching 'fraud'.

3.3. Employees are often the first to realise that there is something seriously wrong within the council. They may have suspicions about another employee's conduct, that of a councillor, or of a partner organisation. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. They may also fear harassment

or victimisation. Therefore, it is essential that employees feel safe to report these concerns.

3.4. The council's Reporting a Concern policy (also referred to as Whistleblowing) provides a secure framework to enable staff to raise concerns within the council. Legislation also provides protection for employees who make disclosures about alleged fraud, corruption, or financial misconduct that are in the public interest. To make a disclosure about a council employee, employees should follow the Reporting a Concern (Whistleblowing) policy. This can be found on the council intranet.

3.5. In general, contact with the police should only be made by Audit and Assurance, or the Monitoring Officer. This enables the police to have a single point of contact in the council, and to identify officers who will have familiarity with council affairs. It also helps in managing and reporting on fraud and corruption within the council. The Reporting a Concern (Whistleblowing) policy provides alternative methods of reporting, including reporting directly to the police where this is necessary.

3.6. The employee making the allegation (or their line manager) **must not**:

- contact the suspected perpetrator to determine facts or demand restitution
- discuss the case facts, suspicions, or allegations with anyone unless specifically asked to do so by the Head of Audit and Assurance, Assistant Director of People and Culture, or the Monitoring Officer (or an officer acting on their behalf)
- attempt to personally conduct investigations or interviews; or
- question anyone unless asked to do so by the Head of Audit and Assurance, Assistant Director of People and Culture, or the Monitoring Officer (or an officer acting on their behalf)

4. People and Culture responsibilities

4.1. Issues around staff performance or behaviour are investigated under the council's disciplinary procedures by line managers with support from People and Culture. If an officer's line manager or People and Culture suspect that the issue involves potential fraud, corruption, or financial misconduct then they should raise their concerns with the Head of Audit and Assurance (or one of their nominated persons). That officer will assess whether the nature of the allegations come under the scope of the Fraud Response Plan.

4.2. Similarly, once a disciplinary investigation begins, should fraud, corruption, or financial misconduct issues emerge, the Head of Audit and Assurance (or one of their nominated persons) should be contacted as soon as possible for advice on how to proceed. Interviews should only take place once this advice has been received (which may include an agreement on which issues could proceed and others which should not) to ensure, as far as possible, that any evidence collected will not adversely impact any potential criminal investigation.

5. Reporting process for members of the public that suspect fraud, corruption, or financial misconduct

5.1. The council encourages members of the public to contact the council should they suspect fraud, corruption, or financial misconduct.

5.2. A suspicion can be reported:

- By using the online [fraud referral form](#)
- By e-mail to benefitfraud@northlincs.gov.uk
- By telephone to 01472 326298 (option 1)
- Or in writing to: Audit and Assurance, North East Lincolnshire Council, Municipal Offices, Town Hall Square, Grimsby, DN31 1HU

6. Investigation process

6.1. The council will deal with all allegations of fraud in the most appropriate manner depending on the circumstances of the case. All investigations will be conducted in accordance with the relevant council policies and procedures, and where appropriate criminal legislation.

6.2. For suspicions reported under the Reporting a Concern (Whistleblowing) policy, the process for investigation is covered in that policy.

6.3. For all other allegations of fraud, corruption, or financial misconduct, a suitably trained and experienced officer will conduct a preliminary investigation and report to the Head of Audit and Assurance (or one of their nominated persons) who will decide (in conjunction with People and Culture and relevant service leads where necessary) on the most appropriate action to take. This may include following the complaints process, the disciplinary process, making a referral to another agency (i.e., the Department for Work and Pensions or Police), or conducting an internal investigation.

6.4. This officer may also recommend that no further action is taken where there is insufficient information to justify an investigation.

6.5. All officers conducting criminal investigations will observe the legal and procedural rights of those under investigation as defined in law and in council policies. They will maintain the security, privacy, and integrity of the evidence they collect and ensure that it is prepared to a suitable standard for successful presentation at internal or external hearings or courts. Those officers will be appropriately trained and qualified.

7. Conclusion of an investigation

7.1. Once the investigation has been completed, a report will be prepared which states the facts discovered during the investigation. A recommendation will be made as to the appropriate course of action to be followed. This may include:

- management action
- disciplinary hearing
- criminal proceedings
- no further action

This list is not exhaustive, and decisions will be made on a case-by-case basis.

7.2. The council will seek to recover any financial loss through the appropriate mechanism. This may involve either civil or criminal proceedings where it is in the public interest to do so.

7.3. Where weaknesses in system controls have been identified during an investigation, a report and recommendations will be made advising management as to how the controls can be improved to prevent any recurrence of fraud or corruption.

7.4. Summary information about the incidence of fraud and corruption and the outcomes of investigations will be presented in the Annual Fraud Report.

7.5. The results of investigations will be fed into the considerations for the Annual Audit Plan, and management will be required to take measures to rectify any identified system weaknesses.

8. Review

8.1. The Fraud Response Plan will be reviewed biannually.

BACKGROUND INFORMATION	
Document Purpose	To detail the methods used to report and investigate fraud within or against North East Lincolnshire Council
Author	Mark Edwards
Last Review and Publication Date	November 2023
Target Audience	Council Wide
Subject	Prevention, detection and response to fraud and corruption
Reference and Version	NEL AFCS V3.0
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Impact Assessment (incl. E&D) done?	N/A
IA Action Plan with Recommendations Produced	N/A