

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**18 July 2023**

**Report of the Audit Managers**

**Anti-Fraud and Anti-Corruption Strategy**

**1. Purpose**

- 1.1 To advise Audit Committee of the latest review and seek approval for updates to the Council's Anti-Fraud and Anti-Corruption Strategy.

**2. Information and Analysis**

- 2.1 The Council maintains a range of policy and procedural documents which outline its approach to creating an anti-fraud and anti-corruption culture. These support the identification, investigation and reporting of potential fraud and corruption across the Council's activities. Key within this process, is the Anti-Fraud and Anti-Corruption Strategy and Fraud Response Plan.
- 2.2 The Anti-Fraud and Anti-Corruption Strategy outlines the Council's approach to the prevention and detection of fraud and corruption, and stance against fraud and corruption in all its forms. It provides a clear set of standards and guidance for all employees, elected members, contractors and residents.
- 2.3 The Fraud Response Plan provides direction for employees, elected members, contractors, and residents on how they can report a suspected fraud and details how such reports will be investigated.
- 2.4 These documents were initially created in 2015 and were subsequently updated in 2018. A full review has now been undertaken to ensure that they accurately reflect the Council's current arrangements and introduce new performance measures by which counter fraud activities can be measured. The updating of these documents was highlighted as an

action within the Council's Self-Assessment against the 'Fighting Fraud and Corruption Locally – a strategy for the 2020s' Checklist as reported to this Committee on 22 March 2022.

- 2.5 As part of the review, the Fraud Response Plan has now been incorporated into the Anti-Fraud and Anti-Corruption Strategy (at Appendix A). This consolidated document will provide stakeholders with guidance on the Council's counter fraud culture, key controls designed to prevent and detect fraud and corruption and information on how allegations of fraud will be administered and investigated.

### **3. Consultation**

- 3.1 No consultation is required.

### **4. Alternative Options Considered**

- 4.1 N/A – not reviewing and updating the Anti-Fraud and Anti-Corruption Strategy would be contra to the Council's Financial Regulations, which require appropriate fraud arrangements are in place. The revised Strategy also supports Council's duty to make arrangements for the proper administration of its financial affairs under Section 151 of the Local Government Act 1972.

### **5. Implications**

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

### **6. Background Papers**

- 6.1 Electronic files and Audit working papers are held by Audit Services, Finance & ICT Services, County Hall.

### **7. Appendices**

- 7.1 Appendix 1 – Implications.  
7.2 Appendix 2 – Anti-Fraud and Anti-Corruption Strategy.

### **8. Recommendation**

- 8.1 Notes that a review of the Anti-Fraud and Anti-Corruption Strategy has taken place and approves the amended Policy at Appendix 2 to this report.

## **9. Reasons for Recommendation(s)**

- 9.1 The requirement to ensure that appropriate anti-fraud and anti-corruption arrangements are in place is contained within the Council's Financial Regulations.

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## **Appendix 1**

### **Implications**

#### **Financial**

- 1.1 The creation of a robust anti-fraud and anti-corruption culture will minimise the risk of fraud occurring and as such, will reduce losses incurred by the Council due to fraud or corruption. The Council will therefore ensure that Council resources are used appropriately and for the benefit of residents.
- 1.2 By reducing monies lost to fraud and corruption, the Council will ensure that resources are used appropriately and for the benefit of residents.

#### **Legal**

- 2.1 Section 151 of the Local Government Act 1972 places a duty on the Council to make arrangements for the proper administration of its financial affairs.
- 2.2 Part 2, Regulation 4 of the Accounts and Audit Regulations 2015 requires local authorities to implement measures to enable the prevention and the detection of inaccuracies and fraud.

#### **Human Resources**

- 3.1 None.

#### **Information Technology**

- 4.1 None.

#### **Equalities Impact**

- 5.1 None.

#### **Corporate objectives and priorities for change**

- 6.1 The Council is committed to ensuring good financial management and compliance with applicable laws and regulations.

#### **Other Considerations**

- 7.1 Alignment with the Council's Whistleblowing Policy that provides details as to how an individual can report a suspected instance of fraud and

corruption, and their statutory protections in line with the Public Interest Disclosure Act 1998.