



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**30 January 2024**

**Report of the Assistant Director of Finance (Audit)**

**Counter Fraud Update**

**1. Purpose**

- 1.1 To provide the Audit Committee with an update on the counter fraud activity undertaken by Audit Services in recent months and progress against the 2023-24 objectives detailed within the Council's Anti-Fraud and Anti-Corruption Strategy.

**2. Information and Analysis**

- 2.1 The Audit Committee approved the updated Anti-Fraud and Anti-Corruption Strategy at its meeting on 18 July 2023. Following this meeting, the Strategy was presented to the Policy Forum on 19 September 2023 and following approval by trade union representatives at that forum, it was presented to Cabinet on 11 January 2024 for final consideration and approval.
- 2.2 The Strategy includes within it sixteen objectives which are designed to strengthen the Council's counter fraud culture in the period 1 April 2023 to 31 March 2026. With a number of these objectives having a target implementation date of 31 March 2024, an exercise has been undertaken to review the progress made to date and identify priority areas where counter fraud work needs to be undertaken in the coming months.
- 2.3 Appended to this Report (at Appendix 2) is a traffic light report showing the current progress against each of the sixteen objectives detailed within the Anti-Fraud and Anti-Corruption Strategy. This shows that of the fourteen objectives to be completed in 2023-24, seven have been

implemented, work is ongoing on a further six and work has not yet commenced on the remaining two. It is however expected that all objectives scheduled for completion in 2023-24 will be completed by 31 March 2024 as intended.

- 2.4 In addition to the fourteen objectives scheduled for completion in 2023-24, there are two further objectives relating to the extending of mandatory Fraud Awareness Training and the completion of an Annual Fraud Report. Work on the provision of Fraud Awareness Training is ongoing and will be boosted by the recent decision of the Governance Group to make this training mandatory for all new starters. The Governance Group will now consider how often existing staff should revisit the fraud training during the course of their employment. The Annual Fraud Report will be presented in summer 2024 and will summarise the key counter fraud work undertaken in 2023-24, counter fraud work planned for 2024-25 and performance against the sixteen objectives contained in the Anti-Fraud and Anti-Corruption Strategy.

### **3. Consultation**

- 3.1 No consultation is required.

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

- 4.1 Not applicable – this Counter Fraud update is provided to the Audit Committee for information. It is designed to provide transparency and accountability in the performance of counter fraud work by Audit Services and the delivery of the objectives within the Anti-Fraud and Anti-Corruption Strategy presented to the Audit Committee on 18 July 2023.

### **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 – Progress Report as at 8 December 2023.

## **8. Recommendations**

8.1 To note the progress made in delivering the 2023-24 objectives within the Anti-Fraud and Anti-Corruption Strategy as detailed within Appendix 2 to this report.

## **9. Reasons for Recommendation**

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 counter fraud culture will minimise the risk of fraud occurring and as such, will reduce losses incurred by the Council due to fraud or corruption.
- 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 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 (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 The creation of a robust counter fraud culture is important in seeking to identify, evaluate and minimise the risk of fraud and corruption

occurring. As such, this is aligned with the Council's Corporate Risk Management Strategy and associated arrangements.