



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**22 February 2024**

**Report of the Director of Finance & ICT**

**Update to the Anti-Fraud and Anti-Corruption Strategy**

**1. Divisions Affected**

1.1 Not applicable.

**2. Key Decision**

2.1 This is not a key decision.

**3. Purpose**

3.1 The purpose of this report is to inform Cabinet of the review and update of the Anti-Fraud and Anti-Corruption Strategy and recommend that Cabinet endorses the Strategy as Council policy.

3.2 The maintenance of an up to date and robust Anti-Fraud and Anti-Corruption Strategy is consistent with the Council's Financial Regulations, which require that appropriate fraud arrangements are in place. The revised Strategy also supports the Council's duty to make arrangements for the proper administration of its financial affairs (s.151 Local Government Act 1972) and to implement measures to prevent and detect inaccuracies and fraud (Part 2, Regulation 4 of the Accounts and Audit Regulations 2015).

3.3 Cabinet are asked to:

- a) endorse the Anti-Fraud and Anti-Corruption Strategy as Council policy.

**4. Information and Analysis**

- 4.1 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, is the Anti-Fraud and Anti-Corruption Strategy.
- 4.2 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. The Strategy was created in 2015 and updated in 2018.
- 4.3 The Strategy has historically been supported by a separate Fraud Response Plan which provides direction on how to report a suspected fraud and details how such reports will be investigated.
- 4.4 In early 2022 an exercise was undertaken to benchmark the Council's counter fraud arrangements against the 'Fighting Fraud and Corruption Locally – a strategy for the 2020s' Checklist. This exercise identified a need for the Anti-Fraud and Anti-Corruption Strategy and Fraud Response Plan to be reviewed and updated. This was the driver of the recent review of the Strategy that has been performed.
- 4.5 As part of the review, the following actions have been taken:
- Guidance has been simplified to make it more accessible.
  - Key roles and responsibilities have been included at section 2.
  - Reference to 'Fighting Fraud and Corruption Locally – A Strategy for the 2020s' and the Enterprise Counter Fraud Approach has been included within section 3.
  - Performance Indicator targets have been added into the document at section 3 to allow delivery of the Strategy to be measured and monitored.
  - The Fraud Response Plan has been updated and incorporated into the Strategy (at Appendix A).

The revised Anti-Fraud and Anti-Corruption Strategy is attached at Appendix 2.

- 4.6 The Audit Committee, acting in its role as "those charged with governance" endorsed the revised Strategy on 18 July 2023. In addition, the Policy Forum within which with Joint Trade Unions are engaged and consulted with on employment policy, endorsed the revised Strategy on 17 October 2023. The document now requires approval by Cabinet.

## **5. Consultation**

5.1 No consultation is necessary.

## **6. Alternative Options Considered**

6.1 Cabinet could decide not to approve the refreshed Strategy.

## **7. Implications**

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

## **8. Background Papers**

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

## **9. Appendices**

9.1 Appendix 1 – Implications.

9.2 Appendix 2 – Anti-Fraud and Anti-Corruption Strategy.

## **10. Recommendation(s)**

10.1 That Cabinet:

- a) Note the review of the Anti-Fraud and Anti-Corruption Strategy and approve it as Council policy.

## **11. Reason for Recommendation(s)**

11.1 To comply with the Council's Financial Regulations, s.151 Local Government Act 1972 and Part 2, Regulation 4 of the Accounts and Audit Regulations 2015 which require that appropriate fraud arrangements are in place.

## **12. Is it necessary to waive the call-in period?**

12.1 No.

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### **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. This will help the Council to ensure that resources are used appropriately and for the benefit of residents.

#### **Legal**

- 2.1 To comply with the Council's Financial Regulations, which require appropriate fraud arrangements to be in place. The Strategy also forms part of the Council's wider counter fraud arrangements which are designed to prevent and detect inaccuracies and fraud (as required by Part 2, Regulation 4 of the Accounts & Audit Regulations 2015) and to promote the proper administration of the Council's financial affairs (as required by s.151 Local Government Act 1972).

#### **Human Resources**

- 3.1 The updated Anti-Fraud and Anti-Corruption Strategy supports and is aligned to the Council's Code of Conduct for employees. The Code of Conduct sets out the standards of conduct required of employees in carrying out their work. The Anti-Fraud and Anti-Corruption Strategy is directly referenced in this Policy.

#### **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 updated Anti-Fraud and Anti-Corruption Strategy supports, and is aligned with, the Council's Whistleblowing Policy. The Whistleblowing Policy 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.