



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

17 September 2024

Report of the Assistant Director of Finance (Audit)

**2023-24 Year End Annual Fraud Report &
Counter Fraud Strategy 24-25 Update**

1. Purpose

- 1.1 To provide the Audit Committee with the update on the delivery of the 2023-24 objectives included within the Council's Anti-Fraud and Anti-Corruption Strategy and present the 2024-25 Counter Fraud Strategy Update.

2. Information and Analysis

- 2.1 The Audit Committee approved the Anti-Fraud and Anti-Corruption Strategy on 18 July 2023 with this document ratified by Cabinet on 22 February 2024. Included within this were sixteen objectives designed to strengthen the Council's counter fraud culture in the period 1 April 2023 to 31 March 2026.
- 2.2 On 30 January 2024, the Audit Committee were provided with a progress report showing the status of each of the sixteen objectives. At that time, work was ongoing to deliver the 2023-24 objectives with an expectation that all would be completed by 31 March 2024 as intended.
- 2.3 Appended to this Report (at **Appendix 2**) is a traffic light report which provides an updated position on each of the sixteen objectives. This shows that of the fourteen objectives to be completed in 2023-24, thirteen have been implemented with work on one ongoing.
- 2.4 The action (A10) that remains in progress relates to the development of a counter fraud presence on the Corporate Services and Transformation

(CST) SharePoint site. Whilst Fraud Prevention content has been developed, delays to the launch of the CST SharePoint site mean that this content has not been shared with stakeholders. This objective has been carried forward but amended in the 2024-25 objectives with a focus on developing an intranet site that provides guidance on Fraud.

- 2.5 In order to ensure that we continue to build on the work undertaken in 2023-24 to raise fraud awareness and to identify and develop relationships with other organisations involved in counter fraud activity, the Anti-Fraud and Anti-Corruption Strategy has been updated to reflect new and emerging fraud risks and to refresh the counter fraud objectives for 2024-25 and future years. A copy of which is provided in **Appendix 3**. The updates to the Strategy include additional information to reflect some new ways of working, such as audit services move towards better use of internal data sets and a focus on reviewing and updating investigation procedures.
- 2.6 Regular progress reports will be provided to the Audit Committee throughout to provide transparency and accountability in the delivery of these objectives and in the strengthening and enforcement of the Council's counter fraud culture. It is suggested this is on a biannual basis with one mid-year update before the year end annual report.
- 2.7 Alongside the delivery of the specific objectives detailed within the Anti-Fraud and Anti-Corruption Strategy, Audit Services continues to undertake a number of business as usual activities designed to minimise the risk of fraud occurring and identify any instances that do. This includes:
 - Provision of fraud advice and support to departmental staff.
 - Participation in the National Anti-Fraud Network (NAFN) and National Fraud Initiative (NFI).
 - Completion of Audit investigations into instances of suspected fraud or corruption.
 - Consideration of fraud within the planning of all audits and the design of associated audit tests.
 - Completion of data matching exercises to identify instances of potential fraud.

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 – Year End Report 2023-24.
- 7.3 Appendix 3 - Anti-Fraud and Anti-Corruption Strategy 2024-25 Update

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 Risk Management Strategy and associated arrangements.