



REPORT TO: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 28 July 2016

REPORT OF THE: FINANCE MANAGER (s151)
PETER JOHNSON

TITLE OF REPORT: COUNTER FRAUD POLICY AND ANTI MONEY
LAUNDERING POLICY

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1. The report sets out a new anti money laundering policy and an updated counter fraud and corruption policy.

2.0 RECOMMENDATION(S)

- 2.1 Members are asked to recommend to Council approval of the updated counter fraud and corruption policy and anti money laundering policy.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To help ensure the council maintains robust counter fraud arrangements.

4.0 SIGNIFICANT RISKS

- 4.1 The risk of fraud against public bodies is growing. It is essential that the council maintains up to date counter fraud arrangements to minimise financial losses and safeguard public money.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Seeking to minimise losses from fraud helps to ensure that resources are directed to delivering services and supports the achievement of overall council aims.

6.0 REPORT DETAILS

- 6.1 Overall council counter fraud and corruption arrangements have not been reviewed for a number of years. In this time, there has been a significant change in the fraud risks affecting local authorities. For example the use of technology and opening up of council data has led to an increase in attacks on council payment systems. And recent high profile attacks on IT systems using "ransom ware" have highlighted further risks. More generally, there has been a growing awareness of fraud risks in

the public sector. This has led to the publication of updated guidance for local authorities including the Chartered Institute of Public Finance and Accountancy's Code of Practice on managing the Risks of Fraud and Corruption.

- 6.2 An updated version of the counter fraud and corruption policy is included at appendix 1. This sets out responsibilities for counter fraud and investigation work and the actions the council will take in response to fraud. The policy reflects current arrangements following the transfer of benefit fraud investigation to the DWP in March 2016. An updated version of the councils counter fraud and corruption prosecution policy has also been prepared and is included as an appendix to the counter fraud and corruption policy.
- 6.3 It is important that the council recognises the potential for criminals to use its services for money laundering. The proposed anti money laundering policy at appendix 2 sets out the council's responsibilities in respect of the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:

- Fighting Fraud & Corruption Locally - The local government counter fraud and corruption strategy 2016 - 2019)
- The Code of Practice on Managing the Risks of Fraud and Corruption (Cipfa 2014).

Appendices:

- Appendix 1: Counter Fraud and Corruption Policy, incorporating the counter fraud and corruption prosecution policy.
- Appendix 2: Anti Money laundering Policy