

Report to: **Audit Committee**

Date: **5 July 2016**

Title: **UPDATE ON ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY AND STRATEGY, ANTI-MONEY LAUNDERING POLICY AND CONFIDENTIAL REPORTING POLICY**

Portfolio Area: **Cllr Edmonds**

Wards Affected: **All**

Relevant Scrutiny Committee: **Internal**

Urgent Decision: **N** Approval and clearance obtained:

Date next steps can be taken:
Council 26 July 2016

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Recommendations:

- 1. That the Audit Committee RECOMMENDS that the Council adopts the following reviewed policies and documents:**
 - a) Anti-fraud, Corruption and Bribery Policy & Strategy (Appendix A refers);**
 - b) Anti-fraud, Corruption and Bribery Response Plan (Appendix B refers);**
 - c) Anti-money Laundering Policy Procedures and Guidance for Staff (Appendix C refers);**
 - d) Anti-money Laundering Policy (Appendix D refers);**
 - e) Confidential Reporting Policy (Appendix E refers); and**
 - f) Confidential Reporting Policy Frequently Asked Questions (Appendix F refers).**

1. Executive summary

- 1.1 The Audit Committee is asked to consider the following policies and documents and recommend their adoption to Council:
- a) Anti-fraud, Corruption and Bribery Policy & Strategy (Appendix A)
 - b) Anti-fraud, Corruption and Bribery Response Plan (Appendix B)
 - c) Anti-money Laundering Policy Procedures and Guidance for Staff (Appendix C)
 - d) Anti-money Laundering Policy (Appendix D)
 - e) Confidential Reporting Policy (Appendix E)
 - f) Confidential Reporting Policy Frequently Asked questions (Appendix F)
- 1.2 It is important that the Council regularly reviews its governing documents concerning anti-fraud, anti-money laundering together with its confidential reporting policy (sometimes referred to as the Whistle Blowing Policy) to ensure that they are fit for purpose and reflect both current legislation and best practice, and reflect the way that the Council's practices in relation to these important issues.

2. Background

- 2.1 The Statutory Officers' Panel (comprising the Head of Paid Service, Section 151 Officer, Monitoring Officer and Executive Director (Service Delivery & Commercial Development)) meets at least quarterly to consider the extent that the Council complies and manages its governance and regulatory frameworks, risk, and its governance policies.
- 2.2 The **Anti-Fraud, Corruption and Bribery Policy & Strategy** (Appendix A to this report) sets out the Council's position on fraud, corruption and bribery and its objective is to minimise the risk to the Council by promoting a culture of integrity and accountability supported by procedures and guidance designed to prevent and detect fraud, corruption and bribery and identify a clear way for any necessary investigation.
- 2.3 The Anti-Fraud, Corruption and Bribery Policy & Strategy also contains a **Housing Benefit and Council Tax Prosecution and Sanction Policy** which relates specifically to prosecutions and sanctions relating to benefit and council tax fraud (attached as appendix to the Policy).
- 2.4 The Anti-Fraud strategy is supported by a **Response Plan** (attached as Appendix B to this report) which sets out how staff can notify the Council about suspicions relating to fraud, corruption or bribery and how these concerns will be investigated (this also links to the Confidential Reporting Policy discussed in paragraph 2.6 below).
- 2.5 The Council's **Anti-money Laundering Policy Procedures and Guidance for Staff** is attached at Appendix C and sets out how we will endeavour to protect the Council and its staff from being exposed to money laundering, and the Guidance is designed to help staff understand the legal and regulatory requirements relating to money laundering, and what steps to take if there are suspicions of money laundering. This document supports the **Anti-money Laundering Policy** attached at Appendix D which introduces safeguards to help identify and report on instances where money laundering is suspected. It

emphasises the Council's commitment to the prevention, detection, and reporting of actual, alleged or suspected money laundering.

- 2.6 The **Confidential Reporting Policy** is attached at Appendix E and is sometimes referred to as the Whistle Blowing Policy as its objective is to protect workers from consequences (real or feared) of raising concerns about serious misconduct or malpractice such as fraud, cheating, or unsafe practices at work. This has clear overlaps with the Anti-fraud and Anti-money laundering policies but it is broader in nature (and a statutory requirement) covering agency staff and contractors, and covers a wider range of concerns regarding misconduct and other suspected malpractice. The policy is designed to encourage confidential reporting within the Council without fear of recrimination, and is in addition to the Council's complaints procedures.
- 2.7 The Confidential Reporting Policy is summarised in the supporting document **Frequently Asked Questions** (Appendix F) which identifies the key provisions of the Policy.
- 2.8 At its meeting in March 2016, the Statutory Officers' Panel reviewed the documents set out in paragraph 1 above to ensure compliance with the law and Government guidance. Only minor amendments have been required to update the policies and documents to reflect current Council practice and they otherwise remain fit for purpose.
- 2.9 These governance policies and documents support and are integral to the Council's Financial Procedure Rules and Contract Procedure Rules.

3. Outcomes/outputs

- 3.1 The Council needs to ensure that its documents are up to date with legislative requirements and best practice, and also reflect the how the Council operates, and this is achieved by annual monitoring by the Statutory Officers' Panel and regular review by the Audit Committee through its responsibilities for governance and regulatory frameworks.
- 3.2 Through a review of the Council's governance policies the Council minimises the risk of misconduct, fraud, corruption and bribery which is reinforced by raising awareness of these issues with all staff and providing robust mechanism for prevention and reporting real or alleged incidents.
- 3.3 The reviewed policies will be available on the staff intranet and the internet.

4. Options available and consideration of risk

- 4.1 The Council has a duty to regularly monitor and review these policies and documents and the Council would be failing in this duty if it did not review the policy documents, leading to increased risk to the Council.

5. Proposed Way Forward

- 5.1 The Audit Committee is requested to consider the reviewed documents attached at Appendices A-F and recommend their approval to the Council.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address

Legal/Governance	Y	<p>The policies are required by various pieces of legislation including:</p> <ul style="list-style-type: none"> • Public Interest Disclosure Act 1998 • Proceeds of Crime Act 2002 • Fraud Act 2006 • Bribery Act 2010 • Money Laundering Regulations 2007 • Accounts and Audit Regulations 2003, 2006, 2011 <p>These requirements are also reflected in the Council's Constitution through the Financial Procedure Rules and the Contract Procedure Rules. The Audit Committee has a responsibility to consider and review its governance and regulatory policies and make any necessary recommendations to the Council. The policies and documents attached at Appendices A-F have been reviewed and only minor amendments have been made to reflect the Council's current structure and ways of working, and they otherwise remain fit for purpose.</p>
Financial	N	There are no financial implications to the review of the policies and documents
Risk	Y	<p>The report identifies that the Council has a duty to regularly review its policy documentation to minimise risk of fraud, corruption, bribery and money laundering and to ensure that there are robust mechanisms of which staff are aware to prevent, detect, and investigate these issues where appropriate.</p> <p>Failure to do so will increase the risk to the Council through challenge, malpractice and potential damage to the Council's reputation.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		These are contained within the documentation.
Safeguarding		Not applicable
Community Safety, Crime and Disorder		This was considered within the policies
Health, Safety and Wellbeing		This is considered within the policies
Other implications		N/a

Supporting Information

Appendices:

- a) Anti-fraud, Corruption and Bribery Policy and Strategy (Appendix A)
- b) Anti-fraud, Corruption and Bribery Response Plan (Appendix B)
- c) Anti-Money Laundering Policy Procedures and Guidance for Staff (Appendix C)
- d) Anti-Money Laundering Policy (Appendix D)
- e) Confidential Reporting Policy (Appendix E)
- f) Confidential Reporting Policy Frequently Asked questions (Appendix F)

Background Papers:

None