

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE  
MEETING ON: 7 MARCH 2018**

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**Status:** Recommendation  
**Title:** Counter Fraud Arrangements  
**Originator:** Verina Wenham – Head of Legal Services and Monitoring Officer  
**Where from:** Ethical Governance Committee  
**Where to next:** Council

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1 Purpose of report

- 1.1 For members to consider the updated Counter Fraud and Corruption Strategy and Response Plan and to consider adopting a free standing Anti Bribery Policy and Money Laundering Policy. All the documents have been considered by the Ethical Governance Committee at its meeting on 1 February 2018.

2 Recommendations

- 2.1 **To consider the revised Counter Fraud and Corruption Strategy, Anti Bribery Policy and Money Laundering Policy as attached at Appendices A, B and C respectively and refer the policies to Council for adoption.**

3 Summary of Reasons for the Recommendations

- 3.1 The Council need to have in place robust counter fraud arrangements.

4 Impact on Communities

- 4.1 It is important that members of the public have confidence in the Council's adopted procedures for dealing with the key risk areas of fraud or error.

## 5 Key Facts

- 5.1 The Council is required to have in place a range of counter fraud policies that define the Council's counter fraud arrangements and drives continuous improvements in those arrangements.
- 5.2 A review of the Council's counter fraud arrangements was carried out during 2017 as part of the Council's agreed Audit Plan for 2017/18., to provide assurance over the arrangements in place to counter fraud and corruption and support good governance.. The Ethical Governance Committee agreed that it would consider these policies as part of its work plan for 2017/18.
- 5.3 The areas covered as part of the Audit review were; Counter Fraud Policy, Whistleblowing Policy, Anti Bribery Policy, Gifts and Hospitality policy and register, Pecuniary interests and conflicts of interests policies and register, Code of Conduct and ethics and Information and policy and Anti Money Laundering Policy.
- 5.4 The review highlighted that a number of the Council's existing policies needed updating and recommended that these be considered by Corporate Management Team prior to consideration by members. The policies were considered by the Ethical Governance Committee at its meeting on 1 February 2018. The Committees comments are set out in the table attached as Appendix D to this report. The amendments have been incorporated into the draft policies attached at Appendices A, B and C.
- 5.5 The Audit report recommends that the Council's Anti Fraud Policy is amended and that the Response Plan is removed from the Policy and maintained as a separate internal document governing how issues should be dealt with. Revised polices are attached to this report.
- 5.6 In addition the Council does not have a free standing Money Laundering Policy or Anti Bribery Policy and it is recommended that this is rectified. Draft polices for both are also attached to this report for consideration. In addition to a Money Laundering Policy it is also recommended that the Council put in place an Anti Money Laundering Employee Guide This will not form part of the policy but will be made available to all employees and updated as required.
- 5.7 The existing policies are currently available on the website, however, the review has recommended that the policies should be made more accessible and it is suggested that a dedicated governance page be created on the website and on the Council's intranet site. This will ensure that the policies are freely accessible to both staff and the public.

## 6 Legal Issues

- 6.1 As set out in the body of this report

## 7 Resource Issues

- 7.1 The council will need to put in place training for both members and officers on the new arrangements. This will initially be covered out of the central training budget but there may be additional resources required on an on going basis.
- 7.2 The policies will provide a framework for protecting the council against instances of fraud and potential money laundering and for dealing appropriately and effectively with any incidents.

## 8 Equality Implications

- 8.1 None as far as this report is concerned.

## 9 Impact on the Organisation

- 9.1 None as far as this report is concerned.

## 10 Community Safety Implications

- 10.1 None as far as this report is concerned

## 11. Carbon Management Implications

- 11.1 None as far as this report is concerned

## 12. Risk Management Implications

- 12.1 The adoption of revised arrangements will be recorded as mitigation in the Council's Risk Register

## 13 Consultation

- 13.1 The review was carried out as part of the Council's annual audit plan agreed by the Governance and Audit Committee. The proposed amendments to the existing policies and the new draft policies have been considered by the Ethical Governance Committee whose comments are attached at Appendix D

## 14 Options Considered

- 14.1 The Council's current arrangements need to be updated. Failure to review the arrangements could leave the Council vulnerable to incidents of fraud.

## 15 Background Papers

- 15.1 Report on Counter Fraud Arrangements – Ethical Governance Committee 1 February 2018
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**Previous report(s):**

**Information Issued Under Sensitive Issue Procedure: Y/N**

**Ward Members Notified: Y/N**

**Appendices:** *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfdata.doc)).*