



## REPORT FOR DECISION

Agenda Item	
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**MEETING:** AUDIT COMMITTEE

**DATE:** 26 FEBRUARY 2008

**SUBJECT:** ANTI-FRAUD AND CORRUPTION STRATEGY

**REPORT FROM:** HEAD OF INTERNAL AUDIT

**CONTACT OFFICER:** BARRIE STROTHERS

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**TYPE OF DECISION:** Non key.

**REPORT STATUS:** FOR PUBLICATION

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**PURPOSE/SUMMARY:**

This report presents to Members an updated version of the Council's Anti-Fraud & Corruption Strategy. This revised version incorporates an Anti-Money Laundering Guidance that has been produced by the Council's Legal Service Section in consultation with Internal Audit. The Guidance is required to ensure the Council complies with the Government's Money Laundering Regulations 2007.

**OPTIONS AND RECOMMENDED OPTION:**

To accept the updated strategy, or to refer it back with suggested amendments.

Members are recommended to adopt the strategy as it reflects good practice and ensures that recent changes in legislation are reflected in the document.

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## IMPLICATIONS -

**Financial Implications and Risk Considerations** There are no financial implications arising from this report.

**Corporate Aims/Policy Framework: Do the proposals accord with the Policy Framework?** Yes

**Are there any legal implications?** No.

**Considered by Monitoring Officer:** No.

**Statement by Director of Finance And E-Government: Staffing/ICT/Property:** There are no direct resource implications arising from the report.

**Wards Affected:** All.

**Scrutiny Interest:** None.

## TRACKING/PROCESS

**DIRECTOR: Director of Finance & E-Gov**

Chief Executive/ Management Board	Executive Member/ Chair	Ward Members	Partners
Scrutiny Panel	Executive	Committee	Council
		Audit 26/02/08	

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## 1.0 BACKGROUND

1.1 The Anti Fraud and Corruption Strategy has been in existence for several years, and was first approved by Members in September 1997 by the then Performance Review Sub Committee. It has been reviewed, revised and updated on a regular basis since then and is seen as a major tool in promoting the Council's culture of openness and fairness. This document forms an important part of the Council's Corporate Governance arrangements.

1.2 There have recently been changes to the legislation concerning money laundering which have broadened the definition and increased the range of activities caught by the statutory framework. As a result, the new obligations now impact on certain areas of Local Authority business and require Local Authorities to establish internal procedures to prevent the use of their services for money laundering. The inclusion of the Anti-Money Laundering Guidance as part of the Anti-Fraud & Corruption Strategy will ensure the Council properly informs its Members and staff of their obligations to protect public funds from criminal activity. The full Guidance is attached as Appendix A.

## **2.0 OBLIGATIONS ON THE COUNCIL WITH REGARD TO MONEY LAUNDERING**

2.1 Organisations conducting “relevant business” must:

- appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s);
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

2.2 It is proposed to name the Head of Internal Audit as the Money Laundering Officer (MLO) with the Audit Manager as his deputy. It will be the MLO’s responsibility to arrange appropriate training for relevant current and new members of staff in line with their responsibilities, so that they are able to recognise and deal with transactions which may be related to money laundering; and ensure that relevant employees are aware of this guidance and the Council’s money laundering procedures.

## **3.0 OTHER AMENDMENTS**

3.1 The Anti-Fraud & Corruption Strategy has been amended to take account of the Fraud Act 2006 and updates made to the Housing Benefit/Council Tax Benefit Fraud Prosecution Policy.

## **4.0 RECOMMENDATION**

- 4.1 That Members endorse the nomination of Head of Internal Audit to act as the Money Laundering Officer and receive disclosures about money laundering and ensure the Council's obligations are fulfilled.
- 4.2 That Members accept the revised version of the Anti-Fraud & Corruption Strategy.
- 4.3 That Members accept the Money Laundering Guidance and its inclusion in the Anti-Fraud & Corruption Strategy.

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### **List of Background Papers**

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