

WELWYN HATFIELD BOROUGH COUNCIL
AUDIT COMMITTEE 25 JUNE 2024
REPORT OF THE EXECUTIVE DIRECTOR (FINANCE AND TRANSFORMATION)

Part I

REVIEW OF CORPORATE ANT-FRAUD AND CORRUPTION POLICY AND ASSOCIATED POLICIES

1 Executive Summary

- 1.1 The council's current anti-fraud and corruption policies and framework are due for renewal. To ensure consistency and coherent framework these policies have all been reviewed together. These policies are:
- Anti-fraud and corruption
 - Anti-bribery
 - Anti-money Laundering
 - Preventing Tax Evasion
- 1.2 Policies have been presented with tracked changes to enable members to easily identify where changes have been made from the previous versions.

2 Recommendation(s)

- 2.1 That Audit Committee approve the changes to the anti-fraud and corruption policy, and associated policies.
- 2.2 That Audit Committee note that these updates will remove the requirement for the council to maintain a separate Tenancy Fraud Policy.

3 Explanation

- 3.1 The council's current anti-fraud and corruption policies are due for renewal. The Council entered the Herts Shared Internal Fraud Service from 1 April 2023 and they have made recommendations and guidance on updates to the policies.
- 3.2 At the last major refresh of the policies, the latest guidance and best practice was taken into account, including two publications issued in early 2020. (Fighting Fraud and Corruption Locally Strategy 2020 (*CIFAS*) and A Guide to Understanding the Total Impact of Fraud 2020 (*International Public Sector Fraud Forum*)).
- 3.3 The key changes to the policies in these updates include:
- Bringing tenancy specific fraud into the main Anti-fraud and Corruption policy to remove the need for a separate Tenancy Fraud Policy. The Tenancy Fraud Policy also includes procural elements. There will be a separate procedure maintained at officer level.

- Updates to reflect the council's partnership with the Shared Anti-fraud Service (SAFS) and reporting methods for fraud.
 - Updates to reflect changes to role titles and structures since last review, and the role of SAFS as Money Laundering Reporting Officer.
- 3.4 We are still awaiting official guidance on the new offence of Failure to Prevent Fraud introduced by the Economic Crime and Corporate Transparency Act 2023 and once we have that we may require an amendment to some existing policies which will be returned to the Committee at the appropriate time.

Implications

4 Legal Implication(s)

- 4.1 There is a suite of legislation that the council must comply with in relation to fraud and corruption. The relevant legislation is listed on the front page of each of the policies.

5 Financial Implication(s)

- 5.1 There are no direct implications arising from the implementation of these policies. However, the policies provide a continued framework for the council to tackle fraud and corruption to prevent financial losses or recover losses where a fraud is identified.

6 Risk Management Implications

- 6.1 Failure to have robust policies and processes in place for the prevention and management of fraud and corruption could expose the council to significant financial losses and reputational damage.

7 Security and Terrorism Implication(s)

- 7.1 In some instances, money laundering, fraud and corruption can be linked to wider criminal and terrorist activity. Having these policies help reduce exposure for the council being linked to such activities.

8 Procurement Implication(s)

Not applicable

9 Climate Change Implication(s)

- 9.1 Not applicable

10 Human Resources Implication(s)

Not applicable

11 Health and Wellbeing Implication(s)

- 11.1 Not applicable

12 Communication and Engagement Implication(s)

12.1 The communication and training plan on the policies will be for employees after the policies are approved.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the Council's Corporate Priority "Our Council".

14 Equality and Diversity

14.1 An EqIA was not completed because this report does not propose any significant changes to existing service-related policies or the development of new service-related policies.

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Appendices

Appendix A - Anti-fraud and corruption

Appendix B - Anti-bribery

Appendix C - Anti-money Laundering

Appendix D - Preventing Tax Evasion