

**FINANCE, AUDIT AND RISK COMMITTEE  
16 MARCH 2022**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: FRAUD PREVENTION POLICY**

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL

**1. EXECUTIVE SUMMARY**

*The over-arching Fraud Prevention Policy (attached at Appendix A) has been updated to reflect that the Shared Anti-Fraud Service (SAFS) have taken on the role of the Council's Money Laundering Reporting Officer (MLRO). The rest of the Policy has also been reviewed to make sure it is still relevant, but no significant changes have been made.*

**2. RECOMMENDATIONS**

- 2.1. That Finance, Audit and Risk Committee approve the amended Fraud Prevention Policy, as attached at Appendix A.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. *The policy is kept under regular review. As explained in section 8 it is beneficial for SAFS to take on the MLRO role for the Council.*

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. *The proposed change benefits the Council, the only alternative would be to continue with the current arrangements.*

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. *SAFS have been consulted on, and agreed to, take on the role of MLRO for all Partner Authorities.*

**6. FORWARD PLAN**

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

**7. BACKGROUND**

- 7.1. *The Fraud Prevention Policy was adopted in September 2019, and brought together a number of linked policies in to a single document.*
- 7.2. The policy has been kept under review since then, but to date no changes have been considered necessary.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. *The Service Director: Resources previously acted as the Council's Money Laundering Reporting Officer (MLRO). The Service Director: Customers acted as the Deputy MLRO.*
- 8.2. *If an Officer is suspicious that any Council transaction could involve money laundering, then this is reported to the MLRO via the form contained within the Fraud Policy. The MLRO then determines what action to take, in line with the money laundering legislation.*
- 8.3. *The chances of a Council transaction raising suspicions of money laundering are extremely low, and there have been no suspicions raised at the Council since the legislation was introduced. The legislation is also complicated. SAFS have obtained legal advice that they can act as MLRO on behalf of other Councils and have agreed to act as MLRO for all their partner Authorities. There will be no additional charge for this service.*
- 8.4. *The fraud policy has therefore been updated to show that any money laundering referrals should be sent to SAFS.*

## **9. LEGAL IMPLICATIONS**

- 9.1 The Finance, Audit and Risk Committee “review and comment on the development of anti-fraud and anti-corruption strategies” (Constitution paragraph 10.1.5 (n)).

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no financial implications arising from this report.

## **11. RISK IMPLICATIONS**

- 11.1. *The change to SAFS taking on the MLRO role reduces the risk to the Council. SAFS are better placed (as a central team) to keep up to date with any updates to the money laundering regulations, or interpretation thereof.*

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. *There are no equalities implications arising from this report.*

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

**14. ENVIRONMENTAL IMPLICATIONS**

14.1. There are no known Environmental impacts or requirements that apply to *this report*.

**15. HUMAN RESOURCE IMPLICATIONS**

15.1 *The change to SAFS taking on the MLRO role means that the Service Director: Resources does not need to do regular MLRO training. This allows the Service Director to concentrate on other tasks.*

**16. APPENDICES**

16.1 *Appendix A- updated Fraud Prevention Policy*

**17. CONTACT OFFICERS**

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**18. BACKGROUND PAPERS**

18.1 *None*