Review/Update to the Anti-Fraud Policy and Related Policies

Committee considering report:	Audit and Risk Committee
Date of Committee:	17th November 2026
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed report:	
Report Author:	Julie Gillhespey (Audit Manager)

1 Purpose of the Report

1.1 The Council's policies covering Anti-Fraud and Corruption, Anti-Money Laundering and the Bribery Act were last reviewed in 2023, they are required to be reviewed every three years to ensure they reflect up to date guidance and relevant legislation. The Whistleblowing Policy was last reviewed in 2024 but required updating to reflect changes needed as a result of the Employment Rights Act 2025.

1.2 The Terms of Reference for the Audit and Risk Committee state the Committee's role is to have oversight of fraud risk and how it is being managed. This therefore includes review of the Council's policies and procedures covering the management of fraud.

2 Recommendation(s)

Audit and Risk Committee to consider and approve the revisions made to the fraud related policies.

Implication	Commentary
Financial:	None
Human Resource:	None
Legal:	None
Risk Management:	For the policies to be effective, the Council's approach to risk management needs to continue to develop and strengthen awareness of and response to fraud risks.
Property:	None

Review/Update to the Anti-Fraud Policy and Related Policies

Policy:	The proposed changes to the policies bring them in line with current legislation and good practice.			
	Positive	**Neutral**	**Negative**	**Commentary**
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		
Core Business:		X		.

Data Impact:		X		
Consultation and Engagement:				

3 Executive Summary

3.1 The Council's policies covering Anti-Fraud and Corruption, Anti-Money Laundering and the Bribery Act were last reviewed and updated in 2023. These policies are required to be reviewed/updated every three years to ensure they reflect the most recent local government guidance, and relevant legislation. The Whistleblowing Policy was last reviewed/published in 2024 but has required a further update to reflect changes needed as a result of the Employment Rights Act 2025.

3.2 At this refresh, there were minor changes needed across all of the policies to reflect changes in post titles, as well as change in name of the Audit and Risk Committee.

3.3 Specific changes required per policy (no specific changes needed for the Bribery Act Policy):

a) Anti-Fraud and Corruption Policy

Sexual harassment has been added to the list of whistleblowing offences (Employment Rights Act 2025); content also needed to incorporate reference to the Economic Crime and Corporate Transparency Act 2023 offence of "failure to prevent fraud".

b) Anti-Money Laundering Policy

Updated to include reference to the draft Money Laundering and Terrorist Financing (Amendment and Miscellaneous Provision) Regulations 2025.

c) Whistleblowing Policy

Updated to include reference to the new protected disclosure of sexual harassment set out in the Employment Rights Act 2025.

3.4 Internal Audit have hosted annual training sessions, available to all staff, to promote awareness of the policies, and fraud risk awareness in particular. Training has also been provided to Members. Refresher training will be set up in January 2027 and will highlight the key legislative changes made to the policies.

4 Supporting Information

Introduction/Background

4.1 There have been a few amendments made to the policies, to ensure they reflect changes in post titles of officers responsible, as well as the change in name to the Audit and Risk Committee. Specific changes to each policy are set out below. The relevant sections are highlighted in yellow on the appendices for ease of reference:

4.2 **Anti-Fraud and Corruption Policy** (Appendix A)

a) The key change is the inclusion of sexual harassment as a new protected disclosure required under the Employment Act 2025 coverage of whistleblowing legislation (see 9.1).

b) Reference has also been included for the Economic Crime and Corporate Transparency Act 2023, which brought into effect on 1 September 2025 a new offence of failing to prevent fraud (see Glossary, 1.3). This legislation is intended to hold large organisations accountable where they benefit from fraudulent acts committed by employees or associated persons.

c) Organisations can defend against this offence by demonstrating that they had reasonable procedures in place to prevent fraud. Home Office guidance sets out six key principles that need to be in place to demonstrate reasonable procedures:

i. top level commitment
ii. risk assessment
iii. proportionate risk-based prevention procedures
iv. due diligence
v. communication (including training)
vi. monitoring and review.

d) An assessment against the measures the Council has in place to meet the six principles shows a gap with the approach to fraud risk assessment. The guidance sets out a requirement that 'The organisation assesses the nature and extent of its exposure to the risk of employees, agents and other associated persons committing fraud in scope of the offence. The risk assessment is dynamic, documented and kept under regular review.' Internal Audit carries out its own assessment of fraud risks, but there is no management assessment of fraud risk as part of the risk management process. This is an area that requires development work.

e) A deletion has been made in the table under section 5, as this process is no longer in place.

4.3 **Anti Money Laundering Policy and Procedure** (Appendix B)

a) Section 9.5 has been added, this sets out the Draft Money Laundering and Terrorist Financing (Amendment and Miscellaneous Provision) Regulations 2025, which are expected to take effect during 2026. The legislation aims to make customer due diligence more proportionate and effective, strengthen system coordination, provide

clarity on scope and registration issues, reform registration requirements and other minor and technical changes. The change most likely to impact this policy is the amendment of monetary thresholds from euros to sterling.

b) Section 5.2 has been updated to reflect changes in managers who are in nominated positions for dealing with Money Laundering measures.

4.4 **Bribery Act Policy and Procedure** (Appendix C)

a) Only minor changes made, relevant legislation remains unchanged.

4.5 **Whistleblowing Policy and Procedure** (Appendix D)

a) Key change was to include Sexual Harassment (Section 1.2), as it is a new protected disclosure under whistleblowing legislation set out in the Employment Rights Act 2025. Any such instances of whistleblowing would be referred to HR as they would lead on any investigation required.

Proposals

4.6 Committee review and approve the revised policies and procedures.

4.7 We note that the awareness and effectiveness of the policies also require internal promotion as part of ongoing fraud risk awareness across the Council. Changes in legislation have resulted in an increased need to promote/facilitate a more robust approach to fraud risk management, this action is now in progress. Also, Internal Audit will continue to host annual fraud awareness training for staff and Members, and review options to improve fraud risk assessment/management across the Council.

5 Other options considered

Not applicable, the revised policies need to be discussed/approved.

6 Conclusion

The Council's Anti-Fraud, Anti-Money Laundering, Bribery Act and Whistleblowing policies and procedures have been revised to bring them up to date. There were a couple of key changes required due to changes in legislation.

7 Appendices

Appendix A – Anti Fraud and Corruption Policy

Appendix B – Anti Money Laundering Policy and Procedure

Appendix C – Bribery Act Policy and Procedure

Appendix D – Whistleblowing Policy and Procedure

Background Papers:

Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval	☐
Delays in implementation could have serious financial implications for the Council	☐
Delays in implementation could compromise the Council's position	☐
Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months	☐
Item is Urgent Key Decision	☐
Report is to note only	☐

Wards affected: N/A

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