

CYNGOR SIR POWYS COUNTY COUNCIL.
Audit Committee
23rd March 2020

REPORT AUTHOR: Jane Thomas
Section 151 Officer and Head of Financial Services

REPORT TITLE: Anti-Money laundering Policy/ Anti-Fraud and Corruption/
Fraud Sanctions and Prosecution Policy

REPORT FOR: **Discussion and Information**

1. Purpose

- 1.1 Powys Council has a duty to protect the Public Purse and these suite of policies are intended to strengthen Powys response to the dangers of money laundering and fraud and corruption. This will ensure it is well managed and fulfils its statutory duties as part of the overall framework of good corporate governance.
- 1.2 The purpose of the Anti-Money Laundering Policy is to clearly demonstrate that the Council embraces the underlying principles of money laundering legislation and is taking reasonable steps to minimise the likelihood of such activities occurring.
- 1.3 Powys County Council is opposed to all forms of fraud and corruption, including bribery, and is determined to protect itself from such actions whether attempted from within the Council or by an outside individual, group or organisation. This policy intends to provide a robust framework to tackle such issues.
- 1.4 Where necessary to combat Fraud or Corruption, the Council will seek the appropriate sanctions against any individual or organisation that defraud, or seek to defraud, it. The use of sanctions will be governed by the Sanctions Policy and the principles of it shall apply equally to any fraud against the Council or against funds for which the Council has responsibility.
- 1.5 Audit Committee will have a role in the policies and therefore it is invited to comment on the policies prior to approval by EMT.

2. Background

- 2.1 Money laundering is a term designed to cover a number of offences. These offences relate to the improper handling of funds that are the proceeds of criminal acts, or terrorist acts, so that they appear to come from a legitimate source. It relates to both the activities of organised

crime but also to those who benefit financially from dishonest activities such as receiving stolen goods.

- 2.2 Fraud can be any act of deception by the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain. Bribery is the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly. Corruption is the giving and/or acceptance of an inducement or reward which influences the action of any person.

3. Advice

- 3.1 It is proposed that Financial Services own the policies and are responsible for ensuring the outworking of the policy and its review.
- 3.2 Given the key link between fraud and employment, it is also proposed that the policies are stored and available for staff as part of the suite of Employment Policies.
- 3.3 Also all employees should be required to read and accept the policies as part of the log in procedures and where staff don't log into the intranet that the appropriate Head of Service ensures that the policies have been read and accepted by those employees.
- 3.4 As bribery, corruption, fraud and money laundering affect all services, it is further recommended that Senior Management Team also have sight and an explanation of the policies.
- 3.5 It is also recommended that Audit Committee annually review the reports from audit and the risks for the Council and service areas and recommend works for the Corporate Fraud Team to undertake as part of its forward work plan for the next year.

4. Resource Implications

- 4.1 There are known resources implications for these policies.

5. Recommendation

- 5.1 Audit Committee are provided the draft policies for information and invited to comment on them prior to approval.

Contact Officer:	David Morris
Email:	david.morris@powys.gov.uk

Head of Service:	Jane Thomas
Corporate Director:	Ness Young

