POLICY REVIEW AND DEVELOPMENT PANEL REPORT

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<tr><td>REPORT TO:</td><td colspan="3">Audit Committee</td></tr>
<tr><td>DATE:</td><td colspan="3">14 September 2026</td></tr>
<tr><td>TITLE:</td><td colspan="3">Anti-Fraud and Anti-Corruption Framework Update</td></tr>
<tr><td>TYPE OF REPORT:</td><td colspan="3">Update</td></tr>
<tr><td>PORTFOLIO(S):</td><td colspan="3">Cllr Chris Morley – Portfolio Holder - Finance</td></tr>
<tr><td>REPORT AUTHOR:</td><td colspan="3">Carl Holland – Assistant Director – Finance (Deputy S.151)</td></tr>
<tr><td>OPEN/EXEMPT</td><td>Open</td><td>WILL BE SUBJECT TO A FUTURE CABINET REPORT:</td><td>No</td></tr>
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<u>REPORT SUMMARY/COVER PAGE</u>

PURPOSE OF REPORT/SUMMARY:
This is a policy review which is to update the previous Anti-Fraud & Anti Corruption Policy which was formally approved on 6th February 2024. The Council's Counter Fraud and Anti-money laundering policies has been reviewed to amend titles and roles within the policy due to personnel changes and confirm the policy remains up to date with legislation. The Framework includes details of controls and anti-fraud and anti-corruption activities undertaken across the organisation, including by Financial Services and Procurement. Under this framework is a suite of procedures.
KEY ISSUES:
The Council holds extensive policy in response to the need to prevent and detect fraud and corruption. This report introduces an overarching Framework document, to draw attention the many related policies. The report also provide an updated Strategy that follows a review of Services processes for mitigating and detecting fraud and corruption. The Framework has been updated to include the "Failure to Prevent Fraud" offence introduced by the Economic Crime and Corporate Transparency Act 2023. The duty reinforces features of the councils already adopted Policy Framework for countering fraud and corruption. As a result, changes only relate to post title, role update and reference to the new Act.
OPTIONS CONSIDERED:
The policies have been updated and given such extensive supporting policies it is recommended that training is delivered to the Members and the workforce to ensure continued awareness.

Continued awareness is enforced through Assurance Mapping by services. Revisions to the policy framework indicate that officers should be able to demonstrate their awareness of the risk of fraud and corruption. Training will therefore re-iterate evidence of risk awareness and mitigations within service level risk registers.
RECOMMENDATIONS:
Recommend adoption of this framework and agreement to receive a year end update in support of the Anti-Fraud and Corruption Strategy.
REASONS FOR RECOMMENDATIONS:
Protecting public money is fundamental to good governance. This updated Framework strengthens the Council's arrangements for preventing, detecting and investigating fraud and corruption across the organisation.

<u>REPORT DETAIL</u>

1. Review Report

1.1 Counter Fraud Framework – This is new and provides a summary of the policies and procedures that relate to the Council’s approach to Fraud prevention, control and detection. (Appendix 1)

1.2 Anti- Money Laundering Policy - Has been updated to reflect changes in post and role titles and introduces consideration of “know your customer” and “customer due diligence”. (Appendix 2)

1.3 Anti-bribery Policy – Updated to include proactive diligence in response to the “Failure to Prevent Offence”. (Appendix 3)

1.4 Anti-Fraud and Corruption Policy - Now updated to include a requirement to seek evidence of commitment by bidders to anti-fraud and corruption by potential suppliers (para 9.2). (Appendix 4)

1.5 Anti-Fraud and Anti-Corruption Strategy – Provides an assessment of Council Services’ compliance and mitigation processes. (Appendix 5)

2. Issues for the Panel to Consider

2.1 The Home Office has published final guidance on the new **Failure to Prevent Fraud** offence introduced by the Economic Crime and Corporate Transparency Act 2023. The offence came into force on **1 September 2025** and is designed to make it easier to hold organisations to account where an employee, agent, subsidiary or other associated person commits fraud intended to benefit the organisation (or, in some circumstances, its clients). Crucially, an organisation may be liable even where senior managers were unaware of the fraud, unless it can demonstrate that it had **reasonable fraud prevention procedures** in place.

2.2 Public sector bodies are expected to align existing counter-fraud arrangements with the new requirements and consider whether current fraud risk assessments and controls adequately address the risks covered by the legislation.

2.3 **Economic Crime and Corporate Transparency Act 2023 (ECCTA)**, **Key points**

2.3.1 **Statutory Inclusions:** As a large public sector organization (exceeding 250 employees and a £36 million annual budget), the Borough Council falls within the scope of the Act.

2.3.2 **The Strict Corporate Offence:** Since 1 September 2025, relevant bodies face strict corporate criminal liability and unlimited financial penalties if an "associated person" (employees, contractors, councillors, or agents) commits fraud intending to benefit the Council.

2.3.3 **The Only Legal Defence:** The Council has a complete defence only if it can explicitly prove it has "reasonable fraud prevention procedures" actively in place.

2.3.4 The Act reinforces the need for:

- Strong governance and oversight of the Council's counter-fraud framework.
- Regular fraud risk assessments linked to internal audit findings and emerging risks.
- Clear accountability for fraud prevention activities.
- Effective whistleblowing, investigation and reporting arrangements.
- Periodic review of fraud policies, training and awareness programmes.

2.4 The Anti-Fraud and Anti-Corruption Strategy provides assurance that appropriate mitigating measures are in place, but supports that regular review is necessary, in light of continuing and emerging threats. The document demonstrates a strong position for complying with ECCTA above. The Audit Committee are advised to seek a year end update providing assurance of continued good practice and response to emerging threats and risks from fraud and corruption.

3. Corporate Priorities

The Framework supports the Councils priority to provide "Efficient and effective delivery of our services", through the aim of protecting funds.

4. Financial Implications

The Framework helps to mitigate the risk to the organisation against fraud and corruption which financially affects the council.

5. Any other Implications/Risks

Failure to have and maintain a policy would leave the council susceptible to fraud and corruption and financial losses from both internal and external threats. The Economic Crime & Transparency Bill which received Royal Assent in October 2023 also introduces new corporate offences for "failing to prevent fraud" and not having "reasonable fraud prevention procedures".

6. Equal Opportunity Considerations

The Anti-Fraud and Anti-Corruption Policies set out the intention to protect public funds and ensure that funds are used effectively and lawfully.

7. Environmental Considerations

Whistle-blowers may report environmental impact concerns. Some environmental impacts can relate to financial fraud and corruption.

8. Consultation

The Policies already exist on the Council's website, this is a refresh and introduction of an umbrella Framework document. The report is with Audit Committee for feedback. The Council's Finance, Internal Audit and Policy Teams have reviewed the Framework Documents.

9. Conclusion

The Policy documents are extensive and benefit from a summarised Framework document. Th latest related legislation has been incorporated and officers titles and roles brought up to date. Refresher training will draw awareness to individual responsibilities and evidence the management of the risk of fraud and corruption.

10. Background Papers

Economic Crime and Corporate Transparency Act 2023: Guidance to organisations on the offence of failure to prevent fraud

Council's Website for "Counter Fraud" Counter fraud, bribery and money laundering | Counter fraud, bribery and money laundering | Borough Council of King's Lynn & West Norfolk

The Council's Website pages for "Whistleblowing"
Introduction | Whistleblowing | Borough Council of King's Lynn & West Norfolk

11. Appendices
Appendix 1 - Counter Fraud Framework

Appendix 2 - Anti- Money Laundering Policy

Appendix 3 - Anti-bribery Policy

Appendix 4 - Anti-Fraud and Corruption Policy

Appendix 5 - Anti-Fraud and Anti-Corruption Strategy