

# Council constitution

## Part 3B - Financial regulations

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This document includes the anti-fraud, bribery and corruption policies. Click each link to go to the relevant guidance.

1. [Anti-fraud and corruption strategy \(page 3\)](#)
2. [Anti-money laundering policy \(page 15\)](#)
3. [Fraud sanction and prosecution policy \(page 25\)](#)

# Anti-fraud and corruption strategy

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# Anti-fraud and corruption strategy document history

Version	Date reviewed	Key amendments	Date approved	Next review
1.0	June 2022	The revised strategy has been designed to provide a platform for the council to protect itself against fraud and other economic crime and supersedes the existing strategy.	21 July 2022  Audit and Governance Committee	2025
2.0	February 2025	The revised anti-fraud strategy includes the new 'failure to prevent fraud' offence introduced by the Economic Crime and Corporate Transparency Act 2023 which comes into force on 1 September 2025.	4 March 2025  Audit and Governance Committee	2027

## 1. Policy statement on fraud and corruption

1.1. This policy outlines our attitude to fraud and corruption and the approach to be taken when faced with such matters. We're committed to the prevention and detection of fraud and corruption, whether from within or outside the organisation.

The aims of this document are to:

- be clear that we will not tolerate fraudulent or corrupt acts and will take firm action against those who defraud the authority, who are corrupt or engage in financial malpractice
- provide a consistent framework for managers and members, which enables effective deterrence, prevention, detection and investigation of fraud and corruption
- detail the responsibilities of employees, management and members with regard to fraud and corruption
- assist the chief executive, S151 officer and the monitoring officer in meeting the requirements of their roles in respect to the prevention of fraud and corruption
- explain the role of council officers in relation to the prevention of fraud
- actively promote a culture of openness and honesty in all its dealings and has adopted codes of conduct for members and officers

1.2. Our employees and elected members have a key role in maintaining an anti-fraud culture. We've implemented effective whistleblowing arrangements and employees and members are encouraged to raise any serious concerns about our work, including any reasonable belief that fraud or corruption is occurring.

1.3. The desired culture is also reinforced through our people and management policies, procedures and practices, where values of openness and honesty are highlighted.

1.4. We aim to learn from any incidences of fraud or corruption and, where there have been breakdowns in systems, procedures, or governance arrangements, these will be reviewed, and controls put in place to prevent a reoccurrence.

1.5. This policy statement is underpinned by an anti-fraud and corruption strategy, which sets out:

- the key responsibilities regarding fraud prevention
- what to do if fraud is suspected
- the action that will be taken by management

1.6. The strategy is based upon four key themes: govern, acknowledge, prevent, pursue, and the overarching aim of protect. It adheres to [Fighting fraud and corruption locally – a strategy for the 2020s](#), published in March 2020.

1.7. [Appendix 3 to this report](#) sets out how we address these themes.

## 2. Definitions of commonly used terms

### Fraud

2.1. The [Chartered Institute of Public Finance and Accountancy](#) (CIPFA) defines fraud as:

“Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”.

2.2. As a crime ‘fraud’ is defined by the [Fraud Act 2006](#) as:

- fraud by false representation
- fraud by failing to disclose
- fraud by abuse of position.

2.3. In addition, the act deals with offences relating to:

- the possession of articles for use in fraud
- making or supplying articles for use in frauds
- participation by a sole trader in fraudulent business
- obtaining services dishonestly, either personally or for another

### Bribery

2.4. The [Bribery Act 2010](#) came into force in the UK on 1 July 2011. It amends and reforms UK criminal law and provides a modern legal framework to combat bribery in the UK and internationally.

Staff need to be aware of their obligations under this act, which sets out offences of accepting and giving bribes. This applies to both staff and the council corporately.

These responsibilities are set out within our anti-bribery policy.

2.5. The act creates the following offences:

- active bribery: promising or giving a financial or other advantage
- passive bribery: agreeing to receive or accepting a financial or other advantage
- bribery of foreign public officials
- the failure of commercial organisations to prevent bribery by an associated person (corporate offence)

2.6. The penalty under the act is an unlimited fine and/or imprisonment up to a maximum of 10 years.

### Corruption

2.7. Corruption is the deliberate misuse of your position for direct or indirect personal gain.

‘Corruption’ includes offering, giving, requesting or accepting a bribe or reward, which influences your actions or the actions of someone else.

The Bribery Act 2010 makes it possible for senior officers to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe.

2.8. The act also creates the corporate offence of ‘failing to prevent bribery on behalf of a commercial organisation’ (corporate liability).

To protect itself against the corporate offence, the act also requires organisations to have ‘adequate procedures in place to prevent bribery’. The following council procedures are designed to meet that requirement:

- this strategy
- our codes of conduct (members and employees)
- our confidential reporting procedure (whistleblowing)

## Money laundering

2.9. Money Laundering is the process by which criminals attempt to ‘recycle’ the proceeds of their criminal activities in order to conceal its origin and ownership whilst retaining use of the funds.

2.10. The burden of identifying and reporting acts of money laundering rests within the council. Any service that receives money from an external person or body is potentially vulnerable to a money laundering operation.

The need for vigilance is vital and any suspicion concerning the appropriateness of a transaction should be reported and advice sought from the money laundering reporting officer.

2.11. We recognise our responsibilities under [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) and the [Proceeds of Crime Act 2002](#). These responsibilities are set out within our anti-money laundering policy.

## Failure to prevent fraud

2.12 In 2023, the government introduced:

- the [Economic Crime and Corporate Transparency Act 2023](#)
- a new ‘failure to prevent fraud offence’ to hold large organisations to account if they profit from fraud committed by their employees

This offence came into effect on 1 September 2025.

2.13 We falls within the scope of the legislation as a large company. A ‘large organisation’ is defined in section 201 as meeting two or three out of the following criteria:

- more than 250 employees
- more than £36 million turnover
- more than £18 million in total assets

2.14 The offence will hold organisations to account for fraud committed by their employees, agents, subsidiaries or other ‘associated persons’ who provide services for or on behalf of the organisation, where the fraud was committed with the intention of benefiting the organisation or their clients.

The intention to benefit the organisation does not have to be the sole or dominant motivation for the fraud. The offence can apply where a fraudster’s primary motivation was to benefit themselves, but where their actions will also benefit the organisation.

It does not need to be demonstrated that the organisation’s senior managers or directors ordered or knew about the fraud.

2.15 An employee, an agent or a subsidiary of the relevant body is automatically an 'associated person' for the purposes of this offence. A person who provides services for or on behalf of the relevant body is also an associated person while they are providing those services.

2.16 Companies within our supply chain are not associated persons unless they are providing services for or on our behalf. These include an employee of a council subsidiary company, regardless of being considered a 'large organisation'.

A sole contractor/ employee of a contracted business delivering a service on behalf or for the council (for example, housing repairs, highways and transportation, leisure and recreation, and outreach services) would be considered an associated person.

The term "providing services' does not include providing us with goods or services. Thus, persons providing services to the council (for example, commercial cleaning, external lawyers, valuers, accountants or engineers) are not acting 'for or on behalf' of the council. This means they would not be associated persons for the purposes of the offence.

2.17 Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.

### 3. Anti-fraud and corruption strategy

3.1. We'll fulfil our responsibility to reduce fraud and protect our resources with a strategic approach consistent with that outlined in:

- [fighting fraud and corruption locally strategy 2020](#)
- CIPFA's [managing the risk of fraud and corruption](#)

3.2. We will not tolerate any form of fraud and corruption, both from within the council and from external sources. We recognise fraud can:

- undermine the standards of public service that we're trying to achieve
- reduce the level of resources and service delivery for the residents of Luton
- reduce public confidence in the us

3.3. This strategy applies to:

- all council employees (including volunteers and agency staff) and councillors
- staff and committee members of council funded voluntary organisations
- council's partners
- council suppliers, contractors and consultants
- all council service users and residents

3.4. The strategy aims to:

- ensure that the resources dedicated to counter fraud are sufficient
- ensure that those involved are trained to deliver a professional counter fraud service to the highest standards
- protect our valuable resources by ensuring they're not lost through fraud, but are used for improving services to our residents and local taxpayers
- ensure full compliance with the Economic Crime and Corporate Transparency Act by implementing robust measures designed to deter and prevent fraudulent activities undertaken by all individual's whom this strategy applies
- provide a counter fraud provision which:

- ensures top-level governance, providing recommendations to inform policy, as well as creating and promoting an ‘anti-fraud’ culture which highlights our approach to fraud and corruption
- increases the acknowledgement of fraud through the delivery of:
  - comprehensive fraud training and awareness
  - fraud risk assessment and control improvements
  - fraud alerts
- prevents the exposure to fraud, bribery and corruption by making recommendations to inform policy
- strengthen controls which aim to deter, prevent and detect incidents
- enhances fraud detection by fostering an environment that enables the reporting of any genuine suspicions of fraudulent activity\*
- pursues incidents of detected and reported fraud through investigations which enables us to apply appropriate sanctions and recover all losses through court action or by invoicing individuals
- help us work with our partners and other investigative bodies to strengthen and continuously improve our arrangements to prevent fraud and corruption

\* However, we will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, we may take disciplinary or legal action.

3.5. [Appendix 2](#) to this report sets out our fraud response plan.

## 4. Managing the risk of fraud and corruption

4.1. As with any risk we face, it’s the responsibility of managers and officers to ensure that the risk of fraud is adequately considered when preparing risk assessments supporting:

- strategic priorities
- business plans
- projects
- programmed objectives

In making this assessment, it’s important to consider the **risk** of fraud occurring, as well as any actual incidences of fraud that occurred in the past.

Once the fraud risk has been evaluated, appropriate action should be taken to mitigate those risks on an ongoing basis.

4.2. Any changes in operations or the business environment must also be assessed to ensure any impacts are considered which might increase or otherwise change the risk of fraud, bribery, and corruption.

4.3. Good corporate governance procedures are a strong safeguard against fraud and corruption. Adequate supervision, recruitment and selection, scrutiny and healthy scepticism should not be distrust but as good management practice shaping attitudes and creating an environment opposed to fraudulent activity.

4.4. Whilst all stakeholders in scope have a part to play in reducing the risk of fraud, elected members, directors and management are ideally positioned to influence the ethical tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

## 5. Further information

5.1. Further information on relevant council policy and practice can be found in the following documents:

- the constitution, including financial regulations, members code of conduct and contract standing orders
- confidential reporting procedure (whistleblowing)
- risk management
- information security policy
- employees code of conduct
- fraud sanction and prosecution policy
- anti-money laundering policy
- CIPFA code of practice on managing the risk of fraud and corruption 2014
- fighting fraud and corruption locally - a strategy for the 2020s
- tackling fraud in the public sector – a local government perspective (CIPFA 2020)
- government counter fraud professional standards and guidance – (public sector fraud authority 2022-23)
- new approaches in tackling tenancy fraud (Chartered Institute of Housing)
- guidance for large organisations on the offence created by the Economic Crime and Corporate Transparency Act 2023 ([Offence of 'failure to prevent fraud' introduced by ECCTA - GOV.UK](#))

## 6. Strategy review

6.1. The director of finance, revenues and benefits will ensure the continuous review and amendment of this strategy and the relevant associated policies as necessary, to ensure that they:

- remain consistent with good practice and national public sector codes of practice
- meet the needs of the council

6.2. **Review date:** this policy will be reviewed as required by legislative changes, or when advised by CIPFA or similar professional bodies but, at least once every two years.

## 7. Finding out more about fraud

7.1. You can find out more about fraud and how we're impacted by this, as well our response to the threat of fraud, corruption and bribery, on our website: [report fraud](#).

7.2. We're a partner of the [Shared Anti-Fraud Service](#) (SAFS). This service provides information about fraud and its impact on local government. SAFS also provides our anti-fraud function and has access to data and information that we hold to conduct our investigations working with relevant council officers.

7.3. Our financial regulations require cost centre managers to notify Internal Audit immediately of all actual or suspected instances of fraud, attempts at bribery and financial irregularities.

7.4. For staff who suspect fraud you should speak to your line manager, head of service, audit manager or you can contact SAFS directly at:

- telephone: 0300 123 4033
- email: [Fraud.Team@hertfordshire.gov.uk](mailto:Fraud.Team@hertfordshire.gov.uk) (this is a secure email for all council staff)
- webpage: [go to the SAFS website](#) and click the **report fraud** button

## Appendix 1: types of fraud

Local authorities have reported a wide range of fraud risks. The main areas of fraud that were reported in Fighting Fraud and Corruption Locally 2020 continue to feature as significant risks. However, there are also new fraud types emerging.

Some examples of fraud risk relevant to us are listed below.

**Blue badge:**

- use of counterfeit or altered badges
- use when disabled person is not in the vehicle
- use of a deceased person's blue badge
- badges issued to institutions being misused by employees

**Grants:**

- work not carried out
- funds diverted
- ineligibility not declared

**Identity fraud:**

- false identity
- fictitious persons applying for services or payments

**Internal fraud:** for the benefit of the council

**Internal fraud:**

- diverting council monies to a personal account
- accepting bribes
- stealing cash
- misallocating social housing for personal gain
- working elsewhere while claiming to be off sick
- false overtime claims
- selling council property for personal gain

**Payroll:**

- false employees
- overtime claims
- expenses.

**Council Tax:** false claims for discounts or exemptions to reduce liability

**Housing Benefit:**

- false claims regarding income
- capital
- rent liability
- family makeup to increase entitlement to benefit

**Business rates:** deliberate withholding of information or relevant facts to evade or reduce liability.

**Housing / tenancy fraud:**

- providing false information to obtain social housing
- sub-letting or parting with occupation
- false succession applications
- right to buy applications supported by money laundering

**Procurement:**

- tendering issues

- split contracts
- bribery
- double invoicing
- failure to deliver

**Commissioning of services, including joint commissioning, and third sector partnerships:**

- conflicts of interest
- collusion

**Concessionary travel schemes:** use of concession by ineligible person, including freedom passes

**Cyber dependent crime and cyber enabled fraud:**

- enables a range of fraud types resulting in diversion of funds
- creation of false applications for services and payments

**Disabled facility grants:** fraudulent applications for adaptations to homes

**Immigration, including sham marriages:** false entitlement to services and payments

**Insurance fraud:** false claims including slips and trips and claims for damages

**Local enterprise partnerships:**

- voluntary partnerships between local authorities and businesses
- procurement fraud
- grant fraud

**New responsibilities:** areas that have transferred to local authority responsibility such as Public Health grants or contracts.

**Money laundering:** exposure to suspect transactions

**Licensing:**

- False ID or rights to reside
- impersonation to facilitate false applications

## Appendix 2: fraud response plan

Our financial regulations require cost centre managers to notify Internal Audit immediately of all actual or suspected instances of fraud, attempts at bribery and financial irregularities.

For staff who suspect or discover fraud, concerns should be immediately reported to a line manager, head of service, audit manager or SAFS, who will decide what further action is appropriate.

SAFS provides our anti-fraud function and has access to the data and information we hold to conduct investigations working with relevant council officers. Contact details for SAFS can be found below:

- telephone: 0300 123 4033
- email: [Fraud.Team@hertfordshire.gov.uk](mailto:Fraud.Team@hertfordshire.gov.uk) (this is a secure email for all council staff)
- webpage: [go to the SAFS website](#) and click the **report fraud** button

The aims and objectives of the fraud response plan are to:

- prevent further losses of funds or other assets where fraud has occurred

- minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation
- ensure there's a clear understanding over who will lead any investigation and to ensure managers, HR, Internal Audit are involved as appropriate
- establish and secure evidence necessary and ensure containment of any information for disciplinary, civil and / or criminal action
- maximise recovery of losses
- ensure appropriate and timely action is taken against those who are suspected of fraud
- identify the perpetrators and take appropriate action with any disciplinary, civil and / or criminal action
- minimise any adverse publicity for the council

## Notifying suspected fraud

We rely on our employees, agents and the public to help prevent and detect fraud and corruption. Often, employees are the first to realise there's something seriously wrong internally, as they're in positions to be able to spot any possible cases of fraud or corruption at an early stage.

Council employees and members must report any concerns they may have regarding fraud, bribery and corruption, whether it relates to dishonest behaviours by council employees, members or by others.

The action taken when a suspected case of fraud, bribery, or corruption is first found might be vital to the success of any investigation that follows, so it is important that employees' actions are in line with the information given in this document.

Members, service users, suppliers, partner organisations and members of the public are encouraged to report concerns about fraud and corruption.

Whilst you can remain anonymous, it does help if your details are provided as concerns expressed anonymously are often much more difficult to investigate. For example, we may need to contact you to obtain further information or verify the information supplied.

## Investigation process

Any suspicion of fraud will be treated seriously and will be reviewed in accordance with legislation, local policy and processes.

Suspected fraud will be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both the council and the suspected individual(s).

Where necessary, we'll work in cooperation with other organisations such as:

- Police
- Department for Work and Pensions
- Home Office
- HMRC
- UK Borders Agency
- NHS Counter Fraud Authority
- other local authorities

Investigations into suspected fraud or corruption will be conducted in a professional manner and in accordance with the relevant statutory provisions and local protocols to ensure any actions are carried out both fairly and lawfully.

If sufficient evidence is established, the case will be reviewed to decide on the appropriate course of action to be taken. Our fraud sanction policies provide further guidance of what appropriate action will be taken against the persons concerned.

## Confidentiality

Details of any investigation are strictly confidential and will not be discussed with anyone other than the relevant management representatives.

If the media becomes aware of an investigation and attempts to contact employees or members, no disclosure of the alleged fraud and investigation can be given. All matters relating to statements to the media will be dealt with through our Communications team.

## Summary

This fraud response plan, in conjunction with our anti-fraud and corruption strategy, provides a framework for preventing and investigating fraud, corruption and bribery against the council. It's imperative that awareness of this plan is promoted both across the council and externally.

The plan will be reviewed every two years and following any major fraud or changes in legislation.

## Appendix 3: how we evidence our governance and acknowledge, prevent, and pursue fraud

### Governs

- **Executive support:** Our Senior Management team will set the tone for a zero tolerance of fraud and corruption and will ensure that an anti-fraud culture is embedded across the Council and the services it delivers.
- **Robust arrangements:** we'll adopt and apply appropriate policies and procedures that seek to reduce the risk of fraud and corruption and encourage staff to report fraud where they see it.

### Acknowledge

- **Committing support:** our commitment to tackling the threat of fraud is clear. We have strong whistleblowing and fraud reporting procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. We will not, however, tolerate malicious or vexatious allegations.
- **Assessing risks:** we'll continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities.
- **Robust response:** We will strengthen measures to prevent fraud. We'll:
  - respond positively, taking appropriate action, where fraud is reported or suspected
  - review all incidences of fraud to ensure that any weaknesses in systems or processes that allowed the fraud to occur are removed

### Prevent

- **Better use of IT:** we'll make greater use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud.
- **Anti-fraud culture:** on all aspects of our counter fraud work, we'll:
  - promote and develop a strong counter fraud culture

- raise awareness
- provide information

This will include publicising the results of all proactive work, fraud investigations and any recovery of losses due to fraud.

## Pursue

- **Fraud recovery:** A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
- **Punishing fraudsters:** we'll apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and / or disciplinary action, where appropriate.
- **Enforcement:** appropriately trained investigators will investigate any fraud detected or received through:
  - planned proactive work
  - cases of suspected fraud referred from internal or external stakeholders
  - our confidential reporting procedure (whistleblowing)

We'll work with appropriate internal and external partners / agencies / organisations.

## Appendix 4: responsibilities

- **Chief executive:** accountable for the effectiveness of the council's arrangements for countering fraud and corruption.
- **Monitoring officer:**
  - statutory responsibility to ensure that the council operates within the law
  - overall responsibility for the members code of conduct
  - maintenance and operation of the confidential reporting procedure for employees (whistleblowing)
- **Director of finance, revenues and benefits section 151 officer:**
  - ensure we've adopted and implemented an appropriate anti-fraud and corruption policy/strategy
  - ensure we have an adequately resourced and effective 'counter fraud' provision
- **Audit and Governance Committee:** monitor the adequacy and effectiveness of the arrangements in place for combating fraud and corruption.
- **Members:**
  - comply with the members code of conduct and related council policies and procedures
  - to be aware of the possibility of fraud, corruption, bribery and theft
  - to report any genuine concerns accordingly
- **External audit:** statutory duty to ensure that we have adequate arrangements in place for the prevention and detection of fraud, corruption, bribery and theft.
- **Internal audit:** provide assurance to senior management and the Audit and Governance Committee that we adhere to our own policies to deter, prevent and respond to suspected fraud.
- **SAFS:** responsible for
  - developing and promoting the requirements of the anti-fraud and corruption strategy
  - monitoring and / or undertaking the investigation of any reported issues
  - ensuring that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy

- ensuring that action is identified to improve controls and reduce the risk of recurrence
- providing guidance and support to senior management on new and emerging fraud risks
- providing management recommendations where fraud has arisen due to system weaknesses
- **Corporate directors, service directors, and service managers:**
  - promote an anti-fraud and corruption culture
  - ensure there are mechanisms in place within their service areas to:
    - assess the risk of fraud, corruption, bribery and theft
    - reduce these risks by implementing strong internal controls
- **Staff:**
  - comply with council policies and procedures
  - to be aware of the possibility of fraud, corruption and bribery
  - report any genuine concerns to management or via the Whistleblowing procedure
  - undertake all mandatory, relevant or recommended anti-fraud and corruption training
- **Public, service users, partners, suppliers, contractors, and consultants:** to report any genuine concerns / suspicions in accordance with the council's reporting procedure.

# Anti-money laundering policy

**Author:** Shared Anti-Fraud Service (SAFS)

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## Anti-money laundering policy document history

Version	Date reviewed	Key amendments/notes	Date approved	Next review date
Version 1.0	June 2022	The revised anti-money laundering policy ensures that the council complies with the UK government's new rules on anti-money laundering, in particular adopting a more risk-based approach and conducting due diligence.	21 July 2022 – Audit and Governance Committee	2025
Version 2.0	February 2025	Section 6 – how we might become involved in money laundering.	4 March 2025 – Audit and Governance Committee	2027

## 1. Introduction

1.1. Local authorities are not directly covered by the requirements of these two acts:

- [The Proceeds of Crime Act 2002](#)
- [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)

However, guidance from Chartered Institute of Public Finance and Accountancy ([CIPFA](#)) indicates that they should comply with the underlying spirit of the legislation and regulations.

1.2. We're committed to the highest possible standards of conduct and have, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

1.3. This policy includes the appointment of a money laundering reporting officer (MLRO) to comply with legislation and to oversee the reporting of suspicious activity and money laundering to the [National Crime Agency](#).

## 2. Scope of the policy

2.1. With this policy, we aim to maintain the high standards of conduct that currently exist within the council by:

- preventing criminal activity through money laundering
- enable us to comply with legal obligations

2.2. This policy applies to:

- all employees, whether permanent or temporary
- members of the council
- Contractors
- anyone providing us with a service

With this policy, we aim to:

- enable employees and members to respond to a concern they have in the course of their work for us
- place a duty upon on employees and members to report suspicious activity and money laundering to the MLRO

2.3. Individuals who have a concern relating to a matter outside of work should contact the police.

2.4. This policy should be read in conjunction with our anti-fraud and corruption strategy statement and policy.

## 3. Definition of money laundering

3.1. Money laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Such offences are defined under the [Proceeds of Crime Act 2002](#) (POCA) as the following 'prohibited acts'.

- a. Concealing, disguising, converting, transferring, or removing criminal property from the UK (s327 POCA)
- b. Becoming involved in an arrangement which an individual knows or suspects, facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (s328 POCA)
- c. Acquiring, using, or possessing criminal property (s329 POCA)
- d. doing something that might prejudice an investigation such as falsifying a document (s333 POCA)
- e. Failure to disclose one of the offences listed in a) to c) above, where there are reasonable grounds for knowledge or suspicion (s330-332 POCA)
- f. Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation (s333 POCA)

3.2. Provided that we do not undertake activities regulated under the [Financial Services and Markets Act 2000](#), the offences of ‘failure to disclose’ and ‘tipping off’ do not apply. However, along with our employees and members, we remain subject to the remainder of the offences and the full provisions of the [Terrorism Act 2000](#).

3.3. The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism.

3.4. Although the term ‘money laundering’ is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

3.5. Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences detailed in 3.1.

## 4. Requirements of the money laundering legislation

4.1. The main requirements of the legislation are:

- to appoint an MLRO
- maintain client identification procedures in certain circumstances
- implement a procedure to enable the reporting of suspicions of money laundering
- maintain record keeping procedures

## 5. The money laundering reporting officer (MLRO)

5.1. We have designated the head of SAFS as the money laundering reporting officer.

5.2. The key requirement on our employees is to promptly report any suspected money laundering activity to the MLRO. ([See 7 - reporting procedure for suspicions of money laundering for further guidance](#)).

5.3. The MLRO can be contacted at:

- **address:** Head of Shared Anti-Fraud Service, Hertfordshire County Council, Post point CHN341, Robertson House, Six Hills Road, Stevenage, Hertfordshire, SG1 2FQ
- **email:** [MLRO@Hertfordshire.gov.uk](mailto:MLRO@Hertfordshire.gov.uk)
- **telephone:** 01438 844705

5.4. In the absence of the head of SAFS, the counter fraud managers are authorised to deputise.

## 6. How we might become involved in money laundering

6.1. We recognise that most customers and contracts are not money launders or terrorist financiers. The systems and controls in place to mitigate the risk should focus on identifying the high-risk customers/contracts/situations and responding to them appropriately.

6.2. Generally, our business will pose a low-to-moderate risk of being used as a vehicle for money laundering. We’re involved in relatively few transactions compared to a bank, building society or law firm.

Therefore, the nature of the transactions are with participants that have likely come under considerable scrutiny as to their bona fides and financial status. Opportunities to pass criminal property through the council with relative anonymity are limited.

6.3. We carry out transactions for a variety of purposes during which we handle money from customers. These transactions include but are not limited to:

- the administration of Council Tax
- housing rent accounts
- leaseholders/commercial rent
- income for the disposal of council assets
- financial contributions from planning legal agreements

6.4. It's therefore feasible for the us to become unwittingly involved in the money laundering process via customer/businesses who are carrying out apparently normal transactions, if the money used in the transactions are from the proceeds of crime.

6.5. Accepting cash can increase the likelihood of money laundering. It's crucial to maintain precise records of cash deposits, ideally identifying the depositor and the frequency of deposits.

To safeguard ourselves from unintentional involvement in money laundering activities, it's important that we don't surpass the set limits on the amount of cash a customer can pay ([see section 12 – Luton Council procedures](#)).

6.6. We recognised that criminals may exploit local authorities to launder money, giving it an appearance of legitimacy. Money laundering materialises when overpayments to customer accounts are both:

- created, whether made through cash, credit card, or direct debit/bacs
- requested to be refunded into different bank account

Conducting thorough due diligence on the source of the overpayment is crucial to prevent us from inadvertently participating in the money laundering process.

## 7. Client identification procedures

7.1. 'Customer due diligence measures' are:

- derived from [section 28 of the Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)
- used to describe the measures that form adequate customer due diligence, including:
  - customer identity
  - background to the customers business
  - source of funds

7.2. If satisfactory evidence is not obtained at the outset of a matter, then:

- the transaction must not be progressed
- a disclosure report must be submitted to the MLRO

7.3. We carry out measures to ensure customer due diligence in all service areas, in accordance with the obligations set out in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. This typically requires gathering information about a customer's or someone acting on behalf of the customer ('beneficial owner'):

The information we gather includes:

- name
- an official document which confirms their identity
- residential address
- date of birth

7.4. If you have doubts about a customer's identity, you must stop dealing with them until you're sure.

7.5. All personal data collected must be kept in compliance with the Data Protection Act 2018 and the General Data-Protection Regulation (UK).

## 8. Responsibilities of staff and others

8.1. Prevention, detection and reporting of fraud, corruption and reporting suspicions of money laundering is the responsibility of all those working for the council or under its control.

All staff, including third parties working or performing any service on our behalf, are to avoid activity that breaches this policy, and must:

- ensure that they read, understand and comply with the policy
- ensure that policy and procedures of contracted services align with our policy and procedures, in relation to money laundering safeguards
- ensure that our policy and procedures, and service area guidance which cover customer due diligence measures, payments and refunds, have been read, understood and are complied with
- raise concerns as soon as possible if they suspect that this policy has been breached
- always act honestly with integrity to safeguard our resources for which they are responsible
- comply with the law (both in spirit and in the letter)

## 9. Reporting procedure for suspicions of money laundering (all officers)

9.1. You must disclose this as soon as practicable to the MLRO where you:

- know or suspect that money laundering activity is taking place or has taken place
- become concerned that your involvement in a matter may amount to a prohibited act under the act

The disclosure should be within 'hours' of the information coming to your attention, not weeks or months later.

Your disclosure should be made to the MLRO using the disclosure report. The report must include as much detail as possible including:

- full details of the people involved
- full details of the nature of their/your involvement
- the types of money laundering activity involved
- the date(s) of such activities
- whether the transactions have happened, are ongoing or are imminent
- where they took place
- how they were undertaken
- the (likely) amount of money/assets involved
- why, exactly, you are suspicious

9.2. You should also enclose copies of

- any other available information to enable the MLRO to
  - make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering

- enable the MLRO to prepare their report to the National Crime Agency (NCA), where appropriate
- any relevant supporting documentation

9.3. If you're concerned that your involvement in the transaction would amount to a prohibited act under sections 327 to 329 of the act, then your report must include all relevant details. This is because you'll need consent from the NCA, via the MLRO, to take any further part in the transaction.

This is the case even if the client gives instructions for the matter to proceed before such consent is given.

You should therefore:

- make it clear in the report if such consent is required
- clarify whether there are any deadlines for giving such consent such as a completion date or legal deadline

9.4. Once you've reported the matter to the MLRO, you must follow any directions the MLRO may give you. You **must NOT** make any further enquiries into the matter yourself. Any necessary investigation will be undertaken by the NCA.

Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate.

All members of staff will be required to cooperate with the MLRO and the authorities during any subsequent money laundering investigation.

9.5. Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering:

- even if the NCA has given consent to a particular transaction proceeding
- without the specific consent of the MLRO

Otherwise, you may commit a criminal offence of 'tipping off'.

9.6. Do not make any reference on a client file to a report having been made to the MLRO. Should the client exercise their right to see the file, then such a note may tip them off to the report having been made and may render you liable to prosecution.

The MLRO will keep the appropriate records in a confidential manner.

## 10. Consideration of the disclosure by the MLRO

10.1. Upon receipt of a disclosure report, the MLRO must note the date of receipt on their section of the report and acknowledge receipt of it. They should also advise you of the timescale within which they expect to respond to you.

The MLRO will consider the report and any other available internal information they think relevant, for example:

- reviewing other transaction patterns and volumes
- the length of any business relationship involved
- the number of any one-off transactions and linked one-off transactions
- any identification evidence held

10.2. The MLRO will undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is considered in deciding whether a report to the NCA is

required. Such enquiries being made in such a way as to avoid any appearance of tipping off those involved. The MLRO may also need to discuss the report with you.

10.3. Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- there is actual or suspected money laundering taking place
- there are reasonable grounds to know or suspect that is the case
- they need to seek consent from the NCA for a particular transaction to proceed

10.4. Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse for non-disclosure to the NCA.

For example, if you're a lawyer and you wish to claim legal professional privilege for not disclosing the information.

10.5. Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then they must note the report accordingly. They can then immediately give their consent for any ongoing or imminent transactions to proceed.

10.6. In cases where legal professional privilege may apply, the MLRO must liaise with the our legal department to decide whether there's a reasonable excuse for not reporting the matter to the NCA.

10.7. Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until either:

- the NCA has specifically given consent
- there is deemed consent through the expiration of the relevant time limits without objection from the NCA

10.8. Where the MLRO concludes that there are no reasonable grounds to suspect money laundering, then they shall:

- mark the report accordingly
- give their consent for any ongoing or imminent transaction(s) to proceed

10.9. All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

10.10. The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

## 11. Training

11.1. Officers considered likely to be exposed to suspicious situations will be made aware of these by senior management and provided with appropriate training. Additionally, all employees and members will be familiarised with:

- the legal and regulatory requirements relating to money laundering
- how the requirements affect both the council and themselves

11.2. Notwithstanding the paragraphs above, it's the duty of officers and members to report all suspicious transactions, whether they have received their training or not.

## 12. Luton Council procedures

12.1. Although the relevant regulations relating to money laundering do not, in many cases directly apply to local authorities, guidance from CIPFA states that local authorities should comply with the requirements of these regulations. All members of staff and those acting on our behalf must follow our anti-money laundering policy, published on our website.

12.2. This policy:

- sets a limit on payments to us in the form of cash
- places a duty on members of staff who suspect money laundering activity to report this to the MLRP
- requires the suspecting officer to make appropriate reports to the NCA

12.3. The head of SAFS is the officer nominated to:

- act as our MLRO
- receive disclosures about money laundering activity within the council

In the absence of the head of SAFS, one of the SAFS counter fraud managers can deputise.

The MLRO can be contacted at:

- **address:** Head of Shared Anti-Fraud Service, Hertfordshire County Council, Post point CHN 341, Robertson House, Six Hills Road, Stevenage, Hertfordshire, SG1 2FQ
- **email:** [MLRO@Hertfordshire.gov.uk](mailto:MLRO@Hertfordshire.gov.uk)
- **telephone:** 01438 844705

## Procedures

- A. No payment to the council will be accepted in cash if it exceeds £3,000.
- B. Any employee who suspects money laundering activity must make a disclosure report reporting their suspicion promptly to the MLRO, or to the MLRO's deputy if appropriate, using the money laundering reporting procedure.
- C. The employee must follow any subsequent directions of the MLRO or deputy and must not themselves make any further enquiries into the matter.
- D. The employee must not disclose or otherwise indicate their suspicions to the person suspected of money laundering.
- E. The MLRO or deputy must promptly evaluate any disclosure report, to determine whether it should be reported to the NCA.
- F. The MLRO or deputy must, if they so determine, promptly report the matter to NCA on their standard report form and in the prescribed manner.
- G. The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

## 13. Conclusion

13.1. Given a local authority's legal position with regard to the legislative requirements governing money laundering, we believe that this policy represents a proportionate response to the level of risk it faces of money laundering offences.

## 14. Review

14.1. This policy will be reviewed every two years to ensure compliance with current legislation and best practice.

### Appendix 1: report to MLRO template

#### **CONFIDENTIAL**

**To:** The Money Laundering Reporting Officer (MLRO)

Head of Shared Anti-Fraud Service

Hertfordshire County Council

Post point CHN341

Robertson House

Six Hills Road

Stevenage

SG1 3FQ

**From:** officer reporting suspected activity

Name: [Click to enter text](#)

Position: [Click to enter text](#)

Business unit: [Click to enter text](#)

Email address: [Click to enter text](#)

Telephone numbers: [Click to enter text](#)

Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity you have described. To do so may constitute a tipping off offence.

Details of suspected offence: [Click to enter text](#)

Name(s) and address(es) of person(s) involved: [Click to enter text](#)

Include date of birth, nationality, national insurance numbers - if possible: [Click to enter text](#)

If a company please include details of nature of business, type of organisation, registered office address, company registration number, VAT registration number): [Click to enter text](#)

1. Nature, value, and timing of activity involved: [Click to enter text](#)

(Include full details such as what, when, where, how)

2. Nature of suspicions regarding such activity: [Click to enter text](#)

3. Has any investigation been undertaken (as far as you are aware)? [Choose yes or no](#)

4. If yes, please include details: [Click to enter text](#)

5. Have you discussed your suspicions with anyone else? [Choose yes or no](#)
6. If yes, please specify below, explaining why such discussion was necessary: [Click to enter text](#)
7. Have you consulted any supervisory body guidance about money laundering (such as the Law Society)? [Choose yes or no](#)
8. If yes, please specify: [Click to enter text](#)
9. Do you feel you have reasonable grounds for not disclosing the matter to the FCA (for example, are you a lawyer and wish to claim legal professional privilege)? [Choose yes or no](#)
10. If yes, please set out full details below: [Click to enter text](#)
11. Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act, and which requires appropriate consent from NCA? [Choose yes or no](#)
12. If yes, please enclose details below: [Click to enter text](#)
13. Please detail below any other information you feel is relevant: [Click to enter text](#)

#### FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER

Date report received: [Click to enter a date](#)

Date receipt of report acknowledged: [Click to enter a date](#)

#### **Consideration of disclosure - action plan**

1. Are there reasonable grounds for suspecting money-laundering activity? [Choose yes or no](#)
2. If there are reasonable grounds for suspicion, will a report be made to NCA? [Choose yes or no](#)
3. If yes, please confirm date of report to NCA: [Click to enter a date](#)
4. Details of liaison with NCA regarding the report: [Click to enter text](#)
5. Is consent required from the NCA for any ongoing or imminent transactions that would otherwise be prohibited acts? [Choose yes or no](#)
6. If yes, please confirm full details: [Click to enter text](#)
7. Date consent received from NCA: [Click to enter a date](#)
8. Date receipt of report acknowledged: [Click to enter a date](#)
9. Date consent given by you to employee: [Click to enter a date](#)
10. Date consent given by you to employee for any prohibited act transactions to proceed:
11. If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure: [Click to enter text](#)
12. Other relevant information: [Click to enter text](#)

Signed: [Click to enter text](#)

Dated: [Click to enter a date](#)

RETENTION PERIOD FIVE YEARS

# Fraud sanction and prosecution policy

**Author:** Shared Anti-Fraud Service (SAFS)

**Version:** 2.0

**Last updated:** November 2025

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# Fraud sanction and prosecution policy document history

Version	Date reviewed	Key amendments / notes	Date approved	Next review
1.0	June 2022	This new fraud sanction and prosecution policy shows that fraud will not be tolerated and indicates how those who commit fraud against the council can expect to be dealt with.  The policy also acts as a guide and procedural note on how and when certain sanctions might be applied and who key decision makers are.	21 July 2022 Audit and Governance Committee	2025
2.0	February 2025	Section 2 – addition of cease and desist notices as a sanction outcome.	4 March 2025 Audit and Governance Committee	2027

## 1. Introduction

1.1. We, Luton Council, take our responsibility to protect public funds seriously and expects our business to be conducted to the highest ethical and legal standards. We do not tolerate fraud, theft or corruption.

Where there's evidence of fraud, theft or corruption against us, those responsible, whether internal or external of the council, will be held accountable for their actions using the full range of sanctions available. The use of sanctions is governed by this policy that sets out appropriate action to take.

1.2. This policy forms part of our wider anti-fraud framework which supports our enforcement policy and includes matters of:

- fraud
- bribery
- corruption
- theft related offences) and':

1.3. Our objectives are to:

1. ensure sanctions in relation to fraud or similar crimes are applied fairly and consistently
2. ensure sanctions are applied in an efficient and cost-effective way
3. set out the range of sanctions available
4. ensure the sanction decision making process is robust, transparent and fair
5. make it clear that we will not tolerate fraud

1.4. We'll investigate allegations of fraud, theft or corruption in line with the our fraud response plan. Following an investigation, a range of factors will require consideration before deciding on appropriate sanction, including the:

- individual circumstances of each case
- impact on the individual and the wider community
- seriousness of the offence

## 2. Sanction options

2.1. Where there's evidence of fraud, theft or corruption, the following options will be considered:

1. no further action
2. cease and desist or warning notices
3. referral to professional bodies
4. disciplinary action
5. civil proceedings
6. criminal prosecution
7. sanctions as alternatives to prosecution

2.2. We'll consider any of the above options and parallel sanctions may be pursued.

### No further action

2.3. We may consider, following an investigation, closing a case without taking any further action. This may occur where:

- there's no evidence of fraud or misconduct
- it's not in the public interest to take action

### Cease and desist and warning notices

2.4. Where there's evidence of fraud or some other failure to comply with legislation, but the matter is minor or a one off and the loss caused is minimal, we may issue cease and desist notices or warning letters to the persons suspected.

2.5. These notices will inform the person that they may have committed an offence but that no further action will be taken. However, should further evidence of repeat offending come to light, we may then act.

2.6. This type of notice should be reserved:

- for allegations of fraud or theft involving external parties
- in areas where loss to the council is minimal and use of more serious sanctions would be ineffective or expensive

### Referral to professional bodies

2.7. Where there's adequate evidence that a person or entity has breached professional duties or responsibilities, we'll refer the matter to the relevant professional body.

### Disciplinary action

2.8. If an allegation is made against a council employee, The Shared Anti-Fraud Service (SAFS) will consult with our Human Resources Service. Appropriate action will be taken according to our disciplinary policy.

2.9. The investigating officer may be a member of SAFS or may be appointed through the HR disciplinary process. This may result in:

- warnings or dismissal
- additional sanction options being considered including:
  - referral to professional bodies
  - civil proceedings
  - criminal prosecutions

2.10. If during the course of an investigation or disciplinary action, the employee suspected of fraud, theft or corruption chooses to resign, we'll continue to pursue referral to professional bodies, civil proceedings or criminal prosecution where appropriate.

2.11. In the event of an allegation against a councillor in relation to fraud, theft or corruption against us, this will be reported to the monitoring officer, who'll agree the action to be taken with the chief executive. Depending on the circumstances of the case, criminal proceedings may also be considered.

## Civil proceedings

2.12. We may take civil proceedings where appropriate. Regardless of whether or not any sanction action is taken, we'll seek, where appropriate, to recover any overpaid, misused or unfairly gained monies.

2.13. The following measures may be considered in the pursuit of financial recovery.

1. Consultation with our Payroll and Pensions teams to redress financial loss caused by employees. We'll attempt to recover the loss from the capital value of the individual's accrued benefits in the pension scheme if they're a member, which are then reduced as advised by the actuary.
2. Recovery of money through appropriate legal proceedings.
3. Legal action such as freezing or restraint orders to preserve evidence and assets.

2.14. There will be overpayments which are not due to fraud. In these cases, we'll determine appropriate recovery.

## Criminal prosecution

2.15. Where we consider it 'expedient for the promotion or protection of the interests of the inhabitants of their area', [section 222 of the Local Government Act 1972](#) empowers us to prosecute or appear in legal proceedings and, in the case of civil proceedings, institute them in their own name.

2.16. Furthermore, [section 223 of the Local Government Act 1972](#) allows a 'local authority to authorise any member of its staff to prosecute or defend designated matters in magistrates' court'.

2.17. In the most serious of cases, we'll consider the prosecution of those suspected to have committed fraud or theft. Where we consider there's sufficient evidence (based on the [code for crown prosecutors](#)) to indicate a criminal act has taken place, a decision will be made whether to undertake a criminal prosecution.

It will determine whether we utilise:

- our own Legal Services or contracted legal representatives
- the police or another law enforcement partner such as DWP or HMRC

This decision will be made by the head of SAFS, the head of Legal Services and the relevant director/head of service (or delegated appropriately).

2.18. Before a decision is taken to prosecute or not, we'll be guided by the code for crown prosecutors and will only initiate legal action if, following legal advice, it has satisfied the following two tests.

### Evidential test

The evidence must be:

- clear, reliable and admissible in court

- strong enough for a realistic chance of prosecution – in other words we must be able to prove a case ‘beyond reasonable doubt’

### Public interest test

The prosecution must be in the public interest, taking into account:

- seriousness and / or monetary value of the offence
- cost and proportionality of the prosecution
- age and health of the suspect
- culpability of the suspect
- circumstances of and harm caused to the victim
- impact on the community

2.19. Where a case has been referred to the police to investigate, the final decision as to whether or not to pursue the case will be taken by the police and the Crown Prosecution Service.

2.20. We’ll conduct investigations in accordance with:

- the [Criminal Procedure and Investigations Act 1996](#)
- the [Police and Criminal Evidence Act 1984](#)
- other relevant legislation and codes of practice

2.21. Criminal proceedings may be brought for a suspected offence under the following legislation:

- The Theft Act 1968 (as amended)
- The Fraud Act 2006
- Local Government Finance Act 1992
- Housing Act 1996
- Prevention of Social Housing Fraud Act 2013
- Council Tax Reduction Scheme (Detection of Fraud and Enforcement) Regulations 2013
- Forgery and Counterfeiting Act 1981
- Computer Misuse Act 1990
- Identity Documents Act 2010
- The Bribery Act 2010
- Road Traffic Regulation Act 1984
- any other relevant provision in law

2.22. Any criminal proceedings will include action to recover money or assets, via:

- civil routes
- court compensation
- the Proceeds of Crime Act 2002
- the Prevention of Social Housing Fraud Act 2013

### Sanction as alternatives to prosecution

2.23. [The Local Government Finance Act 1992](#) allows us to consider financial penalties as alternatives to prosecution and these should always be considered. However, in serious cases of fraud or where repeat offending occurs, the option to prosecute offenders will be kept under review.

### Civil penalties

2.24. [Regulation 13 Council Tax Reduction Schemes \(Detection of Fraud and Enforcement\) \(England\) Regulations 2013](#) and [Schedule 3 Local Government Finance Act 1992](#) permit ‘billing authorities’ to impose financial penalties where a person fails:

- to report a material fact affecting their Council Tax liability
- without good reason, to correct an error

2.25. The head of revenue and benefits will make the decision about the imposition of any civil penalties.

2.26. All penalties will be recovered by adding the debt to a person's Council Tax liability for the current year and recovered only once that annual liability has been settled in full.

#### Administrative penalties

2.27. [Regulation 11 Council Tax Reduction Schemes \(Detection of Fraud and Enforcement\) \(England\) Regulations 2013](#), provide for administrative penalties to be offered to persons as alternatives to prosecution.

The legislation allows for administrative penalties amounting to 50 per cent of the gross reduction can be offered. In all such cases of fraud, we'll seek to recover the excess award as well any penalty.

2.28. Our head of revenue and benefits will make the decision about the offer of any administrative penalties on advice from SAFS. The head of SAFS will arrange for the administrative penalty to be offered to the person liable for it and any cooling off period required by legislation.

#### Parallel sanctions

2.29. It's preferable for the appropriate sanctions to proceed simultaneously, but it is not necessary for anyone to await the result of another before concluding. However, due consideration must be given to all proceedings to ensure that one does not impact improperly upon another. The decision to run parallel sanctions will be determined on a case-by-case basis.

## 3. Partnerships

3.1. Where appropriate, we'll work in partnership with following organisations to bring joint proceedings or assist the other organisation to bring its own proceedings:

- other local authorities
- Social Housing Providers
- Department for Work and Pensions
- Her Majesty's Revenue and Customs
- UK Borders Agency
- the Home Office

## 4. Recording decisions

4.1. For an effective regime of sanctions to be successful accurate records of all convictions, penalties and cautions must be maintained. This will enable the correct decisions to be made taking full account of the defendant's background.

4.2. We and SAFS will both record all sanctions and retain copies of all documents used to consider and issue the sanction, in accordance with the relevant retention policies.

4.3. In the case of prosecution, all cases that result in successful convictions will be reported to the police for recording on the Police National Computer (PNC) central databases.

## 5. Publicity

5.1. It's our intention to positively promote this policy and the outcome of any prosecutions. The aim for this is to:

1. deter others from fraudulent activity

2. reassure the public that we act against those committing fraudulent and or corrupt acts

5.2. Consideration will be given to whether the outcome of any case should be reported to the community via various media channels. Publicity, where appropriate, will ensure the profile of counter fraud activity remains at a level which will contribute to ensuring the key objective of preventing fraud is met.

## 6. Review

6.1. This policy will be reviewed every two years, or as required to comply with current legislation and best practice guidance.