



St Edmundsbury
BOROUGH COUNCIL

B452

Cabinet

16 February 2011

Report of the Performance and Audit Scrutiny Committee: Anti-Money Laundering Policy (Feb11/22), Revised National Fraud Initiative Strategy (Feb11/21) and Third Quarter Internal Audit Progress Report

1. The above report was in three parts. Firstly, the Committee was asked to recommend approval of an Anti-Money Laundering Policy, which would ensure the Council complied with all relevant legal and regulatory requirements provided for by the UK's anti-terrorist financing and anti money laundering regimes.
2. Although the Council's risk of exposure to money laundering was relatively low, there was a reputational risk for any authority that did not have adequate policies and procedures in place. It was therefore considered prudent and responsible practice for the Council to put in place appropriate safeguards and reporting arrangements, and this would be established through the adoption and publicising of the draft Policy attached as Annex A to Report B439.
3. The second part of the report was an update on progress made in relation to actions arising from the National Fraud Initiative (NFI) Strategy and the updating of the Strategy in line with new guidance from the Audit Commission.
4. The Strategy ensured that the Council had the correct procedures in place to meet changes in legislation in relation to data matching and the prevention and detection of fraud. The Code of Data Matching 2008 was laid before Parliament during the Summer, and the Strategy set out the key activities and responsibilities of officers in relation to the Code.
5. Finally, the report provided the third quarterly Internal Audit progress report, which was intended to update Members on work undertaken within the third quarter of the financial year and the progress made in achieving the audit plan presented at the Committee's meeting in April 2010. A summary of Internal Audit reports issued in 2010/2011 was discussed.

6. The Committee **RECOMMENDS** that the:-
- (a) Anti-Money Laundering Policy, as set out in Annex A of Report B439, be adopted and communicated to all staff and Members; and
 - (b) revised National Fraud Initiative Strategy 2010/2011, as set out in Annex B of Report B439, be endorsed.

Contacts:

John Hale, Chairman of Performance and Audit Scrutiny Committee, (01359-221141)

Christopher Spicer, Vice Chairman of Performance and Audit Scrutiny Committee,
(01359-230800)

Liz Watts, Chief Finance Officer, (01284-757252)

Adriana Stapleton, Scrutiny Manager, (01284-757613)

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