

REPORT TO:		AUDIT COMMITTEE	
DATE:		08 December 2025	
PORTFOLIO:		Councillor Vanessa Alexander - Resources and Council Operations	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

## 1. **Purpose of Report**

- 1.1 To inform Audit Committee about the Economic Crime and Corporate Transparency Act 2023 which became applicable from 1<sup>st</sup> September 2025.

## 2. **Recommendations**

- 2.1 I recommend that Audit Committee:
- notes the content of this report.

## 3. **Reasons for Recommendations and Background**

- 3.1 The new Economic Crime and Corporate Transparency Act 2023 was discussed and considered by the Council's Corporate Management Team at a meeting on 10<sup>th</sup> September 2025.
- 3.2 The Council's Cabinet then approved the new Guidance and Policy Document at their meeting on 22<sup>nd</sup> October 2025.
- 3.3 The Guidance and Policy Document is also now available on the Hyntranet and has been circulated to all staff through the November Hyndsight e-newsletter sent out to staff on 19<sup>th</sup> November 2025.

- 3.4 New offences are created by the Economic Crime and Corporate Transparency Act 2023. The legislation became applicable from 1<sup>st</sup> September 2025.
- 3.5 Section 199 of the Economic Crime and Corporate Transparency Act 2023 creates a new offence that will hold Hyndburn Borough Council to account for fraud committed by their employees, agents, subsidiaries, or other associated persons who provide services for or on behalf of the Council. Where the fraud was committed with the intention of benefiting the Council or its clients. It does not need to be demonstrated that the Council's Directors or Senior Management ordered or knew about the fraud. It does not need to be proven there was any benefit for the Council. The offender can simply say that was their intention in the fraud they carried out
- 3.6 Under the Act, Hyndburn Borough Council may be criminally liable if it did not have reasonable fraud prevention procedures in place.
- 3.7 The offence sits alongside existing law. For example, the person who committed the fraud may be prosecuted individually for that fraud, while Hyndburn Borough Council may be prosecuted for failing to prevent it.
- 3.8 The Council will have a defence if it has reasonable procedures in place to prevent fraud, or if the Council can demonstrate to the satisfaction of the court that it was not reasonable in all circumstances to expect the Council to have any prevention procedures in place.
- 3.9 The overall risk to Hyndburn Borough Council of a fraud which falls within the remit of this legislation is believed to be relatively low, as the fraud must have the basis to directly benefit the Council or its clients and not just the perpetrator of the fraud which is the most common result of most frauds. However, the Council must have a policy in place which sets out the Council's position to the Legislation and how it deals with it.
- 3.10 The Head of Audit & Investigations will devise refresher training on Fraud, Corruption and Bribery including the new Economic Crime and Corporate Transparency Act 2023 for staff in due course which is just one element of the Council's procedures to prevent fraud.
- 3.10 The Guidance and Policy Document sits alongside other existing Council policies such as the Anti-Fraud, Corruption and Bribery Policy.
- 3.11 The Economic Crime and Corporate Transparency Act 2023 policy is attached to this report as appendix 1.

#### **4. Alternative Options considered and Reasons for Rejection**

- 4.1 There are no alternative options as the Council has already adopted the Economic Crime and Corporate Transparency Act 2023.

## 5. Consultations

5.1 No consultations required.

## 6. Implications

<b>Financial implications (including any future financial commitments for the Council)</b>	There are no financial implications arising directly from this report
<b>Legal and human rights implications</b>	There are no legal or human rights implications arising from this report.
<b>Assessment of risk</b>	There is no direct risk implication from this report.
<b>Equality and diversity implications</b> <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	A Customer First Analysis has not been prepared as the finalised policy has already been adopted by Cabinet and this is policy which sits alongside existing Anti-Fraud, Corruption and Bribery policy.

## 7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 No background papers were necessary for the preparation of this report.