

Subject: Whistleblowing Policy, Anti Fraud, Corruption and Bribery Policy and Anti-Money Laundering Policy - Updates

Report to: Cabinet, 4th April 2016

Report by: Internal Audit Consortium Manager / Corporate Risk Officer

SUBJECT MATTER/RECOMMENDATIONS

This report contains the revised Whistleblowing Policy, Anti Fraud, Corruption, Bribery Policy and Anti-Money Laundering Policy.

It is recommended that Cabinet:

- Note the changes to the Whistleblowing Policy and confirm their endorsement of the Policy.
- Note the change to the Anti Fraud, Corruption and Bribery Policy and confirm their endorsement of the Policy.
- Note the changes to the Anti-Money Laundering Policy and confirm their endorsement of the Policy.

1. Introduction

- 1.1. Cabinet are asked to review the Whistleblowing Policy, the Anti Fraud, Corruption and Bribery Policy and the Anti-Money Laundering Policy together due to the intrinsic links between the three documents.

2. Background

- 2.1. Great Yarmouth Borough Council has had a Whistleblowing Policy for a number of years, with the latest revision being approved in March 2013. The Policy sets out that the Council is keen to encourage staff, councillors, partner bodies and members of the public to raise concerns that they have, in the knowledge that the Council will aim to ensure that they face no reprisal or victimisation as a result of taking such action
- 2.2. Likewise the Anti Fraud, Corruption and Bribery Policy has been in place for a number of years, with the latest revision also being approved in April 2014. The Strategy sets out the Council's commitment to a zero tolerance attitude towards fraud, corruption and bribery.
- 2.3. The Anti-Money Laundering Policy has also been in place since March 2014. The Policy clarify how suspicions of money laundering activities should be disclosed within the organisation, and where appropriate, how such matters should be in accordance with legislative and regulatory requirements.

3. Current Position / Findings

- 3.1. The Whistleblowing Policy, the Anti Fraud, Corruption and Bribery Policy and the Anti-Money Laundering Policy have been reviewed to ensure that best practice continues to be followed, have been consulted upon with Executive Management Team and has also been compared to other Council's arrangements.
- 3.2. It was reported to Audit & Risk Committee on 2nd February 2016 that the Council has had no whistleblowing cases reported under the Whistleblowing Policy, however there has been 3 whistleblowing cases, 2 of which are now finalised and one is ongoing. The consequences of the failure to act should issues be reported can be significant; the Council has a duty to respond to matters that are in the public interest and to protect its employees.
- 3.3. The Audit and risk Committee, on 2nd February 2016, noted the changes to the Whistleblowing Policy, Anti fraud, Bribery and Corruption Policy and Anti Money Laundering Policy and endorsed sending these policies to council for approval.

4. Proposals

- 4.1. The revised Whistleblowing Policy is attached at **Appendix 1** to this report. The Policy has remained similar in terms of scope and coverage, with the main changes being updates in relation to responsible officers. The opportunity has also been taken to ensure that the Policy reflects the responsibilities of the Internal Audit Consortium Manager and the Monitoring Officer, with the lead for this Policy and making staff aware of the requirements through training and publicising initiatives now being the Internal Audit Consortium Manager.
- 4.2. The revised Anti Fraud, Corruption and Bribery Policy is attached at **Appendix 2** to this report. Likewise the Policy remains similar in terms of scope and coverage, with the main changes being updates to the responsible officers and clarification of the role of the Internal Audit Consortium Manager and the Monitoring Officer.
- 4.3. The revised Anti-Money Laundering Policy is attached at **Appendix 3** to this report. The Policy has been updated to reflect updates to relevant staff and changes in legislation / Acts, but the procedures remain the same.
- 4.4. Following acceptance and endorsement of these policies the Internal Audit Consortium Manager will organise learning hours for the Council.

<p>FINANCIAL IMPLICATIONS: safeguarding the Council's assets and the Public Purse</p>

<p>LEGAL IMPLICATIONS: ensure that the Council is discharging its duties under the legal framework and following best practice</p>
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<p>EXECUTIVE BOARD OR DIRECTOR CONSULTATION: EMT consulted</p>
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RECOMMENDATIONS:

- 4.5. It is recommended that Cabinet:
- Note the changes to the Whistleblowing Policy and confirm their endorsement of the Policy.
 - Note the change to the Anti Fraud, Corruption and Bribery Policy and confirm their endorsement of the Policy.
 - Note the changes to the Anti-Money Laundering Policy and confirm their endorsement of the Policy.

Does this report raise any legal, financial, sustainability, equality, Crime and Disorder or Human Rights issues and, if so, have they been considered?	Issues	
	Legal	Yes - ensure that the Council is discharging its duties under the legal framework and following best practice
	Financial	Yes - safeguarding the Council's assets and the Public Purse and ensuring that concerns relating to the environment are raised appropriately and that those concerns are responded to in order to minimise any potential impact
	Risk	Yes - there are significant risks posed to the Council if people cannot safely raise concerns, and if the Council fails to respond to those concerns in an appropriate manner.
	Sustainability	No
	Crime and Disorder	Yes - ensuring that concerns relating to criminal activity are raised appropriately and that those concerns are responded to in order to minimise any potential losses.
	Human Rights	No
	Every Child Matters	No
	Equality	Yes - ensuring that the Council does not victimise or discriminate against any employee who raises concerns within the organisation.
	EqIA Form completed	No

Appendix 1 – Whistleblowing Policy

Appendix 2 – Anti Fraud, Corruption and Bribery Policy

Appendix 3 – Anti-Money Laundering Policy

Appendix 1



WHISTLEBLOWING POLICY

Author	Corporate Risk Officer
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GREAT YARMOUTH BOROUGH COUNCIL

WHISTLEBLOWING POLICY

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This policy will be subject to regular review with any significant variations leading to re-presentation of the Policy.

The Whistleblowing Policy

THIS POLICY SHOULD BE READ IN CONJUNCTION WITH THE COUNCIL'S DISCIPLINARY POLICY AND PROCEDURES, STAFF AND MEMBER CODES OF CONDUCT.

INTRODUCTION TO THE POLICY

- **What is Whistleblowing?**

1.1 Whistleblowing is the raising of a significant concern. These concerns may cover issues of injustice, malpractice or serious wrong doing within the Council. This policy is designed to ensure that people know how to raise a genuine concern and can do so in the knowledge that they will not face reprisal for their action.

1.2 Public Concern at Work (a charity which provides independent advice and information on whistleblowing) draws the following distinction between whistleblowing and pursuing a complaint:

"When someone blows the whistle they are raising a concern about danger or illegality that affects others (e.g. customers, members of the public, or their employer). The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of any investigation into their concern - they are simply trying to alert others. For this reason, the whistleblower should not be expected to prove the malpractice. He or she is a messenger raising a concern so that others can address it."

What is the purpose of the Whistleblowing Policy

2.1 Employees, councilors and others who deal with the Council may be the first to realise that there could be an injustice, malpractice or serious wrongdoing within the Council. However, you may feel that speaking up would be disloyal to your colleagues or to the Council. You might be concerned that your suspicions are unjustified or might turn out to be so after enquiry. You may also be worried that you or someone else might be victimised or harassed or you are unclear with whom to raise your concern. In these circumstances it may be easier to ignore the concern rather than report your suspicions but this would be wrong.

2.2 Members of the public may also have concerns, but be unsure how and when to express them.

2.3 The Council has produced this Whistleblowing Policy to help:

- Councilor's;
- Employees (including temporary and agency staff);
- Other with whom the Council has dealings (e.g. contractors, partners, suppliers and voluntary organisations); and
- Helping members of the public understand how and when to contact the Council with their concerns.

2.4 It is also expected that contractors will be required to have their own whistleblowing policies and arrangements established in accordance with the thresholds set in the Council's contract conditions through the tendering process. Where a contractor does not have its own policy, it is expected that the principles and arrangements of the Council's policy and associated procedures apply.

2.5 The Council is committed to the highest possible standards of openness, honesty, integrity and accountability. We expect employees, councillors, suppliers, agency staff and contractors who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. It takes all inappropriate behaviour very seriously and is committed to investigating any genuine concerns raised.

- 2.6 The purpose of this Policy is to make it clear that you can raise your concerns in confidence without fear of victimisation, subsequent discrimination or disadvantage. The Council encourages you to raise serious concerns in the first instance within the Council rather than overlooking a problem or 'blowing the whistle' publicly, and we would rather that you raised the matter when it is just a concern rather than waiting for proof.

AIMS AND SCOPE OF THE POLICY

3 What is the aim and scope of the Policy

- 3.1 This policy aims to:
- encourage you to feel confident in raising serious or sensitive concerns about inappropriate behaviour and to question and act upon concerns;
 - provide avenues for you to raise those concerns and receive feedback on any action taken;
 - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied;
 - reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have raised any concern in good faith.
- 3.2 The Public Interest Disclosure Act 1998, as amended by the Enterprise and Regulatory Reform Act 2013 Sections 17 – 20 outlines that a "protected" disclosure of a concern is one which demonstrates one or more of the following:
- that a criminal offence has been committed, is being committed or is likely to be committed,
 - that a person has failed, is failing or is likely to fail to comply with a legal obligation
 - that a miscarriage of justice has occurred, is occurring or is likely to occur
 - that the health and safety of any individual has been, is being or is likely to be endangered
 - that the environment has been, is being or is likely to be damaged
 - that information relating to any of the above has been or is likely to be deliberately concealed
- 3.3 Beyond the legal context above, the Council would encourage employees, members of the public, and any other interested parties to raise any significant concerns that they may have, as soon as they are reasonably aware of them. These concerns could be about any aspects of the Council's activities, e.g. with reference to Council employees, Members of suppliers acting on behalf of the Council, and relate to issues that are either occurring now or are likely to happen in the future.
- 3.4 It should be emphasised that this Policy is intended to assist individuals who have discovered malpractice or serious wrongdoing, provided they make the disclosure in accordance with the Policy. Individuals who make disclosures outside the arrangements set out here will not be protected under this Policy and may not be protected under the Act.
- 3.5 The Council has a number of other policies and procedures to address other matters, for example:
- Employees complaints about their terms and conditions of employment, These matters are dealt with through the Grievance Policy and Procedure.
 - Instances of bullying and harassment of Council's employees are dealt with through the Anti Harassment Policy.
 - Complaints from Members of the public about the Council's services. These are dealt with through the Council's Complaints Policy.
 - Concerns with reference to members, should be referred to the Monitoring Officer.

- 3.6 The Policy is not designed to question financial or business decisions taken by the Council nor may it be used to reconsider any matters that have already been addressed under the harassment, grievance, disciplinary or complaints procedures.

SAFEGUARDS

4 Protecting the Whistleblower

- 4.1 The Council is committed to good practice and high standards and wants to be supportive of employees and others who work for the Council.
- 4.2 In accordance with the Public Interest Disclosure Act 1998, the Council undertakes to protect, as best it can, an employee who blows the whistle from personal claims, victimisation, harassment or bullying as a result of his or her disclosures. This assurance is not extended to someone who maliciously raises a matter they know are untrue; such instances will be subject to the Council's disciplinary procedure.
- 4.3 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish, unless we are required to by law or as a result of our enquiries results in a criminal investigation in which the whistleblower might be required as a witness. Whistleblowers should be aware, however, that the fact that enquiries are being made may result in their identity becoming known. Where possible, the Council will make you aware if your identity is likely to be compromised through investigation.
- 4.4 All these matters will be explained at the time you raise your concern so you can decide whether or not to proceed. The Council will also keep the whistleblower informed if the situation significantly changes.
- 4.5 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith, even if you are genuinely mistaken in your concerns. Any harassment or victimisation of a whistleblower may result in disciplinary action against the person responsible for the harassment or victimisation.
- 4.6 Any investigations into allegations arising from your whistleblowing will not influence or be influenced by any other personnel procedures to which you may be subject.

5 Anonymous Allegations

- 5.1 This policy encourages you to put your name to your allegation whenever possible. The Council will do all it can to protect the whistleblower. Concerns raised anonymously tend to be far less effective and if, for example, the Council does not have enough information, it may not be able to investigate the matter at all. Also, from a practical point of view, it is impossible to provide protection to a person whose identity is unknown and more difficult to judge whether the concern is made in good faith or maliciously.
- 5.2 If whistleblowers feel that they cannot give their name, the Council will make a judgment on whether or not to consider the matter depending on such things as:
- the seriousness of the issues raised;
 - the quality of any documentary evidence submitted with the allegation;
 - the credibility of the concern; and
 - whether the Council can carry out a robust investigation based in the information provided to confirm the validity of the original allegation made.

6 Assurances to Third Parties

- 6.1 The assurances provided to employees raising concerns set out in section 4 above cannot be given in the same way to third parties. For example, the Council cannot guarantee protection to employees of third party (contractor) organisations. However, we expect that all contractors are aware of the Council's whistleblowing procedures, and act in accordance with these.

- 6.2 Further, with regard to members of the Public, whilst they are not afforded statutory protection in the same way as employees, the Council is committed to treating all citizens fairly. Raising a concern under this policy will not affect the rights of any council citizens.

7 Untrue Allegations

- 7.1 If a whistleblower makes an allegation which they believe is true, but it is not confirmed by an investigation, the Council will not take any action against them.
- 7.2 However, if a whistleblower makes a deliberately false or malicious allegation which they know is untrue, the Council will take appropriate disciplinary or legal action against them. Allegations of this nature are not protected by the Public Interest Disclosure Act 1998.

HOW TO RAISE A CONCERN

8 Guidance for Members of the Public, Contractors, Councillors and Partners

- 8.1 Members of the Public, Contractors, Councillors and those involved with partner organisation who suspect a Council Employee, another Councillor, Organisational Partners or other Contractors (in their dealings with the Council) of fraud or serious malpractice should contact one of the following:
- Chief Executive
 - Monitoring Officer
 - Internal Audit Consortium Manager
- 8.2 If your concern relates to the Chief Executive, this should be raised with the Leader of the Council (or the Deputy Leader of the Council if the Leader is unavailable) or Ernst Young as the Council's External Auditors. Conversely, if your concern relates to the Monitoring Officer, or the Internal Audit Consortium Manager, this should be referred to the Chief Executive.

All contact details are included within Appendix 1 of this policy.

9 Guidance for Employees

- 9.1 As a first step you should normally raise concerns with your Manager Director. Guidance to Employees on how to process is contained in the document "**Checklist for employees – How to react to inappropriate behaviour**" - see **Appendix 2**.
- 9.2 Whistleblowers should not attempt to investigate any concern themselves, but raise their concern using one of the avenues shown below.
- 9.3 Guidance to managers on how to deal with a concern is contained in the document "**Guidance for Managers – How to react to concerns of inappropriate behaviour**" – see **Appendix 3**.
- 9.4 If the employee feels that it is inappropriate to raise a concern with their Manager or Director given the person involved and / or the seriousness or sensitivity of the matter contact should be made with one of the following officers:
- Chief Executive
 - Monitoring Officer
 - Internal Audit Consortium Manager

These officers can also provide advice and guidance on how concerns may be pursued.

- 9.5 If your concern relates to the Chief Executive, this should be raised with the Leader of the Council (or the Deputy Leader of the Council if the Leader is unavailable) or Ernst Young as the Council's External Auditors. Conversely, if your concern relates to the Monitoring Officer or the Internal Audit Consortium Manager, this should be referred to the Chief Executive.
- 9.6 The Council encourages you to identify yourself when raising your concerns, but if you wish you may remain anonymous.

- 9.7 Whistleblowers are encouraged to raise concerns promptly, giving as much information as possible, such as relevant background, names, dates, places and the reason for their concern. In addition any evidence to support the concern / suspicion should be attached. Appendix 5 to these procedures provides a form that can be utilised as a starting point. However, concerns can be raised by telephone or by meeting the appropriate officer. The earlier a concern is raised, the greater the likelihood that an appropriate intervention may be made, to minimise the risk, impact or continuation of the concern in question.
- 9.8 Although you are not expected to provide proof of your concern, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern. If however you make an allegation frivolously, maliciously or for personal gain disciplinary action may be taken against you.
- 9.9 Any whistleblower will be asked to declare any personal interest they may have in the concern being raised.
- 9.10 In matters concerning the health, safety and welfare of those on our premises (whether members of staff, contractors or visitors) anyone, including an elected safety representative, who becomes aware of a hazard (actual or potential) or dangerous occurrence should immediately notify the Health and Safety Advisor (Sarah Flatman), before contacting any outside body, to ensure that immediate action can be taken if necessary to deal with the hazard. Contact can be made by telephone, email or the sending of a written report as appropriate to the situation.

10 Sources for support for the Whistleblower

- 10.1 People who do not work for the Council might want to discuss their concern with a friend or colleague first. You may then find it easier to raise a concern if others share the same experiences or concerns.
- 10.2 The Council recognises that employees may wish to seek advice and be represented by their trade union representative when raising a concern under the policy, and acknowledges and endorses the role trade union representatives play in this respect. This could be useful, particularly if the employee wishes to remain anonymous, to the extent that is possible. Trade union representatives acting in accordance with the Policy and Procedure will not suffer detriment in their employment with the Council. You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised. Any meeting that need to be arranged with you can be held off-site if you wish.
- 10.3 The Council further welcomes any member of staff to consult with Public Concern at Work if they are not sure about whistleblowing. Public Concern at Work are an independent charity who provide free confidential support and advice to whistleblowers through a telephone helpline and the internet who wish to express concerns about fraud or other serious malpractice. Further details for Public Concern at Work are included in **Appendix 1**. In addition a summary regarding the remit of the Public Concern at Work is included at **Appendix 2**.

11 Withdrawing your allegation

- 11.1 You have the right to withdraw any allegation previously made under this policy and procedure. You should think very carefully before taking this course of action, bearing in mind an investigation may have started and you may need to explain this change in decision.
- 11.2 If it is considered appropriate, despite the complainant withdrawing the allegation, the investigation may continue if it is deemed necessary.

12 HOW THE COUNCIL WILL RESPOND

- 12.1 The Whistleblowing Evaluation Panel will be convened as soon as possible. The Panel comprises the Chief Executive Officer, the Monitoring Officer and the Internal Audit Consortium Manager, or their nominated deputies. In the event of the long-term absence of any of these individuals, or a post being vacant, then any two of the three members of the Panel can act as the full Panel.
- 12.2 Whether the concern is made by an employee, member of the public, contractor, Councillor or partner an impartial person will be appointed to investigate your concern and you will be informed who this is. Confidentiality will be maintained in accordance with section 5 of the Whistleblowing Policy.
- 12.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, harassment or discrimination issues) will normally be referred for consideration under those procedures.
- 12.4 Following initial investigations the Council will respond to your concerns as appropriate as establish whether or not:
- Your concerns should be considered under this policy;
 - Your concerns can be allayed satisfactorily without having to invoke a formal investigation;
 - No further investigation is necessary;
 - Your concerns may be resolved by other mechanisms or action e.g. mediation, training or review; or
 - There is sufficient substance behind your concerns to trigger an investigation.
- 12.5 Where there is sufficient evidence behind the concerns to trigger an investigation the concern will:
- be investigated by management or internal audit; or
 - be referred to the police; or
 - be referred to the external auditor; or
 - form the subject of an independent inquiry.
- 12.6 Some concerns may be resolved by action agreed with you without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- Within ten working days of a concern being raised, the person appointed to investigate your concern will contact you (in a way which does not arouse suspicions in your workplace):acknowledging that the concern has been received;
 - indicating how we propose to deal with the matter;
 - giving an estimate of how long it will take to provide a final response;
 - telling you whether any initial enquires have been made;
 - supplying you with information on staff support mechanisms;
 - advising you of your entitlement to seek advice and representation from your trade union representative;
 - telling you whether further investigations will take place and if not, why not, and
 - to agree with you how to proceed if you have chosen to remain anonymous.
- 12.7 The Council will do what it can to minimise any difficulties, which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure and other appropriate support.
- 12.8 Once the person appointed to investigate your concern has completed their investigations, they will produce a written report which sets out:

- the background to the whistleblowing concern;
- the findings of fact and associated evidence;
- the decision and reasons for the decision; and
- the recommendations and associated action plan, if applicable.

12.9 The Council accepts that you need to be assured that the matter has been properly addressed. Subject to legal constraints and any confidentiality or other issues, we will inform you of the outcome of any investigation.

13 Raising Concerns with an External Party

13.1 This policy is intended to provide you with an avenue within the Council to raise concerns. However there may be situations where you are unsure whether or how to raise a concern or you feel it is inappropriate to raise the concern internally, or unable to do so or following investigations by the Council you are not satisfied with the action taken. In these situations, there are a number of other parties to whom you may turn:

- Public Concern at Work
- Ernst and Youngs - External Auditors
- The Local Government Ombudsman
- Norfolk Constabulary
- Serious Fraud Office
- National Crime Agency (NCA)
- The Health and Safety Executive
- The Environment Agency
- Gt Yarmouth Borough Council Whistleblowing Line

Contact details for all parties are included within **Appendix 1**.

13.2 Before consulting an external party, the Council recommends that the whistleblower seeks independent legal advice (disclosures to a legal advisor is protected by law). The law most readily protects disclosures that are seen to be 'reasonable'. i.e. disclosures that are made within the Council or to an appropriate regulator at an early stage. If the matter is taken outside of the Council, the whistleblower should ensure that they do not disclose information about a third party that may be covered by a duty of confidentiality (e.g. commercially sensitive information or personal, private data). It is recognised that potentially the Public Interest Disclosure Act and the Data Protection Act could have some bearing on disclosures, however one statute does not overrule the other and both must be complied with, and thus each case would need to be considered on its individual merits.

13.3 If you do take the matter outside the Council, you should ensure that you do not to disclose confidential information and ensure that you comply with the requirements of the Public Interest Disclosure Act 1998 so that you do not lose the protection of the Act against dismissal or other detriment. Seek advice from the contact point about this.

RESPONSIBILITY FOR WHISTLEBLOWING

14 The Responsible Officer

14.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this Policy. The Monitoring Officer will maintain a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council. Other Senior Officers support in the Council support the Monitoring Officer in this role, as set out at **Appendix 1**.

14.2 All concerns raised will be handled in line with the Whistleblowing Procedural Guidance, as covered in this Policy.

15 Responsibility for the Whistleblowing Policy

- 15.1 All concerns raised and the outcomes will be reported to the Audit and Risk Committee by the Monitoring Officer, annually in a form that does not endanger confidentiality. However, if no concerns are raised no report will be provided.
- 15.2 This policy is to be reviewed at least every 3 years (or more frequently if required by changes to statutory legislation), by the Monitoring Officer and the following parties will be consulted prior to finalising and submitting the Policy to Cabinet for subsequent approval:
- Senior Council Officers responsible for receiving whistleblowing concerns
 - Executive Management Team
 - Audit and Risk Committee
- 15.3 On an annual basis, **Appendix 1** of the policy, which provides details of the key parties responsible for whistleblowing, shall be reviewed by the Monitoring Officer, Internal Audit Consortium Manager and Corporate Risk Officer to ensure that details remain relevant and up-to-date. This review will not require re-endorsement of the policy.
- 15.4 The Internal Audit Consortium Manager is responsible for making staff aware of the Policies' requirements through training and publicising initiatives.

Contacts for Whistleblowing

Raising concerns internally

Chief Executive	Sheila Oxtoby Sheila.oxtooby@great-yarmouth.gov.uk 01493 846301
Monitoring Officer	David Johnson David.johnson@norfolk.gov.uk (01603) 223736
Internal Audit	Emma Hodds ehodds@s-norfolk.gov.uk 01508 533791

Raising Concerns Externally

Public Concern at Work - www.pcaw.co.uk For support with how to raise concerns, and action to take in relation to all matters of malpractice and / or wrong doing.	3 rd Floor, Bank Chambers 6 – 10 Borough High Street London, SE1 9QQ 020 7404 6609 whistle@pcaw.org.uk
Ernst and Young – External Auditors For issued relating to financial probity and governance.	One Cambridge Business Park Cambridge CB4 0WZ 01223 394400
Norfolk Constabulary www.norfolk.police.uk For all breaches of the law (except as noted below)	Operations and Communications Centre Jubilee House Falconers Chase Wymondham Norfolk, NR18 OWW 0845 456 4567
Serious Fraud Office – www.sfo.gov.uk Fraud and Corruption issues	2-4 Cockspur Street London SW1Y 5BS confidential@sfo.gsi.gov.uk

National Crime Agency For money laundering issues www.nationalcrimeagency.gov.uk	Units 1 - 6 Citadel Place, Tinworth Street, London SE11 5EF 0370 496 7622
The Health and Safety Executive – www.hse.gov.uk	Rosebury Court, 2 nd Floor St Andrews Business Park Norwich Norfolk, NR7 0HS 0845 345 0055
The Environment Agency – www.environment-agency.gov.uk For environmental crimes	National Customer Contact Centre PO Box 544 Rotherham S60 1BY 0800 80 70 60

PUBLIC CONCERN AT WORK

Public Concern at Work (PCaW) is the independent authority on public interest whistleblowing. Established as a charity in 1993 following a series of scandals and disasters, PCaW has played a leading role in putting whistleblowing on the governance agenda and in developing legislation in the UK and abroad. All their work is informed by the free advice they offer to people with whistleblowing dilemmas and the professional support they provide to enlightened organisations.

They have four activities. They:

- offer free, confidential advice to people concerned about crime, danger or wrongdoing at work;
- help organisations to deliver and demonstrate good governance;
- inform public policy; and
- Promote individual responsibility, organisational accountability and the public interest.

They do:

- ✓ advise how to raise concerns
- ✓ explain the public interest
- ✓ separate message from messenger
- ✓ provide an impartial, objective view

They don't

- ✗ duck difficult questions
- ✗ claim we have all the answers
- ✗ litigate or investigate
- ✗ encourage anonymous informing

Whistleblowing dos and don'ts as publicised by Public Concern at Work

Do:

- Keep calm;
- Think about the risks and outcomes before you act
- Remember you are a witness, not a complainant
- Phone us for advice - 020 7404 6609!

Don't:

- Forget there may be an innocent or good explanation
- Become a private detective
- Use a whistleblowing procedure to pursue a personal grievance
- Expect thanks

GUIDANCE FOR EMPLOYEES

HOW TO REACT TO CONCERNS OF INAPPROPRIATE BEHAVIOUR

The action you take when you suspect inappropriate behaviour may have happened, or be about to happen, can be crucial. Inappropriate behaviour is described in the Council's Whistleblowing Policy as:

- Any criminal offence, particularly fraud or corruption
- Disclosures related to a miscarriage of justice
- A failure to comply with a legal obligation
- The endangering of an individual's health and safety
- Unnecessary damage to the environment (for example, by pollution)
- Deliberate concealment of information relating to any of the above.

Following these simple rules should help the Council in carrying out enquiries into any concerns you have.

DO

- ✓ **Make an immediate note of your concerns.**
Note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved.
- ✓ **Convey your suspicions to someone with the appropriate authority and experience in accordance with the Council's Whistleblowing Policy.**
- ✓ **Deal with the matter promptly if you feel your concerns are warranted.**
Delay may cause the Council to suffer further financial loss or make further enquiry more difficult.

DON'T

- ✗ **Do nothing.**
- ✗ **Be afraid of raising your concerns.**
You will not suffer any recrimination from the Council as a result of voicing a reasonably held suspicion. The Council will treat the matter sensitively and confidentially, and will take reasonable steps to protect anyone who raises a well intentioned concern.
- ✗ **Approach or accuse any individuals directly.**
- ✗ **Try to investigate the matter yourself.**
There are special rules surrounding the gathering of evidence. Any attempt to gather evidence by people who are unfamiliar with these rules may weaken or destroy any future prosecution should that be thought appropriate.
- ✗ **Convey your suspicions to anyone other than those indicated in the Council's Whistleblowing Policy.**

The Public Interest Disclosure Act 1998 - will protect you from any reprisals as long as you meet the rules set out in the Act. The rules are:

- You must disclose the information in good faith
- You must reasonably believe it to be substantially true
- You must not seek any personal gain

GUIDANCE FOR MANAGERS

HOW TO REACT TO CONCERNS OF INAPPROPRIATE BEHAVIOUR

The action you take when you identify, or are made aware of, suspected inappropriate behaviour can be crucial in determining the success of any subsequent enquiries. Inappropriate behaviour is described in the Council's Whistleblowing Policy as:

- Any criminal offence, particularly fraud or corruption
- Disclosures related to a miscarriage of justice
- A failure to comply with a legal obligation
- The endangering of an individual's health and safety
- Unnecessary damage to the environment (for example, by pollution)
- Deliberate concealment of information relating to any of the above.

Following these simple rules will help to ensure that matters are properly handled.

As a manager you should familiarise yourself with both the Council's Strategy to help fight Fraud and Corruption and its Whistleblowing Policy

DO

✓ **Be responsive to employees' concerns.**

As part of the Council's anti-fraud and corruption culture, you should encourage employees to voice any reasonably held suspicion. As a manager you should treat all employees' concerns seriously and sensitively.

✓ **Note details.**

Get as much information as possible from the employee reporting the suspicion and encourage them to record this in writing. If the employee has made any notes, request access to these

Note any documentary evidence which may exist to support the allegations made, but do not interfere with this evidence in any way.

✓ **Evaluate the allegation objectively**

Before you take the matter further determine whether any suspicions appear to be justified. Be objective when evaluating the issue. Consider the facts as they appear based on information you have to hand.

If in doubt, report your suspicions anyway.

If you consider that no further action is necessary, you should still record your decision and also inform the Head of Internal Audit of the original notification details.

✓ **Advise the appropriate person**

If you feel that a suspicion is justified advise an appropriate officer in accordance with the Council's Whistleblowing Policy

✓ **Deal with the matter promptly if you feel your concerns are warranted.**

Delay may cause the Council to suffer further financial loss or make further enquiry more difficult.

DON'T

✗ Ridicule suspicions raised by employees

The Council cannot operate an effective anti-fraud and corruption culture or Whistleblowing Policy if employees are reluctant to pass on their concerns to management due to fear of ridicule or recrimination.

You need to ensure that all employee concerns are given a fair hearing. You should reassure employees that they will not suffer recrimination by raising any reasonably held suspicion.

✗ Approach or accuse any individuals directly

✗ Convey your suspicions to anyone other than those indicated in the Council's Whistleblowing Policy

✗ Try to investigate the matter yourself

Investigations by employees who are unfamiliar with the requirements of evidence are highly likely to jeopardise a successful outcome. They may also alert the suspect and result in the destruction of evidence.

Your primary responsibility is to report the issue and all associated facts to the appropriate officer, wherever possible.

WHISTLEBLOWING FORM

Please complete this form and email it to:

david.johnson@norfolk.gov.uk
Alternatively this can be sent to:

Monitoring Officer
NP Law, County Hall, Martineau Lane, Norwich, NR1 2DH

Name:

Address or Contact Details:

Best Time to Contact You:

Person Assisting You (e.g. relative, friend, union official)

Address or contact details:

Telephone:

Details of your concern (please continue on a separate sheet if necessary)

Signature: _____ Date: _____

Appendix 2



ANTI FRAUD, CORRUPTION AND BRIBERY POLICY

Author	Corporate Risk Officer
Date	January 2016
Document Status	Final Version 3

GREAT YARMOUTH BOROUGH COUNCIL

ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY

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The Policy will be subject to regular review with any significant variations leading to re-presentation of the Policy.

ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY

INTRODUCTION

1. Why have a Policy?

- 1.1 This policy has been formulated by Great Yarmouth Borough Council to protect itself against fraud, corruption and bribery both within the Borough Council and from outside.
- 1.2 The Council has six key priorities for the Borough, these are:
 - Economic growth
 - Housing
 - Neighbourhoods, Communities and the Environment
 - Tourism, Culture and Heritage
 - Great Yarmouth's Town Centre
 - Transport and Infrastructure
- 1.3 In order to deliver against our priorities, we need to ensure that we minimise losses of fraud, corruption and bribery. For every pound we lose to these activities, there is a pound less we can spend on delivering our priorities. As a public service authority, we have a duty to ensure we promote effective stewardship and value for money in the use of our public funds. Fraud, corruption and bribery reduce the reputation, and confidence, that can be placed in the Council and public services generally.
- 1.4 The Bribery Act 2010 places an expectation that organisations will have appropriate and adequate procedures in place to minimise the risk of bribery occurring. This Policy seeks to reduce this risk, and to outline the Council's anti-bribery approach.

2. Objectives of the Policy

- 2.1 The key objectives of this policy are to:
 - Increase staff and members awareness of the anti fraud culture which the Council actively supports and encourage individuals to promptly report suspicions of fraudulent and corrupt behaviour.
 - Communicate to partners, suppliers, contractors and other organisations that interact with the Council that it expects them to maintain high standards aimed at minimising fraud and corruption in their dealings with the Council.
 - Further embed and support the management of fraud risk within the Council.
 - Demonstrate the arrangements that the Council has in place to counter fraud, corruption and bribery.
 - Minimise the likelihood and extent of losses through fraud and corruption.

3. Statement of Intent / Policy Statement

- 3.1 The Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud, corruption and bribery.
- 3.2 There is an expectation and requirement that all individuals and organisations associated in whatever capacity with the Council will act with integrity and that Council members and staff, at all levels, will lead by example in these matters.
- 3.3 The Council's staff and elected members are an important element in its stance on fraud, corruption and bribery and are positively encouraged to raise any concerns which they may have on those issues where they are associated with the Council's activity.

They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with.

4. Definitions and Examples

- 4.1 For the purpose of this policy, fraud, corruption and bribery are defined as follows:

Fraud '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.'

Corruption 'the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person'

Bribery 'an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.'

- 4.2 The legal framework for fraud and corruption is defined by a number of acts. Primarily, the Fraud Act 2006 establishes a criminal liability for fraud through either false representation, failing to disclose information or abuse of a position. Section 17 of the Theft Act 1968 creates an offence of destroying, defacing, concealing or falsifying any account, record or document made, or required, for any accounting purpose. The Bribery Act 2010 makes it an offence to attempt to bribe someone, or receive a bribe, where that may result in improper discharge of a public functions.

- 4.3 Examples of fraud and corruption are:

- Theft of Council property or services
- Evading liability for payment
- False accountancy, including the destruction, concealment or falsification of any account or record, giving misleading, false or deceptive information
- Obtaining property by false pretences
- Misuse of office
- Bribery
- Working while on sick leave
- Falsifying time or mileage sheets, including flex time
- Selling Council equipment inappropriately
- Failure to declare an interest
- Fraudulent tendering process
- Fraudulent property letting
- Accepting any gift or consideration as an inducement for doing or refraining from doing anything in relation to Council business

5. Responsible Officers

- 5.1 There are many stakeholders who have roles and responsibilities in relation to fraud, corruption and bribery; these are noted throughout the Policy.
- 5.2 In particular the Interim Head of Finance and Internal Audit Consortium Manager are responsible for reviewing and updating the Anti-Fraud, Corruption and Bribery Policy, along with making staff aware of the Policy's requirements through training and publication initiatives.

- 5.3 Concerns can be raised in confidence with the knowledge that they will be properly addressed, in line with the Whistleblowing Policy. If necessary, a route other than a line manager may be used, as follows:

Chief Executive	Sheila Oxtoby Sheila.oxtoby@great-yarmouth.gov.uk 01493 846301
Monitoring Officer	Chris Skinner Chris.skinner@norfolk.gov.uk
Internal Audit Consortium Manager	Emma Hodds ehodds@s-norfolk.gov.uk 01508 533791

- 5.4 All concerns raised and the outcomes will be reported to the Audit and Risk Committee, by the Interim Head of Finance annually in a form that does not endanger confidentiality. However, if no concerns are raised no report will be provided.
- 5.5 The Policy is to be reviewed at least every 3 years (or more frequently if required by changes to statutory legislation) and the following parties will be consulted prior to finalising and submitting the policy to Cabinet for subsequent approval:
- Senior Council Officers
 - Executive Management Team
 - Audit and Risk Committee
- 5.6 On an annual basis the details of the responsible officers shall be reviewed by the Internal Audit Consortium Manager and Corporate Risk Officer to ensure that details remain relevant and up to date. This review will not require re-endorsement of the policy.

PREVENTION AND DETERRENCE

6. Corporate Framework

- 6.1 The Council has a number of policies, procedures and guidance that are designed to support this policy in countering, and preventing fraud occurring. These policies take account of legislation and expected standards in public life. Such documents include:
- The Codes of Conduct for Members and Employees;
 - The Council Constitution;
 - Disciplinary Procedures;
 - Complaints Procedures;
 - Whistleblowing Policy;
 - Anti-Money Laundering Policy;
 - Register of Interests, Gifts and Hospitality.

7 Cultural Framework

- 7.1 The Council is determined to promote a culture of honesty, integrity and opposition to fraud, corruption and bribery. The prevention and detection of this is the responsibility of all. To deliver this the Council will:
- Accurately identify the risk of fraud
 - Create and maintain a strong counter fraud culture

- Take action to deter, prevent and detect fraud, investigate and apply sanctions and seek redress where fraud is proven
 - Record and report our outcomes to the Audit and Risk Committee
- 7.2 To this end, the Council has adopted the Seven Principles of Public Life (the Nolan Principles) that encourage Council members and officers to operate with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Further details in respect of the principles are included within the Council's Constitution and Code of Conduct for Members and Employees.
- 7.3 The Council has adopted a Whistleblowing Policy, which encourages employees, members and other parties to raise concerns, in the knowledge that they will not suffer victimisation, or harassment, as a result.
- 7.4 The Council endeavours to be open and transparent in the way that it conducts business and in making decisions. The Council's Constitution outlines the decision making framework within the Council, and demonstrates where functions may be delegated. The Council has published details of all expenditure over £250 on its website, and will endeavour to meet all transparency requirements of Central Government. The Council has policies and procedures to respond to Freedom of Information Act requests.
- 7.5 Both elected members and employees ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues, etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

8 Members

- 8.1 All Councillors are expected to maintain high standards of Conduct when performing public duties, and in particular to ensure compliance with the Nolan Principles of Standards in Public Life. The Monitoring Officer works with the Standards Committee to monitor standards of conduct and provide advice, guidance and training with both the legal requirements, and the Council's own expectations.
- 8.2 Members are provided with a copy of the Code of Conduct, advice and guidance on the declaration of interests, gifts and hospitality, and protocols on Member / Staff behaviour and involvement in planning and other judicial matters.
- 8.3 The Council's Audit and Risk Committee is responsible for the oversight and production and delivery of this Policy.
- 8.4 The role of all elected members is to:
- Champion and promote the Council's policy and the zero tolerance culture towards fraud, corruption and bribery
 - Raise matters of concern that may come to their attention during their work
 - Review, consider and approve the policy and its performance measures annually
 - Consider the Annual Report of the delivery against the policy's performance measures
 - Encourage the public to report concerns or to pass on concerns raised by the public to the appropriate officer
 - Participate in any reviews, disciplinary meetings or appeals as required.

9 Employees

- 9.1 A successful counter fraud culture is one where acts of fraud, corruption and bribery are widely recognised as unacceptable behaviour and whistleblowing is perceived as a public-spirited action. The Council has put in place a number of policies, procedure and other actions to promote an anti-fraud culture to the Council's officers.
- 9.2 All officers must abide by the Council's Code of Conduct for Employees, which set out the Council's requirement of personal conduct. Professionally qualified officers of the Council are also expected to follow any Code of Conduct of ethics as required by their Professional Institute.
- 9.3 The Chief Executive has overall responsibility for the Council's anti-fraud, corruption and bribery arrangements.
Directors and Senior Managers support the Chief Executive in this role; they are responsible for the prevention and detection of theft, fraud, corruption and other irregularities within their area of responsibility. They are expected to:
- Identify, be familiar with and assess the types of risks and fraud, corruption or bribery that might occur within their area;
 - Promote the Policy, publicity and relevant training of staff and bodies they do business with;
 - Be alert for any indication of fraud, corruption and bribery;
 - Be ready to take appropriate action in a timely way should there be a suspicion of fraud, corruption or bribery.
- 9.4 The Section 151 Officer has a statutory duty to report where a decision has been made that would involve expenditure, or loss, which is unlawful. This officer will also ensure the Council has adequate resources in place for the provision of an Internal Audit Service that is able to provide an annual opinion on the quality of systems of internal control which, in part, informs the Annual Governance Statement. The Interim Head of Finance and Group Manager – Customer Services are responsible for ensuring that Benefit Fraud is reported to DWP for investigation.
- 9.5 The Council also has disciplinary procedures for all categories of employee. Any breach of conduct will be dealt with under these procedures and may result in dismissal.
- 9.6 Officer must comply with the Code of Conduct in respect of the declarations of interests, and in particular must declare any financial or non-financial interests that could conflict with the Council's interests, or could cause your conduct to be questioned.

10 Partner, Suppliers, Contractors and other Organisations that the Council interacts with

- 10.1 The Council expects the highest standards from all organisations that have dealings with it. Any partners, suppliers, contractors and other third parties funded by or in receipt of payments from the Council are required to adopt or abide by Council policies, procedures, protocols, and codes of practice, where appropriate, in order to prevent and detect fraud.
- 10.2 All transactions with suppliers and other organisations will be entered into in line with the Council's Contract Standing Orders. These make appropriate provisions for declaring interests and the circumstances where such regulations may not apply, and rules regarding entering into contracts and verifying contract conditions. Procurement

Procedures require that appropriate due diligence checks are undertaken to ensure that suppliers have an appropriate financial and risk profile before transactions are entered into.

11 Members of the public

- 11.1 Members of the public have an important role to alert the Council to any concerns about the potential for fraud, corruption and bribery that they may become aware of. They are encouraged to report their concerns, either through the Council's complaints procedure or by contacting the officers noted herein.

12. Internal Control environment

- 12.1 The Council's internal control environment plays a key role in ensuring that fraud can be prevented. Soundly designed systems, with adequate checks built in, minimise the opportunities for untoward activities. This could be through automated controls, or through management oversight of transaction activity.
- 12.2 Management retains responsibility for the oversight of the internal control environment within their specific service areas, internal and external inspections additionally play an important role in ensuring that operational arrangements are operating effectively,
- 12.3 Internal Audit prepares a risk based plan each year, with audit reviews separately identifying fraud risks to determine what controls have been put in place to address those risks and review their adequacy and effectiveness. Recommendations will be put forward where improvement is required.
- 12.4 The Council also recognises that a key preventative measure against the possibility of fraud, corruption or bribery is to take effective steps at the recruitment stage to establish, as far as possible, the propriety and integrity of potential employees, this includes temporary and contract staff. Agencies providing temporary staff should be required to confirm references have been obtained and verified.

13. Working with others

- 13.1 Another way in which the Council acts to prevent fraud is to establish and develop the exchange of information with other local or national government agencies on fraud in relation to local authorities (subject to the conditions imposed by the Data Protection Act 1998).

The Council has established links with:

- Norfolk Constabulary
- Association of Local Authority Treasurers' Societies
- Norfolk Financial Officers Association
- Audit Commission
- External Audit – Ernst Young
- Benefits Agency
- Participation in national anti-fraud initiatives for example the National Fraud Initiative (NFI)

- 13.2 External Audit are charged with ensuring that the Council is correctly reporting its arrangements in relation to counter fraud, corruption and bribery and where cases are uncovered involving sums in excess of £10,000 or of a complex nature, these are brought to its attention.

- 13.3 Annually the Internal Audit Consortium Manager also provides a response to the External Auditors; "Internal Audit's Views on the Risk of Fraud". This provides information to assist External Auditors in assessing the Council in relation to:
- Knowledge of any actual, suspected or alleged fraud affecting the Authority;
 - Views around the risks of fraud at the Authority;
 - Areas within the Council at greater risk of fraud;
 - Procedures used by Internal Audit to detect fraud; and
 - Management response to any findings as a result of these procedures.
- 13.4 The Council participates, where possible, with exercises specifically developed to ensure that opportunities to identify instances and risks of fraud and corruption are maximised. For example; National Fraud initiative (NFI), utilising data from Housing Benefit Matching Service, Single Person Discount Reviews and being a member of the National Anti Fraud Network (NAFN).

DETECTING AND INVESTIGATING

14 Detecting fraud that has occurred

- 14.1 The Council takes ultimate responsibility for the protection of our finances and those that are administered on behalf of the Government or the Community. In turn Directors and Senior Managers have a duty to protect their service area on a risk assessed basis from losses due to fraud, corruption and bribery and are responsible for implementing proper internal controls and risk management arrangements. However, it is often therefore the alertness of staff, elected members and the public that enables timely detection to occur and appropriate action to take place.
- 14.2 The Council's staff are an important element in its fight against fraud, corruption and bribery and they are positively encouraged to raise any concerns that they may have. These may relate to the internal activities of the Council, or to its dealings with suppliers or customers.
- 14.3 Despite best efforts some fraudulent activity or corrupt acts will be discovered by chance, "tip off" or via a whistleblowing. The Council has developed appropriate arrangements to enable such matters to be handled through the Whistleblowing Policy. In this regard staff and elected members can raise concerns in the knowledge that they will be treated in confidence and that they will be properly investigated. The Whistleblowing Policy outlines the routes that can be taken to raise a concern other than through a line manager.

15 Investigative Approach

- 15.1 The Council will be robust in dealing with fraud, Directors and Senior Managers are expected to deal swiftly and firmly with those who defraud the Council or are corrupt. Upon notification of an alleged fraud, bribery or corrupt act a Director or Senior Manager will if it is related to Housing Benefit or Council Tax refer it to Benefits Team Leader for potential transfer to DWP (Department of Works and Pensions) for investigation or in all other instances, will:
- contact the Chief Executive or Internal Audit Consortium Manager in the first instance as soon as possible,
 - arrange for the allegation to be investigated, possibly in conjunction with Internal Audit,

- record all the evidence received, and ensure that it is correct, adequately supported and secured,
- and where appropriate:
- implement the Council's Disciplinary Procedures,
 - liaise with the Police,
 - notify the Council's Insurance Officer.
 -

Appendix 1 provides the detailed processes that need to be followed.

SANCTIONS AND REDRESS

16 Taking action where necessary

- 16.1 The Council is responsible for the proper administration of its finances. Fraudsters may attack all of these sources of income, expenditure and our valuable assets
- 16.2 Once sufficient evidence has been discovered to substantiate any financial impropriety the responsible Director, or Senior Manager, in conjunction with the Chief Executive and the Section 151 Officer, shall seek to ensure that the Council receives the maximum appropriate sanctions and redress.
- 16.3 In cases of corruption, the police will usually be called in by the Chief Executive and arrangements made for the prosecution of offenders by the Crown Prosecution Services (CPS).
- 16.4 The Council will seek the strongest available sanctions against staff who commit fraud against the Council, its clients or the public purse. This will include disciplinary action, prosecution and civil proceedings (including seeking the recovery of pension entitlements). Employees found guilty of gross misconduct at disciplinary for offences of fraud, theft or serious financial malpractice, using their position for personal gain, or for the gain of others will be subject to dismissal. This applies to employees who improperly benefit from the Council as a corporate body and not just those who steal funds from their own unit. It also applies to employers who defraud or steal from the Council's clients. We will also take disciplinary action against staff who commit fraud against other Local Authorities or any other agency administering public funds.
- 16.5 Allegations of fraud and corruption made against elected Members will be fully investigated in accordance with the provisions of the Local Government Act 2000 and any subsequent statute or codes of practice.
- 16.6 The Council will seek the strongest available sanctions against any supplier or contractor's staff who commit fraud against the Council or who commit fraud against the public purse
- 16.7 The use of sanctions will be governed by the following principles which shall apply equally to any fraud against the Council or against funds for which the Council has responsibility.
- The objectives are:
- To ensure that the Council applies a full range of sanctions in a fair and consistent manner.
 - To ensure that sanctions are applied in an effective and cost efficient manner.
 - To ensure that the sanction decision making process is stringent, robust, transparent and fair.

- 16.8 These principles are designed to provide a framework within which to ensure the most appropriate resolution to a case is reached. The sanction decision will have regard at all times to the Council's disciplinary policy and anti-fraud policy objectives, the individual circumstances of each person concerned and the overall impact of the punishment to both the individual and the community. A range of sanctions is available to the Council. These include disciplinary action, civil proceedings, criminal proceedings, official cautions and administrative penalties.
- 16.9 Where a financial loss has been identified, we will always seek to recover this loss either through the civil or criminal process. We will also seek recovery of losses from pension entitlements where appropriate. Fraud committed by officers will also be considered for criminal prosecution. The factors that will affect our decision to refer for prosecution will be based on the evidential and the public interest test. We will seek prosecution in all cases involving theft from vulnerable clients or where there is evidence of corruption of public officials.

Appendix 1

Investigative Approach

1. Introduction

- 1.1 The purpose of the Council's Anti-Fraud, Corruption and Bribery Investigative Approach is to set out the action to be taken when a fraud is suspected or discovered. This plan forms part of the Council's overall approach to countering fraud and corruption.
- 1.2 Adhering to this will enable the Council to ensure that all incidents of fraud, corruption and bribery are handled in a consistent and responsible manner and the relevant responsibilities when responding to an incident are clear.

2. Reporting Concerns of Fraud, Corruption and Bribery

- 2.1 Anyone who has a concern that a potential incident of fraud, corruption or bribery has arisen should always attempt to raise these concerns at the earliest opportunity. The Council acknowledges that this can be a difficult and challenging act to do in some cases, and the Whistleblowing Policy has been established to provide those raising concerns with a safe avenue with which to do so. It also offers sources of advice and guidance that they may turn to.
- 2.2 The Whistleblowing Policy makes clear that the Council will always respect the confidentiality of those who raise a concern. Wherever possible, it encourages the whistleblower not to remain anonymous, and ensure that concerns are in writing to ensure that the facts of the situation are clarified.
- 2.3 Wherever the concern raised or identified relates to a matter of fraud, corruption and bribery (that is not housing and council tax benefits fraud), it is important to ensure that the Internal Audit Consortium Manager is notified in order that they can ensure appropriate investigatory measures are undertaken. Wherever possible, and whilst respecting confidentiality, the Internal Audit Consortium Manager will work with other officers to ensure that the right people are kept informed of incidents; in particular, they may need to notify the Section 151 Officer and members of the Executive Management Team. The Monitoring Officer and the Internal Audit Consortium Manager should liaise to ensure that cases raised in respect of whistleblowing are appropriately addressed, and to ensure the Internal Audit Consortium Manager is aware of all issues that may impact upon delivery of the Annual Internal Audit Plan.

3. Reacting to reports of fraud, corruption and bribery

- 3.1 All reported cases must be handled in a fair and consistent manner. The Council will remain mindful of the legislative framework governing the investigation of concerns, in particular:
 - Freedom of Information Act 200
 - Data Protection Act 1998
 - Human Rights Act 1998
 - Criminal Procedures and Investigations Act 1996
 - Police and Criminal Evidence Act 1984

- 3.2 As the whistleblowing policy identifies, if someone raises a malicious allegation they know is untrue, then the Council will not investigate the case further. The Council will also endeavour to be sensitive to the alleged wrongdoers, to ensure minimisation of damage where subsequently, allegations cannot be substantiated.
- 3.3 Any investigations which involve potential fraud in relation to housing and council tax benefits will be passed to DWP (Department of Works and Pensions) for investigation as per their procedures and processes. As such, the processes for the conduct of investigation set out below only relate to cases that are not of a benefits fraud nature.

4. Conducting Investigations

- 4.1 The Internal Audit Consortium Manager is responsible for overseeing the progress of fraud, corruption and bribery investigations to ensure they are undertaken in a consistent and appropriate manner, and undertaken in line with legislative requirements and agreed procedures. If the concern directly affects the Internal Audit Consortium Manager, this role will be adopted by the Section 151 Officer.
- 4.2 The Internal Audit Consortium Manager will also remain responsible for liaising with Directors and Senior Managers as to the incident raised and the progression of the investigation. Should disputes arise during the course of an investigation, these will be referred to the Section 151 Officer (and, if necessary, the Chief Executive) to assist resolution.
- 4.3 A number of options will be considered when determining who will be responsible for undertaking investigative work but for the most part, the Internal Audit Consortium Manager will be called upon to perform this work, unless the investigation directly affects an officer within that team, or it is deemed that additional expertise is required to undertake the review. If necessary, external investigators (e.g. forensic auditors) may be appointed to undertake the investigation.
- 4.4 At the commencement of any investigation, the Internal Audit Consortium Manager will agree the method and terms of reference for the investigation. Although it is acknowledged that flexibility will be required depending on the nature of the case, it is expected that the following will need to be considered:
- Who will conduct the investigation
 - The arrangements for collecting and documenting evidence
 - Estimated time span for the investigation
 - Consideration of direct referral to / liaison with other authorities e.g. police
 - Agreeing the mechanism for reporting progress and the final outcomes
 - Liaison with Human Resources Manager over potential suspensions / transfer / disciplinary action with regards to alleged wrongdoings
- 4.5 Where it is deemed necessary to refer cases to the police, careful consideration will be given as to whether to proceed with internal investigation. However, it is expected that all staff, members and third parties will be expected to comply with both internal and police investigations as appropriate, and wherever possible Council and police enquiries will be co-ordinated to maximise their effectiveness.

- 4.6 Upon completion of any investigation, it is expected that a report will be produced highlighting the main findings. The report will be shared with the Internal Audit Consortium Manager, who will then be responsible for identifying the further necessary action in line with other appropriate officers (e.g. liaison with the Human Resources if disciplinary action is required, or referral to the Section 151 Officer where inappropriate spending has been identified). Where it has been found that fraud or corruption has occurred, then a summary of the findings will be presented to the Executive Management Team. Where fraud or corruption could not be proven, the findings will only be shared with those who have a genuine and legitimate need to know.
- 4.7 The Internal Audit Consortium Manager will also keep the person raising the concern informed of the progress of the investigation, however will not necessarily be able to share either the report or the conclusions of the investigation. Where this relates to a whistleblowing case, the Internal Audit Consortium Manager will continue to work with the Monitoring Officer in this regard.
- 4.8 It is the responsibility of management to ensure that any losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. There are various methods of recovery the Council can utilise, for example recovery from the perpetrator, through the Council's insurers, or through legal proceedings.

5. General Processes

- 5.1 This Investigative Approach will be available to staff and members through the Council's intranet. It is acknowledged that circumstances may dictate further updates to the plan, and as such any changes can be made subject to agreement between the Section 151 Officer, Internal Audit Consortium Manager and Human Resources Manager.
- 5.2 The Internal Audit Consortium Manager will remain responsible for ensuring that records in respect of fraud cases are appropriately maintained, and, in line with guidance issued by The National Archives, records relating to proven frauds will be maintained for at least 6 years.

Appendix 2

Corporate Counter Fraud Awareness Action Plan

Aim	Actions	Outcome
In the short term to maintain a specialist fraud investigative team and to investigate the future provision for fraud in light of the Single Fraud Investigation Service	<p>We have a dedicated Senior Investigations and Enforcement Officer working to counter fraud on a daily basis.</p> <p>All audit staff are trained to prevent and detect fraud, as part of their professional studies.</p> <p>Investigate the future provisions that are available for the Corporate fraud provision.</p>	Targeted, consistent fraud resources, to identify, professionally investigate and deter fraud.
To measure exposure to fraud risk and address fraud risks identified.	<p>There is a corporate risk register and relevant fraud risks are recorded therein.</p> <p>There is also national data available through the National Fraud Initiative which is analysed periodically, data from the Housing Benefit Matching Service, information from National Anti Fraud Network and information sharing with External Audit.</p>	A record of potential fraud risks and a record of these are mitigated and monitored.
To undertake validation / verification checks on areas at risk of fraud.	These are identified as part of the annual audit planning process and also during each audit. These will be tested to gain assurance that fraud risks are appropriately mitigated.	A Council that is pro-active in mitigating the risk of fraud.
To increase internal fraud awareness	<p>We will increase the awareness of fraud among employees through:</p> <ul style="list-style-type: none"> • Targeted fraud awareness training for key teams and staff in high fraud risks areas; • General fraud training for all staff and members; • Consideration of other publicity methods i.e. counter fraud item in 	<p>A counter fraud and corruption culture.</p> <p>Staff are alert to the risk, and indicators, of fraud.</p> <p>Staff know when and how to report fraud concerns.</p> <p>Fraudsters are deterred from committing fraud.</p>

	<p>Council's magazine, counter fraud newsletter, counter fraud pages on the Intranet.</p> <ul style="list-style-type: none"> • Regular promotion of the Whistleblowing Policy and ways staff can report concerns; • This Strategy and the Whistleblowing Policy being accessible to staff through the Intranet. 	
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Appendix 3



ANTI MONEY LAUNDERING POLICY

Author	Corporate Risk Officer
Date	January 2016
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GREAT YARMOUTH BROUGH COUNCIL

ANTI MONEY LAUNDERING POLICY

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INTRODUCTION

Context

- 1.1 This Policy, and the accompanying procedures and reporting forms, represents an important part of the Council's approach to dealing with the risk of fraud and corruption. This Policy seeks to complement the Anti Fraud, Corruption and Bribery Policy and Whistleblowing Policy and contribute to the overall framework of Corporate Governance established to ensure that the Council is well managed and fulfils its statutory and regulatory duties in a proper and responsible manner.

Purpose and Rationale

- 1.2 The risks to the Council of contravening money laundering legislation are relatively low and some aspects of the legal and regulatory requirements do not apply to public authorities. However, it is recognised that the Council is not completely immune from the risks surrounding money laundering. 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, by developing a suitable framework of arrangements to safeguard itself against action of this nature, whilst making satisfactory provisions to achieve compliance to legal and regulatory requirements, where appropriate.

Scope of the Policy

- 1.3 This Policy applies to all employees of the Council and aims to prevent criminal activity through money laundering. It is extremely important that all members and employees are familiar with their legal responsibilities and are vigilant at all times. Serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO).
- 1.4 Failure by any employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

What is Money Laundering?

- 4.1 Money laundering is a term designed too covers 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. The Proceeds of Crime act 2002 (POCA), as amended by the Serious Organised Crime and Police Act 2005, creates a range of criminal offences arising from dealing with proceeds of crime. The four main offences that may be committed under money laundering legislation are:

- Concealing, disguising, converting, transferring or removing criminal property from anywhere within the UK;
- Entering onto or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Acquiring, using or possessing criminal property;
- Doing something that might prejudice an investigation – for example, falsifying a document;

There are also two ‘third party’ offences:

- Failing to disclose information relating to any of the above money laundering offences; and,
- “Tipping off” – informing someone who is, or is suspected of being involved in money laundering activities, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

These money laundering offences may be committed by an organisation or by individuals working for an organisation.

- 1.2 “Criminal Property” has a relatively broad definition in money laundering legislation and no financial ceiling has been specified above which organisations are obliged to take action when money laundering activities are suspected. Benefiting from ‘criminal property’ can work on two levels, an individual benefiting financially from the proceeds of a crime they have committed themselves, or an individual benefiting from the proceeds of a crime/dishonest activities perpetrated by someone else. No matter how large or small the sum of money involved in these dishonest activities, the full weight of the money laundering legislation and regulations will apply regardless of the financial sums identified.

The legal and regulatory framework and the obligations that it places on the Council

- 1.3 The main laws and regulations which set out the money laundering regulations are:

- The Proceeds of Crime Act 2002 (amended by the Serious Organised Crime and Police Act 2005 and further amended by the Serious Crime Act 2015)
 - The Terrorism Act 2000 (amended by the Anti-Terrorism and Security Act 2001 and Terrorism Act 2006 and further amended by the Money Laundering Regulations 2007)
 - The Money Laundering Regulations 2015 (which supersede the money laundering regulations 2007 and 2012)
- 1.4 The Terrorism Act 2000 makes 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. Under the Terrorism Act 2000, all individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.
- 1.5 The 2012 Money Laundering Regulations establish that as long as businesses are not operating within the “regulated sector”, then the offences of failing to disclose suspicions of money laundering, and tipping off, do not apply. The list of businesses within the regulated sector does not include local authorities, and as such these offences do not apply to the Council. Furthermore, the 2003 Money Laundering Regulations, which preceded the 2012 regulations, made organisations responsible for undertaking “relevant business” to have appropriate systems in place for the reporting of money laundering, staff training, and identifying and keeping records of money laundering
- 1.6 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued 2 sets of guidance on how legal and regulatory provisions impact on public authorities. CIPFA has confirmed that local authorities were not a “relevant business” in terms of the 2003 Money Laundering Regulations and are therefore not required to have systems in place to identify record and report money laundering.
- 1.7 However, CIPFA has also advised that ‘it is prudent and responsible practice for public service organisations, including those outside the scope of the regulations, to put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable them to detect and avoid involvement in the crimes described in the legislation and regulations.’ There could also be a “substantial reputational risk for an authority which does not have such procedures in place”.
- 1.8 This Policy and the working practices aligned to it have been designed to address the risk the Council may face if it does not properly address the

potential for money laundering. As a responsible authority, we need to be mindful that a money laundering offence could be committed by an employee, or the Council could be a victim of such an offence.

6 THE COUNCIL'S RESPONSE

6.1 The Council is responsible to undertake the following:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from Members or employees of money laundering activity (their own or anyone else's)
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain client identification procedures (see section 7.0) in certain circumstances and
- Maintain records

7 The Money Laundering Reporting Officer

7.1 The Council has nominated the Chief Executive as the Money Laundering Reporting Officer (MLRO); in their absence, the Internal Audit Consortium Manager acts as the Deputy Money Laundering Reporting Officer. Their contact details are as follows:

Chief Executive Officer
Manager
Town Hall
Hall Plain
Great Yarmouth
Norfolk
NR30 2QF

Internal Audit Consortium

South Norfolk House
Swan Lane
Long Stratton
Norfolk
NR15 2XE

Sheila.oxtooby@great-yarmouth.gov.uk

Ehodds@s-norfolk.gov.uk

8 Reporting to the Money Laundering Reporting Officer (MLRO)

8.1 The primary duty of any employee, member or third party under this Policy is to ensure that any suspicions or concerns that money laundering has occurred, or is likely to occur, should be reported to the MLRO as soon as the suspicion arises. The disclosure should be within 'hours' of a suspicious activity coming to an individual officer's attention, rather than several days or weeks later.

Delays or failure to report may leave you personally liable to prosecution.

- 8.2 To support the above process, **Appendix 1** provides information on the types of activities where the Council may be subject to money laundering offences and guidance to staff on situations where money laundering activities could occur.
- 8.3 All available information needs to be given to the MLRO to enable them to make an informed judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare a report to the National Crime Agency (NCA) NCA, for example:
- Full details of the people involved (including yourself, if relevant) e.g. name, date of birth, address, company names, directorships, phone numbers etc,
 - Full details of the nature of their / your involvement
 - The types of money laundering activity involved. (The MLRO can help identify this)
 - The dates of such activity, including whether the transactions have happened, are ongoing or are imminent
 - Where they took place
 - How they were undertaken
 - The (likely) amount of money / assets
- 8.4 Suspicions can be raised through direct contact with the MLRO; however it is preferable to use the reporting form which has been developed at **Appendix 2**, and e-mail / post the completed form to the MLRO.
- 8.5 The employee, member or third party should not make any further enquiries into the matter themselves and any further action must be with the approval of the MLRO. Those who have raised a concern should ensure that they do not then voice their suspicions to the suspect or tell them that you have reported the transaction. Otherwise you may commit a criminal offence of ‘tipping off’ which carries a maximum penalty of 5 years imprisonment and unlimited fine.
- 8.6 Upon receipt of a disclosure report the MLRO must acknowledge receipt and confirm the timescale within which they expect to respond.
- 8.7 The MLRO is required to promptly evaluate any concerns/disclosures raised and determine whether they require further investigation and hence referral to the NCA, using the reporting forms included at **Appendix 2**. The MLRO should not undertake investigation of any concerns themselves. Where legal professional privilege may apply, the MLRO must liaise with the Solicitor of the Council to determine the further action to be taken.

- 8.8 Where money laundering is suspected the MLRO will report to NCA, by making Suspicious Activity report and also notify the Internal Audit Consortium Manager, Interim Head of Finance and the Monitoring Officer.
- 8.9 In some cases, it may be necessary to seek approval from NCA before the Council can undertake any further activity in respect of the transaction. Where the MLRO has made such a referral to NCA, they will notify the person raising the concern, and again inform the individual when NCA has provided permission for the transaction to proceed.
- 8.10 If a request for consent has been made to NCA, no action should occur for a period of 7 days or until NCA gives consent. If this results in a transaction having to be deferred or delayed, it should be carefully handled to ensure that the customer is not tipped off as to the money laundering concern.
- 8.11 After 7 days, if NCA does not notify otherwise, they are deemed to have given consent to the transaction. If NCA instead notifies they refuse to give consent, they have a further 31 calendar days to take action, a moratorium period of 31 days starts on the day the Council receives the refusal notice. During this period, the Council cannot proceed with the matter for which the consent was applied. At the expiry of the 31 days if we have not heard anything, NCA is deemed to have consented to the request and the Council can proceed.
- 8.12 The MLRO should retain the details of any referrals made, including correspondence with the necessary bodies, using the forms included in **Appendix 2**. All information should be retained for a minimum of 6 years.
- 8.13 To ensure the Council minimises the risk of tipping off, and to minimise any reputational damage should the suspicion be unfounded, the confidentiality of the matter will be respected at all times; the MLRO will only inform anyone of the suspicion where there is a genuine business need.

9 Customer Due Diligence

- 9.1 The Council does undertake activities that may be considered, under the Money Laundering Regulations, to be regulated, however it does not undertake these activities by way of business, and therefore would not normally be expected to undertake due diligence in respect of any clients to whom it provides these services. The types of activities that are regulated are:
- Credit and Financial institution,
 - Legal, Auditors, Accountants and Tax Advisers,
 - Trust of Company service providers
 - Estate Agents
 - Casinos,
 - High value dealers i.e. dealing in goods of any description whenever a transaction involves accepting a total cash payment of more than €15,000.

- 9.2 However, it is good practice that wherever the Council does enter into such activities with a third party then due diligence checks should be actioned before the establishment of a relationship/transaction with the third party. Anyone entering into such transactions should refer these to the MLRO to undertake due diligence checks.
- 9.3 Undertaking customer due diligence checks can take a number of forms. HM Revenues and Customs has issued “core guidance” in this area. Consideration should be given to taking one or more of the following, where applicable:
- Confirming the identity of the client via documentation, data or information obtained from a reliable and independent source, e.g. passport, and/or position within an organisation, where appropriate.
 - Obtaining confirmation from Companies House as to the registration details of the Company and details of the Company business.
 - Seeking electronic verification, e.g. performing credit checks.
 - Obtaining confirmation to regulated industries bodies (e.g. in the case of accountants, checking to CCAB certified bodies).
 - Requesting copies of financial statements.
 - Requesting details of interests and beneficial ownerships – with reference to the latter this is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
 - Obtaining information on the purpose and intended nature of the business relationship.
- 9.4 Examples of other available internal information that may be considered relevant are:
- 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
- 9.4 Any checks undertaken should remain proportionate to the risks of the individual business and the relationship. Additional checking may need to be performed if the person is not physically present to be identified, or they are politically exposed, by virtue of holding a prominent public function. Details of such checks should be recorded on the reporting forms in **Appendix 2** and retained for a minimum of 6 years, with an electronic copy of every customer due diligence record being retained by the MLRO to meet the requirements of the regulations and in case of inspection by the relevant supervising body.
- 9.5 There is also now an ongoing legal obligation to check the identity of existing clients and the nature and purpose of the business relationship with them at appropriate times. One option to review these matters might be to do so as part of the ongoing monitoring of the business arrangements, as is usually provided for in the Terms of Business Letter, Service Level Agreement or other written record, as well as scrutinising transactions as they occur, paying

particular attention to complex or unusually large transactions, unusual patterns of transactions and/or unexpected transactions, etc.

- 9.6 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; or
 - There are reasonable grounds to know or suspect that is the case and
 - Whether they need to seek consent from NCANCA for a particular transaction to proceed.
 - Where the MLRO concludes a referral is needed then they must disclose the matter as soon as possible to the NCANCA
- 9.7 Where the MLRO suspects either:
- Money laundering but has reasonable excuse for nondisclosure: or
 - Concludes that there are no reasonable grounds to suspect money laundering:

They must note the report accordingly and give immediate consent for any ongoing or imminent transactions to proceed.

- 9.8 Where money laundering is suspected the MLRO will report to NCA, by making Suspicious Activity report and also notify the Internal Audit Consortium Manager, Interim Head of Finance and the Monitoring Officer.

10 Training

- 10.1 The Council will take appropriate measures to ensure that all employees are made aware of the law relating to money laundering and will arrange targeted, ongoing training to key individuals most likely to be affected by the legislation.

11 Further Information

- 11.1 Further information can be obtained from the MLRO and the following sources:

- www.nationalcrimeagency.gov.uk – website of the National Crime Agency
- HMRC.gov.uk
- Anti Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants, published by CCAB www.ccab.org.uk
- Money Laundering Guidance at www.lawsociety.org.uk
- The Money Laundering Regulations 2012 at: <http://www.hm-treasury.gov.uk>

12 Review of the Policy

- 12.1 The Policy will be reviewed at least every 3 years, by the Money Laundering Reporting Officer and Internal Audit Consortium Manager (or more frequently if required by changes to statutory legislation) and approved by Cabinet. Subsequent to any approval, the following parties shall be consulted:
- Senior Council Officers responsible for receiving suspicions of money laundering activities
 - The Council's Executive Management Team
 - Audit and Risk Committee
- 12.2 On an annual basis, Section 6 of the Policy, which provides details of the key parties responsible for money laundering reporting activities, shall be reviewed by the Money Laundering Reporting Officer, the Internal Audit Consortium Manager and Corporate Risk Officer to ensure that details remain relevant and up-to-date. This review will not require re-endorsement of the Policy.

How the Council may be exposed to Money Laundering

1 Guidelines to staff and members on concerns or suspicions

It is anticipated that the most likely scenario in which a money laundering issue may arise is where officers unwittingly become concerned or involved in an arrangement which we know or suspect enables criminal property to be retained or acquired by a third party.

- 1.1 If you do have any suspicions or concerns about an individual or transaction then it is always better to raise those concerns appropriately. If necessary, you may wish to use the Council's Whistleblowing Policy for further support and guidance on how to raise a concern. Conversely, if in doubt, seek advice from the MLRO.
- 1.2 Although some offences and suspicions may be fairly apparent, some can be more difficult to identify. The simple guidance is to be vigilant, and not be afraid to question something if you don't think looks right. If you think something looks suspicious, then the probability is someone else may also think the same. It is better for the Council to be safe when handling public money – it would not reflect well on the Council's reputation if it was found we had taken monies that were obtained through theft, drug trafficking, terrorism, etc.
- 1.3 It is recognised that a lot of the Council's activities are sensitive in nature, and in cases what, to some people, may be suspicious or concerning behaviour, from a money laundering perspective may not necessarily be in line with the activity occurring. However, people should always be mindful of genuine concern and suspicion.

2 The types of activities that may be affected

- 2.1 The following table sets out the types of activities that might be suspicious, and how the Council may come across those activities. It is not intended to be exhaustive, and just because something you are suspicious about is not on the list, it doesn't mean you shouldn't report it.

Activity	The types of activity that may be affected
New customers with high value transactions	<ul style="list-style-type: none"> • Selling property to individuals or businesses • Renting out property to individuals or businesses • Entering into other lease agreements • Undertaking services for other organisations
Secretive clients	<ul style="list-style-type: none"> • Housing benefit claimants who have sums of money entering into / out of their bank account (even if we do not award them benefit, we should still consider money laundering implications)

	<ul style="list-style-type: none"> • People buying or renting property from the Council who may not want to say what it is for • People receiving grant funding who refuse to demonstrate what funding was used for
Customers who we think are acting dishonestly or illegally	<ul style="list-style-type: none"> • People paying for Council services who do not provide details about themselves • People making odd or unusual requests for payment arrangements
Illogical transactions	<ul style="list-style-type: none"> • People paying in cash then requesting refunds • Requests for the Council to pay seemingly unconnected third parties in respect of goods / services provided to the Council • Requests for the Council to pay in foreign currencies for no apparent reasons
Payments of substantial sums by cash	<ul style="list-style-type: none"> • Large debt arrears paid in cash • Refunding overpayments • Deposits / payments for property
Movement of funds overseas	<ul style="list-style-type: none"> • Requests to pay monies overseas, potentially for "tax purposes"
Cancellation of earlier transactions	<ul style="list-style-type: none"> • Third party "refunds" grant payment as no longer needed / used • No payment demanded even though good / service has been provided • Sudden and unexpected termination of lease agreements
Requests for client account details outside normal course of business	<ul style="list-style-type: none"> • Queries from other companies regarding legitimacy of customers • Council receiving correspondence / information on behalf of other companies
Extensive and over-complicated client business structures / arrangements	<ul style="list-style-type: none"> • Requests to pay third parties in respect of goods / services • Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties
Poor accounting records and internal financial control	<ul style="list-style-type: none"> • Requests for grant funding / business support indicates third party not supported by financial information • Companies tendering for contracts unable to provide proper financial information / information provided raises concerns • Tender for a contract which is suspiciously low
Unusual property investments or transactions	<ul style="list-style-type: none"> • Requests to purchase Council assets / land with no apparent purpose • Requests to rent Council property with no apparent business motive
Overcomplicated legal arrangements / multiple solicitors	<ul style="list-style-type: none"> • Property transactions where the Council is dealing with several different parties

MONEY LAUNDERING REPORT FORM

Employee Details

Name _____

Department / Section _____

Date Reported _____

Contact details _____

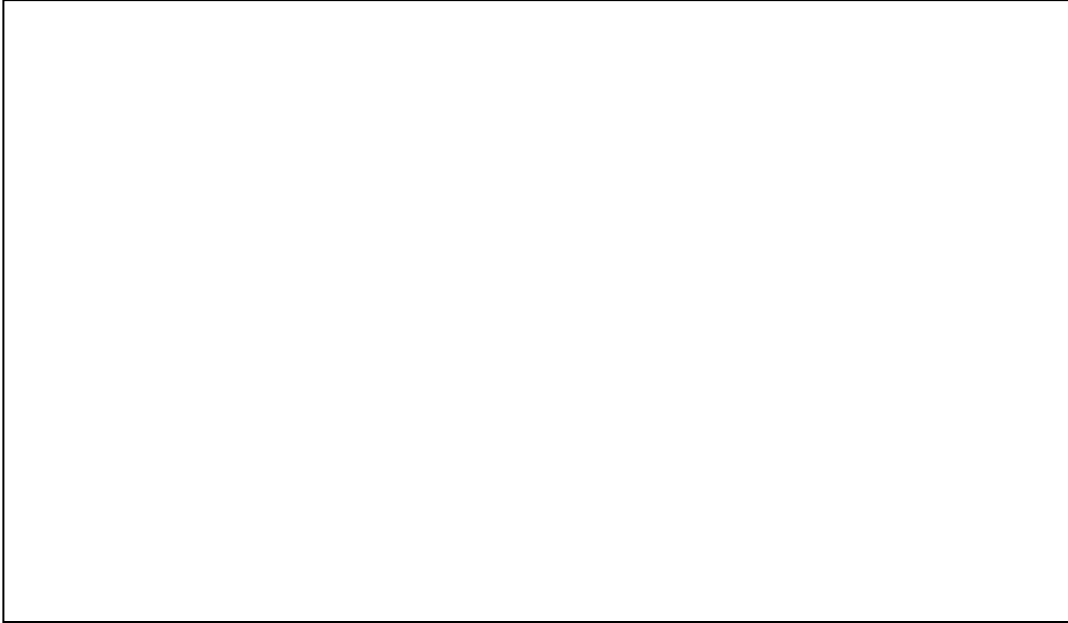
Offence Details

Identities of the person(s) / company (s) subject to the enquiry

Address and contact details of the subject

Nature and details of the activity – please include whether this has already occurred or is likely to occur, where / when this occurred and how it arose – please continue on another sheet if necessary. Please include details of all transactions.

Investigations – has any investigation already occurred? If so, please detail below

A large, empty rectangular box with a thin black border, intended for providing details of any investigations that have occurred.

Discussions – have you discussed your suspicions with anyone – including any advisory bodies

A large, empty rectangular box with a thin black border, intended for providing details of any discussions regarding suspicions.

Disclosure – is there any reason why you believe this should not be disclosed to NCA?

A large, empty rectangular box with a thin black border, intended for providing reasons why information should not be disclosed to the NCA.

Further Information – if there is any further information you believe to be relevant, please include here:

Signed _____

Date _____

This form should now be passed directly to the Money Laundering Reporting Officer

**MONEY LAUNDERING DISCLOSURE FORM – TO BE COMPLETED BY
THE MONEY LAUNDERING REPORTING OFFICER**

Date of Report being made _____

Subject of investigation

Will this matter be reported to NCA? _____

Date of report to NCA _____

If this is not being reported, why not?

Officer referring customer _____

Contact details for officer _____

Is consent required from NCA for transaction to occur? Yes / No

If so:

Contact details of NCA liaison

Has consent been received within 7 days? Yes / No

After 7 days, has notification been given to employee? Yes / No

Has consent been denied by NCA? Yes / No

After moratorium, has notification been given to employee? Yes / No

Can the Council Proceed with the Transaction? Yes / No

Signed _____

Name _____

Date _____

**CUSTOMER DUE DILIGENCE FORM – PRIVATE INDIVIDUAL
TO BE COMPLETED BY THE MONEY LAUNDERING REPORTING OFFICER**

Officer referring customer _____

Contact details for officer _____

Name of individual _____

Address

Date of Birth _____

Telephone number _____

E-mail address _____

Summary of Transactions and role of the individual

Evidence of Identity obtained: (photocopies of all evidence should be attached to this form)

Face to Face Contact? Yes / No

Is the Client Politically Exposed? Yes / No

Is the transaction by nature high risk? Yes / No

Is further enhanced verification required (if yes to any of the above three questions, enhanced verification is required): Yes / No

If enhanced verification required, please detail all checks performed:

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Can the Council proceed with the transaction? Yes / No

Signed _____

Date _____

CUSTOMER DUE DILIGENCE FORM – BUSINESS
TO BE COMPLETED BY THE MONEY LAUNDERING REPORTING OFFICER

Officer referring customer _____

Contact details for officer _____

Name of business _____

Purpose of business _____

Companies House Registration Number _____

Registered business address

Telephone number _____

E-mail address _____

Type of organisation (PLC, LLC, Sole trader etc) _____

Who are the Companies Directors – are there any beneficial owners (i.e. any person / company who owns more than 25% of the company in question)

--

Date of first contact with Company _____

Nature of transaction with company

Please attach details of all checks undertaken to verify the evidence of this company.

Can the Council proceed with the transaction? Yes / No

Signed _____

Date _____