

Gloucester City Council

Meeting:	SMT	Date:	3 rd March 2015
	Audit & Governance Committee		16 th March 2015
	Council		21 st May 2015
Subject:	Review of Anti-Fraud & Corruption policies		
Report Of:	Audit, Risk & Assurance Manager on behalf of the Corporate Governance Group		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	5 -		
	Appendix A – Anti-Fraud & Corruption policy		
	Appendix B – Whistleblowing Policy		
	Appendix C – Fraud Response Plan		
	Appendix D – Anti-Bribery Policy		
	Appendix E – Anti-Money Laundering Policy		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek approval for revisions to the Anti-Fraud and Corruption policies the Council has in place.

2.0 Recommendations

- 2.1 Audit & Governance Committee is asked to **RECOMMEND TO COUNCIL**, subject to any amendments the Committee wishes to make, that the policies and plan in Appendices A to E of this report be approved.
- 2.2 Council is asked to **RESOLVE**, subject to any amendments Council wishes to make, that the policies and plan in Appendices A to E of this report be approved.

3.0 Background and Key Issues

- 3.1 The Terms of Reference for the Audit & Standards Committee include the requirement to “Monitor the operation of the Council’s codes and procedures (see Part 5 of the Constitution)” and to “advise the Council on the adoption or revision of

such codes". The Council's Anti-Fraud & Corruption policies form part of 'Part 5 of the Constitution'.

3.2 In addition, the Council's strategic risk register identified the need for review of these policies. The policies were previously reviewed in January 2014 for 'name changes' only.

3.3 Recent best practice guidance issued by Public Concern at Work has also resulted in the need to review the Council's Whistleblowing policy. Public Concern at Work is an independent charity that provides free advice for persons who wish to express concern about fraud and other serious malpractice.

4.0 Progress

4.1 As a result of the above, the following policies have been reviewed:-

4.1.1 Anti-Fraud and Corruption Policy

Subject to the comments in para. 3.2 above, the 'current' policy was last formally reviewed in February 2012. The main changes to the revised policy relate to:-

- Housing Benefit Fraud – fraud cases investigated by the Department for Work & Pensions (DWP) under the Single Fraud Investigation Service (SFIS);
- Changes to job titles.

4.1.2 Whistleblowing Policy

Subject to the comments in para 3.2 above, the 'current' policy was last reviewed in June 2013. The main changes to the revised policy relate to:-

- The individual who raises a concern has to have a reasonable belief that the disclosure is in the public interest - as per requirements of the Enterprise and Regulatory Reform Act 2013;
- Changes to job titles.

4.1.3 Fraud Response Plan

This was introduced as a new policy in February 2012, and subject to the comments in para 3.2 above, has not been formally reviewed since this date. The main changes to the revised policy relate to:-

- Housing Benefit Fraud – fraud cases investigated by the Department for Work & Pensions (DWP) under the Single Fraud Investigation Service (SFIS);
- Additions to the list of people to whom concerns can be raised. The list now includes the Head of Legal and Policy Development & Monitoring Officer, the Section 151 Officer, and the Head of Paid Service, as well as the (existing) Audit, Risk & Assurance Manager;
- Changes to job titles.

4.1.4 Anti-Bribery Policy

This was introduced as a new policy in February 2012, and subject to the comments in para 3.2 above, has not been formally reviewed since this date. The main changes to the revised policy relate to job titles only.

4.1.5 Anti-Money Laundering Policy

This was introduced as a new policy in February 2012, and subject to the comments in para 3.2 above, has not been formally reviewed since this date. The main changes to the revised policy relate to:-

- Scope of policy extended to include any contractors responsible for receiving money on behalf of the Council.
- Changes to job titles.

5.0 **Alternative Options Considered**

- 5.1 The Council could choose not to review its anti-fraud and corruption policies but this would lead potentially to the Council having policies that are out of date and not fit for purpose. Also, by not having a reporting mechanism in place where individuals can raise their concerns, may lead these individuals to report matters outside of the Council with consequential impacts upon the reputation of the Council.

6.0 **Reasons for Recommendations**

- 6.1 It is good practice to review and maintain policies to ensure that they remain compliant and fit for purpose. They also help to ensure that the Council is minimising the risk of fraud and corruption occurring within the Council's business.

7.0 **Future Work and Conclusions**

- 7.1 In order to raise awareness of these revised policies, following approval, these policies will be put on the Council's website and Netconsent, and awareness training will be carried out for both staff and Members.

8.0 **Financial Implications**

- 8.1 As set out in the report.

(Financial Services have been consulted in the preparation this report.)

9.0 **Legal Implications**

- 9.1 As set out in the main body of the report, the Council is required to have in place a number of policies and procedures to deal with matters such as fraud, bribery and corruption, and, money laundering. In some cases, the Council may face prosecution if it fails to have appropriate policies and procedures in place.

(Legal Services have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

- 10.1 The Council must have up to date policies in place and ensure all Members and staff are aware of their responsibilities under these policies. Failure to do so places the Council's reputation and finances at risk and renders the Council unable to properly deal with situations that require management action.

11.0 People Impact Assessment (PIA):

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 None identified.

Sustainability

- 12.2 None identified.

Staffing & Trade Union

- 12.3 Staff are required to be aware of, and comply with, the Council policies that are relevant to their work area.

Background Documents: None

APPENDIX A

GLOUCESTER CITY COUNCIL ANTI-FRAUD AND CORRUPTION STRATEGY

1. Introduction

1.1 The City Council is committed to eliminating fraud and corruption whether it is attempted on or from within the Council, and is committed to an effective Anti-Fraud and Corruption Strategy designed to: -

- encourage prevention;
- promote detection; and
- identify a clear pathway for investigation.

1.2 The Council's expectation on propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to rules, procedures and recommended practices.

1.3 The Council also expects that individuals and organisations (e.g. suppliers/contractors) will act towards it with honesty and integrity and without thought or actions involving fraud or corruption.

1.4 The Council's Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover: -

- Culture (Section 2)
- Risk (Section 3)
- Prevention (Section 4)
- Detection and Investigation (Section 5)
- Council Policies (Section 6)
- Training (Section 7)

1.5 In addition to its own internal controls and procedures, the Council is also subject to a high degree of external scrutiny of its affairs, by a variety of bodies including: -

- Local Government Ombudsman
- External Auditor
- Central Government Departments

- HMRC
- The Department for Work and Pensions (DWP)

- 1.6 Fraud has been defined by the Audit Commission as: *“Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss, or expose another to the risk of loss.”*
- 1.7 The Fraud Act 2006 states that a person is guilty of fraud if they are in breach of the following Sections of the Act:
- Section 1 – Fraud by False Representation
 - Section 2 – Fraud by failing to disclose information
 - Section 3 – Fraud by abuse of position
- 1.8 The Council’s Fraud Response Plan provides guidance on action to be taken in the event of Councillors and employees becoming aware of, or suspecting a fraud act being committed on the Council by a Councillor, employee, contractor, service user, or other member of the public.
- 1.9 Corruption has been defined as *“the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”* and *“the failure to disclose an interest in order to gain financial or other pecuniary gain.”*
- 1.10 There are corruption offences incorporated into the Bribery Act 2010. Under this Act offences relate to both the offering, promising, or giving of a bribe, and to the receipt of bribes.
- 1.11 The Council’s Anti-Bribery Policy provides guidance on action to be taken in the event of Councillors and employees becoming aware of, or suspecting a corrupt act being committed on the Council by a Councillor, employee, contractor, service user, or other member of the public.

2. Culture

- 2.1 The Council has determined that the culture and tone of the organisation will continue to be one of honesty and opposition to fraud and corruption. This is reflected in the Council’s Constitution which includes the Seven General Principles of Conduct. These include the principles of integrity, openness, and, honesty.
- 2.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with integrity and that Councillors and Council staff, at all levels, will lead by example in these matters.
- 2.3 The Council’s staff are an important element in its stance on fraud and corruption and the Whistleblowing Policy encourages staff to raise any concerns that they may have on these issues, where they are associated with the Council’s activities. They can do this in the knowledge that such concerns will be treated in confidence and

properly investigated. If necessary, a route, other than the person's usual line manager, can be used to raise such concerns. Examples of such routes are to the:

- Audit, Risk & Assurance Manager
- Head of Legal and Policy Development & Monitoring Officer
- Section 151 Officer; or
- Head of Paid Service

2.4 Members of the public are also encouraged to report concerns through the above routes, plus either their Ward Member, or any Member of the City Council.

2.5 Members of the Council may also voice their concerns through various ways such as the Head of Paid Service, Head of Legal and Policy Development & Monitoring Officer, Section 151 Officer, or Audit, Risk & Assurance Manager.

2.6 The investigation of any suspicions of fraud or corruption (not related to Benefit Fraud) being committed against the Council by, for example, other members of staff, other managers, other Councillors, a service user, a contractor of the Council, or a member of the public, will be carried out by the Audit, Risk & Assurance Manager.

2.7 Allegations relating to Housing Benefit fraud will be passed to the Civica Benefits Team for initial investigation. Under the new Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). If the initial investigation carried out by the Civica Benefits Team identifies that a benefit claim may be fraudulent, then it will be passed to the DWP for formal investigation.

2.8 Managers will be expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council should be considered as robust in dealing with financial malpractice.

2.9 It is necessary to ensure that any investigation process is not misused and any abuse, such as raising unfounded malicious allegations, may be dealt with as a disciplinary matter.

3. Risks

3.1 With regard to fraud and corruption risks, the Senior Management Team (SMT) and Heads of Service will ensure that:

- All possible fraud and corruption risks are identified
- Risks are assessed and scored in terms of probability and severity
- Mitigating controls are identified and assessed
- Actions necessary to reduce mitigated risk scores are specified

All the above will be recorded in the Council's risk register.

3.2 Each year, SMT and Heads of Service will ensure that fraud risks in the risk register are reviewed, by:

- Identifying new risks (if appropriate)
- Deleting risks which no longer exist
- Reviewing mitigating controls and scores
- Assessing the effectiveness of action taken to reduce scores, and achieve targets

3.3 Review work will be recorded in the fraud risk register, and will be reported to SMT, the appropriate Cabinet Member, and, to the Audit & Governance Committee.

4. Prevention

4.1 Staff

- (a) The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regard, temporary and agency staff should be treated in the same manner as permanent staff.
- (b) Staff recruitment is required to be in accordance with procedures laid down in the Council's Recruitment and Selection policy. The policy includes safeguards on matters such as determining eligibility to work in the UK, obtaining written references regarding the known honesty and integrity of potential staff, and verifying professional and educational qualifications of new employees...
- (c) Council staff are expected to follow any Code of Conduct related to their professional institute and also to abide by the Council's Officer's Code of Conduct, which sets out the Council's requirements on personal conduct.
- (d) The Council has a Disciplinary Procedure in place to ensure that poor standards of work and conduct are addressed.

4.2 Members

- (a) Members are required to work in accordance with the Council Constitution and within current legislation
- (b) The Monitoring Officer in consultation with the Council's Audit & Governance Committee will ensure that training is provided for all elected Members at the beginning of each Civic Year and as and when required

- (c) Every elected Member is required to sign a Declaration of Acceptance of Office which also includes the declaration that they will abide by the Council's Code of Conduct.
- (d) Forms for the Declaration of Interests are issued at the beginning of each Civic Year and at any other such time that the Member requests.
- (e) Members are also required to declare (if they have any) any known interests at the start of each meeting and/or at any point in the meeting where they discover they have such an interest

4.3 Systems

- (a) The Council has Standing Orders, Contract Standing Orders, and Financial Regulations in place that require Members and staff, when dealing with the Council's affairs, to act in accordance with best practice.
- (b) The Members of the Council are responsible for regulating and controlling the finances of the City Council and the Head of Finance, for the purposes of Section 151 of the Local Government Act 1972, is responsible under the general direction of the Members for the proper administration of the Council's financial affairs. Financial codes of practice and accounting instructions have been developed, which outline the systems, procedures, and responsibilities of staff, in relation to the Council's financial activities. These have been widely distributed to staff throughout the Council.
- (c) The Council has developed, and is committed to continuing with, systems and procedures, which incorporate efficient and effective internal controls, and adequate separation of duties. All managers should ensure that such controls are properly maintained and documented, and should notify the Head of Finance of any major changes to agreed procedures and controls. As part of the system for producing the Annual Governance Statement, all Directors and managers are required to complete an Assurance Statement on the adequacy of their internal controls. In addition the Council's Audit & Assurance Service independently monitors the existence and appropriateness of internal controls.

4.4 Combining with Others

- (a) Arrangements are in place and are continually being developed to encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity.
- (b) These include: -
 - * Police
 - * County, Unitary, and, District Councils

- * NHS Bodies
- * Department for Work and Pensions (DWP)
- * National Fraud Initiative
- * National Anti Fraud Network (NAFN)

5. Detection and Investigation

- 5.1 The array of preventative systems, particularly internal control systems within the Council, are designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
- 5.2 It is often the alertness of staff, Members and the public to indicators of fraud and corruption that enables detection to occur and the appropriate action to take place.
- 5.3 Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or by 'tip-offs', and the Council has in place arrangements for dealing with such information. These are shown within this Strategy at paragraph 2.3 above.
- 5.4 Staff of the City Council are required by its Financial Regulations, and the Complaints Procedure, to report all suspected irregularities to the Audit, Risk & Assurance Manager. Reporting is essential to the Anti-Fraud and Corruption Strategy and: -
 - * Ensures the consistent treatment of information regarding fraud and corruption
 - * Facilitates proper investigation by the Audit & Assurance service.
- 5.5 Allegations relating to Housing Benefit fraud should be reported to the Civica Benefits Team for initial investigation. Under the new Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). If the initial investigation carried out by the Civica Benefits Team identifies that a benefit claim may be fraudulent, then it will be passed to the DWP for formal investigation.
- 5.6 Depending on the nature and extent of the allegations, the Audit & Assurance team will normally work closely with management and other agencies, such as the police, to ensure that all allegations are properly investigated and reported upon.
- 5.7 The Council's Disciplinary Procedure will be used where the outcome of the audit investigation indicates improper behaviour.

- 5.8 The Council will normally wish the police to be made aware of, and to independently prosecute offenders where financial impropriety is discovered. Referral to the police is a matter for the Head of Legal and Policy Development & Monitoring Officer and the Head of Finance .

6. Council Policies

The Council policies for preventing, detecting, managing, and, reporting theft, fraud and corrupt conduct include (but are not limited to):-

- Codes of Conduct for members and employees.
- The Constitution (including Standing Orders, Financial Regulations, and the Scheme of Delegation).
- Registers of Interests, Gifts and Hospitality.
- Disciplinary Rules and Procedures.
- The Whistle-Blowing Policy.
- Procurement Strategy.
- Risk Management Strategy.
- Recruitment procedures (pre-employment vetting, references, etc).
- Anti-Bribery Policy.
- Money Laundering Policy.
- Fraud Response Plan.

7. Training

- 7.1 The Council recognises that the success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of appropriate training, and the responsiveness of staff and Members throughout the organisation.
- 7.2 To facilitate this, the Council supports induction training for Members and staff.
- 7.3 Investigation of fraud (non benefit) and corruption will normally centre on the Council's Audit & Assurance Service Team. Under the new Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). Staff involved in this work should therefore be properly and regularly trained.

8. Conclusion

- 8.1 The Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

8.2 To this end, the City Council, and the Head of Finance in particular, will maintain a continuous overview of the authority's arrangements for combating fraud and corruption. This policy document will also be subject to regular review.

February 2015

APPENDIX B

GLOUCESTER CITY COUNCIL WHISTLEBLOWING POLICY

1.0 Raising Concerns at Gloucester City Council

1.1 All of us at one time or another have concerns about what is happening at work. Usually these concerns are easily resolved. However, when they are about:-

- possible fraud and corruption
- financial irregularities
- discrimination
- unethical conduct or a breach of the law
- health and safety risks/dangerous working conditions
- damage to the environment
- an unlawful act
- deliberate concealment of any of the above

it can be difficult to know what to do.

1.2 Gloucester City Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, the Council has introduced this policy to encourage and enable you to raise your concerns about such malpractice at an early stage and in the right way. We would rather that you raised the matter when it is just a concern rather than wait for proof. This is sometimes known as 'Whistleblowing'.

What the Law says:

The Public Interest Disclosure Act 1998 (PIDA), popularly known as the 'Whistleblowers' protection act, protects employees who make disclosures about a range of subjects from recriminations. Whistleblowers can claim PIDA protection by disclosing their concerns either to their employer or, if they prefer, to another organisation authorised to receive disclosures).

1.3 Although this policy is predominately aimed at employees of the Council who have statutory protection under the Public Interest Disclosure Act, the Council recognises that other individuals and groups may also have concerns that they may wish to raise with the Council in a controlled and protected way. The policy framework in terms of reporting, investigation and confidentiality applies equally to all employees, Members, agency workers, contractors, suppliers, partner organisations and the public. The Council will ensure that as part of its procurement processes this Policy is brought to the attention of such external contractors, suppliers and service providers.

- 1.4 Any employee, or contractor, who raises a concern shall be treated as though they are making a 'protected disclosure' (within the meaning of employment legislation), which means any disclosure of information which, in the reasonable belief of the person making the disclosure, is made in the public interest and is in connection with any of the areas listed in para 1.1 above.

If in doubt - raise it!

- 1.5 If you have concerns over malpractice, we want you to raise the matter so that the Council can investigate and put things right.
- 1.6 This procedure should not be confused with the Council's Grievance Policy, which should be used when an employee is aggrieved about their own employment situation. Details of the Council's Grievance Policy can be obtained found on the Council's Netconsent system or obtained from Human Resources.

2.0 How to Proceed

- 2.1 You may be worried about raising such issues or may want to keep the concerns to yourself, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, managers or to the organisation. You may decide to say something but find that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next. If you have any concern, we hope you will feel able to raise it first with your appropriate line manager or Director. This may be done verbally or in writing.
- 2.2 If you feel unable to raise the matter with your manager for whatever reason, or you believe that management is involved, then please raise the matter with one of the following:
- Audit, Risk & Assurance Manager
 - Head of Legal and Policy Development & Monitoring Officer
 - Section 151 Officer
 - Head of Paid Service

- 2.3 Please say if you want to raise the matter in confidence so that they can make appropriate arrangements.

3.0 What Happens Next?

- 3.1 Having alerted us to the concern, it is our responsibility to investigate the matter. The initial stage will be to interview you and then assess what further action should be taken.
- 3.2 We would need to know:-
- the details of your concerns, including the nature, dates and location of any relevant incidents

- the reasons why you feel concerned about the situation and the grounds for your concern.

- 3.3 When you raise the concern you may be asked how you think the matter might best be resolved, and whether you would want to be told about how we will conduct the investigation.
- 3.4 If you do have any personal interest in the matter, we do ask that you tell us at the outset. If your concern falls more properly within the Grievance Policy we will tell you.
- 3.5 If the Officer you have approached feels that the concern can be resolved quickly, or in a straightforward manner, it will be brought to the attention of the appropriate manager. This procedure may lead to other processes being implemented such as the disciplinary procedure or to more formal investigations by the Audit & Assurance team.
- 3.6 Remember that if you do not tell us who you are, it will be much more difficult for us to look into the matter or to protect your position or to give you feedback. The Council has the right not to investigate anonymous allegations which appear frivolous or malicious and are unsupported by credible evidence.
- 3.7 We will not tolerate the harassment or victimisation of anyone raising a genuine concern. However, we recognise that you may nonetheless want to raise a concern in confidence under this policy. If you ask us to protect your identity by keeping your confidence, we will not disclose it without your consent. If the situation arises where we are not able to resolve the concern without revealing your identity (for instance because your evidence is needed in court), we will discuss with you whether and how we can proceed. Accordingly, while we will consider anonymous reports, this policy is not well suited to concerns raised anonymously and therefore we may decide we are unable to investigate them.

4.0 Untrue Disclosures

- 4.1 Council Members, the Senior Management Team (SMT) , and the Trade Unions are all committed to this policy. If you make a disclosure you believe to be true, but it is not confirmed by the investigation, no action will be taken against you. If however, your allegation is frivolous, malicious or for personal gain, you may be subject to disciplinary action.

5.0 How we will Handle the Matter – Our Assurances

- 5.1 The Council is committed to dealing accurately, professionally and confidentially with all issues of concern raised within the organisation.
- 5.2 Concerns raised under this Policy will be treated seriously and sensitively. Where practicable, immediate steps will be taken to remedy the situation. However the final outcome may take longer depending on the issue that is raised.

- 5.3 Some concerns may be resolved by agreed action without the need for an investigation. If urgent action is required, this will be taken before any investigation is conducted.
- 5.4 Within 10 working days of a concern being raised, you will receive a response acknowledging that the concern has been received. The response will address the following:-
- Whether initial enquiries have been made
 - Give an estimate of how long it will take to provide a final response
 - If there is to be no investigation, giving you reasons why this is so
 - Supply you with information on employee support mechanisms
- 5.5 The Council will take steps to minimise any difficulties you may experience as a result of making a disclosure. 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.
- 5.6 While the purpose of this policy is to enable us to investigate concerns raised, and take appropriate steps to deal with it, you will need to be assured that the matter has been properly addressed. We will give you as much feedback as we properly can. Please note, however, that we may not be able to tell you the precise action we take where this would infringe a duty of confidence owed by us to someone else.
- 5.7 Employees who wish to raise concerns under this Policy may bring a friend or Trade Union representative along with them to any interviews that are arranged, providing that person is not involved in the area of work to which the concern relates. It should be noted that this person should attend to provide support only, and will not be allowed to become involved in the proceedings.

6.0 How to Raise a Concern Internally – What we Ask of You

- 6.1 The purpose of this Policy is to enable you to raise your concerns within the Council in confidence, without any fear of reprisal or detriment to you. We therefore ask that you do not take your concerns outside the Council other than as stated in this policy or in the Public Interest Disclosure Act (PIDA).
- 6.2 Concerns should be raised in writing if at all possible. When raising your concern you must declare any personal interest, which you have in the matter. If you disclose your concerns in any other manner, publicise your concerns, or abuse the process by maliciously raising unfounded allegations, or seek to make the disclosure for the purposes of personal gain, you are at risk of disciplinary action, subject to the provisions of the PIDA.

7.0 Procedure for Contractors

- 7.1 As a first step, you should normally raise your concerns with your manager, who will then inform the lead Council client officer who is dealing with the particular contract. If

you feel unable to raise the matter with your manager for whatever reason, or you believe that management is involved, then please raise the matter direct with the Audit, Risk & Assurance Manager or the Head of Legal and Policy Development & Monitoring Officer, at the Council.

- 7.2 Concerns may be raised verbally or in writing. Please say if you want to raise the matter in confidence so that appropriate arrangements can be made.
- 7.3 The matter will be treated, and investigated, in accordance with the procedures in this Policy.

8.0 At the end of the Process

- 8.1 All concerns raised under this policy, together with the outcome of the investigation, will be recorded in a register held by the Audit, Risk & Assurance Manager. The purpose of this register is to ensure a central record is kept which can be cross referenced with other complaints in order to monitor any patterns of concern across the Authority, and to assist us in monitoring the procedure. You will be informed of the action that has been taken to resolve your concern. Sometimes, however, it may not be possible to reveal the full extent of the investigation where this relates to personal issues involving a third party.
- 8.2 Where action is not taken we will explain the reasons for that decision.

9.0 External Contacts

- 9.1 The Council would prefer that a serious concern be raised responsibly rather than not at all. Therefore, if you still feel unable to raise your concern under this Policy, then you may seek advice from:-

- the Council's External Auditor (KPMG) – <http://www.kpmg.com>
- your trade union
- your local Councillor (if you live in the area of the Council)
- your local MP
- relevant professional bodies or regulatory organisations
- the Citizen Advice Bureau
- your solicitor
- the police
- a relevant voluntary organisation
- the charity - Public Concern at Work* - <http://www.pcaw.co.uk>

*Public Concern at Work is an independent charity that provides free advice for persons who wish to express concern about fraud and other serious malpractice.

APPENDIX C

Gloucester City Council Fraud Response Plan

1. Introduction

- This document provides guidance to Councillors, employees and management in the event of them becoming aware of, or suspecting a fraud or corrupt act being committed on Gloucester City Council by a Councillor, member of staff, contractor, service user, or member of the public.
- Allegations relating to Housing Benefit fraud will be passed to the Civica Benefits Team for initial investigation. Under the new Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). If the initial investigation carried out by the Civica Benefits Team identifies that a benefit claim may be fraudulent, then it will be passed to the DWP for formal investigation.

2. Raising concerns

- Councillors, members of staff, or managers, should immediately report any suspicions of fraud or corruption being committed against the Council by, for example, other members of staff, other managers, other Councillors, a service user, a contractor of the Council, or a member of the public. These can be raised with one of the following :-
 - Audit, Risk & Assurance Manager
 - Head of Legal and Policy Development & Monitoring Officer
 - Section 151 Officer
 - Head of Paid Service
- Concerns may also be raised via the Council's Whistleblowing arrangements.
- Only genuine concerns which are believed to be true must be reported. Any reports which are subsequently determined to be malicious could be dealt with as a disciplinary matter.
- Suspicions should not be discussed with any other person, unless permission to do so has been given by the person to whom the suspicion has been reported.
- If there are suspicions that similar frauds are, or could be, being committed, the person to whom the suspicion has been reported should be told straight away.

3. Evidence

- All evidence held should be handed over to the Audit, Risk & Assurance Manager at the time of referral of the concern to him.
- A person's desk drawers or locker should not be searched without consent from the Audit, Risk & Assurance Manager, who will obtain the relevant permissions should this be deemed necessary
- Evidence may be in the form of paper documents, CCTV records, or computer records, all of these could easily be destroyed or tampered with. The securing of computers and associated data and records is a specialised procedure and should only be attempted by specialists at the request of the Audit, Risk & Assurance Manager. The Audit, Risk & Assurance Manager may consider the commissioning of specialist services from both within and outside the Council to assist with an investigation (e.g. IT specialists to preserve and extract information held on personal computers or computer systems).
- Guidance on preserving specific forms of evidence is given below:

- **Original paper documents**

Original documents should be obtained and retained. The documents should be handled as little as possible and should be put in a protective folder. Under no circumstances should they be marked in any way. All original documents should be given to the Audit, Risk & Assurance Manager for review and preparation as evidence. A record of all documents will be maintained by the Audit, Risk & Assurance Manager, detailing how, when and where they were obtained. All copies of original documents or screen images should be formally certified as a true copy with the date of copying.

- **Desk Search**

If an employee is under suspicion then their desk/work station can be searched. However any such search must be undertaken by line management and the Audit, Risk & Assurance Manager. The contents of the desk/work station should be listed and the list should be signed by those officers present as being a true record of what was found.

- **Computer based data**

When evidence is held on a computer, the computer should be secured and the Head of Business Improvement & Performance and the Audit, Risk & Assurance Manager should decide on the most appropriate way of retrieving the data. Under no circumstances should any individual who is not appropriately trained attempt to secure the evidence.

- **Video evidence**

There may be CCTV based evidence available. If a camera system may have information of value, the Audit, Risk & Assurance Manager will arrange to secure the hard copy media or arrange for a certified download of the data in such a way as it can be treated as evidence in accordance with the rules of evidence. The camera system engineer should be able to provide an appropriate download.

4. Suspension

- Suspension from work of an employee during an investigation is a neutral act and should not be a presumption of guilt. Suspension allows an investigation to continue in an impartial and unfettered way. If the allegation relates to a Councillor, consideration will be given to restricting the Councillor's access to the offices, computer systems and staff, whilst an investigation is carried out.
- A decision on suspension will be taken by line management, after taking advice from a Corporate Director, the Audit, Risk & Assurance Manager, and Human Resources. In the case of a Councillor, the decision to restrict access would be taken by the Monitoring Officer.
- Whenever a person is suspended from work they should be asked to remove all personal belongings from their desk/cupboard and be informed that the desk/cupboard may be examined.
- Under no circumstances should an employee, once suspended, be allowed to access their files or computer records.

5. Investigations

- The Audit, Risk & Assurance Manager will carry out and lead any investigation. In the case of a Councillor, the investigation would be lead by the Monitoring Officer.
- Interviews will always be conducted by Audit & Assurance staff. Other people (e.g. line manager, interviewee's friend) may attend by invitation.
- At the conclusion of the investigation, the Audit, Risk & Assurance Manager will present a report to management on the findings.
- The Audit, Risk & Assurance Manager may be called to act as a witness at any subsequent disciplinary interviews.

6. Money Laundering

- Concerns about any suspected money laundering must be referred immediately to the Audit & Assurance team, in line with the Council's Money Laundering Policy.

- Audit & Assurance will pass details on to the Police where appropriate.

7. External Audit

- In some cases it may be necessary to inform the Council's External Auditor of the suspected fraud or corruption. This will be the responsibility of the Section 151 Officer.

8. Housing Benefit Fraud

- Allegations relating to Housing Benefit fraud will be passed to the Civica Benefits Team for initial investigation. Under the new Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). If the initial investigation carried out by the Civica Benefits Team identifies that a benefit claim may be fraudulent, then it will be passed to the DWP for formal investigation.
- If the allegation relates to an employee of the Council then the employee's Head of Service and Strategic Director will be informed and kept apprised of the investigation.
- If it is established that a Council employee has personally been involved in benefit fraud they may face disciplinary proceedings in accordance with the Council's Disciplinary Procedure.
- If the allegation relates to a Councillor then the Head of paid service and the Head of Legal and Policy Development & Monitoring Officer will be informed and kept apprised of the investigation.
- If it is established that a Councillor has personally been involved in benefit fraud they may face both prosecution and proceedings in accordance with the Members' Code of Conduct.

9. Police referral

- Should any irregularity reported to Audit & Assurance be thought to warrant Police involvement, the Police shall be contacted by the Audit, Risk & Assurance Manager after consultation with the Head of Legal and Policy Development & Monitoring Officer and the Section 151 Officer.
- The Audit, Risk & Assurance Manager will liaise with the Police as necessary during their investigation, and provide all available evidence.
- The Audit, Risk & Assurance Manager, and any other employee or Member of the Council may be required to act as witnesses in any subsequent court case.

10. Post investigation

- The Council may seek to recover financial losses. This may, for example, be from the perpetrator's accrued pensions benefits, from any monies due to the person at termination of employment, or from voluntary repayment.
- In appropriate circumstances the Council will consider taking civil action against the perpetrator to recover losses.
- The Council may seek to recover financial losses from its insurers.
- A review will be undertaken, by the Audit, Risk & Assurance Manager, to look at weakness and breakdowns in the financial control systems which led to the loss, and to recommend remedial action.

11. Audit & Assurance

- The Council's Audit & Assurance Charter states that the Audit & Assurance team has the authority to:-
 - access all Council premises at reasonable times
 - access all assets, records, documents, correspondence and control systems
 - receive any information and explanation from any officer or elected Member of the Council considered necessary concerning any matter under consideration
 - require any employee or elected member of the Council to account for cash, stores or any other Council asset under his or her control
 - access records belonging to third parties, such as contractors, when required
 - unrestricted access to senior management and Members.
- The Audit & Assurance service is not part of the formal disciplinary process – this is carried out by line management. Audit & Assurance staff may, however be called to act as witnesses in a disciplinary interview.
- Under normal circumstances, Audit & Assurance staff will conduct investigations for non-benefit cases. Any other investigations will only be undertaken under the authority of the Audit, Risk & Assurance Manager and/or the Section 151 Officer and/or Head of legal Services and policy Development & Monitoring Officer.
- Audit & Assurance's role is to establish the facts of the case and report to management upon this.
- The Audit, Risk & Assurance Manager will ensure that Audit & Assurance staff have adequate experience and training in order to allow them to carry out investigations.

- The Audit, Risk & Assurance Manager will direct and guide Audit & Assurance staff throughout the investigation.

12. Press and Publicity

The Communications Team will deal with the press and publicity in all matters regarding fraud and corruption. Where appropriate the details of all successful prosecutions for fraud should be released to the media through the Communications Team. Staff and managers must not directly disclose to the press the details of any cases suspected or under investigation. Disclosure of details to the media otherwise than through the Communications Team may be regarded as a disciplinary matter. The aim is to publicise the Council's intolerance of fraud or corruption within the Council by users of its services, and by contractors.

13. Conclusion

This Fraud Response Plan, in conjunction with the Anti-fraud and Corruption Strategy, the Whistleblowing policy and Codes of Conduct, will ensure that the Council's objectives in countering and investigating corporate fraud and corruption are achieved. However, if you have any issues or are unsure of the action to take in a given situation you should immediately contact the Audit, Risk & Assurance Manager.

February 2015

APPENDIX D

GLOUCESTER CITY COUNCIL ANTI-BRIBERY POLICY

1. Policy Statement – Anti Bribery

- 1.1 Bribery is a criminal offence. The Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor does, or will the Council, accept bribes or improper inducements.
- 1.2 To use a third party to channel bribes to others is a criminal offence. The Council does not, and will not, engage indirectly in or otherwise encourage bribery.
- 1.3 The Council is committed to the prevention, deterrence and detection of bribery. The Council has zero-tolerance towards bribery. The Council aims to maintain anti-bribery compliance “business as usual”, rather than as a one-off exercise.

2. Bribery

- 2.1 A bribe is a financial or other advantage. Bribery is offering, or giving a bribe to another to induce someone (not necessarily the person to whom the bribe is offered or given) to perform a relevant function or activity improperly or as a reward for such improper performance once it has been done.
- 2.2 “Relevant functions” are functions where the person performing the function is expected to perform it in good faith, or impartially, or the person performing it does so in a position of trust, and the functions are functions of a public nature, activities connected with a business, activities in the course of employment or activities performed by or on behalf of bodies of persons (incorporated or not).
- 2.3 There is a legal expectation that relevant functions will be performed in good faith, impartially and in a way which is consistent with being in a position of trust. Performance of a relevant function in breach of these expectations amounts to improper performance. Non-performance of a relevant function where the expectation is that the function would be performed is also improper performance. The standard of the expectation is what a reasonable person would expect of the person performing the function.
- 2.4 It is unacceptable to:-
 - accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that an advantage will be provided by us in return
 - retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
 - engage in activity in breach of this policy.

3. Objective of this policy

- 3.1 This policy provides a coherent and consistent framework to enable the Council, its employees, and those dealing with the Council, to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees and others to identify and effectively report a potential breach.
- 3.2 The Council requires that all staff, including those permanently employed, temporary agency staff and contractors, to:
- act honestly and with integrity at all times and safeguard the organisation's resources for which they are responsible
 - comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates

4. Scope of this policy

- 4.1 This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, the Council will seek to promote the adoption of policies consistent with the principles set out in this policy.
- 4.2 Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the Council. This policy covers all staff at all levels and grades, including those permanently employed, temporary or agency staff, contractors, agents, Members (including co-opted Members), volunteers and consultants.

5. The Council's commitment to action

- 5.1 The Council commits to:
- publishing a clear anti-bribery policy and reviewing other associated policies
 - making all staff aware of their responsibilities to adhere to this policy at all times
 - training all staff so that they can recognise and avoid the use of bribery by themselves and others
 - ensuring that all business partners are aware of the Council's anti-bribery policy and that their staff abide by it
 - ensuring that policies and control systems are audited regularly to ensure they are fit for purpose.
 - investigating instances of alleged bribery and assisting the Police and other appropriate authorities in any resultant prosecution
 - taking appropriate action against any individual(s) involved in bribery
 - encouraging staff to be vigilant and to report breaches and suspected breaches of this policy

6. Facilitation payments

- 6.1 Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to perform or expedite functions they are otherwise obliged to perform.

7. Gifts and hospitality

- 7.1 This policy is not meant to change the requirements of the Gifts and Hospitality guidance, which is included in the Officers' Code of Conduct and the Members' Code of Conduct.
- 7.2 If you have any questions in relation to the Gifts & Hospitality guidance do ask your line manager, Head of Service, or Director. Any Member queries should initially be directed to the Council's Monitoring Officer.

8. Public contracts and failure to prevent bribery

- 8.1 Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically debarred from competing for public contracts when it has been convicted of a corruption offence including bribery. These Regulations do not include the crime of failure to prevent bribery, but that organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. However, the Council has the discretion to exclude organisations convicted of this offence.

9. Staff responsibilities

- 9.1 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All staff are required to avoid activity that breaches this policy.
- 9.2 You must:
- ensure that you read, understand and comply with this policy
 - raise concerns as soon as possible if you believe or suspect that a breach of this policy has occurred, or may occur in the future.
- 9.3 As well as the possibility of civil and criminal prosecution, staff who breach this policy will face disciplinary action, which could result in summary dismissal for gross misconduct.

10. Raising a concern

- 10.1 This Council is committed to ensuring that there is a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every member of staff to know how they can raise concerns.
- 10.2 All Members and staff have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

- 10.3 There are multiple channels to help you raise concerns. Please refer to the Council's Whistleblowing Policy, the Anti-Fraud and Corruption Policy and to determine the most appropriate course of action.
- 10.4 As a first step you should normally raise concerns with your immediate line manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Audit, Risk & Assurance Manager, the Head of Legal and Policy Development & Monitoring Officer, a Director or the Head of paid Service.
- 10.5 Where internal disclosure proves inappropriate, concerns can be raised with the Police, the External Auditor or relevant professional bodies or regulatory organisations. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).
- 10.6 Concerns can be raised anonymously. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. The Council has clearly defined anti-fraud & corruption policies which set out procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns are not raised anonymously..
- 10.7 Staff who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. The Council encourages openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.
- 10.8 The Council is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.
- 10.9 If you have any questions about these procedures, please contact the Audit, Risk & Assurance Manager.

The Bribery Act - Summary

There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation (the Council is a commercial organisation under the Act) to prevent bribery. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:

- On conviction in a Magistrates Court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5,000, or to both
- On conviction in a Crown Court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

Organisations are liable for these fines and, if guilty of an offence under section 7, are liable to an unlimited fine.

Bribery is a serious offence against the Council and employees will face disciplinary action if there is evidence that they have been involved in this activity, which could result in summary dismissal for gross misconduct. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.

Adequate procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the Council. It is for individual services to determine proportionate procedures in the recommended areas of six principles. These principles are not prescriptive. They are intended to be flexible and outcome focussed, allowing for the different circumstances of services. The detail of how services apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

THE SIX PRINCIPLES

Proportionate procedures

The procedures to prevent bribery by persons should be proportionate to the bribery risks faced and to the nature, scale and complexity of the service's

activities. They should also be clear, practical, accessible, effectively implemented and enforced.

Top level commitment

All Councillors and the Senior Management Team (SMT) are committed to preventing bribery by persons associated with the Council. It fosters a culture within the organisation in which bribery is never acceptable.

Risk Assessment

The Council assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due diligence

The Council applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the Council, in order to mitigate identified bribery risks.

Communication (including training)

The Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review

The Council monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

This Council is committed to proportional implementation of these principles.

February 2015

APPENDIX E

GLOUCESTER CITY COUNCIL ANTI MONEY LAUNDERING POLICY & PROCEEDS OF CRIME ACT

Scope of this Policy

1. This Policy applies to all employees of Gloucester City Council (GCC). The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.
2. This Policy also applies to any contractors responsible for receiving money on behalf of the Council. The Council will ensure that as part of its procurement processes this Policy is brought to the attention of such external contractors, suppliers and service providers.
3. Failure by a member of staff to comply with the procedures set out in this Policy may lead to serious disciplinary and legal action being taken against them. Failure by a contractor responsible for receiving money on behalf of the Council to comply with the procedures set out in this Policy may be subject to claim of breach of contract.

What is money laundering?

4. Money laundering is a general term for any method of disguising the origin of “dirty” or criminal money. This money may be the proceeds of any criminal activity including terrorism, drugs trafficking, corruption, tax evasion, and theft.
5. The purpose of money laundering is to hide the origin of the dirty money so that it appears to have come from a legitimate source. No organisation is safe from the threat of money laundering, particularly where it is receiving funds from sources where the identity of the payer is unknown. It is, therefore, possible that the Council will be targeted by criminals wishing to launder the proceeds of crime.
6. All staff dealing with the receipt of funds or having contact with third parties must, therefore, be aware of the Council’s anti money laundering policy.

The law relating to money laundering

7. There are two areas of legislation which deal with money laundering:

Proceeds of Crime Act 2002

8. The Proceeds of Crime Act relates to all organisations and sectors. If there is a suspicion that funds may be from a criminal source a disclosure must be made.

Money Laundering Regulations 2003 and 2007

9. The Money Laundering Regulations 2003 and 2007 primarily relate to “regulated” sectors (i.e. legal, financial services). Whilst these Regulations do not specifically apply to the Council, best practice is that public sector organisations should apply their key principles, by ensuring that:

- There are adequate systems and procedures in place to prevent money laundering;
- Staff are made aware of the procedures and systems;
- Staff are trained in how to recognise and deal with transactions which may be related to money laundering;
- All third parties dealing with the Council who fall within certain criteria are properly identified;
- Identification and transaction records are maintained;
- Compliance and Reporting Officers are nominated.

The Authority's position

10. The Council accepts Cipfa's guidance as detailed in its 2005 document "Proceeds of Crime (Anti Money Laundering) Practical Guidance for Public Sector Organisations, which states that Councils:-

- would be "acting reasonably if it were to use the conclusions set out in the guidance for the purpose of creating its own policy and procedures"
- may "reasonably assume that the legislation does not oblige it to implement the requirements of the Money Laundering Regulations"
- should "embrace the principles of the money laundering legislation and regulations"
- should "put in place appropriate and proportionate anti money laundering safeguards and reporting arrangements, designed to enable it to detect and avoid involvement in the crimes described in the legislation and regulations"
- should "use a risk based approach to deciding the extent to which activities are exposed to the dangers of money laundering".

This Policy addresses these issues.

Proceeds of Crime Compliance Officer

11. The Proceeds of Crime Compliance Officer has a corporate responsibility for ensuring that legislation with regard to money laundering is followed, and that proper procedures and policies have been established.

12. The Head of Finance is the Council's Proceeds of Crime Compliance Officer. In the absence of the Head of Finance, the Head of Legal and Policy Development & Monitoring Officer will deputise.

13. The duties of the Proceeds of Crime Compliance Officer are:

- To ensure that the Council complies with the requirements of the Money Laundering Regulations, and with the Proceeds of Crime Act 2002.
- To ensure that all relevant staff are aware of, and comply with, the Council's Anti-Money Laundering Policy
- To ensure that all relevant staff receive training on how to identify and report money laundering.
- To ensure that the Council can identify third parties dealing with the Council in areas where there is a higher risk of the Council receiving the proceeds of crime.
- To ensure that processes are in place to allow disclosures to be made immediately by staff to the Council's Proceeds of Crime Reporting Officer,

- To ensure that processes are in place to enable the Proceeds of Crime Reporting Officer to report suspicions to the National Crime Agency (NCA) where necessary.
- To evaluate any new chargeable services for potential Money Lending Regulations implications.

Proceeds of Crime Reporting Officers

14. Any money laundering suspicions should be reported to one of the Proceeds of Crime Reporting Officers **immediately** they become apparent.
15. GCC's Proceeds of Crime Reporting Officers are the members of the Audit & Assurance team.
16. The specific responsibilities of the Officer with whom concerns are raised are:
 - To receive all suspicions transaction reports from employees of the Council.
 - To maintain a record of all disclosures made by staff
 - To prepare disclosure forms for forwarding to NCA.
 - To maintain a record of all disclosures made to NCA showing the status of each disclosure.
 - To liaise with NCA regarding the outcome of disclosures.
 - To notify staff of the outcome of disclosures (i.e. whether they can continue with their proposed actions).
 - To ensure that documents relating to any disclosures and reports are kept on file.
 - To notify the Proceeds of Crime Compliance Officer of any reports and disclosures, and any other significant issues regarding money laundering.

Staff responsibility

17. Staff responsibilities in relation to money laundering are as follows:
 - To be alert to where the Council may be targeted by individuals trying to launder the proceeds of crime
 - To avoid alerting anyone dealing with the Council that they are under suspicion that they may be attempting to launder, or have laundered, the proceeds of crime
 - To report any suspicions of money laundering to the Council's Proceeds of Crime Reporting Officer immediately
18. It is not an employee's responsibility to decide whether a suspicious transaction actually constitutes money laundering, or to investigate further. If suspicions are raised that a transaction may involve laundering the proceeds of crime, then they must be reported to the Council's Proceeds of Crime Reporting Officer immediately. Staff must not undertake their own investigations.

Dealing with individuals or organisations about which there are suspicions

19. If there are suspicions concerning an individual or organisation with which the Council is dealing, the subject must not be alerted to those suspicions.
20. If there is a suspicion the facts of the situation should be established without alerting the subject. Details of suspicions should be passed immediately to the Council's Proceeds of Crime Reporting Officer.
21. Cash, cheques or other form of payment from the subject must not be banked until clearance has been obtained from the Proceeds of Crime Reporting Officer.

Cash acceptance policy

22. Due to the increased risk of dealing in cash the Council will try to discourage payments being received in cash. However, it is recognised that some people will still wish to make payments in cash, so an upper cash acceptance limit of £9,000 in relation to individual transactions has been set.
23. If payment of more than £9,000 is being offered in cash this must not be accepted unless express permission to do so has been given by either the Council's Proceeds of Crime Reporting Officer or Proceeds of Crime Compliance Officer. This permission must be given in writing and retained on file.
24. Cash based businesses are ideal vehicles for money laundering. When dealing with a business which deals in cash on a regular basis there is a higher chance that the business bank account may have been used to launder the proceeds of crime. There are two reasons for this:
 - as the business is receiving all or part of its income in cash it is easier for sums to be taken out of the business without there being a record of the transactions; taking sums out of the business in this manner could constitute tax evasion, which is an offence for purposes of money laundering, and
 - cash based businesses are often used as a simple means of laundering cash; this is done by banking illicit funds with the legitimate takings of the business thereby making it appear that all of the cash has been generated by the business.
25. If funds are received from such an organisation and information is possessed which indicates that criminal activity may be taking place on the business's premises or within the business then an appropriate disclosure must be made.

Information received by the Council

26. The Council may receive information, as part of its day to day business, that criminal activity and money laundering may be taking place within the Council's area. Any such information must be disclosed. Such criminal activity could involve:
 - Tax evasion;
 - Operating without any appropriate licences;
 - Operating without appropriate insurances;
 - Employing illegal immigrants or assisting in their trafficking;
 - Employing staff who are known to be illegally claiming benefits;

- Any form of fraudulent activity;
- Dealing in drugs or other illegal substances;
- Dealing in bootleg alcohol and cigarettes;
- Dealing in illegal pornographic material, and,
- Prostitution, protection schemes or counterfeiting

27. This list is not exhaustive. Disclosure must be made of any instances of suspected money laundering, even if not included in the above categories. Disclosure should be made to the Council's Proceeds of Crime Reporting Officer as soon as possible after the information is received.

Reporting procedures

28. Disclosures must always be made to the Proceeds of Crime Reporting Officer who will decide whether to refer the disclosure to the National Crime Agency.

29. No information about concerns, suspicions, disclosures or reports should be held on client files. Such information should only be held on a confidential file held by the Proceeds of Crime Reporting Officer.

30. The Proceeds of Crime Reporting Officer should record as much relevant detail as possible about each case, bearing in mind that the information collected may well form the basis of a report to the National Crime Agency. If possible detail collected should include:

- Names of all people involved at GCC
- Details of suspect, including name of person and/or organisation, address, accounts
- Individual transactions, including type of payment, location, amounts and dates
- Reasons for suspicion
- Type of crime suspected (if known) e.g. drugs, terrorism.

Staff training and awareness

31. All relevant staff will require training on the requirements of the legislation and the requirements of this policy

32. Any new staff will be made aware by their manager of occurrences which could generate suspicions of money laundering, and how to report these.

Risk Assessment

33. The Council has undertaken a risk assessment of its activities and has identified those areas which it considers to be at highest risk of money laundering. These are listed below. Staff in the services dealing with these areas will need to be aware of the risk of money laundering occurring in their particular service.

- Council Tax (Civica Revenues and Benefits)
 - National Non Domestic Rates (Civica Revenues and Benefits)
 - Unsolicited direct payments (Accountancy)
 - Property sales
 - Cashiers
- February 2015