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Hinckley & Bosworth
Borough Council

Bill Cullen MBA (ISM), BA(Hons) MRTPI
Chief Executive

Date: 13 November 2018

To: Members of the Executive

Mr MA Hall (Chairman)
Mr K Morrell (Vice-Chairman)
Mr RG Allen
Mrs MA Cook

Mr C Ladkin
Mr M Nickerson
Mrs MJ Surtees

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **EXECUTIVE** in the De Montfort Suite - Hub on **WEDNESDAY, 21 NOVEMBER 2018** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Officer

EXECUTIVE - 21 NOVEMBER 2018

A G E N D A

1. APOLOGIES
2. MINUTES (Pages 1 - 2)
To confirm the minutes of the meeting held on 24 September 2018.
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST
To receive verbally from Members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**
5. QUESTIONS
To hear any questions in accordance with Council Procedure Rule 12.
6. ISSUES ARISING FROM OVERVIEW & SCRUTINY
(If any)
7. DELIVERING THE DESTINATION HERITAGE IN HINCKLEY & BOSWORTH AND NORTH WARWICKSHIRE AREAS (Pages 3 - 6)
To seek approval for income and expenditure budgets in preparation for receipt of LEADER funding for a heritage consultant role.
8. ANTI-FRAUD POLICY AND MONEY LAUNDERING POLICY (Pages 7 - 44)
To seek approval of the anti-fraud and anti-money laundering policy update.
9. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

EXECUTIVE

24 SEPTEMBER 2018 AT 5.30 PM

PRESENT: Mr K Morrell (Vice-Chair, in the Chair)

Mr RG Allen, Mr C Ladkin, Mr M Nickerson and Mrs MJ Surtees

Members in attendance: Councillor Mrs J Kirby

Officers in attendance: Bill Cullen, Rebecca Owen, Sharon Stacey and Ashley Wilson

180 APOLOGIES

Apologies for absence were submitted on behalf of Councillors Cook and Hall.

181 MINUTES

It was moved by Councillor Ladkin, seconded by Councillor Surtees and

RESOLVED – the minutes of the meeting held on 1 August be confirmed and signed by the chairman.

182 DECLARATIONS OF INTEREST

No interests were declared at this stage.

183 CARBON MANAGEMENT 2008-18

The Executive was updated on reductions in carbon emissions arising from HBBC operations from March 2008 to March 2018 and the successful achievement of the reduction target, and on greenhouse gas emissions from 2009 to March 2018.

Members welcomed the report and the positive outcomes. It was requested that a copy of the report be sent to former councillor Peter Hall as he had carried out a lot of valuable work as part of the Scrutiny Environment Group and should be thanked and updated on the achievements.

It was moved by Councillor Morrell, seconded by Councillor Ladkin and

RESOLVED –

- (i) The achievement in reducing council CO2 emissions by 40.2% compared with 2008/09 be noted;
- (ii) The reduction of net greenhouse gas emissions of 42.9% against the target of a 35% reduction from the 2009/10 baselines by March 2020 be noted;
- (iii) The revised reduction target of 45% in net greenhouse gas emissions from the 2009/10 baseline by March 2020 as part of the council's commitment to reducing climate change be approved;

- (iv) A copy of the report be sent to former councillor Peter Hall, with thanks for his work.

184 REPLACEMENT TELEPHONY SYSTEM

Members received a report which recommended procurement of a new telephony system which would improve usability and create efficiencies by procuring and implementing across the Leicestershire ICT partnership. It was moved by Councillor Ladkin, seconded by Councillor Morrell and

RESOLVED – the replacement telephone system be supported and the supplementary capital budget of £48,137.41 be approved.

185 BUSINESS RATES 75% RETENTION PILOT

Consideration was given to the 75% retention of business rates prospectus recently issued by DCLG.

Councillor Allen entered the meeting at 5.45pm.

It was agreed that this authority's interpretation was that the districts in Leicestershire would not be bound by the tier split beyond the pilot.

It was noted that, by supporting the bid, members were also committing to remaining in the pool for 2019/20.

RESOLVED – The inclusion of Hinckley & Bosworth Borough Council as a partner body in the one-year pilot bid for the Leicester and Leicestershire area for 2019/20 be approved.

(The Meeting closed at 5.50 pm)

CHAIRMAN

- 3.3 In July, after an Expression of Interest was approved, HBBC submitted a full application to the LEADER programme for the employment of a consultant for up to 12 months working 3 days per week to co-ordinate the work of small heritage groups across the two boroughs, in both the urban and rural areas. The Destination Management Plan produced for the two boroughs identifies that heritage and history are key strengths that the two areas share. The historical links, including those to the Romans; the Battle of Bosworth; and Henry Tudor, are of national significance and these and other key assets such as industrial heritage warrant greater awareness-raising. This project will enable the exploration of these assets and develop activities that serve to educate and raise awareness of them.
- 3.4 The LEADER application is for a grant of £34,200 (full project cost = £38,200 with £2,000 match funding from the HBBC Economic Development Initiatives budget and £2,000 match from NWBC). The application is due to go before the LEADER Local Action Group decision making panel in October and we are hopeful that the project will be successful. HBBC will act as the Accountable Body for this project. Accordingly a budget needs to be created for the heritage consultant role to cover expenditure and income. Only two claims will be made to the Rural Payment Agency at DEFRA (provider in the UK of the LEADER funding) and therefore HBBC will need to bank roll the money for the consultant's monthly payments.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 This report is to be taken in open session.

5. FINANCIAL IMPLICATIONS [CS]

- 5.1 The gross project cost is £38,200. This will be funded from £34,200 grant income from the LEADER application and £2,000 from NWBC. The balance (£2,000) will be funded from existing council budgets.
- 5.2 Therefore, in accordance with financial procedure rules a supplementary income and expenditure budget of £36,200 will be required.

6. LEGAL IMPLICATIONS [AR]

- 6.1 None

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The heritage project has synergy with the Corporate Plan's vision under 'People' by 'Supporting an effective and viable voluntary and community sector'; under 'Places' by 'Supporting and celebrating our cultural and heritage facilities and events for the benefit of residents and businesses alike' and through the 'Prosperity' theme by 'Supporting our tourism partners to promote local attractions.'

8. CONSULTATION

- 8.1 To ascertain the need and support for this project evidence was gathered in the form of a survey, which was undertaken with local heritage groups across the two areas. The survey results showed that those consulted believe that the role of the consultant will have a positive and significant affect on their development and sustainability for years to come and will help build public awareness of local heritage assets.

9. RISK IMPLICATIONS

9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 No risks have been identified. If the LEADER project does not receive funding, the budget will not have to be created. If the application to LEADER is successful it will be fully funded and the consultant's contract will be tailored to the funding available.

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 This project will engage with all members of the community in both the urban and rural areas and will help build public enjoyment of local heritage assets.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications – none directly as a result of this report
- Environmental implications – none directly as a result of this report
- ICT implications - none directly as a result of this report
- Asset Management implications - none directly as a result of this report
- Procurement implications – the consultant has been chosen by following the council's procurement rules
- Human Resources implications - none directly as a result of this report
- Planning implications – none directly as a result of this report
- Data Protection implications - none directly as a result of this report
- Voluntary Sector – the voluntary sector will be involved in the project as described in the report

Background papers: None

Contact Officer: Judith Sturley, 01455 255855
Executive Member: Councillor M Surtees

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Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Executive

21 November 2018

WARDS AFFECTED: ALL WARDS

ANTI-FRAUD POLICY AND ANTI-MONEY LAUNDERING POLICY UPDATE

Report of Head of Finance (Section 151 Officer)

1. PURPOSE OF REPORT

1.1 To seek member approval for the anti-fraud policy and anti-money laundering policy.

2. RECOMMENDATION

2.1 That the anti-fraud policy and anti-money laundering policy, included at Appendix 1 and 2, be approved.

3. BACKGROUND TO THE REPORT

3.1 Hinckley and Bosworth Borough Council (“the Council”) promotes a zero tolerance approach to all forms of fraud and corruption, including bribery, and is committed to sound corporate governance and is determined to prevent and eradicate fraud and corruption whether it is attempted from outside or from within the council. Prevention of fraud and corruption will be a key focus and we will take all necessary steps to identify suspected fraud and corruption. Furthermore, we pledge to pursue the recovery of any losses and apply suitable sanctions to those responsible.

3.2 The last update to the Anti-Fraud Policy was in March 2014, which covered money laundering. The Anti-fraud Policy has been completely updated and the money laundering risk has now been given a separate Anti-Money Laundering policy of its own. The Anti-Money Laundering policy introduces cash transaction limits on amounts the council is willing to accept as cash settlement.

3.3 The Anti-Money Laundering policy introduces some new restrictions and duties.

3.4 Under the Anti-Money Laundering policy the Council will not accept cash payments above £3,000 for any Council service. This is not designed to prevent customers making payments for Council services but to minimise the risk to the Council of high value cash transactions.

3.5 Also, the regulations require the Council to appoint a Nominated Officer, sometimes known as Money Laundering Reporting Officer (“MLRO”). The Officer nominated as MLRO to receive disclosures about money laundering activity within the Council is the Director (Corporate Services) and Monitoring Officer.

3.6 In the absence of the MLRO, the issue can also be reported to Section 151 Officer. The S151 Officer can deputise for the MLRO when the MLRO is not available

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report taken in open session.

5. FINANCIAL IMPLICATIONS [AW]

5.1 None

6. LEGAL IMPLICATIONS [MR]

6.1 None.

7. CORPORATE PLAN IMPLICATIONS

7.1 The above policies contribute to all objectives of the Corporate Plan.

8. CONSULTATION

8.1 None.

9. RISK IMPLICATIONS

9.1 It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

- None

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no direct implications arising from this report

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety Implications

- Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection Implications
 - Voluntary Sector
-

Background papers: Civica Reports
Contact Officer: Ashley Wilson, Head of Finance
Executive Member: Cllr C Ladkin

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Corporate Anti Fraud Policy



Hinckley & Bosworth Borough Council

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1. INTRODUCTION

- 1.1 Hinckley and Bosworth Borough Council (“the Council”) promotes a zero tolerance approach to all forms of fraud and corruption, including bribery, and is committed to sound corporate governance and is determined to prevent and eradicate fraud and corruption whether it is attempted from outside or from within the council. Prevention of fraud and corruption will be a key focus and we will take all necessary steps to identify suspected fraud and corruption. Furthermore, we pledge to pursue the recovery of any losses and apply suitable sanctions to those responsible.
- 1.2 The Council’s approach to fraud and corruption is to ensure it informs and strengthens other complimentary policies such as member and officer codes of conduct. The Council recognises the need for a holistic responsibility on all members and officers within the council in preventing and detecting fraud and corruption. We expect all our members and officers to lead by example, ensuring adherence to rules, procedures, policies and recommended practices whilst maintaining conduct of the highest standards to ensure public confidence in our integrity is maintained.
- 1.3 The Council recognises that fraud, bribery and corruption undermine the standards of probity and public service and reduce the resources available to meet corporate objectives. In response to this, the Corporate Anti Fraud Policy (“the Policy”) is designed to: -
- Encourage fraud prevention
 - Promote fraud detection
 - Support fraud investigation
- 1.4 The Council is subject to external scrutiny of its affairs by a number of bodies and interested parties who also have an interest in the Council’s Policy to combat fraud and corruption. These organisations and groups include:-
- The Local Government Ombudsman
 - External Audit
 - Internal Audit
 - Government Departments (e.g. Ministry of Housing and Local Government and Department for Work and Pensions)
 - HM Revenues and Customs.
 - Our partners
 - The public
- 1.5 This Policy has been created with due regard to the CIPFA Code Managing the Risk of Fraud and Corruption. The Policy also reflects the requirement of the Bribery Act (2010).

Definition of Fraud and Corruption

- 1.6 In simple terms, fraud involves actions that are characterised by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force, but underlying them is:
- Theft of money
 - Theft of goods
 - Obtaining a benefit, discount, refund or rebate to which a person is not entitled.
- 1.7 The 2016 Fraud Act defines three areas of Fraud:
- Fraud by false representation
 - Fraud by failing to disclose information; and
 - Fraud by abuse of position
- 1.8 All three types of fraud require dishonesty and an intention to make a gain or cause loss. There are three distinct areas of fraud for each category:
- False representation - The person makes the representation knowing that it is or might be untrue or misleading
 - Failing to disclose information - Failure to disclose information where there is a legal duty to disclose
 - Abuse of position - Abuse of a position where one is expected to safeguard another person's financial interests.

Corruption

- 1.9 Corruption is the offering, giving, soliciting or acceptance of an inducement or reward, or showing any favour or disfavour which may influence the action of any person to act improperly.

Bribery

- 1.9 The Bribery Act 2010 includes the offence of bribing another person or of allowing persons to be. Such offences include:
- The offer, promise or giving of financial or other advantage to another person in return for the person improperly performing a relevant function or activity.
 - Requesting, agreeing to receive or accepting a financial or other advantage intending that, in consequence a relevant function or activity should be performed improperly.
 - Commercial organisation responsibility for a person, associated with the organisation, bribing another person for the purpose of obtaining or retaining business for the organisation.

Corporate Fraud

- 1.10 Fraud occurring within an organisation is known as Corporate Fraud. This involves deliberate dishonesty to deceive the public, lending companies or others, usually resulting in financial gain to the criminals, organisation or individuals working within the organisation.

Examples of various activities considered as fraud or corruption are given in Appendix 1

2. OTHER RELEVANT POLICIES

A number of Council policies contribute to and compliment the Corporate Anti Fraud Policy. These include:

2.1 Whistleblowing Policy

The Council's employees are encouraged to raise any concerns involving fraud and corruption where they are associated with the Council's activities.

Employees will be made aware that such concerns will be treated seriously and will be properly investigated; the Whistleblowing Policy is located on the Council's intranet site or a copy can be made available upon request.

2.2 Local Council Tax Support fraud

The Council maintains separate anti-fraud policies and procedures relating directly to Benefits. This is supported by the retention of investigating officers solely for the purpose of identifying and investigating Local Council Tax Support fraud. Investigations are conducted in accordance with best practice and the Police and Criminal Evidence Act.

2.3 The Disciplinary and Grievance Policy

The Council has a comprehensive policy which deals with grievance and disciplinary matters for employees and is updated when required to comply with all legal requirements and the development of case law.

2.4 ICT Acceptable Usage Policy

This Policy covers appropriate use of email, internet and Council networks and addresses the risk of Technological Abuse.

2.5 Equality and Diversity Policy

The Council will discharge all the duties and responsibilities required by Equality Act 2010, the Human Rights Act 1998, Enterprise and Regulatory Reform Act 2013 and all other statutory requirements during the implementation of this Corruption and Anti Fraud Policy.

2.6 Money Laundering Policy

The Anti-Money Laundering (ALM) Policy and Procedures adopted by Hinckley and Bosworth Council comply with The Money Laundering, Terrorist Financing, and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR). The council will actively prevent and take measures to guard against being used as a medium for money laundering activities and terrorism financing activities and any other activity that facilitates money laundering or the funding of terrorist or criminal activities.

3. **OBJECTIVES**

- 3.1 In whatever form it occurs, fraud is corrosive. It undermines an organisation's principles and it destroys trust and confidence. Fraud frequently devastates reputations, including those of innocent employees in whose area of responsibility the dishonesty took place. For this reason, frauds are best prevented, or, where this is not possible, quickly detected, efficiently investigated and recoveries made.
- 3.2 The objectives of this Policy are to ensure that the risks of fraud are acknowledged and suspicions of dishonesty are detected and effectively investigated so that recoveries can be maximised and future losses prevented. Investigation is also critical to clear the names of people and organisations wrongly suspected of dishonesty.

4. **CULTURE**

- 4.1 The culture of Hinckley and Bosworth Borough Council is an organisation which is open, honest and transparent and actively seeks to protect itself from fraud and corruption. The prevention/detection of fraud/corruption and the protection of the public purse are everyone's responsibility and of paramount importance to the authority. Members and officers at all levels are expected to lead by example by following legal and best practice procedures and practices.
- 4.2 All individuals and organisations associated in any way with the Council should act with integrity, without thought or actions involving fraud or corruption. Failure to act in such a manner is not tolerated.
- 4.3 The authority will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner.

5. **GENERAL PRINCIPLES**

- 5.1 All suspected offenders will be dealt with fairly and consistently, commensurate with the Council pursuing its rights to the maximum extent under the law.
- 5.2 Employees are not expected to guarantee that fraud will never take place in operations under their control. They are, however, expected to react

effectively when suspicions are aroused. The Council will support employees and others wrongly accused of impropriety.

5.3 The Council’s Monitoring Officer and Section 151 Officer are the focal point for the Council’s counter-fraud measures.

5.4 Employees and others who report suspected dishonesty in good faith and in compliance with this Policy (and the Whistleblowing Policy) will be protected, and any person who attempts to dissuade them may be subject to disciplinary action.

5.5 All employees are responsible for ensuring that all allegations of fraud or corruption are dealt with urgently by referring them immediately to the Monitoring Officer or a person identified in the Whistleblowing Policy.

5.6 Internal Audit or any other person or body as agreed appropriate by the Monitoring Officer and the Section 151 Officer will conduct a thorough investigation ensuring that the Chief Executive and, where appropriate, the Strategic Leadership Team are kept fully informed of potential fraud and corruption. Where it is required a member of the Strategic Leadership Team or S151 officer will:-

- Notify the Officer responsible for the Council’s Insurance
- Implement the Council’s Disciplinary and Grievance Policy
- Consider possible Police action
- Notify the Internal and External Auditor
- Notify HMRC
- Notify the Leader of the Council
- Notify the Chairman of the Audit Committee.

5.4 The Council will thoroughly investigate to establish the facts, prosecute and take other appropriate action against any person or organisation whom it suspects of dishonesty. This is true even where the incident could be of interest to the media.

5.5 Persons who are found to be guilty of fraud and corruption through investigation will be dealt with swiftly and firmly under the Council’s Disciplinary and Grievance Policy.

6. ROLES

Role	Description
Elected Members	<p>As elected representatives, all members of the Council have a duty to citizens to protect the authority from all forms of abuse. This is done through this anti-fraud and corruption policy and compliance with the national code of conduct for members, the authority’s financial procedures, constitution and the relevant legislation.</p> <p>Members are required to apply the principles of good governance regarding their own affairs and when acting for the council including declaring pecuniary or non-pecuniary</p>

	<p>interests, potential for a conflict of interest and recording the receipt of all gifts and hospitality. Members are expected to provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Hinckley & Bosworth Borough Council.</p>
Audit committee	<p>The Audit Committee and its members have specific responsibility in relation to the oversight of the council's governance arrangements in respect of the adequacy of control systems to prevent and detect fraud but also the assurance that processes work effectively for individual cases.</p> <p>The audit committee considers periodic reports from internal audit, when as if needed, on suspected and proven frauds and monitors those systems of control applicable to that area, making recommendation to council where such protection requires improvement.</p>
Senior leadership team (SLT)	<p>SLT is responsible for:</p> <ul style="list-style-type: none"> • the communication and implementation of this policy in their work areas • ensuring that their employees are aware of the financial procedures and other policies, • ensuring the requirements of each are being met in their everyday business activities. <p>SLT has responsibility to ensure that effective systems of control are in place corporately and within their service to both prevent and detect fraud and that those systems operate properly.</p> <p>SLT must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout the Council.</p>
Managers	<p>Managers at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Procedures Rules and other policies, and that the requirements of each are being met in their everyday business activities.</p> <p>Managers of all levels must provide leadership by example is demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout the Council.</p> <p>Managers of all levels are expected to strive to create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities.</p>
Employees	<p>Employees have a responsibility for</p> <ul style="list-style-type: none"> • Identifying potential risks • Fully understanding the laws, rules and regulations with which they must comply

	<ul style="list-style-type: none">• Accepting their ownership responsibilities for all assets and processes entrusted into their care• Reporting suspected dishonesty and potential control failures and assisting in investigations <p>Each employee is governed in their work by the Council's constitution and financial regulations and other codes of conduct and policies. Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are accessible to all employees when they join and are available on the intranet.</p> <p>Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. Concerns should be raised, in the first instance, directly with the supervisor/ manager. If the employee feels that they cannot discuss their concerns directly with their line management they should refer to the council's whistleblowing policy which gives details of independent persons they can discuss their concerns.</p>
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6.1 The Head of Finance is currently delegated as having the statutory responsibility under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs. The Section 151 Officer is also the Council's delegated Anti Money Laundering Officer. The Council's Financial Procedure Rules have been developed to assist in discharging these responsibilities.

6.2 Systems and procedures will continue to incorporate efficient and effective controls including separation of duties. Independent monitoring and assessment of such controls will be undertaken by both internal and external audit as part of the annual programme of audit activity.

6.3 These internal controls are subject to the provision of the "Annual Governance Statement" produced by the Council and reviewed by External Audit. A further mechanism for testing the effectiveness of controls is through the conduct of Internal Audit reviews.

6.4 In addition the Council's robust approach to risk management ensures that the risk of fraud can be addressed within service areas.

7. WORKING WITH OTHERS

7.1 The Council will continue to encourage the exchange of information with other organisations in respect of fraudulent and corrupt activities. These bodies can include:-

- The Police
- The appointed External Auditor
- Internal Audit

- CIPFA
- Department for Works and Pensions
- Ministry of Housing and Local Government National Anti Fraud Network, and
- The Leicestershire Fraud Hub.

7.2 The Council also takes part in the biennial National Fraud Initiative (NFI) which is a data matching exercise conducted by the Cabinet Office under its data matching powers set out in out in the Local Accountability and Audit Act 2014.

7.3 This overall collaboration provides a base for combating potential criminal activity of a fraudulent nature against this and other public sector organisations.

7.4 In addition to the exchange of information the Council will undertake an active role in raising the awareness of reporting fraudulent activity across the organisation by means of email bulletins or other appropriate media. Members and employees will be informed of areas at risk and will be encouraged to report any concerns.

7.5 The Council ensures that all legal agreements entered into allow the Council to terminate any arrangement where there is evidence of fraud or corruption.

8. REPORTING INCIDENTS

8.1 Routine Procedure

Every employee is expected to remain alert to the possibility that fraud will occur. When concerns are first aroused, the employee must:

- Treat his/her suspicions, including anonymous letters with the utmost care and must not discuss them with anyone who does not have both an immediate and obvious need to know. The first points of contact for reporting suspected dishonesty is the Monitoring Officer or the Section 151 Officer, and no employee will be criticised for not first informing his immediate supervisor.
- Secure all information or evidence on which suspicions are based, providing this will not alert the people under suspicion.
- Not take disciplinary, investigative or any other action against the person or persons suspected.
- Thereafter, the employee will be guided by the Monitoring Officer, Section 151 Officer, or by their designated representatives.

9. ELECTED MEMBERS

9.1 Elected Members are required to operate within:-

- The Council's Constitution
- Member Code of Conduct
- Sections 94 to 96 of the Local Government Act 1972
- Section 102 of the Local Government Act 1985
- Local Authorities Members' Interests Regulations 1992 (SI618) as amended by the Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

9.2 The Monitoring Officer maintains the appropriate registers, in relation to interests and gifts and hospitality.

10. THE BALANCE OF RISK AND TRUST

10.1 The principles HBBC adhere to are that employees are trusted and advised on risks and the specified controls they are to maintain. Employees must report their suspicions, co-operate in investigations and will be subject to disciplinary and other action if they wilfully or negligently fail to comply with an investigation process. Finally, breaches of trust will be prosecuted to the maximum extent permitted under the law.

10.3 To create an environment in which employees gain job satisfaction and the Council achieves its objectives, there must be trust, and this inevitably results in a degree of risk. Fraud subverts trust and takes victims by surprise. Often the hardest working employees are the easiest to deceive because they are heavily focused on their primary work goals.

10.4 Whilst the organisation holds trust in employees, this belief must be based in assurance and, as such, checks may be performed on data (e.g. mileage claims) and procedures (e.g. through audit processes) to obtain this assurance.

11. PREVENTION

11.1 The primary responsibility for maintaining sound systems of control including arrangements to prevent and detect fraud and corruption lies with the Chief Executive, Directors, Heads of Service and the Managers of the Council. An annual programme of internal audits is designed to assist this process by highlighting areas where controls are inadequate, require improvement or are not operating correctly, or at all, or where good practice can be shared.

11.1 The responsibility of employees can stem from their employment contract obligations, but more widely each employee has a responsibility for:

- remaining aware of the requirements placed on them by this policy and the procedures of the council

- their own conduct and contribution towards the safeguarding of council standards in accordance this policy and the procedures of the council
- acting with propriety when using council resources, when handling council funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers, and
- reporting details immediately to their line manager, service director or Head of Finance if they suspect that fraud, bribery or corruption has been committed or they have seen any suspicious acts or events.

11.2 A key preventative measure in counteracting fraud and corruption exists within the recruitment process where, as far as possible, the previous record of all potential employees, in terms of propriety and integrity, can be established. Where references are requested, the candidate's suitability for the post needs to be in accordance with the employee specification. Individuals should not commence employment with the Council until satisfactory references are obtained and reviewed.

11.3 Officers are expected to abide by the Employee Code of Conduct that sets out the Council's requirement on personal conduct. In addition, if they are members of professional bodies, officers are expected to follow the Code of Conduct related to their professional qualification.

11.4 The Code of Conduct also ensures that Officers are aware of their statutory requirements under section 117 of the Local Government Act 1972 regarding declaration of pecuniary and non-pecuniary interests.

11.5 Where the post requires, the Council undertakes appropriate checks through the Disclosure and Barring Service.

11.5 Finally, and most importantly, all employees should comply with the Council's values and encourage others to do the same.

12. TRAINING

12.1 The Council supports the training of appropriate officers in the prevention, detection and investigation of fraud and corruption by the provision of internal and external instruction. The courses are organised by recognised professional organisations.

12.2 The Council supports the management in the provision of induction and refresher training for officers involved in internal control systems to ensure that they are fully aware of their responsibilities and duties.

12.3 All employees are expected to complete any prescribed fraud and corruption trainings considered necessary by SLT for the purpose of carrying out their work related activities.

13. INVESTIGATIONS

13.1 Reporting a Suspected Fraud

Any suspicion of fraud will be treated seriously and will be reviewed in accordance with this policy

Action by Employees

If you become aware of a suspected fraud or irregularity, if possible write down your concerns immediately including all of the relevant detail, such as what was said in phone or other conversations, the date, the names of anyone involved etc.

Report the matter immediately to either:

- your Line Manager or
- the Strategic Director
- Section 151 Officer, or
- for confidential reporting alternatives refer to the Whistleblowing Policy

A member of staff may choose to report their concerns anonymously in accordance with the Council's Whistleblowing Policy. If the report suggests criminal activity, and the case is to be pursued, the identity of the person reporting the details will be needed at a later date if criminal proceedings are pursued.

Action by Managers

If you have reason to suspect fraud or corruption in your work area you should do the following:

- Listen to the concerns of your staff and treat every report you receive seriously and sensitively
- Make sure that all staff concerns are given a fair hearing. You should also reassure them that they will not suffer because they have told you of their suspicions
- Get as much information as possible from the member of staff, including any notes and any evidence they have to support the allegation. Do not interfere with any evidence and make sure it's kept in a safe place
- Do **not** try to carry out an investigation yourself. This may damage any Internal Audit or criminal enquiry
- Report the matter to a member of SLT or the Section 151 officer.

Further guidance is given in appendix 2, but all investigation into fraud and corruption will be covered by the fraud investigation plan agreed by the Monitoring Officer and S151 Officer based on the circumstances of the alleged fraud. Any decision to vary from the guidance will be agreed jointly by the Monitoring Officer and S151 Officer, with advice from Human Resources if needed, and documented in the fraud investigation plan

14. NOTIFYING THE POLICE

- 14.1 There is no legal obligation to notify the police of a suspected fraud. The Council will prosecute those accused of fraud. As soon as practicable, the Monitoring Officer, Section 151 Officer or their nominated representative will make an initial report to the police, clearly explaining the Council's objectives and, if necessary, agreeing an action plan under which the investigation should move forward.
- 14.2 If an action plan cannot be agreed, the Monitoring Officer, Section 151 Officer or their nominated representative may decide to delay a formal complaint until internal investigations have been completed.
- 14.3 If the police refuse to accept the complaint, the Monitoring Officer, Section 151 Officer or their nominated representative should progress the investigation using the resources available to him. If evidence is subsequently uncovered, he/she should invite a senior officer to reconsider the initial decision.

15. DISCLOSURE

- 15.1 The Monitoring Officer, Section 151 Officer, nominated representative and people working under their authority are not permitted to pass reports, statements or investigative work to the police other than through a Legal Adviser.

15.2 Briefing Line Managers

The Monitoring Officer, Section 151 Officer or their delegated representative will report the results of investigations to line management, as he/she believes appropriate. It should be noted; however, that line management has no right to demand reports.

15.3 Interim Reports

At significant points in each investigation, written reports will be submitted to the Strategic Leadership Board. The Monitoring Officer, Section 151 Officer or their nominated representative has a prime responsibility for ensuring that reports are accurate and professionally compiled. The Council, based on legal advice, will determine what further distribution of investigative reports is justified.

15.4 Closing Down Cases

In addition, at the close of an investigation, the Monitoring Officer or Section 151 Officer or the appropriate delegated representative should:

- Advise all witnesses and others innocently involved of the outcome and in accordance with General Data Protection Principles

- Fully brief the line managers of the area concerned, if necessary making recommendations for improving controls
- Ensure that the personnel files of those rightly and wrongly suspected are appropriately updated at the end of an investigation.

16. ANNUAL REPORTS

The External Auditor will comment annually on fraud as part of their ISA(260) report to those charged with governance. In addition controls in respect of fraud will be considered under ISA(240) which covers the auditors considerations in respect of fraud.

17. CONCLUSION

- 17.1 This Corporate Anti-Fraud Policy sets out the procedures which will assist in the prevention, detection and investigation of fraud and corruption. Consequently the protection of public funds and assets will be strengthened.
- 17.2 The Council will maintain a continuous overview of the arrangements through its Officers, particularly the S151 Officer and the Monitoring Officer and through the Internal Audit Service, Financial Regulations and Codes of Conduct.

Appendix 1: Examples of Fraud and Corruption

A1.1 Financial Fraud

- Theft from the Council by employees or others
- Income received and not declared and banked
- Changes/additions to payee details
- Falsification of invoices or other paperwork for gain or other reasons
- Giving invalid discounts or free services to friends and family

A.1.2 Procurement Fraud

- Undeclared personal relationships between staff and suppliers
- Deliberate mismanagement of tender processes

A.1.3 Employee claims

- Submission of false claims e.g. timesheets, mileage
- Provision of false documentation to secure employment

A1.4 Misuse of physical & financial assets

- Theft by a third party
- Use of council equipment for the running of own business interests
- Use of council property/equipment for personal events (not authorised and/or charged for)

Other

- Bribes – offering or accepting gifts, hospitality or dishonest payments in exchange for goods or services

This list is not exhaustive.

Appendix 2: Investigative Principles

A2.1 Investigative Principles

Although employees will never be criticised only because fraud has taken place in an area for which they are responsible they will be subject to disciplinary action if they:

- Ignore their responsibilities under this policy
- Were wilfully or negligently blind to the risks, or covered up obvious control weaknesses or signs of dishonesty
- Gave misleading or deceptive information during an investigation or attempted to censure a person who has reported suspicions
- Placed blind trust in people or organisations whose reliability should have been verified
- Failed to respond to recommendations in audit reports or wilfully disregarded other advice that may have prevented the fraud

In all cases, the greatest failing of any employee is to suppress suspicions of dishonesty or to impede an investigation.

Investigation results will be treated in the strictest confidence and will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect the Council from potential civil liability.

A2.2 Authority and Reporting Lines

The Monitoring Officer and the Section 151 Officer have authority delegated by Council to carry out such investigations, as they may deem necessary, without reference to the line managers responsible for the area in which dishonesty is suspected.

In addition to normal reporting lines, the Monitoring Officer and Section 151 Officer have a right of direct access, in all matters relating to fraud, to the Chief Executive, Chair of the Audit Committee and External Audit.

A2.3 Effectiveness of Investigations

In some cases, stages within an investigation may not appear to be justified by the potential benefits. This is not a reason for failing to investigate thoroughly because:

- The Council is driven on principles, rather than on short-term financial considerations: thoroughly investigating and cutting out fraud is the proper course
- Often major losses emerge from minor suspicions
- It is impossible to say what an investigation step might reveal before an event

- If the people responsible for minor incidents are not identified and dealt with, they may be encouraged into further dishonesty.

Therefore, every case should be investigated thoroughly through a defined process.

A2.4 Resources

The Monitoring Officer and Section 151 Officer will provide competent investigative resources. These will be either employees with suitable experience or expertise, internal auditors or external advisers who have been individually identified and approved.

A2.5 Investigation Planning and Control

Investigation processes should ensure that in each investigation:

- A theory of the fraud is developed and is kept under review as the case moves forward
- An action plan is defined that tests and obtains evidence in support of the fraud theory. This too should be kept under review
- A recovery strategy is determined as early as possible in the investigation and kept under review thereafter
- Any potentially controversial investigative techniques, such as covert surveillance or interception of communications, must be approved in accordance with the approved Regulation of Investigatory Powers Act (2000) Policy
- All information and evidence that could be relevant to the person under suspicion is recorded and preserved
- A detailed diary is maintained of all significant steps taken in each investigation.

A2.6 Requirement of Employees to Cooperate in Investigations

All employees are required to co-operate with investigations conducted by the Council and to secure and volunteer all records and other information that may be relevant.

Any employee who fails to comply with this paragraph, for whatever reason, may be subject to disciplinary action

A2.7 Responsibilities of Line Management in Investigations

Under no circumstances will an employee working in, or responsible for, an area in which fraud is suspected have any control over an investigation, unless specifically invited, in writing, by the Monitoring Officer or the Section 151 Officer or their delegated representative, to provide assistance. Any improper interference in an investigation by any employee will result in disciplinary action.

A2.8 Rights of Employees

Employees and others are permitted to use Council premises, telephones, computer systems, communication networks and other facilities in accordance with the Councils procedures and policies.

A2.9 Rights to Representation

At fact-finding or investigative interviews, employees suspected of dishonesty will be entitled to representation by a colleague or Trade Union Representative.

However, where a criminal act is suspected the case/investigation may be handed over together with any findings to the police to deal with.

Under these circumstances an interview should either not be planned, or if in progress, it should be suspended.

A2.10 Access to Records of Interviews

Interviews with people suspected of dishonesty may, at the Monitoring Officer, Section 151 Officer or their representative's discretion, be recorded, with or (where permitted by law) without their permission, to ensure that an accurate record is obtained.

Providing, in the opinion of the Monitoring Officer, Section 151 Officer or their representative, this does not impede an investigation, the person suspected of dishonesty will be provided with notes or transcripts of his interview and a copy of any tape recording, notes or written statement.

A person suspected of fraud will not be entitled to copies of notes of interviews with other people, statements or investigation reports until such time as they are required to be officially disclosed

A2.11 Disciplinary Interviews

When, in the opinion of the Monitoring Officer, Section 151 Officer or their representative, the facts of a case have been established, the employee will be invited to attend a disciplinary interview at which he/she will be entitled to representation by a colleague or Trade Union Representative. At such interviews, the evidence will be produced and the person invited to provide an explanation. Thereafter, he/she will be subject to the Council's normal disciplinary procedures.

A2.12 Dealing with Grievances/Threats during the Investigation Process

People under investigation may threaten to expose malpractice by the Council, make other damaging allegations or raise grievances if the case against them is pursued. These complaints should be dealt with under the Grievance Procedure and should not effect the investigation although each case will be judged on its own merit.

A2.13 Disciplinary Action

The Monitoring Officer or Section 151 Officer, in consultation with Human Resources and line management, will determine the appropriate disciplinary or other action to be taken, in accordance with the Disciplinary Policy.

A2.14 Rights of Employees Dismissed for Dishonesty

The dismissal of employees for a breach of this Policy should be with immediate effect and, subject to legal advice, should be without compensation of any kind.

In addition, the Council will take appropriate action against any employee dismissed for dishonesty, including where possible the recovery of losses and costs from salary, expenses and pension funds.

A2.15 References on Employees Dismissed for Dishonesty

All requests for references should be referred to Human Resources. The personnel file for any employee dismissed for dishonesty will be marked by the Human Resources Department and will contain an extract of the final investigative report and final disciplinary papers. Requests for references on ex-employees dismissed for dishonesty will be dealt with by the Head of Human Resources on a case-by-case basis.

Any employee who with knowledge of the fraud/dishonesty and without the specific written approval of Human Resources, provides a work reference or a personal reference in his official capacity for an employee who has been dismissed for dishonesty, will be subject to disciplinary action.



Hinckley & Bosworth Borough Council

Anti-Money Laundering Policy

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1. Introduction

- 1.1 This Statement sets out Hinckley and Bosworth Borough Council's (the Council's) policy in relation to money laundering. It has the full support of the Senior Leadership Team and Members.
- 1.2 Anti-Money Laundering (ALM) Policy and Procedures adopted in this policy by Hinckley and Bosworth Council comply with The Money Laundering, Terrorist Financing, and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR). The business will actively prevent and take measures to guard against being used as a medium for money laundering activities and terrorism financing activities and any other activity that facilitates money laundering or the funding of terrorist or criminal activities.

2. Scope of the policy

- 2.1 This Policy applies to all officers (including agency staff) and elected members of the Council and aims to maintain the high standards of conduct, which currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures that must be followed to enable the Council to comply with its legal obligations. Within this policy the term employees refers to all employees and elected members.
- 2.2 Failure by an 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.

3. What is money laundering

- 3.1 According to Proceeds of Crime Act (POCA 2002), breaks money laundering into two areas, principle and third party offences. Under these definitions the following acts constitute the act of money laundering. Further information can be found in the links given in appendix 3.

Principle offences

- a) Concealing, disguising, converting or transferring criminal property, or removing criminal property from England and Wales, or from Scotland or from Northern Ireland (section 327); or
- b) Entering into or becoming concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- c) Acquiring, using or having possession of criminal property except where adequate consideration was given for the property (section 329).

Third party offences

- i) Telling someone that you are going to make a report or telling someone that they are being investigated
 - ii) Failure to disclose one of the principal offences listed in a) to c) above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime; (section 330), and
 - iii) Falsifying, destroying, disposing of, concealing any document which is relevant to an investigation, or allowing this to happen
- 3.2 Money laundering offences may be tried at a magistrate's court or in the Crown Court, depending on the severity of the suspected offence. Trials at a magistrate's court can attract fines of up to £5,000, up to 6 months in prison, or both. In a Crown Court, fines are unlimited with possible prison sentences of up to 14 years. Further examples are given in appendix 2.

4. Council response

- 4.1 The regulations in particular relate to cash transactions, with organisations now being required to be registered as 'High Value Dealers' in order to accept more than €10,000 in cash and make extra checks on clients when processing transactions.
- 4.2 HMRC considers a high value payment to be:
- a single cash payment of €10,000 or more for goods
 - several cash payments for a single transaction totalling €10,000 or more, including a series of payments and payments on account
 - cash payments totalling €10,000 or more which appear to have been broken down into smaller amounts so that they come below the high value payment limit
- 4.3 At the time of drafting this policy €10,000 equals £9,000. The Council, via the nominated officer, must consider reporting any money laundering suspicions for cash transactions over £9,000. To help prevent money laundering, the Council has set a cash payment limit of £3,000. No cash payments above £3,000 will be accepted for any Council service, and alternatives to cash payment must be requested before consideration of any acceptance of cash settlement. This is not designed to prevent customers making payments for Council services but to minimise the risk to the Council of high value cash transactions.
- 4.4 If the customer wishes to make cash payment, or a series of cash payments of £1,000 or more they must provide identification before accepting payment. It is best practice to insist on payment by cheque or electronically from a UK clearing bank wherever possible.
- 4.5 Our policy is to:
- prevent, where possible, the Council and it's employees being exposed to money laundering.

- provide staff with guidance and training to help prevent money laundering.
- report all suspicions to the Council’s nominated Money Laundering Reporting Officer – contact details below.
- use the Proceeds of Crime Act to recover any monies lost to money laundering.

All transactions

- 4.6 For all transactions it is important to consider whether something feels wrong about the situation. For example:
- Is it plausible that the person can pay the amount they are paying by the means that they are paying it?
 - Does the name of the person involved match the source of the funds (e.g. name on cheque book, credit card)?
 - Is the payment being broken down in to a number of small transactions?
 - Refunds where the money is going to a different place than the original source
 - Does the transaction make sense?

5. Nominated officer

- 5.1 The regulations require the Council to appoint a Nominated Officer, sometimes known as Money Laundering Reporting Officer (“MLRO”) who is responsible for:
- Receiving internal suspicious transaction reports (also known as disclosures) from within the Council.
 - Deciding whether these should be reported to the National Crime Agency.
 - If appropriate, making such reports to the National Crime Agency.
- 5.2 The Officer nominated as MLRO to receive disclosures about money laundering activity within the Council is the Director (Corporate Services) and Monitoring Officer, Julie Kenny.

Email: Julie.kenny@hinckley-boworth.gov.uk

Tel: 01455 255985
Mob: 07966 131272

In the absence of the MLRO, the issue can also be reported to Section 151 Officer. The S151 Officer can deputise for the MLRO when the MLRO is not available, and can be contacted via:

Email: Ashley.wilson@hinckley-bosworth.gov.uk

Tel: 01455 255 609
Mob: 07896 815

The MLRO should make the Section 151 aware of Money Laundering concerns at the earliest opportunity.

6. Roles and responsibilities

The Council has assigned the following responsibilities for anti-money laundering measures within the Council:

Money Laundering Reporting Officer (MLRO)

- 6.1 The MLRO will review all reported money laundering allegations and decide whether the transaction / circumstances are suspicious. The MLRO will report suspicions to the National Criminal Intelligence Service (NCIS) and the Police, as appropriate.

Employees

- 6.2 It is each employee's responsibility to remain vigilant and report any suspicions to help us prevent and detect money laundering. Failure to report a suspicion of money laundering may lead to disciplinary action.

7. What to do if there is a suspicion of money laundering

- 7.1 The regulations require the Council to appoint an individual in their organisation as a nominated officer (the "MLRO") who is required to make reports to SOCA where he knows or suspects or has reasonable grounds for knowing or suspecting that a person is engaged in money laundering or terrorist financing.
- 7.2 Any staff in the Council who know, suspect or have reasonable grounds for knowing or suspecting that a person is engaged in money laundering or terrorist financing must report such matters to the nominated officer (MLRO) as soon as possible. On receipt of a report, it is for the nominated officer to decide whether a suspicious activity report needs to be made to SOCA.
- 7.3 Suspicion has its ordinary meaning, and a report should be made if a member of staff/the MLRO thinks that there is a possibility, which is more than fanciful, that a person is or has been engaged in money laundering or terrorist financing.
- 7.4 The report to the MLRO should be within "hours" of the information/suspicion coming to your attention, not weeks or months later. Should you not do so then you may be liable to prosecution.
- 7.5 The report should give as much information as possible: e.g.
- Full details of the people involved (including yourself) i.e. name, date of birth,
 - address, company names, direct partnerships, phone numbers etc.
 - Full details of the type of transaction and the nature of their/your involvement.

- The date of the money-laundering activity, including whether the transactions
 - have happened, are ongoing or are imminent.
 - Where they took/taking place.
 - How they were/are being undertaken.
 - The (likely) amount of money/assets involved.
 - Why you are suspicious.
- 7.6 Once you have reported the matter to the MLRO you must follow any directions he/she may give you. You must not make any further enquiries into the matter yourself.
- 7.7 At no time and under no circumstances should you voice any suspicion to the person(s) whom you suspect of money laundering otherwise you may commit a criminal offence of “tipping off”.

8. Reporting by the MLRO

- 8.1 The MLRO or their representative must promptly evaluate any disclosure to determine whether it should be reported to the National Crime Agency (NCA). The MLRO or representative must, if they so determine, promptly report the matter to the NCA on their standard report form and in the prescribed manner. Up to date forms can be downloaded from the NCA website at:

<http://www.nationalcrimeagency.gov.uk/> (main NCA website)

[https://www.ukciu.gov.uk/\(osvifg55vxdphzrs40egnj45\)/saronline.aspx](https://www.ukciu.gov.uk/(osvifg55vxdphzrs40egnj45)/saronline.aspx) (a direct link to the NCA’s electronic referral form)

All disclosure reports referred to the MLRO and reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years. The Money Laundering Disclosure Forms (Appendix 1) should be used by employees or the MLRO to facilitate the recording of any action taken.

9. Conclusion

- 9.1 Given a local authority’s legal position with regard to the legislative requirements governing money laundering, the Council believes that this Policy represents a proportionate response to the low risk it faces of money laundering offences.

Appendix 1: Money Laundering reporting forms (Employee and MLRO)

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.

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

Disclosure – is there any reason why you believe this should not be disclosed to 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 (MLRO)

Date of Report being made _____

Subject of investigation

Will this matter be reported to NCA? _____

Date of report to NCA _____
(Attach details of the report)

If this is not being reported, why not?

Details of liaison with NCA regarding the report (give dates and details)

Is consent required from NCA for transaction to occur? Yes / No
Contact details of NCA liaison

Has notification been given to employee? Yes / No

Has consent been denied by NCA? Yes / No

What is the notice period?

(This is the time the NCA has to make a decision, During this period the activity that is the subject of the request should not be carried out, otherwise you risk committing a money laundering offence)

Date commences =

Date ends =

What is the Moratorium period?

(The Moratorium Period extends to 31 calendar days following notice of refusal. During this time law enforcement will be working to take positive enforcement action against the criminal property you have identified).

Date commences =

Date ends =

Can the Council Proceed with the Transaction? Yes / No

Signed _____

Name _____

Date _____

Appendix 2: Example of potential Money laundering activity

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) • 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

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<p>Extensive and over-complicated client business structures / arrangements</p>	<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
<p>Poor accounting records and internal financial control</p>	<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
<p>Unusual property investments or transactions</p>	<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
<p>Overcomplicated legal arrangements / multiple solicitors</p>	<ul style="list-style-type: none"> • Property transactions where the Council is dealing with several different parties

Appendix 2: Further Information

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

- National Crime Agency (NCA) – <http://www.nationalcrimeagency.gov.uk/>
- CIPFA - <http://www.cipfa.org/members/members-in-practice/anti-money-laundering>
- CCAB - Anti-Money Laundering (Proceeds of Crime and Terrorism) – Guidance for Accountants – www.ccab.org.uk (main site) or www.ccab.org.uk/documents/20140217%20FINAL%202008%20CCAB%20guidance%20amended%202014-2-17pdf.pdf (direct link)
- The Law Society - Anti-Money Laundering Guidance and Advice - www.lawsociety.org.uk/advice/anti-money-laundering/