

SLOUGH BOROUGH COUNCIL

ANTI-FRAUD AND CORRUPTION POLICY AND STRATEGY

Links and Dependencies

Council Constitution
Part 5.7 Anti Fraud and Corruption Strategy
Part 5.6 Whistleblowing Policy
Employee Code of Conduct
Disciplinary Procedures
Sanctions Policy
Anti-money Laundering Policy
Anti-bribery Policy
Slough Safer Partnership
Local Government Transparency Code 2014
UK Anti Corruption Strategy 2014
Fighting Fraud Locally Strategy
Regulatory Enforcement Policy 2015

Related Forms

Simple Fraud Referral Form
Financial Investigation Referral Form

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Anti-fraud Policy Statement

- 1.1 Slough Borough Council operates a 'zero tolerance' approach towards fraud and corruption and we will use the full range of sanctions available against any individual or organisation found to be committing fraud. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most.
- 1.2 We want to protect against, detect and respond to fraud and corruption in order to protect the interests of our clients, partners, employees and other stakeholders while retaining a high ethical standing within the community.
- 1.3 This policy applies to all parts of the Council and to all our employees, volunteers, contractors and consultants in relation to their work with/for us. We rely on the support of staff, businesses and the community to deliver the services we provide to people in need. Loss of confidence in the Council as a result of fraud or corruption could have an adverse impact on our funding and investment in the area, leading to a more severe impact on the services we deliver than the initial theft.
- 1.4 We expect all our Councillors, employees, consultants, contractors, partner organisations and service users, to be honest, and to give us any help, information and support we need to deal with fraud and corruption. In return, we will:
 - Take appropriate measures to prevent and deter fraud;
 - Introduce and maintain procedures to detect fraud;
 - Encourage employees to report any suspicions of fraud;
 - Provide resources to train our staff about fraud risk and investigate fraud;
 - Take appropriate disciplinary, civil or criminal proceedings; and
 - Report suspected fraud to the police and all relevant organisations.
- 1.5 It is in everyone's interests to prevent fraud and corruption from happening. Report any suspected incident immediately to your manager and the Risk & Assurance Manager (unless you suspect your manager may be involved). This strategy and response plan sets out what we mean by fraud; how we tackle fraud; what you should do if you suspect fraud; and how we will respond.



**SPEAK OUT
ABOUT
FRAUD**

If you have any concerns about fraud, we want to know:



Call free and in confidence: 01753 787876



Email: www.slough.gov.uk/benefits-and-money/form-to-report-fraud.aspx



Write to: Slough Borough Council, Corporate Fraud and Investigations Team, St Martins Place, 51 Bath Road, Slough, SL1 3UF

Anti-fraud Strategy

2. Definition of Fraud – what we want to know about

2.1 The **Fraud Act 2006** introduced the first legal definitions of fraud, which are used for the criminal prosecution of fraud offences. **Corruption** is defined as: ‘The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.’

2.2 The following are some examples of fraud or corruption, which you may come across:

- Providing false identity or right to remain/work documents, references, or any other information when applying for a job;
- Making false claims for expenses, overtime, flexitime, or any other allowance;
- Not declaring a conflict of interest e.g. owning properties which are leased to us, or receiving benefits from us; you or your family owning companies which we do business with; or working for organisations which receive grant funding from us;
- Allocating housing, or any other benefits, to people who are not entitled to them;
- Misusing Blue Badges, residential, business or any other parking permits;
- Fraudulently claiming any benefits we the DWP or HMRC provide, including housing benefits, working/child tax credits, disability benefits, and council tax benefits;
- Fraudulently making, or exaggerating, an insurance claim against the Council;
- Using our vehicles, IT equipment, offices/buildings, stocks, materials, or any other resources for personal use, or to run a private business;
- Stealing money, materials or other resources from us, our partners, or our clients;
- Raising orders, or submitting invoices for payment when the work hasn’t been done;
- Working for another organisation, running a business, or being self-employed during contracted hours, including working whilst off sick;
- Accepting gifts or hospitality from contractors, or organisations who are bidding for work, or who we have contracts with, or who receive grants from us.

2.3 The above list cannot cover every example of fraud or corruption. If you have any questions, please contact the Risk & Assurance Manager for further advice.

3. Responsibilities

3.1 We expect all individuals, groups and organisations that receive services from, or provide services on behalf of the Council to be honest in their dealings with us and our clients and customers.

3.2 We expect our Councillors and employees, including any temporary, agency and consultancy resources, to lead by example in preventing, deterring and advising of suspected fraud and corruption and these responsibilities are summarised below:

Individual/Group	Role/Responsibility
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Individual/Group	Role/Responsibility
Committees	<ul style="list-style-type: none"> • Approving and monitoring corporate counter-fraud policies. • Reviewing reports relating to fraud risks and investigations from internal and external auditors.
Directors/ Assistant Directors/ Programme Managers/ Heads of Service	<ul style="list-style-type: none"> • Introducing and maintaining effective controls to prevent fraud or corruption from happening in their service area, or service plan. • Notifying all suspected fraud or corruption incidents within their service area/ programme to the Monitoring Officer. • Approving follow up action to be taken in response to actual incidents of fraud or corruption.
Risk & Assurance	<ul style="list-style-type: none"> • Consulting with Directors/Assistant Directors about the best course of action when suspected fraud or corruption incidents are raised. • Allocating an investigator, consulting with appropriate senior managers and HR personnel at agreed stages during any investigation into fraud or corruption, and completing the investigation within agreed timescales. • Notifying the police, and other organisations, as appropriate • Facilitating fraud and corruption awareness training. • Providing regular reports to the Audit Committee on fraud, pro-active and responsive investigations. • Providing advice and guidance on internal controls to prevent fraud or corruption. • Undertaking pro-active projects to identify possible fraud or corruption.
Employees and Members	<ul style="list-style-type: none"> • Complying with the Council's Codes of Conduct and Constitution. • Informing their manager, or Assistant Director and Risk and Assurance Manager of any suspected fraud or corruption incidents.

4. Our approach to preventing, detecting and investigating fraud and corruption

We have aligned our fraud prevention and detection approach to the government's recommended 'acknowledge, prevent, pursue' strategy in their [Fighting Fraud Locally](#) publication and the Chartered Institute of Public Finance and Accountancy's 2014 'Managing the Risk of Fraud and Corruption' Code of Practice.

4.1 Preventing fraud and corruption

We want to try and prevent fraud and corruption from happening in the first place. In order to do this our strategy includes:

- Undertaking a regular assessment of the fraud risks faced by the Council and ensuring our managers and counter-fraud teams carry out checks on high risk areas;

- Completing pre-employment screening of our staff (including volunteers, contractors and consultants) and confirming their right to remain and work in the UK, where appropriate;
- Requiring staff to declare potential conflicts of interest; and any gifts offered and accepted;
- Scanning and verifying identity documents of all applicants for housing and other benefits;
- Making sure quotes and tenders from contractors are opened by different employees to those who asked for the quotes; and
- Controlling our IT systems e.g. to ensure that individual employees aren't responsible for setting up and authorising payments.

4.2 Detecting and investigating fraud and corruption

As well as having systems in place to prevent fraud, we have procedures that detect and investigate fraud effectively which include:

- Fraud reporting mechanisms such as the confidential Freephone telephone number, PO Box address and email facility;
- Whistleblowing, Anti-Money Laundering and Anti-bribery policies in place, together with our complaints process, and regular reviews of personnel and financial information e.g. on Right to Buy applications;
- An annual counter-fraud plan which includes projects to look at high risk and high spend areas;
- Undertaking regular data matching and analysis of information held on our systems to identify e.g. fraud in housing tenancies, payroll and pensions, Blue Badges, benefits, planning applications and payments to suppliers;
- Sharing information on identified frauds and risks with other local authorities and agencies, including the police and the Home Office visa and immigration services;
- Joint working with the Department for Work and Pensions (DWP), in accordance with National and Local Service level agreements, regarding benefit fraud and associated fraud arising from the same set of circumstances.
- Receiving regular data analysis and fraud information alerts from the National Anti-Fraud Network;
- Having a dedicated and suitably trained counter-fraud and financial investigation team in place, with links to the police and other enforcement agencies, to investigate allegations of fraud and undertake prosecutions.

4.3 You should read our anti-fraud and corruption strategy in conjunction with our **Fraud Response Plan** (Appendix 1) which sets out how we will tackle the risk of fraud and investigate allegations of fraud; and the Council's **Whistleblowing Policy** (Part 5.6 of the SBC Constitution), which is intended to encourage and enable employees to raise serious concerns.

4.4 We will use all sanctions available to us to deal with anyone committing fraud or corruption, including referring cases to the police, offering a simple caution, prosecuting offenders and seeking recovery of monies and/or other assets obtained

by fraud or corruption. Our **Sanctions Policy** is attached (Appendix 2), which describes the process in more detail.

4.5 We also need to have arrangements in place where any instances of suspected money laundering or bribery are reported. Our **Anti-money Laundering Policy** (Appendix 3) explains what money laundering is, and what we do to manage the risks associated with crime and money laundering. Our **Anti-bribery Policy** (Appendix 4) explains the legal position for the Council and employees; and how to report any concerns.

4.6 This strategy is aligned with the Council's Code of conduct and HR policies, which require employees to declare any potential conflicts and any gifts or hospitality offered. The strategy is also consistent with the Council's IT Security Policies.

5. Monitoring

5.1 This policy and the appendices will be monitored and reviewed on an annual basis. We will consult with all the relevant services areas to ensure that all relevant legal, financial and personnel issues are included in the review processes.

5.2 The Council's s151 Officer has overall responsibility for the Corporate Fraud and Investigations Team and this policy, it will be presented to him/her for his/her approval when any review takes place.

Appendix 1 - Fraud Response Plan

1. Why we have a Fraud Response Plan

- 1.1 Lots of reports in the media suggest that fraud is on the increase. Despite this, fraud is not usually an everyday occurrence and most people are surprised to discover a potential fraud issue. Knowing what to do and taking the right steps when the fraud is discovered can make or break any investigation.
- 1.2 Having a structured response plan helps everyone to handle any fraud issues in the same way and avoid potential problems like: inadvertently tipping off the suspect, enabling them to destroy incriminating evidence; failing to keep the matter confidential; and taking inappropriate action caused by having insufficient information.
- 1.3 A Fraud Response Plan ensures that incidents are handled in a systematic and efficient manner, not only to conclude a successful investigation, but also to show that the organisation acted in an effective and lawful manner; and that it does not tolerate fraud.

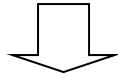
2. What you should do if you suspect fraud or corruption

- 2.1 Our employees and councillors are often the first to realise when things may be going wrong, or fraud and corruption may be taking place. However, they may think that they would not be supported if they raised their concerns, or they may even be afraid of being harassed or bullied. In these circumstances, an individual may feel it would be easier to ignore their concerns, rather than report it. We want to tell you that this isn't the case.
- 2.2 Our 'Whistleblowing' Policy is in place to encourage and enable individuals to raise legitimate concerns, rather than overlooking a problem. The policy applies to all Slough Borough employees, staff of Council contractors, agency staff and trainees.
- 2.3 If you suspect fraud or corruption, you should raise your concern with your line manager. Failing that, you should approach your head of service, or Assistant Director. If you can't raise your concern within your own service area, you should approach the Risk and Assurance Manager.
- 2.4 We want to encourage any member of the public, or a partner organisation, who suspects fraud and corruption to contact the Council's Head of Audit and Risk Management in the first instance.

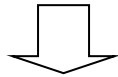
2.5 **Remember:** tell some-one, don't keep it to yourself; make a note of anything which made you think a fraud was happening; keep things confidential initially; do not confront the suspect(s); only take away any evidence if there is any risk that it will be destroyed or thrown away. **Leave the investigation to the Corporate Fraud and Investigations team**

3. How will allegations of fraud or corruption be dealt with by the council?
 Although we can't say how each individual case is dealt with, the following process is outlined as a general guide.

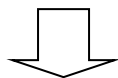
Fraud happens (or is suspected) by an employee



Issue(s) raised with a line manager, Director/Assistant Director



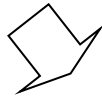
Referral made to Corporate Fraud and Investigations management (first stage for the public)



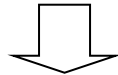
Risk assessment and initial fact finding review takes place by **Corporate Fraud and Investigations management**



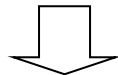
<p>Criminal offences suspected Case conference is held with investigator, the 151 Officer and or the Monitoring officer, to agree the next steps. Formal investigation commences – <i>a referral to the police may be made at this stage.</i></p>	<p>No criminal issues identified Case closed, or referred for management disciplinary investigation.</p>
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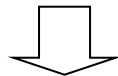
Investigator (or investigation team) is allocated to undertake the work and report within agreed timescales (if appropriate)



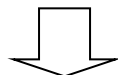
A case file is prepared and presented to the 151 Officer for consideration of a prosecution. A separate report including any recommended changes to controls is prepared, as required. Alternative sanctions may apply, in accordance with SBC sanctions policy.



The file is presented to Legal services or the delegated provider, to review and issue proceedings where appropriate



Disciplinary action taken where appropriate



Loss recovery procedures started where appropriate, including financial investigation and confiscation, following conviction.

4. Proactive exercise

4.1 The Corporate Fraud and Investigations Team will work closely with Internal Audit, Risk Management and internal departments, and utilise data from external agencies, such as the DWP, CIPFA and the National Fraud Initiative (NFI) to identify fraud trends and risks. On identification of a specific risk, the Corporate Fraud and Investigation Team will conduct proactive fraud review, to assess if any criminal offences are identified or if the area is susceptible to fraud. Identified areas for review in 2015/16 include:

- **Housing procurement;**
- **Qualifications for senior management;**
- **Insurance requirements of temporary or contract staff; and**
- **Contract management**

4.2 The above list may be altered on identification of different risks or other competing priorities.

4.3 The Corporate Fraud and Investigations Team will also engage in proactive data matching, where appropriate, focusing on specific areas of SBC business to identify fraud. For 2015/16, collaboration with Housing is planned to establish suspected tenancy Fraud, a proposal is in place to use an external third party data-matching expert. The results will be reviewed by Housing officers. If criminal offences are suspected a referral will be made to Corporate Fraud and Investigations.

Appendix 2 - Sanctions Policy

1. Policy Statement

- 1.1 We will use the full range of sanctions available to us, including, simple caution criminal prosecution, civil recovery, internal disciplinary procedures and referral to regulatory bodies in order to deter fraud, bribery and corruption.
- 1.2 Slough Borough Council Legal Services (or our designated legal service provider, in accordance with the scheme of delegation) and or the Crown Prosecution Service will be used to undertake prosecutions; and we will refer all relevant cases to the appropriate professional bodies and other law enforcement agencies. We will assist external organisations if they decide to bring their own prosecution cases.
- 1.3 Our fraud and corruption strategy states that we will seek the full range of sanctions against anyone found to have committed fraud against the Council: and they will apply to any fraud committed either, against the Council or, against money or services for which the Council has responsibility.

2. Deciding what sanction to apply

- 2.1 We have a range of sanctions that we can use, including internal disciplinary procedures, simple cautions and criminal and civil prosecutions; and we have this policy to make sure that we apply all available sanctions:
 - consistently;
 - efficiently;
 - robustly; and
 - in a transparent manner.
- 2.2 In some cases, we may apply more than one sanction e.g. if a member of staff has stolen money from us, we may take internal disciplinary proceedings, refer the matter to the police, and undertake civil recovery procedures.
- 2.3 We may decide to pursue a criminal prosecution in some cases; these will be reserved for the most serious. SBC has the power to undertake prosecutions using our Legal Services (or our designated legal services provider). Alternatively, where the Council has jointly investigated any offence with an external investigative body, such as the Police or The Department for Work and Pensions (DWP), the most appropriate prosecuting agency will be selected. This is likely to be Crown Prosecution Service (CPS); moreover, the CPS has the authority to assume any prosecution instituted in England and Wales.
- 2.4 All cases, which are considered for prosecution, will apply the CPS "Full code Test". The test has two elements, firstly the 'Evidential Test'; and secondly the 'Public Interest Test'. The Full Code Test is set out in the Code for Crown Prosecutors 2013 and further information is available at:

https://www.cps.gov.uk/publications/code_for_crown_prosecutors/codetest.html

- **Evidential Test** - The investigator will consider the following questions in assessing whether there is sufficient evidence to prosecute the case: Can the evidence be used in court? Is the evidence reliable? Is the evidence credible?
- **Public Interest Test** - If the Evidential Test has been met, the investigator will then consider whether or not a prosecution would be in the public interest. Each case will be assessed on its own merits and a review will include: How serious the offence is; the level of culpability of the suspect; the circumstances of and the harm caused to the victim; if the suspect was under the age of 18 at the time of the offence; the impact on the community; whether prosecution is a proportionate response; and whether sources of information require protecting.

2.5 Prosecution may not always be appropriate, alternative out-of-court disposals include:

- Simple cautions; or
- penalties relating to benefits or council tax provided by enabling legislation.

Where an out-of-court disposal is considered, SBC undertake to apply:

- the appropriate evidential standard and admission of guilt, where required;
- that the public interest would be properly served by such a disposal; and
- apply the disposal no greater than 6 months after the completion of the investigation, unless exceptional circumstances apply.

3. Types of fraud and the possible sanctions

3.1 Employees, Councillors, Teachers, School Staff

If we find that any of our staff or councillors have attempted or committed fraud, or been involved in corruption, we will undertake disciplinary action. If we identify that the Council has suffered any financial loss, we will seek to recover losses, through either civil proceedings, and or criminal prosecutions and the associated application of asset recovery proceedings, under any relevant legislation; including The Proceeds of Crime Act 2002. Where staff are members of professional bodies, or have to comply with national codes of conduct (teachers, social care staff etc), we will refer any cases of fraud and corruption to these bodies.

3.2 Benefit Fraud

The DWP is responsible for investigating housing benefits fraud, but the Council is still responsible for registering, assessing and paying for some DWP benefits and social fund payments. SBC is wholly responsible for council tax registration, discounts and exemptions. Available sanctions include.

- Simple cautions for any council tax related fraud or attempt.
- Criminal prosecution for any council tax related fraud or attempt.
- Administrative penalties - S11 Council Tax Reductions Scheme Regulations 2013.
- Civil penalties for council tax registration, discounts and exemptions - Regulation 14(2) and Schedules 2-3 of the Local Government Finance Act 1992.
- Civil penalties for housing benefit overpayments, categorized as claimant error - The Social Security (Civil Penalties) Regs 2012 SI 2012/ 1990.
- A de minimis overpayment of £50 is required before any of the above sanctions are considered.

3.3 Housing and Right to Buy Fraud

In all cases where anyone has fraudulently applied for Right to Buy, housing support, or a tenancy from the Council, we will always seek recovery of the property and any financial losses. Where we identify a criminal attempt or offence has been committed, we will use any relevant legislation, including the Social Housing Fraud Act 2013, to prosecute and recover any criminal proceeds.

As an alternative to prosecution, SBC may offer any suspected defendant a simple caution.

3.4 Other fraud

There are a number of other areas, including but not restricted to: insurance claims, direct care payments, grants to organisations, exemptions and reliefs from non-domestic rate payments, and applications for financial and other assistance where theft and fraud may occur. We will always seek to recover any money lost and consider a caution, criminal or civil prosecution. Where an external organisation is involved, we will make a referral to any relevant governing body such as the Law Society, Charities Commission, or the Registrar of Companies.

4. **Proceeds of Crime Act 2002**

- 4.1 The Proceeds of Crime Act 2002 (POCA) was put in place to demonstrate that crime does not pay. We will use POCA (and its predecessor legislation, such as the Criminal Justice Act 1988 (as amended)) wherever we can, to obtain confiscation orders, including compensation, as well as recovery of the full overpayment of benefits. We will use our own Accredited Financial Investigators (AFI) or those employed by an external partner, such as the police or DWP.
- 4.2 All monies recovered using POCA or predecessor legislation (excluding compensation), will be distributed by the Home Office to SBC under the "Asset Recovery Incentivisation Scheme" (ARIS). The ARIS scheme apportions funds in the following way:
- 50% to HM Treasury;
 - 18.75% to the investigating body;
 - 18.75% to the prosecuting authority; and
 - 12.5% to Her Majesty's Court Service.
- 4.3 All monies recovered through ARIS will be used to fund further crime reduction initiatives.

5. Monitoring

- 5.1 The Council's Section 151 Officer is responsible for the maintenance and operation of the SBC Corporate Fraud Team and this policy. The S151 Officer will liaise with The Monitoring Officer and the Risk and Assurance Manager when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

Appendix 3 - ANTI-MONEY LAUNDERING POLICY

1. What is money laundering?

- 1.1 Money laundering is the term used for several offences involving the proceeds of crime, or terrorism. This includes possessing, or in any way dealing with, or concealing, or converting the proceeds of any crime, as well as funds likely to be used for terrorism and the proceeds of terrorism. Money laundering is used to describe the activities of criminals who convert the proceeds of crime into legitimate activities, with the intention of hiding the true sources of their income.
- 1.2 In relation to the Council, money laundering would be the attempt to conduct legitimate business with the Council e.g. buying/leasing property, or paying for goods and services using assets or money derived from the proceeds of crime or terrorism.
- 1.3 This policy applies to all employees and councillors and sets out the legal requirements relating to money laundering, including how to respond if anyone suspects that money to pay for property, goods, or services comes from criminal, or terrorist activities.

2. Laws covering money laundering

- 2.1 Legislation has shifted the burden for identifying acts of money laundering from police and government agencies to organisations and their employees. The principal legislation and regulation relating to money laundering are: the Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 (TA), and the Money Laundering Regulations 2007.
- 2.2 There are two main types of offences, which may be committed:
- Money laundering offences; and
 - Failure to report money-laundering offences.
- 2.3 The main types of money laundering offences are:
- acquiring, using, or possessing criminal property;
 - handling the proceeds of crimes, such as theft, fraud and tax evasion;
 - investing the proceeds of crime in other financial products;
 - being knowingly involved, in any way, with criminal or terrorist property;
 - entering into arrangements to facilitate laundering criminal or terrorist property;
 - transferring criminal property
 - failing to report a suspicion that money laundering offences are taking place; and,
 - 'tipping off' someone who is, or is suspected of being, involved in money laundering, in such a way as to reduce the likelihood of being investigated, or prejudicing an investigation.
- 2.4 Depending on the severity of the suspected offence, the Magistrates' Court can issue fines of up to £5,000, or sentences of up to 6 months in prison (or both), and, in the Crown Court, fines are unlimited, and sentences of up to 14 years may be handed down.

3. The obligations of the Council

3.1 The main requirements of the legislation are as follows.

- To appoint a Money Laundering Reporting Officer (MLRO);
- Maintain client identification procedures in certain circumstances;
- Adapt a risk based approach to prevent money laundering;
- Implement a procedure to enable suspicions to be reported; and
- Maintain record keeping procedures.

3.2 The Council's MLRO is the Monitoring Officer. In the absence of the designated MLRO, the Risk and Assurance Manager should be contacted.

3.3 The Council has developed formal client identification procedures, which must be followed when Council land or property is being sold. These require individuals (and companies) to provide proof of identity, current address and provenance for the derivation of funds used in any proposed transaction. If satisfactory evidence is not obtained, the transaction must not be progressed and guidance should be sought from the MLRO. All records maintained in respect of suspected money laundering activity must comply with the Data Protection Act.

4. Examples of potential money laundering situations

4.1 It is not possible to provide a definitive list of possible situations involving money laundering; or how to decide whether to report suspicions to the MLRO. However, the following are risk factors, which may, either individually or cumulatively, suggest possible money laundering activity:

- Payment of a substantial sum of money in cash (over £10,000), either in a single transaction, or a number of smaller transactions which total more than £10,000;
- Payment of cash sums where cash is not the usual means of payment;
- A new customer, or use of a new/shell company, with no financial history;
- A customer who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, location, or identity of a customer;
- Unnecessarily complex transactions e.g. routing or receipt of funds from third parties, or through third party accounts;
- Involvement of an unconnected third party without any reasonable explanation;
- Overpayments by a customer, or payments of deposits subsequently requested back;
- Absence of an obvious legitimate source of funds;
- Purchase of assets beyond known sources of legitimate funds;
- Movement of funds overseas, particularly involving a higher risk country, or tax haven;
- The cancellation, or reversal, of a previous transaction;
- Requests for the release of customer account details, other than in the normal course of business;
- Transactions at substantially above or below current market values;

- Poor business or financial records;
- A similar previous transaction (completed or requested) from the same customer;
- An inability to trace the customer, or organisation;
- Individuals or companies that are insolvent but have funds.

5. Reporting procedure

5.1 If you have any questions or doubts about an individual, company, or transaction that you have been dealing with, then it is important to get advice from the MLRO, or Risk and Assurance Manager as soon as possible – **do not delay reporting your concerns, as this may make you subject to criminal prosecution.**

5.2 Your report to the MLRO should include as much details as possible, including:

- Full details of the people involved e.g. name, address, company name, directorships, contact details etc;
- Full details of their (and your) involvement;
- The type(s) of money laundering activity suspected;
- The date(s) of the suspected money laundering activity, including whether the transactions have happened, are ongoing, or are imminent;
- Where they took place;
- How they were undertaken (cash payment, bank transfer etc);
- The (likely) amount of money or assets involved;
- Why, exactly, you are suspicious.

5.3 Your report should also provide the MLRO with copies of any related supporting documentation. If you are acting in a legal capacity and consider that legal professional privilege may apply, you should set this out in the report to the MLRO and state why. The MLRO will determine whether the information should be exempt from any reports to the National Crime Agency (NCA).

5.4 Once you have reported your concerns to the MLRO, you must not undertake any further enquiries into the matter. The MLRO will refer the matter on to the NCA, if required, in order for them to undertake further investigation. No further action must be taken in relation to the transaction(s) until either the MLRO, or NCA, has given their consent in writing.

5.5 You should not voice any suspicions to the person(s) who you suspect of money laundering; or make any reference on IT systems, or client/hard copy files that you have reported your concerns to the MLRO. If an individual requests access to information, any notes will need to be disclosed, which may “tip them off” and may make you liable for prosecution.

5.6 A record will be maintained, including details of the customer due diligence, which will be kept for five years after the end of the business relationship; together with a record of the

transactions also kept for five years. Guidance on performing the required due diligence checks can be obtained from the Head of Audit and Risk Management.

6. Review of disclosures by the MLRO

- 6.1 When the MLRO receives a report of suspected money laundering, they will review the information and any other relevant information, including:
- Reviewing any other transactions patterns and volumes;
 - The length of any business relationship involved;
 - The number of any one-off transactions and any linked one-off transactions;
 - Any identification evidence held.
- 6.2 The MLRO will complete their review, which may include speaking to the person who made the referral, in order to determine whether there is sufficient evidence of actual/suspected money laundering and whether there are reasonable grounds to know (or suspect) that this is the case. The MLRO will then determine whether the NCA needs to be involved and their consent obtained for a transaction to proceed. In these circumstances, the transaction must not proceed until the NCA consent has been formally received (or if no consent has been received from the NCA after 7 working days).
- 6.3 If the MLRO concludes that there are no reasonable grounds to suspect money laundering, they will record their decision on the report and give their consent to proceed with the transaction.
- 6.4 In cases where legal professional privilege may apply, the MLRO will liaise with the Council's s151 Officer to decide whether there is a reasonable reason for not reporting the matter to the NCA.

7. Additional requirements for Finance and Legal employees

- 7.1 In addition to the reporting procedure in Section 5 above, employees providing certain finance and legal services must also comply with 'due diligence' requirements:

Simplified due diligence. Required when there is low risk of money laundering e.g. new business with a company; when checks on company and director registration details would represent sufficient due diligence.

Enhanced due diligence. Required when there is a higher risk of money laundering e.g. an asset purchase beyond the purchasers known legitimate means or remote transactions where the customer is not present to be identified.

If satisfactory evidence cannot be provided, then the transaction cannot proceed.

7.2 Customer identification processes must be undertaken when the Council:

- Forms a business partnership with a customer;
- Undertakes a one-off transaction relating to property or debt of more than £10,000;
- Undertakes a series of linked transactions involving total payment of more than £10,000;
- Knows, or suspects, that a transaction or a linked series of transactions involves money laundering.

7.3 Customer identification must be completed before any business is undertaken with the individual in relation to accountancy, procurement, audit and legal services with a financial or real estate transaction. In order to complete customer identification the following processes should be undertaken:

- Identify the person who wants to form the business relationship or complete the transaction;
- Verify their identity using independent sources of information;
- Identify who benefits from the transaction;
- Monitor transactions to make sure that they are consistent with what is understood about the individual or country;
- Understand the source of their funds;
- Ensure there is a logical reason why they would want to do business with the Council.

8. Training

8.1 The MLRO and Head of Legal Services will ensure that training on the law relating to money laundering and the Council's procedures is provided to all relevant employees on a regular and ongoing basis.

9. Monitoring

9.1 The Council's Monitoring Officer is responsible for the maintenance and operation of this policy. The Council's monitoring Officer will liaise with The s151 Officer and The Head of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

Appendix 4 - **Anti-Bribery Policy**

1. Policy Statement

1.1 The Bribery Act 2010 made bribery a criminal offence. Slough Borough council and everyone employed by us, including members, temporary and agency staff, consultants and contractors, will not pay bribes or offer improper inducements to anyone for any purpose. We do not accept bribes or improper inducements.

1.2 To use a third party to channel bribes to others is also a criminal offence. We do not and will not engage indirectly in, or otherwise encourage, bribery. The council is committed to the prevention, deterrence and detection of bribery. We have zero tolerance towards bribery.

2. What is bribery?

2.1 Bribery is the offering, promising or giving of a financial or other advantages designed to induce an individual to take an improper decision or action. These inducements can take many forms including offering cash, holidays, event tickets, meals. Decisions could relate to recruitment, the award of contracts, planning consents and other awards.

2.2 Bribery definition:

- Any person (P) offers, promises or gives a financial or other advantage to another, intending the advantage to:
 - Induce another to perform a function improperly; or
 - To reward another for improper performance of said function.

2.3 Examples:

- A building contractor makes an offer to renovate a private dwelling at below market rates (either directly or indirectly) to a decision maker for a tender committee, in order to influence the outcome in favour of his company.

Or

- A developer makes a payment (either directly or indirectly) to a local government officer capable of influencing a tender process, in order to influence the outcome in favour of his organisation.

2.4 There are four key offences under the 2010 Act:

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

2.5 Failure by a commercial organisation to prevent bribery is a corporate offence. For the purposes of the Bribery Act 2010, the council is classed as a 'commercial organisation'. The

Act also introduces an offence of bribing a foreign official. Individuals found guilty of an offence may be imprisoned for a maximum term of ten years and face an unlimited fine.

3. Scope of the policy

3.1 This policy provides a coherent and consistent framework to enable all our employees to understand and implement arrangements to enable compliance with the Act. In conjunction with related policies and key documents, it will also enable employees to identify and effectively report a potential breach.

3.2 This policy applies to all of our activities and staff including all permanent, temporary and agency staff, contractors, agents, members (including independent members), volunteers and consultants. For our partners, joint ventures and suppliers, we will encourage the adoption of policies consistent with the principles set out in this policy.

4. Our Commitment to Anti-Bribery

4.1 In order to comply with the Bribery Act, we will:

- Set out a clear anti-bribery policy and keep it up to date;
- Maintain appropriate procedures to prevent bribery;
- Undertake anti-bribery risk assessments where appropriate;
- Make all employees aware of their responsibilities to comply with this policy at all times;
- Maintain appropriate gifts and hospitality procedures;
- Encourage employees to report any suspicions of bribery;
- Investigate instances of alleged bribery and assist the police and other authorities in their investigations; and
- Take a robust line against anyone found to have breached this policy or to have committed or facilitated bribery.

4.2 As part of our commitment to comply with the Bribery Act, it will be considered unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure;
- accept payment from a third party that you know, or suspect, is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy; and
- engage in activity in breach of this policy.

5. Contracts and failure to prevent bribery

5.1 Under the Public Contracts Regulations, a company is automatically barred from competing for public contracts where it is convicted of a corruption offence. Companies that are convicted of failing to prevent bribery are not automatically barred from participating in

tenders for public contracts. We have the discretion to exclude organisations convicted of this offence and you should get advice from our Procurement team on this issue.

6. Raising a concern

- 6.1 We want everyone who has any concerns to be able to report these effectively. Our Whistleblowing policy sets out how to do this, including making an anonymous referral.

7. Monitoring

- 7.1 The Council's Monitoring Officer, is responsible for the maintenance and operation of this policy. The Monitoring Officer will liaise with the Head of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.