



London Borough of Richmond

Anti-Fraud Framework

Revised: February 2016

INTRODUCTION

Message from the Chief Executive

It has never been so important to protect the financial resources of the council and its residents. With the reduction in local government funding and pressures to make savings, losses as a result of fraud mean that money is directed away from the delivery of crucial front line services.

Fraud is a serious issue. The Annual fraud indicator (2014) estimated fraud loss in Local Government to be £2.1 billion. The Council faces the full range of internal and external threats and members, employees, contractors, partners, service users and our borough residents all have a part to play in helping to keep losses to a minimum.

A key priority for the Council is to ensure probity, high standards and transparency in all our business and decision-making. This is at the heart of our Anti-Fraud culture. The message is clear that malpractice in any form will not be tolerated.

Fraud is a crime that affects us all and we have a duty to protect the honest majority. The Anti-Fraud Framework provides the Council with a sound basis on which to do this.



Preamble

The Anti-Fraud Framework sets out the Council's policies and strategies in relation to fraud and corruption and has the full support of the Council's Members and Executive Board.

The Council is committed to the highest standards of propriety in the delivery of its services and management of its resources and assets. Good corporate governance, probity and transparency in the conduct of all our business and decision making is essential to the successful delivery of the Corporate Plan.

The Council recognises its fiduciary responsibility to protect public funds and has a zero tolerance against fraud. We will endeavour to maintain robust systems and high standards of conduct including honesty, openness and accountability and recognise that Members, employees, our contractors and partners with whom we work with to deliver services, all have an essential role to play in achieving this goal.

It is important to remember that fraud is not always financial although often there is a financial loss suffered as a result of fraud. There are many types of fraud to be aware of examples of which include:

- Theft of assets e.g. equipment, stationery, money
- Theft of time including falsification of timesheets or overtime claims including claiming for more hours than you have actually worked;
- False claims for expenses including mileage;
- Using a council Oyster card or Procurement card for personal use

- Working elsewhere whilst claiming to be unfit for work;
- Undertaking private work or running a business in council time;
- Lying on an application form to get a job. This may include the falsification of identity, qualifications, employment history and/or references;
- Lying on an application form to obtain a service or benefit which you are not entitled to or failing to declare a change of circumstance which may impact on your eligibility for that service or benefit;
- Abuse of position - using your position for personal gain or for the gain of others. This often occurs where an individual has a conflict of interest i.e a personal or business relationship with someone (which they may have failed to declare) which impacts on a decision that they make e.g. employing a friend or member of your family without going through a fair recruitment process, awarding contracts or tenders unfairly to people that you know;
- Ordering personal items using council funds;
- Using or accessing confidential data inappropriately for personal gain or for the gain of others.

The Anti-Fraud framework brings together the Council's anti-fraud policies and strategies into one framework document. Staff and Members are expected to read the framework, seek clarification where necessary and apply its principles fairly and consistently in the conduct of their duties. In particular, **staff and Members MUST read and understand their roles and responsibilities as detailed in Table 1: 'Roles and Responsibilities' (Pages 12-16).**

If you identify or suspect a fraud, please contact the Confidential Fraud Hotline on 0800 3899795 or [Report a Fraud Online](#).

The Anti-Fraud Framework includes the following:

- Part 1 – Anti-Fraud Strategy
- Part 2 – Whistleblowing Policy
- Part 3 – Anti-Bribery Policy
- Part 4 – Anti-Money Laundering Policy

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PART 1 ANTI-FRAUD STRATEGY

POLICY STATEMENT

1. The Council aims to provide excellent public service and needs to ensure propriety and accountability in all matters. The Council is determined to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption, which will provide a framework for:
 - encouraging fraud deterrence and prevention
 - raising awareness of fraud and corruption and promoting their detection
 - performing investigations and facilitating recovery
 - invoking disciplinary proceedings and referral to Police
 - taking action to remedy weaknesses in controls and processes
 - monitoring, publishing and updating the policy and its related procedures and performance

2. Our strategy is designed to reduce the Council’s exposure to the risks of fraud and reduce resulting losses. We achieve our aims through 3 key themes: Acknowledge, Prevent and Pursue. These themes exist within the overall context of an anti-fraud culture promoted by the Council through its leaders, governance arrangements and general approach to fraud:

<p>ACKNOWLEDGE</p> <p><i>Acknowledging and understanding fraud risks:</i></p>	<ul style="list-style-type: none"> • Committing support to tackling fraud. • Being clear on what we are seeking to combat – we are clear about what constitutes fraud, bribery, theft, and financial malpractice/ irregularities. • Assessing and understanding the risks – we are proactive in assessing and responding to the risks of fraud and corruption to which the Council is exposed.
<p>PREVENT</p> <p><i>Preventing and detecting fraud</i></p>	<ul style="list-style-type: none"> • having an effective anti-fraud culture – we take a professional, integrated and proactive approach to countering fraud and are clear about the roles and responsibilities of our members, staff, partners and contractors. • We have a corporate framework which underpins the operation of the Council and has a number of elements which exist to help protect the Council against fraud. This includes documented codes, procedures and protocols to guide behaviour • Anti-Fraud training is essential in ensuring that staff and members understand the importance of tackling fraud, are able to recognise fraud and abuse and know how and where to report suspicions of fraud. Continuous and active promotion of the councils robust stance against fraud and corruption should also be made to members of the public, contractors and partners to whom we work with to deliver services

	<ul style="list-style-type: none"> • Making use of information and technology
<p>PURSUE</p> <p><i>Being robust in pursuing and punishing fraud and recovering losses</i></p>	<ul style="list-style-type: none"> • taking integrated action to investigate fraud; • pursuing appropriate and proportionate sanctions to punish those committing fraud; • seeking redress to recover losses; • learning from our experiences and those of others and taking remedial and positive action to improve controls to prevent future fraud losses. • Collaborating across local authorities and with other agencies including the police

ACKNOWLEDGE

COMMITTING SUPPORT TO TACKLING FRAUD

3. There is strong support for counter fraud work at a senior level, led by the Leader, the Chief Executive and the Director of Finance and Corporate Services and this is critical to underpinning the Council's successful counter fraud response. This is reflected in the Council's Anti-Fraud Framework which identifies clear commitment, leadership, authority, support, resources and skills necessary for the Council to protect itself against fraud.
4. Our Members and our chief officers set the tone for our stance on fraud & corruption and are committed to leading a professional, integrated and proactive approach.

WHAT WE ARE SEEKING TO COMBAT?

WHAT IS FRAUD?

5. The Fraud Act 2006 (the 2006 Act), which came into force on 15 January 2007, introduced the first legal definitions of fraud. The Act creates a new general offence of fraud which may be committed in three ways:
 - fraud by false representation (e.g. using a false identity to gain a benefit or job or tenancy)
 - fraud by failing to disclose information (e.g. failing to disclose income when making a claim for benefits or other means-tested services)
 - fraud by abusing a position of trust (e.g. misusing clients' funds).
6. The 2006 Act also created new offences of:
 - obtaining services dishonestly
 - possessing, making and supplying articles for use in frauds
 - fraudulent trading applicable to non-traders.

7. The 2006 Act sets out what is required before fraud is committed in any of the specified ways. However, in general terms, to commit the new fraud offence, a person's conduct must be dishonest and by it he/she must intend to make a gain for him/herself or another, or to cause a loss to another, or expose another to a risk of loss.
8. The Council also seeks to take civil action (e.g. claim for misrepresentation, deceit or disciplinary or regulatory action) in cases of suspected fraud, where appropriate. In civil law, fraud is proved when it is shown that a false representation has been made:
 - a) knowingly;
 - b) without belief in its truth; or
 - c) recklessly, careless whether it is true or false.
9. Fraud includes false accounting, which is defined under Section 17 of the Theft Act 1968.
10. For the purposes of this policy and strategy, fraud is defined as ***any dishonest act or omission, whether by fraudulent representation, failure to disclose information, or abuse of position, by an individual, group or organisation, which is intended to make a gain, or cause a loss, or risk of loss (whether or not an actual gain has been made or loss suffered) to the Council, the residents of the Borough, or the wider national community.***
11. This definition is not intended to, nor shall it, limit any investigation by the Council into any alleged fraud, nor shall it prejudice or in any way compromise any criminal prosecution or civil action taken in respect of it.

WHAT IS BRIBERY?

12. Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. Inducements can take many forms including cash, holidays, event tickets, meals. Bribery is a criminal offence, set out in the Bribery Act 2010. Some of the areas of activity, which may be particularly susceptible to bribery include:
 - procurement (contracts and commissioning)
 - grants
 - asset disposal
 - planning consents
 - licenses and other approvals
13. Although the strategy largely refers to fraud, the same roles and responsibilities of key stakeholders and the framework for prevention and detection apply to bribery. The Council has an Anti-Bribery Policy and this forms part of the overarching Anti-Fraud Framework (Part 3).

WHAT IS THEFT?

14. Theft is defined in Section 1 of the Theft Act 1968 as “dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it”. It therefore includes stealing any property belonging to the Council, or which has been entrusted to it (e.g. client funds), including cash, equipment, vehicles, and data. The offence of theft does not necessarily require fraud for it to be committed. Theft can also include the stealing of property belonging to our staff, members or visitors whilst on Council premises.

WHAT IS FINANCIAL MALPRACTICE/ IRREGULARITY?

15. Financial malpractice or irregularity is used to describe any acts or omissions which represent a deliberate serious breach of accounting principles, financial regulations or any of the Council’s financial governance arrangements. They do not have to result in personal financial gain. They will include situations where undisclosed conflicts of interest result in some form of other benefit.

OTHER OFFENCES

16. There are other common law offences relevant to this policy and strategy and the definitions given herein are not intended to, nor shall they, limit any investigation by the Council into any alleged offence, nor shall they prejudice or in any way compromise any criminal prosecution or civil action taken in respect of it.
17. For example there is an offence of misconduct in public office which is committed where a public officer acting in his/her public office wilfully neglects to perform his/her duty and/or wilfully misconducts him/herself to such a degree as to amount to an abuse of the public’s trust in the office holder, without reasonable excuse or justification.
18. There are also various offences dealing with the unauthorised disclosure of information obtained by public officers in the exercise of any power conferred, or duty imposed, by or under the statute or for the purposes of any functions under the statute.
19. There are also offences concerned with corrupt practices in elections.

ASSESSING THE RISKS

20. Our Anti-Fraud strategy is informed by a good understanding of the fraud threat, emerging risks and savings that can be made from investing in countering fraud.
21. It is important to remember that fraud, corruption, theft and other losses are always a risk to the Council, our residents and the public purse. Failure to manage these risks presents opportunities to individuals, groups or organisations intent on making a dishonest gain or causing a loss.

22. The Council has a methodology for identifying, assessing and managing risks. The risks of fraud, corruption, theft and other impropriety are covered by our methodology.
23. Because we have a particular desire to counter fraud & corruption, we expect the risks of fraud & corruption to be considered explicitly by our managers and staff so that we can gain an overall picture of our risk exposures in this respect. Our Joint Anti-Fraud Forum with the Royal Borough of Kingston is responsible for overseeing the Council's fraud risk register and this is reviewed by the Executive Board and our Audit Committee as part of an annual assessment process.
24. Our overall assessment of the risks takes account of both our judgements on the likelihood and impact of our exposures and also our known losses to fraud & corruption, and the experiences of similar organisations.
25. This risk based approach to fraud enables the Council to manage risk more effectively and target resources more efficiently. Considering fraud risks as part of an organisation-wide risk assessment means that we are better able to assess our overall vulnerability to fraud and identify areas that are most likely to be affected.

PREVENT

ANTI FRAUD CULTURE

26. Underpinning any preventative approach is a strong Anti-Fraud culture that is driven and implemented from the top down. One where both Members and Officers uphold the highest standards of conduct and propriety and follow in full the 'Nolan' principles of public life:
 - ***Selflessness***
 - ***Integrity***
 - ***Objectivity***
 - ***Accountability***
 - ***Openness***
 - ***Honesty***
 - ***Leadership***
27. The Council operates within a clear professional and ethical framework where matters of propriety and high standards of conduct are paramount for all our members, staff, partners and contractors. They are expected to lead by example and to conduct themselves beyond reproach. They are required to adhere to rules and regulations and to local Codes of Conduct.
28. The Council requires all individuals and organisations with which it deals in any capacity to behave towards the Council with integrity and without intent to defraud or corrupt.

29. Members, Council employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which impact on Council activities
30. The following table sets out our expectations of our members, staff, contractors and partners, and describes their formal roles and responsibilities for countering fraud:

Table 1: Roles and Responsibilities

Role	Responsibility
<u>Everyone</u>	<ul style="list-style-type: none"> • Read and understand this framework and apply its principles consistently and fairly in the conduct of your duties • Act in a manner which sets an example to the community and to other staff • Be alert to the red flags that may indicate fraud • Report genuine suspicions of fraud, corruption or other financial irregularities to the South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service) • Declare interests on an annual basis and as they arise
<u>All Members</u>	<ul style="list-style-type: none"> • Comply with the Member Code of Conduct, other locally adopted protocols for behaviour, and other aspects of the Council's constitution concerning financial governance
Leader of the Council	<ul style="list-style-type: none"> • Acts as the Council's member lead for counter fraud & corruption to promote the policy, strategy and framework internally and externally
Audit Committee	<ul style="list-style-type: none"> • Endorses the policy, strategy and framework annually • Monitors implementation of the policy, strategy and framework, primarily through the work of the South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service). In particular: <ul style="list-style-type: none"> – ensures fraud risks are identified, assessed and managed adequately and effectively – ensures that the overall level and nature of the investment made in counter fraud work is adequate and effective and provides for a professional, integrated and proactive approach – Receives updates on fraud work undertaken, fraud risks and reports on significant frauds identified. Audit Committee will review and monitor management action taken to redress control issues identified as a result of significant frauds.
Council	<ul style="list-style-type: none"> • Approves the framework and strategy annually
<u>All Staff</u>	<ul style="list-style-type: none"> • Comply with the Employee Code of Conduct and financial governance arrangements (e.g. Contract Standing Orders and Financial Regulations)
Executive Board	<ul style="list-style-type: none"> • Approves the policy, strategy and framework annually • Assesses the overall exposure to fraud & corruption risks annually

Role	Responsibility
	<ul style="list-style-type: none"> • Considers any new or increased exposures to fraud & corruption that are drawn to its attention • Ensures that the overall level and nature of the investment made in counter fraud & corruption work is adequate and effective and provides for a professional, integrated and proactive approach
Directorate Management Teams	<ul style="list-style-type: none"> • Assess the exposure to fraud risks in Directorate activities annually • Consider any new or increased exposures to fraud & corruption in Directorate activities • Escalate serious concerns as appropriate • Ensure that the action taken to address fraud & corruption risks in Directorate activities is adequate and effective (whether aimed at prevention, deterrence or detection) • Periodically review declarations of interest and gifts and hospitality
Service Management Teams	<ul style="list-style-type: none"> • Assess the exposure to fraud risks in Service activities • Consider any new or increased exposures to fraud & corruption in Service activities • Escalate serious concerns as appropriate • Ensure that the action taken to address fraud & corruption risks in Service activities is adequate and effective (whether aimed at prevention, deterrence or detection)
Programme/ Project Teams	<ul style="list-style-type: none"> • Assess the exposure to fraud risks in Programme/ Project activities • Consider any new or increased exposures to fraud & corruption in Programme/ Project activities • Escalate serious concerns as appropriate • Ensure that the action taken to address fraud risks in Programme/ Project activities is adequate and effective (whether aimed at prevention, deterrence or detection)
<u>All Chief Officers</u>	<ul style="list-style-type: none"> • Set the tone for the Council's stance on counter fraud & corruption
Chief Executive	<ul style="list-style-type: none"> • Acts as the Council's Head of Paid Service to promote a strong anti-fraud & corruption culture
Director of Finance and Corporate Services	<ul style="list-style-type: none"> • Acts as the Council's Section 151 Officer with regard to probity and propriety • Receives reports on significant frauds and fraud risks identified and ensures that appropriate action is taken to redress these • Acts as the Council's officer lead for counter fraud & corruption to promote and implement the policy and strategy internally and externally • Accountable for the Council's counter fraud & corruption framework
Directors	<ul style="list-style-type: none"> • Lead the Directorate's activities to counter fraud & corruption • Reviews Declarations of Interest and gifts and hospitality within their Directorate.
Heads of Service	<ul style="list-style-type: none"> • Lead the Service's activities to counter fraud & corruption

Role	Responsibility
Programme and Project Managers	<ul style="list-style-type: none"> • Lead the Programme/ Project's activities to counter fraud & corruption
Partnership leads	<ul style="list-style-type: none"> • Assess the Council's exposure to fraud and corruption risks from Partnership activities • Consider any new or increased Council exposures to fraud & corruption from Partnership activities • Escalate serious concerns as appropriate • Ensure that the action taken to address the Council's fraud & corruption risks from Partnership activities is adequate and effective (whether aimed at prevention, deterrence or detection)
<u>All Managers</u>	<ul style="list-style-type: none"> • Take responsibility to counter fraud & corruption in activities for which they are responsible • Escalate serious concerns as appropriate • Work with others to ensure appropriate investigation of concerns (e.g. South West London Audit Partnership (Internal Audit), South West London Fraud Partnership (Investigations Service), Human Resources, Legal Services) • Have a duty to protect their service areas from losses due to fraud and irregularity and are responsible for implementing robust and proper internal controls. This includes being familiar with fraud risks in their service area and ensuring that sound controls are in place to mitigate those risks to acceptable levels • Ensure that declarations of interest have been made for all staff for which they have management responsibility. • Ensure any allegations made to them by staff are dealt with in accordance with this strategy and the Council's Whistleblowing Policy.
South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service)	<ul style="list-style-type: none"> • Ensures policies, strategies and procedures are adequate and effective • Provides guidance and support in fraud & corruption risk assessments and in appropriate risk management action • Ensures co-ordinated action is taken to counter fraud & corruption, working with others as appropriate (e.g. Democratic Services, Human Resources, Legal Services, members, directors, managers and other external agencies where necessary) • Leads on investigations, sanctions, redress and lessons learned/ remedies • Provides an objective opinion on counter fraud & corruption policies and procedures and their effectiveness in practice • Undertakes checks on controls and procedures as part of its internal audit work • Ensures control and other weaknesses revealed from events are addressed • Involvement in new system design or advice on changes to systems and processes to identify and eliminate fraud risks and gaps in control. • Providing regular reports to Audit Committee on fraud work

Role	Responsibility
	<p>undertaken</p> <ul style="list-style-type: none"> • Leads on the Council's fraud risk register in conjunction with Senior Managers and the Anti-Fraud Forum • Undertakes a programme of proactive fraud work based on the Council's assessment of its key fraud risks. • Participation in National Anti-Fraud initiatives (NFI) and other data matching exercises.
Democratic Services	<ul style="list-style-type: none"> • Supports member policies and procedures in adequately addressing counter fraud & corruption matters, (e.g. training and development, member code of conduct, investigation procedures) • Advises the Council on the adoption of a Code of Conduct for Councillors and its effective implementation, including member training and advice
Human Resources	<ul style="list-style-type: none"> • Ensures employee policies and procedures adequately address counter fraud & corruption matters, working with the South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service) as appropriate (e.g. organisational culture initiatives, training and development, employee code of conduct, whistleblowing procedure, disciplinary procedures, employee surveys) • Arranges and ensures proprietary checking for employees • Ensures investigatory and disciplinary action against an employee is undertaken in accordance with the Council's employee and disciplinary procedures
Legal Services	<ul style="list-style-type: none"> • Ensures actions are lawful through the role of the Monitoring Officer – establishing and monitoring compliance with policies, procedures and frameworks, e.g. Regulation of Investigatory Powers Act 2000 (RIPA), Whistleblowing Policy • Advises on evidence prior to submission to police or disciplinary/regulatory procedures • Authorises and conducts legal proceedings on behalf of the Council, subject to any necessary member authorisations
Contractors and partners	<ul style="list-style-type: none"> • Declare probity concerns (e.g. at pre-qualification stage) • Maintain strong counter fraud & corruption principles and measures (covering, for example, recruitment, proprietary checking of employees and sub-contractors, own whistleblowing procedures and/or use of the Council's procedures, gifts and hospitality rules and registers, and compliance with the Council's Contract Standing Orders and Financial Regulations) • Certify an understanding that collusion and inducements lead to disqualification • Provide required evidence of application of principles and procedures • Provide appropriate access to premises, records and personnel to Council staff and auditors • Cover the Council's losses from fraud perpetrated by employees of the contractor or people acting on the contractor's behalf • Work with the IAIS on pro-active Anti-Fraud exercises where

Role	Responsibility
	appropriate.
Joint Anti-Fraud Forum	<ul style="list-style-type: none"> • Act as a focal point to disseminate best practice, discuss cross-departmental and organisational fraud, information sharing, highlighting examples of cross departmental and organisational co-operation, publicity and generally promoting an effective Anti-Fraud culture within the Borough. • Oversee, review and update the Council's Fraud Risk Register to ensure that fraud risks are identified, effectively mitigated and where they are not, identify action to manage those risks and breach gaps in control.
External Audit	<ul style="list-style-type: none"> • Assesses the adequacy and appropriateness of the Council's financial systems and the integrity of public funds. • Undertakes specific reviews where appropriate to test the adequacy of the Council's arrangements for preventing and detecting fraud and corruption • External Audit are informed of any significant cases of fraud or corruption which may have a material impact on the Authority's accounts.
Head of Legal Services (Monitoring Officer)	<ul style="list-style-type: none"> • Receives reports on significant frauds identified and ensures that appropriate action taken is lawful and appropriate. • Is alerted to whistleblowing cases and reviews and reports on these where appropriate. • Advises the Council on the adoption of a Code of Conduct for Councillors and its effective implementation, including member training and advice • Determines appropriate action on complaints about Member conduct • Promotes and maintains high standards of conduct amongst elected, co-opted and advisory members and employees (including the declaration and registration of interests)
Investigating and Disciplinary Committee	<ul style="list-style-type: none"> • Considers where matters need to proceed to a local hearing in cases where an investigation determines that there may have been a breach of the Code of conduct and a Member refuses to comply with a Monitoring Officer resolution.

CORPORATE FRAMEWORK

31. The Council takes ultimate responsibility for the protection of public funds including those administered on behalf of the Government or others in the community. The corporate framework, which underpins the operation of the Council, has a number of elements that exist to help protect the Council against fraud:

Table 2: Corporate Framework

The Constitution	The Council's Corporate Governance arrangements are set out in its Constitution . This sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.
Procurement procedures, Contract Standing Orders and Financial Regulations	Including the Procurement Code of Practice , Contract Standing Orders and Financial Regulations link here
Scheme of Delegation	This sets out the Council's decision making arrangements and levels of authority to members and officers and forms part of the Council's Constitution.
Members and Employee Codes of Conduct	The Codes of Conduct set out clear standards of conduct which members and officers must comply with as part of their duties in public office and working for the Council.
Declaration of Interests and Gifts and hospitality procedures for Members and Officers	<p>In accordance with the Employee Code of Conduct, employees are required to declare any interests they have outside their employment which can cause actual or perceived conflicts between their individual interests and those of the Council and can therefore affect their capacity to make effective decisions on behalf of the Council. The Employee Code of Conduct also provides rules on the receipt and registering of Gifts and Hospitality. Declarations of Interest and Gifts and Hospitality should be registered on-line. Those staff without access to RIO should complete a manual form and pass this to their line manager to input via the online facility.</p> <p>The on-line registers are accessible by Directors and are subject to review by Departmental Management Teams.</p> <p>The Members Code of Conduct requires Members to formally register their interests and gifts and hospitality. These can be accessed on-line via the Council's website</p>
Employee Vetting Procedures	The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the recruitment of staff. Rigorous recruitment procedures are applied to all staff to ensure that we employ staff who have the highest standards of probity. Recruitment procedures are in place and these must be followed with particular reference to obtaining satisfactory references prior to appointment, verifying certificates for stated qualifications and undertaking Disclosure and Barring Service checks (DBS) checks where appropriate.
A corporate induction programme	This includes expected standards for probity and conduct
Effective disciplinary procedures	Disciplinary procedures provide a framework for dealing with an employee's conduct, including fraud.
Whistleblowing Policy	The Whistleblowing policy has been developed in accordance

	<p>with the provisions of the Public Interest Disclosure Act 1998. Employees including agency staff and contractors are encouraged to report their concerns in accordance with this policy. This forms part of the Council's overarching Anti-Fraud Framework (Part 2).</p> <p>With whistleblowing, it is important to remember that the Whistleblowing Policy is not concerned just with fraud, corruption and other financial irregularities as it is designed to enable staff and contractors to 'blow the whistle' on all kinds of dangerous or illegal activity including fraud, health and safety concerns, environmental issues and poor standards of care. However, the Policy is clear on the Council's stance on fraud & corruption and misuse of public funds and makes it clear that suspicions of fraud, corruption or other financial irregularity should be reported, either by the 'whistleblower' or the person to whom they blew the whistle to:</p> <p>The South West London Audit Partnership (Internal Audit) on 020 8891 7291</p> <p>or</p> <p>The South West London Fraud Partnership (Investigations Service) on 020 8871 8383</p> <p>We monitor the use of our whistleblowing policy so that we can understand and respond to the sources and nature of concerns.</p>
<p>Confidential Fraud Hotline and 'Report a Fraud' on-line facility.</p>	<p>A confidential Fraud Hotline has been established to allow staff, Members and the public to raise concerns using a freephone number (0800 389 9795). Reports can be left anonymously although individuals are encouraged to leave as much information as possible to assist with the investigation.</p> <p>Frauds can also be reported via the Report a Fraud online facility on the Council's public website.</p> <p>Reports can also be made directly to the South West London Fraud Partnership (SWLFP) by:</p> <p>Email: swlfp@wandsworth.gov.uk</p> <p>or</p> <p>Telephone: 020 8871 8383</p> <p>See 'How to Report a Fraud'</p>
<p>Anti-Fraud framework and strategy</p>	<p>An Anti-Fraud framework has been established which provides the structure within which the Council aims to protect itself against fraud and corruption. The Anti-Fraud Strategy forms part of the overarching framework and includes clearly defined roles and responsibilities.</p>
<p>Internal systems,</p>	<p>The Council's Standing Orders, Financial Regulations and</p>

<p>controls and procedures</p>	<p>Scheme of Delegation together with departmental procedures set out a framework for dealing with the affairs of the Council and all employees have a duty to comply with these provisions. Thorough documentation, including operational procedures are expected for all financial and key operating systems and these should be issued to relevant staff. These should be subject to review in line with best practice to ensure that efficient and effective internal controls are in place to deter fraudulent activity and to detect error.</p> <p>Managers must also be committed to continually improve the systems they are responsible for, both through their own assessments and by positive response to audit recommendations. Not only must they ensure that appropriate procedures are in place but that these are being complied with consistently. This includes ensuring that a satisfactory segregation of duties and system of internal check is maintained at all times and that the integrity of data is maintained.</p>
<p>Corporate complaints procedures</p>	<p>The Corporate complaints procedure has been established to allow complaints against the Council to be raised and dealt with formally. This includes complaints relating to allegations of fraudulent or corrupt behaviour.</p>
<p>South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service)</p>	<p>South West London Audit Partnership & South West London Fraud Partnership have work programmes that include proactive work, determined by formal risk assessment (see also Table 1 above)</p>
<p>Data matching</p>	<p>Participation in National Anti-Fraud initiatives and other data matching exercises.</p> <p>Data matching is also undertaken on a monthly basis between Housing Benefits and the Department for Work and Pensions (DWP) via the Housing Benefit Matching Service (HBMS).</p> <p>The Authority has membership of the National Anti-Fraud Network (NAFN). The main services that NAFN provides to the Council are:</p> <ul style="list-style-type: none"> • An instant circulation service from one local authority to all local authorities with a view to obtaining further information and locating fraudulent activities; • Passing on information relating to fraud from external agencies to local authorities; • Collating fraud intelligence from local authorities and external agencies; • Providing regular bulletins containing intelligence on actual fraud cases; • Maintaining a national fraud database for access only by local authorities; • Obtaining intelligence to assist with serious fraud investigations by local authorities; • Offering local authorities access to services that they may

	<p>not have, in order to assist with investigation work.</p> <p>Intelligence reports on criminal activities received from NAFN are circulated to relevant senior officers within the Directorates and are subject to review by Internal Audit as part of the regular program of Anti-fraud checks.</p> <p>In-house data matching is also undertaken to identify potential fraud.</p>
Anti-Fraud awareness and Training	<p>Publicity and training is an essential part of an effective Anti-Fraud culture, including knowing when and where to report suspicions of fraud and having confidence in those arrangements (see below)</p>
Work with Schools	<p>The South West London Audit Partnership undertake audit work as part of the transfer of schools to Academy status and offer a continued service to Academies as part of an agreed SLA covering both internal audit and fraud investigation work.</p> <p>A regular programme of fraud briefings and awareness sessions are provided to Headteachers and Finance Officers.</p> <p>Achieving for Children (AfC) has established its own Anti-Fraud and Whistleblowing Policies</p>

ANTI-FRAUD AWARENESS AND TRAINING

32. We have a programme of training in fraud awareness for our members and staff, with specific training aimed at areas at high risk of fraud. We also ensure those with formal, professional responsibilities under our counter fraud & corruption framework (see Table 1 above), receive training to meet these responsibilities.
33. Knowing when and where to report suspicions of fraud and having confidence in those arrangements is an important part of an effective Anti-Fraud culture. Our mechanisms include our Whistleblowing Policy, Confidential Fraud Hotline and our online 'Report a Fraud' facility. These mechanisms are clearly detailed in the Council's Anti-Fraud Framework and on its internet and intranet sites.
34. We publicise, both internally and externally, summaries of our activity and achievements in countering fraud & corruption. This includes regular updates to Audit Committee.
35. We issue regular reminders of our stance, e.g. through the annual Council Tax leaflet, through our staff payslips, and through the website and intranet.
36. We also always seek maximum publicity where we undertake or have been party to a successful prosecution where the resulting sentence is considered to be a deterrent to others, for example through press releases and on the Council's website. Other sanctions applied are often publicised too, as appropriate.

MAKING USE OF INFORMATION AND TECHNOLOGY

37. In addition to our human detection processes, we also have a programme of analytical and computerised detection. We proactively identify the areas at greatest risk of fraud, corruption and other irregularities and use that knowledge to inform our programme of detection activity and proactive work.
38. Our methods of computerised detection include:
 - data matching initiatives (such as the National Fraud Initiative and the Housing Benefit Data Matching Service)
 - data sharing with partners in accordance with agreed protocols and frameworks
 - analytical intelligence techniques to determine unusual trends, anomalies and patterns that may indicate fraud or corruption.

PURSUE

INVESTIGATION

39. Material instances of fraud or irregularity in the Council are investigated by the South West London Fraud Partnership (Investigations Service), on behalf of the Director of Finance and Corporate Services. In the event of irregularities involving misconduct by a Member, the Monitoring Officer will review each complaint and consult with an Independent Person, if the complaint merits further investigation. If an investigation considers that a possible breach in the Code of Conduct has occurred, the matter may be referred to the Members' Standards and Disciplinary Committee. If the complaint identifies criminal conduct or breach of other regulations then the Monitoring Officer will refer the matter to the Police or other regulatory body.
40. Where a Council Tax Reduction fraud has been committed, this will also be investigated by the South West London Fraud Partnership.
41. All referrals are risk assessed and where there are reasonable grounds to suspect fraud, corruption or other financial irregularity, an investigation will take place in accordance with agreed investigation procedures.
42. Depending on the nature of the investigation, the South West London Fraud Partnership will normally work closely with management and other agencies such as the Police to ensure that all matters are properly investigated and reported on.
43. Evidence gathered as part of the investigations may be used for:
 - **disciplinary or regulatory** action
 - **civil** action to preserve assets and recover money, interest and costs
 - **criminal** prosecution - resulting in imprisonment, penalties, fines, orders, etc.

44. Investigations are undertaken with due regard to key legislation including (but not limited to) the Data Protection Act 1998, The Police and Criminal Evidence Act 1984 (PACE), The Prevention of Social Housing Act 2013 and the Regulation of Investigatory Powers Act 2000.
45. Where referrals affect other agencies, such as the DWP or another council or partner, the South West London Fraud Partnership will make early contact with those agencies to provide them with information under the confines of the Data Protection Act and where applicable, joint investigations will be undertaken.
46. Benefit investigation is now the responsibility of the DWP under the Single Fraud Investigation Service (SFIS) although there will be a process for referring cases to SFIS and for sharing information.

SANCTIONS (SANCTIONS POLICY)

47. The Council will invoke the highest level of sanction by applying appropriate criminal, civil, including disciplinary/ regulatory, sanctions in all cases where the evidence suggests that fraud, corruption, financial irregularities or malpractice have been committed. In cases of proven fraud, the Council will seek to prosecute.
48. Sanctions are determined at the end of an investigation, subject only to applying any necessary interim or precautionary measures or sanctions, for example to prevent continuing fraudulent or corrupt activity or behaviour.
49. The Council seeks the strongest possible sanction against any individual or organisation that defrauds, or seeks to defraud, the public purse. Our use of sanctions applies equally to any fraud against us or against funds for which we are responsible.
50. A range of sanctions is available to the Council. These include disciplinary action, civil proceedings, criminal proceedings, confiscation proceedings, formal cautions and administrative penalties. In appropriate cases we take more than one form of action. For example, where staff have defrauded the Council we may take disciplinary, prosecution and civil recovery action.
51. Where the Council takes action, the decision to refer cases for prosecution is taken by the Head of Internal Audit and Investigations in conjunction with the Director of Finance and Corporate Services.
52. In considering whether it is appropriate to prosecute for an offence it is generally accepted that there are two 'tests' to be applied – the evidential test and the public interest test. These are currently set out in the Code for Crown Prosecutors. The Prosecutor will consider both tests before approving a prosecution but will only go onto consider the Public Interest test where he/she believes that the Evidential Test is satisfied.

53. To meet the **Evidential Test**, the Prosecutor must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction' bearing in mind that the Prosecution is required to prove its case to the criminal standard of proof, i.e. 'beyond a reasonable doubt', or so as to be sure. The evidence must be acquired in a form which can be used by the court, be admissible and be reliable. If there is not sufficient evidence, the case cannot go ahead no matter how important the case or how strong the public interest is in favour of prosecution. Consideration must be given to how the defence case may affect the prosecution case. If necessary an advice file will be sent to the prosecutor for their opinion.
54. The **Public Interest Test** in each case will be considered where there is enough evidence to provide a realistic prospect of conviction. In serious cases a prosecution usually takes place unless there are sufficient public interest factors against prosecution. Public interest factors that affect the decision to prosecute usually depend on the seriousness of the offence or the circumstances of the offender. Aggravating factors may increase the need to prosecute while mitigating factors may suggest that another course of action, such as offering a sanction, is more appropriate.
55. To ensure that a 'realistic prospect of conviction' exists, investigations are conducted in accordance with relevant legislation and in line with published Codes of Practice and Guidance on evidence gathering, interviewing and rules of disclosure. Evidence is independently examined and if the Public Interest test is satisfied, the case file is passed on to either the Council's Head of Legal Services, the DWP or the Crown Prosecution Service (CPS) via the police. All prosecutors will then consider the evidence to ensure that both tests are met.
56. Our sanctions policy with regard to the most common types of fraud & corruption is set out below:
- housing fraud
 - other fraud
 - staff fraud & corruption
 - Member fraud & corruption.

Housing Fraud

57. In all cases of fraudulent housing or homeless applications, where a tenancy has been obtained, the Council will work with the housing provider to seek repossession of the property and recovery of any financial losses. The Council's view is that one property lost to fraud is one less property available to use for genuine applicants.
58. Frauds committed by housing and homeless applicants are also considered for criminal prosecution.
59. The factors that affect our decision to prosecute are based on the evidential and the public interest tests in line with the Code for Crown Prosecutors.

60. Where Council properties have been sublet or are abandoned the Council always seeks repossession of the property and recovery of any financial losses. Under the new Prevention of Social Housing Fraud Act 2013, the Council will seek to prosecute in appropriate cases and can now be granted unlawful profit orders (UPO's). An "unlawful profit order" is an order requiring the offender to pay the landlord an amount representing the profit made by the offender as a result of the conduct constituting the offence. These can be granted by both the criminal court and the civil courts and can be done without having to prosecute.

Other Fraud

61. In all other cases of fraud, for example direct care payments, renovation grants, voluntary sector grants, regeneration funding, insurance claims, blue badges, residents' parking, student awards, licences, school places, market traders and other applications for financial assistance, where the Council suffers a financial loss, we always seek recovery. Where an organisation is involved in the fraud, the Council also make referrals to the relevant governing body, e.g. Charities Commission, Registrar of Companies.
62. The Council also considers criminal prosecution. The factors that affect our decision to prosecute are based on the evidential and the public interest tests. This includes cases of attempted fraud such as applications for renovation grants where the financial estimates are deliberately misstated, and false applications for direct care payments.
63. Prosecutions are undertaken for a number of reasons by service areas outside of the South West London Audit Partnership (Internal Audit) and South West London Fraud Partnership (Investigations Service) (IAIS) e.g. Trading Standards, Environmental Health, who have their own procedures for deciding on appropriate sanctions and redress.

Employee Fraud

64. All cases of fraud, theft, financial misconduct, serious and intentional breach of financial regulations and corruption committed by officers are serious breaches of the disciplinary rules. Normally such cases will be considered as gross misconduct where dismissal would be considered a likely sanction.
65. Where a financial loss has been identified we always seek to recover this loss either through the civil or criminal process.
66. Where appropriate under this policy we refer cases to the relevant prosecuting authority for criminal prosecution.

Member Fraud

67. All cases of fraud, theft, financial misconduct, and corruption committed by Members are serious breaches of the trust placed in them by virtue of their public office. The Council's Monitoring Officer and our Members' Standards and Disciplinary Committee are responsible for dealing with any serious breaches of the Code of Conduct.

68. Where a financial loss has been identified we always seek to recover this loss either through the civil or criminal process.
69. Where appropriate we refer cases to the relevant prosecuting authority for criminal prosecution.

Prosecution – General

70. A decision to prosecute as a result of the outcome of any investigation will not be made without the authority of the Director of Finance and Corporate Services.
71. Each case deemed suitable for submission for prosecution will be subject to a full review by the Head of Internal Audit & Investigations and the Director of Finance & Corporate Services and (as appropriate in each case) the relevant Director, Legal Services, the Police or other relevant prosecution Authority.
72. Despite the intention to prosecute offenders, there are associated costs in bringing a case to court which can be substantial and must be borne by the Council and the Council Taxpayers. By adopting this policy the Council commits itself to give serious thought to the costs involved, before proceeding with any prosecutions.
73. The cost of prosecution (where not progressed through the Police and via them the CPS) will be borne by the Directorate concerned.
74. In normal circumstances, once the decision to prosecute has been made and approved, the prosecution process will proceed uninterrupted. However, it is acknowledged that occasionally external forces will have an adverse affect and it may be that the CPS, DWP or Legal Services chooses to discontinue action, or there may be some other reason why criminal prosecution cannot or should not continue.
75. In these circumstances, consideration will be given as to whether it is appropriate to suspend proceedings and if so whether to undertake civil proceedings as an alternative (with due consideration to the implicit costs).
76. Further considerations may also be made to the most appropriate body to prosecute cases. Benefits fraud cases are now the responsibility of the DWP in investigate and prosecute.
77. Larger scale fraud may be referred to the Police and offered to the CPS for prosecution depending on the level of resource and skills required to bring about a successful prosecution.

Parallel Sanctions

78. The circumstances of an offence that involves or implicates a member of staff may dictate that both a criminal investigation and a disciplinary investigation be conducted simultaneously (or in parallel).

79. Due to conflicts between the legislation covering the gathering of evidence under employment law and under the Police and Criminal Evidence Act 1984 (PACE) it is preferable that the investigations are conducted independently and separately (although this does not necessarily imply that the same department cannot handle both investigations nor that information gathered cannot be shared between the two investigations).
80. Although conducted separately, the Head of Internal Audit and Investigations will liaise both with Human Resources and any officer tasked with conducting the disciplinary investigation.
81. Criminal investigation and prosecution can take substantially longer to undertake and complete than disciplinary investigation, and consequently any disciplinary investigation (and potential sanction) should not be unnecessarily delayed pending the outcome of any criminal investigation. The fact of the criminal investigation by itself should not form the grounds of the disciplinary investigation.
82. Sanctions relating to disciplinary investigations are covered in the [Employee Code of Conduct](#) and can range in scope up to and including summary dismissal for proven Gross Misconduct.

REDRESS

83. The recovery of money and resources wrongfully taken from us is a key part of our integrated strategy. Loss recovery is a key driver aimed at reducing losses from fraud & corruption and reducing exposure to the risks of fraud & corruption. As such, we actively seek to recover our losses.
84. Whilst the Council has insurance cover for losses from fraud, corruption or other such acts, these are subject to excesses and specific limits. We therefore do not rely on insurance as a preferred method of loss recovery.
85. We have a range of options available to us for recovering losses and, since the Proceeds of Crime Act 2002, these have increased. The options we consider include:
 - instigating recovery of property, removing from the Housing Register, cancelling temporary accommodation, disallowing from Right to Buy, suing for loss of rent and/or portable discount
 - charges on property
 - third party debt orders ('Garnishee' – where payment can be obtained from a third party whom owes or holds money for the debtor, e.g. where a bank is ordered to pay the credit balance in a debtor's bank account to the creditor in satisfaction of a judgement or court order)
 - attachment of earnings
 - freezing injunctions
 - pursuing debts via legal proceedings

- confiscation orders to secure the ‘benefit’ from a person involved in criminal activity, e.g. where a person has fraudulently obtained funding for social care which they have used to pay a mortgage on a property, the amount by which the property has increased in value may be confiscated as distinct from simply the amount of overpaid funding
 - compensation
 - restitution orders
 - use of the National Crime Agency (NCA) for the most serious crimes.
86. Wherever the Council takes proceedings, criminal or civil, in respect of fraud, corruption or other financial irregularity/ malpractice it will seek to recover all its costs in doing so.

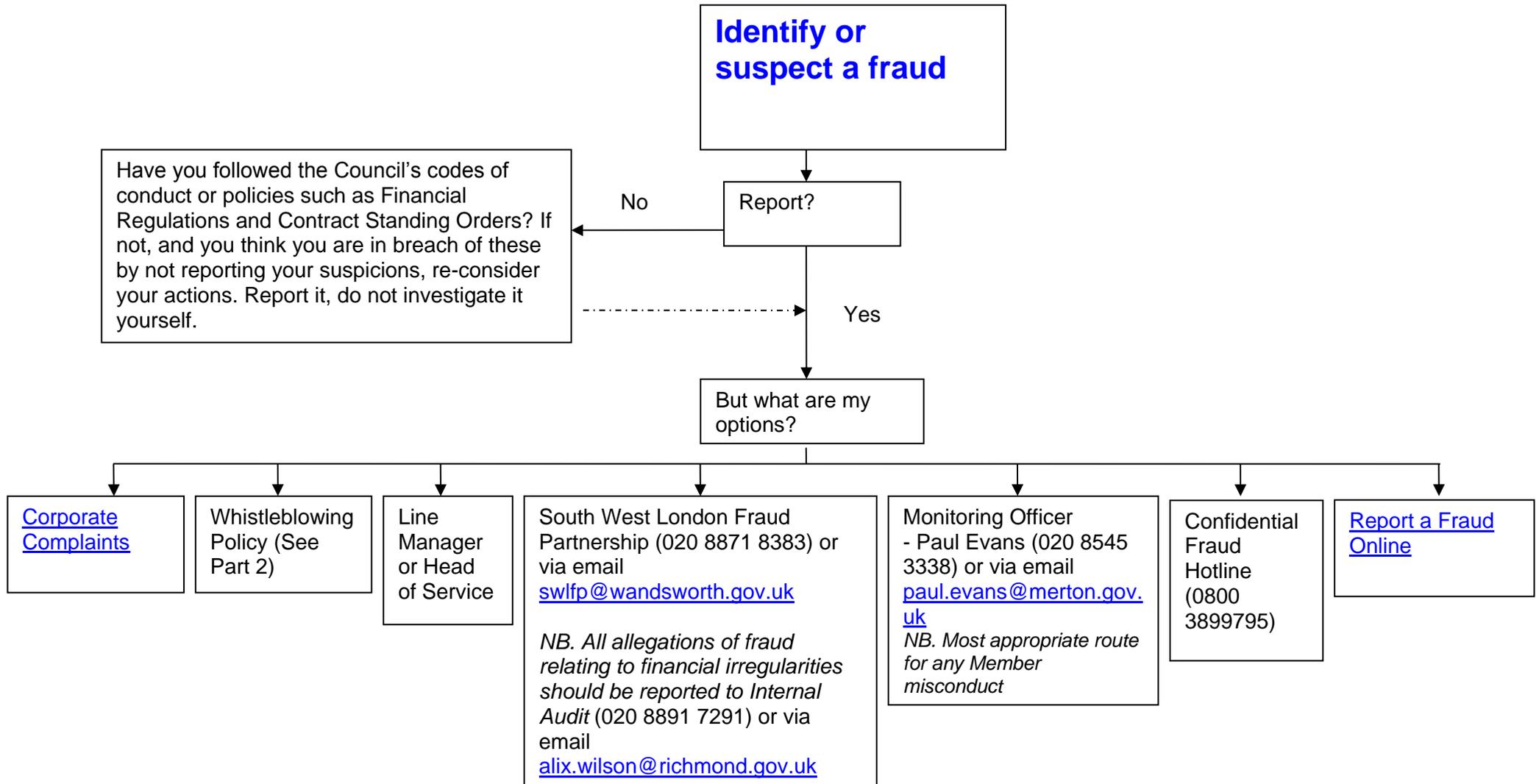
LEARNING & REMEDY

87. The Council seeks to learn from all its experiences of countering fraud & corruption, and from best practice and the experiences of others. We aim to remedy any weaknesses and identified exposure to fraud.
88. The IAIS produce Investigation reports for corporate fraud investigations which identify any gaps in control or instances of non compliance with procedure, systems and processes. These reports make recommendations to management which addressed these gaps and seek to reduce future exposure to the risk of fraud. For significant frauds, reports are made to the Audit Committee to include lessons learnt and agreed actions are monitored to ensure they are implemented.
89. The Anti-Fraud Strategy is reviewed on an annual basis to ensure that it remains up to date and reflects best practice. Audit Committee are responsible for monitoring the implementation of this strategy, primarily through the work of the IAIS (see Roles and Responsibilities in Table 1 above).

COLLABORATION

90. The Council has effective co-operation and joint working arrangements with a range of other local authorities and external agencies including:
- The Police
 - Department for Work and Pensions (DWP)
 - UK Border Agency
 - HM Revenue and Customs
 - NHS Counter Fraud specialists
 - Other Government departments
 - Registered Social Landlords
91. These arrangements encourage the exchange of information on national and local fraud and corruption activity and where required, working together to investigate fraud cases and undertake proactive fraud activities.
92. The Joint Anti-Fraud Forum with the Royal Borough of Kingston is an example of our robust collaborative working arrangements.

How to Report a Fraud



PART 2 WHISTLEBLOWING POLICY

POLICY STATEMENT

1. The London Borough of Richmond upon Thames is committed to achieving the highest possible standards of service, including honesty, openness and accountability, and recognises that employees have an important role to play in achieving this goal.
2. Any of us may at one time or another have concerns about what is happening at work. Often these concerns are easily resolved. However, where your concern involves, for example, a danger to the public or colleagues, illegal practice, misconduct or financial malpractice, it can be difficult to know what to do.
3. You may be worried about raising such an issue, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, to managers or to the Council. You may have already said something but found that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what, if anything, to do next.
4. The Council has introduced this policy to enable everyone to blow the whistle safely when appropriate so that such issues are raised at an early stage and in the right way. The Council welcomes your genuine concerns and is committed to dealing responsibly, openly and professionally with them. Without your help, we cannot deliver a safe service and protect the interests of the public, staff and the Council. If something is troubling you which you think should be looked into do not wait for proof raise the issue using this procedure.
5. If, however, you are aggrieved about issues relating to your employment, please use the Grievance Procedure.

Purpose of this Policy

6. The purpose is to:
 - Encourage and enable the Whistleblower to feel confident in speaking up and raising concerns or suspicions
 - Provide the Whistleblower with a confidential method of raising concerns
 - Enable the Whistleblower to confidentially raise concerns within the Council environment
 - Ensure the Whistleblower receives a response to their concerns and if not satisfied, is aware of how to take the matter further
 - Reassure the Whistleblower they will be protected from reprisals or victimisation for Whistleblowing where they reasonably believe the disclosure to be made in the public interest.

This policy is not designed to be used;

- a) for raising or reconsideration of matters that come under existing internal procedures e.g. Grievance, Disciplinary, Capability, Dignity at Work or the Council's general complaints procedure; or
- b) for allegations that fall within the scope of specific procedures (for example child or vulnerable adult protection) which will normally be referred for consideration under the relevant procedure, unless the employee has good reason to believe that the procedure is not being followed or will not be followed effectively; or
- c) as an appeal process from any complaint or grievance handled under any of the above procedures.

This Whistle Blowing procedure is primarily for concerns where the interests of others or of the Council are at risk. This policy forms part of the Code of Conduct for Employees

DEFINITIONS

7. Richmond upon Thames has a range of policies and procedures, which deal with standards of behaviour at work; they cover, for example, discipline, grievance, discrimination, harassment and bullying, and recruitment and selection. Staff are encouraged to use these procedures when appropriate.
8. This policy is a means to deal with serious or sensitive concerns about matters such as the following:
 - Fraud or financial irregularity
 - Corruption, bribery or blackmail
 - Failure to comply with legal or regularity duty or obligation
 - Malpractice or abuse of a client including improper discrimination or relationships with clients
 - A miscarriage of justice.
 - Endangering the health and safety of any individual or individuals.
 - Endangering the environment.
 - Unethical or improper conduct or conduct which breaches Council policies or falls below the standards which the Council subscribes to e.g. breach of codes of conduct or Financial Regulations/Contract Standing Orders.
 - Serious maladministration arising from the deliberate commission of improper conduct.
 - Showing undue favour over a contractual matter or to a job applicant
 - Concealment of any of the above.
9. The policy does **NOT** apply to the following:
 - Relationships between employees, their managers and the Council for which harassment, bullying and other dispute procedures are more appropriate
 - Concerns or complaints by members of the public to which the Corporate Complaints Procedure would apply
 - Concerns or complaints about the behaviour of Members of the Council (Councillors) to which the Members Code of Conduct would apply.

WHO IS COVERED BY THIS PROCEDURE

10. The following are covered by this procedure:
 - An employee of the Council Agency staff, trainees and self-employed staff employed on Council work
 - The staff of Council contractors employed on Council work
 - Partner agencies (including the health authority and voluntary sector groups) undertaking work on behalf of or in conjunction with the Council.

OUR COMMITMENT TO YOU

Your Protection

11. The Public Interest Disclosure Act provides workers with protection from dismissal or other damage as a result of making a disclosure of information in the public interest about wrongdoing at work. Such disclosures are protected if they are done according to the Act's provisions. Disclosures may be made to the employer, prescribed regulatory bodies or on a wider basis to the Police. The Act's protection is strongest where workers raise matters with their employers.
12. The Council is committed to adhering to this Act and to provisions contained within this policy. If you raise a genuine concern in accordance with this policy, you will not be at risk of losing your job or suffering any form of retribution as a result. Provided you are acting honestly, it does not matter if you are mistaken or if there is an innocent explanation for your concerns. You will not be asked to provide proof. Of course this assurance is not extended to someone who maliciously raises a matter they know is untrue. Disciplinary action will be taken against employees who knowingly make false allegations.
13. Giving out information about third parties to whom the Council owes a duty of confidence may not be protected under the Public Interest Disclosure Act. This may lead to disciplinary action. If you are in any doubt you should seek advice from your manager, union, Legal Services or Public Concern at Work (020 7404 6609).

Your Confidence

14. The Council will not tolerate the harassment or victimisation of anyone raising a genuine concern. If you are anxious you can ask to talk to someone in private and if you ask us not to disclose your identity, we will consider this carefully with you first. Your identity may need to be shared with other senior officers and/or Members during the investigation, but you will be told if this is the case. If the situation arises where we are not able to resolve the concern without revealing your identity (for instance because your evidence is needed in a disciplinary procedure or in court), we will discuss with you whether and how we can proceed.

Anonymous Concerns

15. If you do not tell us who you are it will be much more difficult for your concern to be investigated and for us to protect your position or give you feedback. Accordingly, while we will consider anonymous reports, we cannot use this policy to investigate concerns raised anonymously.

WHAT YOU SHOULD DO?

The Normal Procedure

16. These notes explain what you need to know and the steps you should take if you have any concerns. The procedure is in addition to that outlined in Standards in the Code of Conduct. Also see **Appendix 1** "How to Raise Concerns"...
17. The Council encourages the Whistleblower to raise their concerns internally in the first instance. This allows the relevant officers to properly investigate those concerns and take relevant action where necessary.
 - As a first step, you should normally raise concerns with your line manager, Head of Service or Director (subject to Point 2).

18. The initial disclosure should be made:
 - Wherever possible, in writing
 - Otherwise orally, by telephone or face to face in a meeting with your line manager, Head of Service or one of the officers listed above.
19. You should provide as much supporting evidence as possible. The earlier the concern is expressed and the more information you can provide, the easier it is to investigate and for appropriate action to be taken.
20. Where a disclosure is made under the Whistleblowing Policy, full details of the allegations will be recorded and passed to the Council's Monitoring Officer (of their Deputy) who will pass this on to a Designated Officer for assessment.
21. Where you make a disclosure, you are encouraged to give details of your identity. Anonymous disclosures are more difficult to investigate. Where you do provide your identity, this information will not be passed to the Monitoring Officer without your express consent.
22. The Council acknowledges the difficulties in raising concerns and as such, a trade union representative or work colleague may raise the matter on your behalf (where you are the Whistleblower), accompany you when making the allegation or may accompany you in meetings where the allegation/s is discussed.

Taking it Further

23. If these steps have been followed but have not worked or you feel the matter is so serious that you cannot discuss it with any of the above, please contact one of the following:
 - The Council's Monitoring Officer, Paul Evans, Head of Shared Legal Service, on 020 8545 3338.
 - The Head of Internal Audit & Investigations, Alix Wilson on 020 8891 7291
 - The Chief Executive on 020 8891 7167
 - The Chair of the Audit Committee (see contact details on [Audit Committee Web page](#)) or contact the Committee Clerk for contact details on 020 8891 7156)
 - If your concerns involve potential fraud or criminal activities the Council's Fraud Line on 0800 389 9795.

Referral outside the Council

24. While we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as regulators or the police. Public Concern at Work, or, if applicable, your union, will be able to advise you on such an option and on the circumstances in which you may be able to contact an outside body safely including:
 - The Health and Safety Executive 0845 300 9923
 - The Environment Agency 0800 807 060
 - The Serious Fraud Office 0207 239 7272
 - HM Revenue and Customs 020 7239 7388
 - The Department for Business Innovation and Skills 020 7215 5000
 - The Charity Commission 0845 300 0218
 - The Information Commissioner 01625 545 745
 - Care Quality Commission 0207 448 9200
 - External Audit 020 88917200

- Ofsted (Whistleblowing Hotline) - 0300 123 3155
25. The Council stresses that you should raise concerns internally first, but the law also provides for you to make a wider disclosure (which could include to the police or an MP) **if, and only if:**
- The matter is exceptionally serious
 - You are reasonably afraid that you would be victimised
 - You believed reasonably that there would be a cover up and there is no prescribed person, or
 - The matter was raised internally or with a prescribed person but was not dealt with properly.

ADVICE AND ASSISTANCE

Role of Trade Unions

26. The Council recognises that employees may wish to seek advice and to be represented by their trade union officers when using the provisions of this policy. A number of Trade Unions have issued guidance on 'whistle blowing', and the Council acknowledges and endorses the role trade union officers play in this area. You may contact the Staff Side Secretary on 020 8891 7286 for initial advice and how to contact recognised Trade Union representatives.
27. Alternatively details of other Unions can be obtained from Human Resources on 020 8891 7091 or 020 8891 7268.

Independent Advice

28. You may also wish to contact Public Concern at Work (<http://www.pcaw.co.uk/>), a charity working in this area which can provide free and confidential advice, telephone 020 7404 6609, or e-mail helpline@pcaw.co.uk

THE PROCESS EXPLAINED

How the Council will deal with the matter

29. Once you have told us of your concern, it will be reported to the Council's Monitoring Officer who will refer the case to a Designated Officer for assessment. This officer may be the officer to whom you made the original disclosure and will be required to maintain full confidentiality. The Designated officer will make an initial assessment as to what action should be taken. This may involve an informal review, an internal inquiry or a full investigation.
30. The initial assessment may identify the need to involve third parties, such as other members of staff, South West London Audit Partnership (Internal Audit) or South West London Fraud Partnership (Investigations Service), External Audit, Legal and Electoral Services, Human Resources or the Police. Concerns or allegations which fall within the scope of specific procedures (e.g. child protection, health and safety or discrimination issues), will normally be referred for consideration under those procedures.
31. The Designated officer will offer to interview you in confidence no later than 3 weeks after receipt of the disclosure and referral from the Monitoring Officer. You may be accompanied by a Trade Union representative or work colleague. An interview may not be necessary if the Designated officer was the officer to whom the initial disclosure was made.

32. The purpose of the interview is for the Designated officer to obtain as much information from you as possible and to consult you on the further steps which could be taken
33. Within 4 weeks of the interview, or 4 weeks of the initial disclosure where an interview does not take place, and after consultation with the Monitoring Officer (or their Deputy), the Designated officer will determine their recommendations as to the further steps to be taken. These may include:
 - A report to the Police or other appropriate authority;
 - Investigation by the South West London Fraud Partnership (this will be the usual course where there are allegations of financial irregularities or corruption).
 - A full investigation either internally by the Council or externally e.g. by the Council's auditors or by investigators appointed by the Council;
 - Action under the Council's grievance, disciplinary, harassment and bullying or complaints procedures;
 - Referral for consideration under other specific procedures (e.g. child protection);
 - No further action (see below).
34. The Designated officer may recommend that no further action is taken based on the following:
 - Where they are satisfied that there has been no malpractice;
 - If they determine that the disclosure was not made honestly, with the reasonable belief that it was in the public interest i.e. that the disclosure was wilfully malicious. In this situation, the case may be referred for disciplinary action;
 - If the matter concerned is already the subject of legal proceedings, has been referred to the police or other public authority;
 - If the matter is already, has been or should be the subject of proceedings under one of the Council's other procedures relating to staff
35. The Designated officer's recommendations will be made to the Council's Monitoring Officer who will decide whether or not they agree with them. Any recommendations will be made without revealing your identity (as Whistleblower) except in exceptional circumstances (see below).
36. Once it has been agreed what further steps (if any) should be taken, the Designated officer will inform you of the decision and where no further action is proposed, reasons for this decision will be made to you in writing.
37. Subject to legal constraints, you will be informed of the outcome of any investigations however, you will not be provided with specific details of any disciplinary action, which will remain confidential to the individual(s) concerned.
38. Any document, report or recommendation prepared by the Designated Officer in relation to your disclosure will not identify you unless:
 - You have consented to this in writing; or
 - There are grounds to believe you have acted maliciously; or
 - Where the Designated officer is under a legal obligation to do so; or
 - Where the information is already in the public domain; or
 - On a strictly confidential basis to a professionally qualified solicitor for the purpose of obtaining legal advice.
39. The Designated Officer will ensure that all information in relation to your disclosure is kept securely and access to it is restricted.

If you are dissatisfied

40. While the Council cannot guarantee to respond to your report in the way in which you might wish, we will handle the matter fairly and properly. By using this procedure you will help us to achieve this. If you are dissatisfied with the response you can raise the matter with the other levels and bodies set out in the Policy.

Mediation and dispute resolution

If we believe that the issues relate more to conflicts or trust between managers and employees or other staff members, we will give consideration at the earliest opportunity, to the use of mediators or officers from another service in an attempt to resolve these conflicts, rebuild trust or support staff who have raised concerns.

Accountability

Everyone should expect to be held accountable for adopting fair, honest and open behaviours and practices when raising, receiving and handling concerns.

Individuals and service areas will be accountable for:

- poor practice in relation to encouraging the raising of concerns and responding to them
- the victimisation of staff for making public interest disclosures
- raising false concerns in bad faith or for personal benefit
- acting with disrespect or other unreasonable behaviour when raising or responding to concerns

IN SUMMARY

DO

- Make a difference and report your concerns
 - Make an immediate note of concerns which fall within the scope of this policy. Note all relevant details, such as what was said in telephone or other conversations, the date, time and names of the people involved
 - Note any documentary evidence that may exist to support your claim but do not interfere with this evidence
- Let someone know about your suspicions. See 'Taking it Further' page 5.
- Deal with the matter quickly. Any delay may allow the problem to continue and escalate and for evidence to disappear
- Think about the risks and outcomes before you act
- Follow the guidance and contact the appropriate officer.

DON'T

- Do nothing and let it go unreported
- Be afraid of raising concerns and use this policy's protection
- Approach or accuse individuals directly
- Try to investigate the matter yourself
- Convey your suspicions to anyone except those of the proper authority as set out in this policy
- Use the whistleblowing procedures to pursue a personal grievance.

IF IN DOUBT – RAISE IT!

MANAGER'S GUIDE

to the Whistle Blowing Policy

THE MANAGERS ROLE

41. It is the Manager's responsibility to ensure that employees are made aware of the policy (which can be found on RIO) and they are given an opportunity to raise any questions about its operation. The policy also applies to agency staff, others working for the Council and volunteers, who must all be made aware that the policy is also available to them.
42. All concerns must be looked into and the employee(s) told the outcome. Where a concern is raised directly with you and it is not appropriately dealt with through other Council policies or procedures, you must report the disclosure to the Council's Monitoring Officer. The Monitoring Officer will decide who will be the Designated officer responsible for dealing with the disclosure. This may be you as you were in receipt of the original disclosure however the Monitoring Officer may decide that an independent officer may be more appropriate depending on the nature of the concern.
43. Where you are the Designated officer, you must interview the employee (Whistleblower) within 3 weeks of receipt of the disclosure and referral from the Monitoring Officer. Where you were both in receipt of the original disclosure and given responsibility by the Monitoring Officer as Designated officer, you may already have undertaken an interview when the disclosure was first made. You may decide that a further interview is not required.
44. The purpose of the interview will be for you to obtain as much information from the Whistleblower as possible and to consult them on the further steps which could be taken.
45. Within 4 weeks of the interview, or 4 weeks of the initial disclosure where an interview does not take place, and after consultation with the Monitoring Officer (or their Deputy) you will make recommendations as to the further steps to be taken and notify the Whistleblower accordingly. Where no further action is to be taken, you must inform the Whistleblower of this decision in writing.
46. As Designated officer, you will be responsible for informing the Whistleblower of the outcome of any investigations or further action taken. Any information provided to the Whistleblower may be subject to legal constraints and therefore must be agreed in advance with the Monitoring Officer (or Deputy).
47. This Policy is based on the view that openness and accountability is the ideal. However, where circumstances make it necessary, the matter may need to be dealt with under terms of strict confidentiality. This could include not informing the subject of the complaint until (or if) it becomes necessary to do so.
48. If the decision is made to take formal disciplinary action against the subject, they must be informed of the complaint against them.

WHAT YOU SHOULD DO?

49. Make sure you are aware of the procedure to follow:
- Where a concern is raised (and cannot be dealt with appropriately through another Council policy or procedure), it must be reported to the Monitoring Officer.
 - All concerns should be recorded, including the date the concern was raised, dates of interviews with employees, who was present at each interview and the action agreed.
 - The records should be kept safely and securely; they may be required for disciplinary action or criminal investigation.
 - Should any criminal activity or fraud be suspected, the Head of Internal Audit & Investigations (Alix Wilson), the Monitoring Officer (Paul Evans) and Head of HR Shared Service must be informed in order to decide at what stage the Police should be involved.
 - The Chief Executive would also expect to be alerted.
50. Action must be taken to protect the employee raising the concern from acts of recrimination. Officers should not wait for victimisation to take place before taking such action.

IN SUMMARY

DO

- Be responsive to staff concerns
- Note all details
- Evaluate the allegation objectively
- Advise the appropriate officer
- Deal with the matter promptly

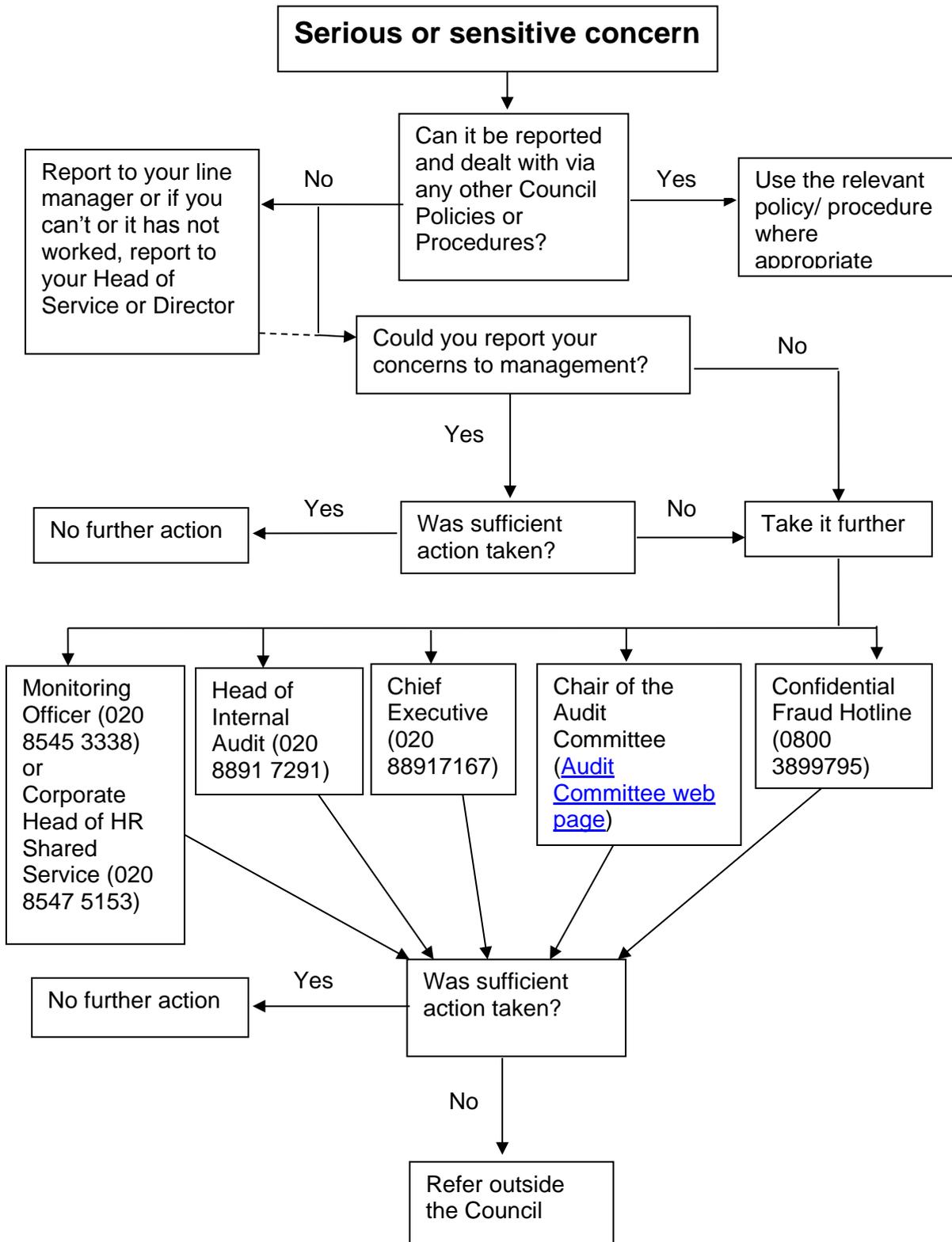
DON'T

- Ridicule suspicions raised by staff
- Approach or accuse any individuals directly
- Convey your suspicions to anyone other than those with the proper authority
- Try to investigate the matter yourself.

Corporate, Recording, Monitoring and Review of Whistle Blowing

51. The Monitoring Officer will maintain a Corporate Register containing all concerns that are brought to their attention. Managers looking into the concern must ensure that the Monitoring Officer is provided with sufficient details of the concerns for the Corporate Register.
52. The Monitoring Officer will review the Corporate Register and produce an Annual Report to the Chief Executive and any other relevant member/ officer forum. The report will not mention any employees, only the concerns raised, the number of such concerns, the Directorate they related to and highlighting any subsequent outcome(s).
53. The Policy will be reviewed annually by the Monitoring Officer in conjunction with the Corporate Head of Human Resources and the Head of Audit.

How to Raise Concerns



PART 3 ANTI-BRIBERY POLICY

POLICY STATEMENT

1. **Bribery** is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.
2. Bribery is a criminal offence. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.
3. To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.
4. We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance “business as usual”, rather than as a one-off exercise.

OBJECTIVE OF THIS POLICY

5. This policy provides a coherent and consistent framework to enable the Council's employees and Members to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.
6. We require that all personnel, including those permanently employed, temporary, agency staff, members and contractors:
 - Act honestly and with integrity at all times and to safeguard the organisations' resources for which they are responsible
 - Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the organisation operates, in respect of the lawful and responsible conduct of activities.

SCOPE OF THIS POLICY

7. This policy applies to all the activities of the London Borough of Richmond (“the Council”). For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.
8. Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely with assurance functions, but in all business units and corporate functions.
9. This policy covers all personnel, including all levels and grades, those permanently employed, temporary and agency staff, contractors, agents, Members (including independent and co-opted members), volunteers and consultants (“employees”).

THE COUNCIL'S COMMITMENT TO ACTION

10. **We commit to:**
 - Setting out a clear anti-bribery policy and keeping it up to date
 - Making employees aware of their responsibilities to adhere strictly to this policy at all times

- Providing information to employees so that they can recognise and avoid the use of bribery by themselves and others
- Encouraging employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to all employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery

BRIBERY ACT 2010

11. There are four key offences under the Act:

- To offer, promise or give a bribe (Section 1)
- To request, agree to receive, or accept a bribe (Section 2)
- Bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business (section 6)
- A corporate offence of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation (section 7). This applies to local authorities where commercial companies are used to support a function or project and also where we trade in commercial terms. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation

What are “adequate procedures”?

12. Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the organisation. It is for individual organisations to determine proportionate procedures in the recommended areas of six principles. The six principles as applied to the Council are:

a. Proportionate procedures

Action taken needs to be proportionate to the risks faced relative to the size of the project or subject matter.

b. Top level commitment

The Executive Board and Members are committed to preventing bribery by persons associated with the Council. They foster a culture within the organisation in which bribery, corruption or bad business practices are never acceptable.

c. Risk Assessment

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

d. Due diligence

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

e. Communication (including training)

We seek to ensure that our bribery prevention policies and procedures are embedded and understood throughout the organisation, through internal and external communication, including training that is proportionate to the risks faced.

f. Monitoring and review

Recognising that risks and effectiveness may change from time to time, we will monitor and review procedures designed to prevent bribery by persons associated with the Council and make improvements where necessary.

Penalties

13. An individual guilty of an offence under sections 1, 2 or 6 is liable:
 - On conviction in a Magistrates court, to imprisonment for a maximum term of 12 months (six months in Northern Ireland), or to a fine not exceeding £5,000, or to both
 - On conviction in a Crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both
14. Organisations are liable for these fines and if guilty of an offence under section 7 are liable to an unlimited fine.

REQUIREMENTS

15. ***It is 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 by us in return
 - Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
 - Engage in activity in breach of this policy

Facilitation payments

16. Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and hospitality and Declarations of Interest

17. This policy is not meant to change any requirements as set out in the Council's existing Policies and Procedures, and should therefore be read in conjunction with the Council's [Code of Conduct](#), [Gifts and Hospitality](#) and [Declaration of Interests](#) should be registered online.

Public contracts and failure to prevent bribery

18. Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 Regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. The Council has the discretion to exclude organisations convicted of this offence.

EMPLOYEE RESPONSIBILITIES

19. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council. All employees are required to avoid activity that breaches this policy.

You must:

- Ensure that you read, understand and comply with this policy
 - Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future
20. As well as the possibility of civil and criminal prosecution, employees that breach this policy may face disciplinary action, which could result in dismissal for gross misconduct.

RAISING A CONCERN

21. The Council is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every employee to know how they can raise concerns.
22. We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.
23. There are multiple channels to help you raise concerns. To contact Internal Audit please phone 020 8891 7291 or email auditservices@richmond.gov.uk & to contact the South West London Fraud Partnership (SWLFP-Investigations Service) please phone 020 8871 8383 or email swlfp@wandsworth.gov.uk

Alternatively, please refer to the Council's Whistleblowing Policy.

24. Preferably the disclosure will be made and resolved internally (e.g. to your Head of Service, someone within the Shared Audit or Shared Fraud Partnership or if you are a councillor you may report any occurrence to the Leader of the Council). If internal disclosure proves inappropriate, concerns can be raised with the regulator (Department for Business Innovation & Skills):

[Blowing the Whistle to a Prescribed Person](#)

Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

ANONYMITY

25. Concerns can be raised anonymously. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. However, this is easier and quicker if concerns raised are not anonymous.
26. Employees who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing, can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.
27. We are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.
28. If you have any questions about these procedures, please contact South West London Audit Partnership on 020 8891 7291 or auditservices@richmond.gov.uk.

OTHER RELEVANT POLICIES AND LINKS

[Bribery Act 2010](#)

[Bribery Act final guidance](#)

[Blowing the Whistle to a Prescribed Person](#)

PART 4 ANTI- MONEY LAUNDERING POLICY

POLICY STATEMENT

1. The Council will take all reasonable steps to prevent its systems and processes being used for money laundering.

INTRODUCTION

2. Money laundering is a series of processes designed to disguise or convert illegally obtained cash or assets (proceeds of crime) so that they appear to have come from a legitimate source. Individuals and organisations can commit offences if they possess, convert, transfer or conceal those proceeds of crime. Criminals could launder illicitly obtained funds through the council in a number of ways. For example: by making large payments in cash, such as for business rates, council tax or when purchasing assets.
3. Anyone who becomes involved with an activity which they know, or have reasonable grounds to suspect, is related to the proceeds of crime, may be guilty of money laundering.
4. Money Laundering is a criminal offence and it is the responsibility of the Council and Council officers to take reasonable precautions to prevent it's involvement in money laundering, either knowingly or as a result of inaction.
5. The Council's policy is to do all it can to prevent the Council and its staff being exposed to money laundering, identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. Internal procedures will be proportionate and cost effective.
6. This policy has been adopted in order to introduce safeguards to help identify and report on instances where money laundering is suspected. It

SCOPE OF THE POLICY

7. This policy provides a coherent and consistent framework to enable employees to understand and implement arrangements to enable compliance with anti-money laundering legislation. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.
8. This Policy applies to all of the council's activities, its personnel, including those permanently employed, temporary staff, agency staff, contractors, Members (including independent members), volunteers and consultants.
9. It is important that all employees are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of anti-money laundering legislation. Failure by any member of staff to comply with this Policy may lead to prosecution and disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the council's ***Disciplinary Procedures***.
10. Whilst it is stressed that the risk to the Authority is low, it is extremely important that all staff are familiar with their legal responsibilities as serious criminal sanctions may be imposed for breaches of the legislation. The key requirement for staff is to:

11. **Promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.**

MONEY LAUNDERING REGULATIONS

12. The legislation and regulations which embody the UK anti-money laundering regime is contained in the following:
 - The Proceeds of Crime Act 2002 (POCA), as amended by the Serious Organised Crime and Police Act 2005 (SOCPA) and relevant statutory instruments
 - The Terrorism Act 2000 (TA 2000), as amended by the Anti-Terrorism Crime and Security Act 2001 (ATCSA) and the Terrorism Act 2006 (TA 2006) and relevant statutory instruments
 - The Money Laundering Regulations 2007 (2007 Regulations) as amended by the Money Laundering Regulations 2012.
13. This policy also draws on the Anti-Money Laundering Practical Guidance for Public Service Organisations published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

MONEY LAUNDERING DEFINITION AND DESCRIPTION OF OFFENCES

14. Money laundering is defined as the process of moving illegally acquired cash through financial systems so that it appears to be from a legitimate source. It is interpreted very widely and includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.
15. The main offences relating to money laundering established by Part 7 (sections 327-329) of Proceeds of Crime Act 2002 (the POCA) are:
 - Concealing, disguising, converting, transferring or removing criminal property from the UK (S.327 POCA). Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence
 - Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property (S.328 POCA)
 - Acquiring, using or possessing criminal property (S.329 POCA).
16. Other offences under POCA are:
 - Failure to disclose money laundering offences (s.330-332)
 - Tipping off a suspect, either directly or indirectly (s.333)
 - Doing something that might prejudice an investigation (s.342)
17. All of the above money laundering offences may be committed by an organisation or by the individuals working for it if they suspect money laundering and either become involved with it in some way and/or do nothing about it. ***The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.***

MONEY LAUNDERING REPORTING OFFICER (MLRO)

18. The officer nominated to receive disclosures about money laundering activity within the Council is Mark Maidment, the Director of Finance and Corporate Services. His contact details are as follows:

Director of Finance and Corporate Services
Ground Floor, Civic Centre
44 York Street
Twickenham
TW1 3BZ
Tel.: 020 8891 7171
Email: m.maidment@richmond.gov.uk

19. In the absence of the MLRO, the Head of Internal Audit and Investigations (Alix Wilson, 020 8891 7291), email alix.wilson@richmond.gov.uk and Head of Legal Services (Paul Evans, 020 8545 3338) email: paul.evans@merton.co.uk are authorised to deputise for him.

RECOGNISING MONEY LAUNDERING

20. At all times employees should:
- Be wary of unusually large cash transactions
 - Be wary of the absence of an obvious legitimate source of funds
 - Be alert to the possibility of money laundering by a client or a prospective client
21. Any employee who knows of or suspects a money laundering activity, must immediately report it to the MLRO, preferably by using the money laundering form attached (Appendix A). **Please note that a failure to immediately report to MLRO may result in a criminal offence.**
22. The National Crime Agency (NCA) has produced a list of possible “indicators of suspicion” for money laundering activity:
- Is the person’s behaviour unusual in the circumstances?
 - Has the person refused to supply any form of identification, and if so, why?
 - Is the activity unusual in itself?
 - Is the activity unusual for the customer?
 - Do I have other knowledge which leads me to believe the customer or activity is criminal?
 - Do I think the property may be criminal?
23. The following examples may indicate money laundering activity:
- Payment of a substantial sum in cash (over £5000) by a single client in a single transaction or over a short period of time. As a general rule to the staff in the council who collect cash payments, they are asked to provide the details of any cash transactions of over £5000 to the MLRO so that precautionary checks can be performed.
 - Overpayments or duplicate payments made by a client followed by a refund, or a request for a refund
 - Right to Buy property sold before expiry of discount period

- Purchase of land and buildings re-sold within 3 -12 months
- Purchase of council assets re-sold within 3 months

ACTIONS TO TAKE FOR SUSPECTED MONEY LAUNDERING

24. Any knowledge or suspicion must be reported to the MLRO by using the appropriate money laundering form (Appendix A) or contacting MLRO directly, even if the employee believes that the same money laundering activity has already been reported. Disclosure should be within hours, not weeks or months. If this is not the case, then the employee may be liable to prosecution.
25. Reports can be made from staff, members of the Council, contractors, the public, or any other related party or partner.
26. After reporting:
 - The employee must follow any subsequent directions of the MLRO, and must not themselves make any further enquiries into the matter. They must not take further steps in any related transaction without authorisation from the MLRO.
 - The employee must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must also not discuss the matter with others as this can result in “tipping off” the suspect
 - The employee should not record on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation and could constitute a tip off.
27. Employees should be aware that:
 - Ignoring the obvious can be considered a criminal offence.
 - A reasonable cause for knowledge or suspicion of money laundering offence will be required. Speculation or gossip is unlikely to be sufficient to allow an investigation.
 - The size or significance of the money laundering offence is irrelevant as money laundering covers the proceeds of any crime, no matter how minor and irrespective of the size of the benefit gained.

HIGH RISK AREAS

28. High risk areas are mainly accountancy, audit services and certain financial, company and property transactions undertaken by Legal Services
29. In order to minimise the risk of money laundering when dealing in high risk areas, or where customers or clients meet any of the following criteria, an Identification Procedure must be followed before any business is undertaken with that organisation or person:

- Undertake a one-off transaction involving payment by or to the client of 15,000 Euro (approximately £13,000) or more
- Undertake a series of linked one-off transactions involving total payment by or to the client of 15,000 Euro (approximately £13,000) or more
- It is known or suspected that a one-off transaction (or a series of them) involves money laundering

IDENTIFICATION PROCEDURE AND CUSTOMER DUE DILIGENCE

30. Where the criteria of paragraph 29 above has been met, the Council should carry out identification procedure to obtain satisfactory evidence of clients' identity. This should be done as soon as practicable after instructions are received (unless evidence has already been obtained) and no dealings should take place until this has been completed. This applies to all business entered into after 1st March 2004.
31. Satisfactory evidence is evidence which establishes that the client (company and/or person) is who they claim to be. This can include some of the following:
- Signed, written instructions on official letterhead at the outset of the dealings, which confirms the company name and location
 - Verification of company registration and VAT numbers, website details and registered office address
 - Proof of personal identification, if dealing with an individual, through meeting the client in person and verifying their identity against the passport or photo-card driving licence. This requires the person verifying the passport etc to be trained to recognise forged documents. If you are not able to recognise a forgery or otherwise unsuitable document you should not use this method of identification.
32. Internal Audit are able to give further advice on what the Council considers satisfactory evidence.
33. Copies of the evidence obtained should be retained on file.

ACTIONS OF THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

34. Upon receipt of reporting form, the MLRO will:
- Advise the reporting employee of the timescale within which he expects to respond
 - Consider the form and any other available internal information he thinks relevant
 - Undertake such other reasonable inquiries as he thinks appropriate
 - Seek specialist legal and financial advice (if necessary)
 - Promptly evaluate any disclosure report, to determine whether it should be reported to the National Crime Agency (NCA) by way of a Suspicious Activity Report (SAR) ([form can be located on the NCA website](#))

35. The MLRO, must, if they so determine, promptly report the matter to NCA on their standard report form and in the prescribed manner.
36. The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

RECORD KEEPING PROCEDURE

37. Where the Council deals with high risk areas the client identification evidence and details of the relevant transaction(s) for that client will be retained for at least five years and in accordance with Council's other procedures. This retention can be in an electronic format (e.g. scanned documentation) as long as it is available for inspection with sufficient notice.

GUIDANCE AND TRAINING

38. The Council will take all necessary steps to communicate this policy and train their staff in relation to identification and prevention of money laundering offences. Specific training will be provided in areas at high risk of money laundering.

POLICY REVIEW

39. This Policy will be frequently reviewed and updated, as and when necessary.

CONFIDENTIAL

Report to Money Laundering Reporting Officer

Reporting of Money Laundering Activity

To:
[Money Laundering Reporting Officer or Deputy]

From:
[insert name of employee]

Directorate:
[insert post title and Business Unit]

Ext/Tel No:.....

URGENT YES / NO

Date by which response needed:.....

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:
[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?
Yes / No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes / No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)

Yes / No

If yes, please specify:

Do you feel you have a reasonable excuse for not disclosing the matter to NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)

Yes / No

If yes, please set out full details below:

Please set out below any other information you feel is relevant:

Signed:.....Dated:.....

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

[Please tick the relevant box]

If there are reasonable grounds for suspicion, will a report be made to the NCA?

Yes / No

If yes, please confirm date of report to NCA:

[Please complete the details below]

Details of liaison with the NCA regarding the report:

Notice Period: to

Moratorium Period: to

Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?

Yes / No

If yes, please confirm full details below:

[Empty rectangular box]

Date consent received from NCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:
[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

Signed:.....**Dated:**.....

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS