

# Whistleblowing Code

# Anti-Bribery Code

# Anti-Money Laundering Code

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Aiming to improve the quality-of-life skills and employability of residents in the borough, making Wandsworth a vibrant and prosperous learning community.

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# Whistleblowing Code

## Statement

The London Boroughs of Richmond upon Thames and Wandsworth (the Councils') are committed to achieving the highest possible standards of service, including honesty, openness and accountability, and recognise that employees have an important role to play in achieving this goal.

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.

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 Councils. 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.

The Councils have this Code 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 Councils welcome your genuine concerns and are 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 Councils. If something is troubling you which you think should be looked into do not wait for proof to raise the issue using this procedure.

This Whistleblowing Code is for use if you have a concern about danger or illegality that has a public interest aspect to it, usually because it threatens others (e.g. customers, stakeholders or the public). A grievance or private complaint is, by contrast, a dispute about your own employment position and has no additional public interest dimension. If you are aggrieved about issues relating to your employment, such as your working environment or terms and conditions of employment, please use the Councils' Grievance Code.

## Purpose of this Code

- **The purpose is to**
- Encourage the Whistleblower to feel confident in raising concerns
- Provide the Whistleblower with a confidential method of raising concerns
- 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 Whistle Blowing procedure is primarily for concerns where the interests of others or of either or both of the Councils are at risk. This Code forms part of the Code of Conduct for Employees**

## Definitions

The Councils have 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.

**This Code 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 allegations of modern slavery 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 the Councils' policies or falls below the standards which the Councils subscribe 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.
- **The Code does NOT apply to the following:**
- Relationships between employees, their managers and the Councils for which grievance 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 Councils (Councillors) to which the Members Code of Conduct would apply.

## Who is covered by this procedure

**The following are covered by this procedure:**

- All employees who are jointly employed by the Councils
- Agency staff, trainees and self-employed staff engaged on joint work for the Councils
- The staff of the Councils' contractors engaged on joint Council work
- Partner agencies (including the health authority and voluntary sector groups undertaking work on behalf of or in conjunction with the Councils).

# Our commitment to you

## Your Protection

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.

The Councils are committed to adhering to this Act and to provisions contained within this Code. If you raise a genuine concern in accordance with this Code, you will not be at risk of losing your job or suffering any form of retribution as a result. The Councils will not tolerate any reprisal against an employee because he or she has raised a concern under the Code and will treat any such reprisal as a disciplinary matter.

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.

Giving out information about third parties to whom the Councils owe 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

The Councils 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

Employees are encouraged to put their name to allegations wherever possible. Names will be treated in absolute confidence but staff are encouraged to include their name because concerns expressed anonymously are less powerful and are more difficult to investigate. Therefore, anonymous allegations will be investigated at the discretion of the Head of Audit in matters relating to fraud, and by the Chief Officer in consultation with the Head of HR on other matters. In exercising the discretion, the factors to be taken into account would include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegations from attributable sources.

# What you should do?

## The Normal Procedure

These notes explain what you need to know and the steps you should take if you have any concerns.

The Councils encourage 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. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. (see paragraph 36, below).

- **The initial disclosures 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.

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.

Where a disclosure is made under the Whistleblowing Code, full details of the allegations will be recorded and passed to the Assistant Director – Financial Services if it is related to fraud/financial irregularity or otherwise to the Head of HR (or their representative) who will pass this on to a Designated Officer for assessment.

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 Assistant Director – Financial Services/Head of HR without your express consent.

The Councils acknowledge 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.

## The process explained

### How the Councils will deal with the matter

Once you have told us of your concern, it will be reported to the Assistant Director – Financial Services if relates to fraud/financial irregularity or otherwise to the Head of HR 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.

The initial assessment may identify the need to involve third parties, such as other members of staff, Internal Audit, 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.

The Designated Officer will offer to interview you in confidence no later than 3 weeks after receipt of the disclosure and referral from the Assistant Director – Financial Services/Head of HR. 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.

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

Within four weeks of the interview, or four weeks of the initial disclosure where an interview does not take place, and after consultation with the Assistant Director – Financial Services/Head of HR (or their representative), 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 Internal Audit (this will be the usual course where there are allegations of financial irregularities or corruption.
- A full investigation either internally by the Councils or externally e.g. by the Councils' auditors;
- Action under the Councils' grievance, disciplinary or complaints procedures;
- Referral for consideration under other specific procedures (e.g. child protection);
- No further action (see below).

**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 Councils' other procedures relating to staff

The Designated Officer's recommendations will be made to the Assistant Director – Financial Services/Head of HR 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).



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 given to you in writing.

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.

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.

The Designated Officer will ensure that all information in relation to your disclosure is kept securely and access to it is restricted.

## Taking it further

If you have raised your concern as outlined in paragraph 19, above, but you feel this has not resolved your concern or if you feel the matter is so serious or sensitive that you cannot discuss it with any of the individuals listed please contact one of the following:

- The Councils' Monitoring Officer or Head of HR or Head of Shared Legal Service
- The Assistant Director - Financial Services
- The Chief Executive on 0208 871 6001
- The Chair of the Audit Committee (Councillor Clare Salier at Wandsworth or see <https://cabnet.richmond.gov.uk/mgCommitteeMailingList.aspx?ID=395> for contact at Richmond)
- If your concerns involve potential fraud or criminal activities the Council's Fraud Line on 020 8871 8383 or [swlfp@wandsworth.gov.uk](mailto:swlfp@wandsworth.gov.uk)

## Referral outside the Councils

While we hope this Code 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 Public Sector Audit **020 7072 7445**
- The Environment Agency **0800 807 060**
- The Serious Fraud Office **020 7239 7272**
- The Department for Business Innovation and Skills **020 7215 5000**

- The Charity Commission in writing via email [whistleblowing@charitycommission.gsi.gov.uk](mailto:whistleblowing@charitycommission.gsi.gov.uk)
- The Information Commissioner **01625 545 745**
- Care Quality Commission **03000 616161**
- External Audit: Grant Thornton UK on **020 7883 5100** (for concerns relating to Richmond) or Ernst and Young on **023 8038 2000** (for concerns relating to Wandsworth)
- Ofsted (Whistleblowing Hotline) - **0300 123 3155**

The Councils stress 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

The Councils recognise that employees may wish to seek advice and to be represented by their trade union officers when using the provisions of this Code. A number of Trade Unions have issued guidance on 'whistle blowing', and the Councils acknowledge and endorse the role trade union officers play in this area. Contact details for Trade Union officers can be found on [the Loop](#)

### Independent Advice

You may also wish to contact Protect ([www.protect-advice.org.uk](http://www.protect-advice.org.uk)), a charity working in this area which can provide free and confidential advice, telephone **020 3117 2520** (\* option 1), or email [info@protect-advice.org.uk](mailto:info@protect-advice.org.uk)

If you are required to give evidence on behalf of the Council(s), for example in court, you will be provided with appropriate support.

## In summary

### DO

- Make an immediate note of concerns which fall within the scope of this Code.
- Note all relevant details, such as what was said, the date, time and names of the people involved.
- Let someone know about your suspicions. See 'Taking it Further' page 7.
- Deal with the matter quickly. Any delay may allow the problem to continue or worsen.

### DON'T

- Do nothing.
- Be afraid of raising concerns.
- Approach or accuse individuals directly.
- Try to investigate the matter yourself.

**IF IN DOUBT – RAISE IT!**

# Anti-Bribery Code

## Statement

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

Bribery is a criminal offence. The Councils 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.

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.

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 Code

This Code provides a coherent and consistent framework to enable the Councils’ 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.

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 Code

This Code applies to all the activities of Richmond and Wandsworth (‘the Councils’). For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this Code.

Within the Councils, 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.

This Code 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 Councils' commitment to action

### We commit to:

- Setting out a clear anti-bribery Code and keeping it up to date
- Making employees aware of their responsibilities to adhere strictly to this Code 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 Code
- Include appropriate clauses in trade contracts to prevent bribery

## Bribery Act 2010

### 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”?

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 Councils 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 Councils. They foster a culture within the organisation in which bribery, corruption or bad business practices are never acceptable.

### **c. Risk Assessment**

The Councils assess 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 Councils and make improvements where necessary.

## **Penalties**

- **An individual guilty of an offence under sections 1, 2 or 6 of the Bribery Act 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

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

## **Requirements**

- **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 Code
- Engage in activity in breach of this Code

## Facilitation Payments

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

This Code is not meant to change any requirements as set out in the Councils' existing Policies and Procedures, and should therefore be read in conjunction with the Councils' Code of Conduct. Gifts and hospitality, and declarations of interest should be registered online ([link](#)).

## Employee Responsibilities

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

- **You must:**
- Ensure that you read, understand and comply with this Code
- Raise concerns as soon as possible if you believe or suspect that a conflict with this Code has occurred, or may occur in the future

As well as the possibility of civil and criminal prosecution, employees that breach this Code may face disciplinary action, which could result in dismissal for gross misconduct.

## Raising a concern

The Councils are committed to ensuring that we all 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.

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.

There are multiple channels to help you raise concerns. Please contact the South West London Fraud Partnership on **020 8871 8383** or [swlfp@wandsworth.gov.uk](mailto:swlfp@wandsworth.gov.uk)

Alternatively, please refer to the Councils' Whistleblowing Code.

Preferably the disclosure will be made and resolved internally (e.g. to the South West London 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**

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.

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 Code, even if they turn out to be mistaken.

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.

If you have any questions about these procedures, please contact the South West London Fraud Partnership.



# Anti-Money Laundering Code

## Statement

The Councils will take all reasonable steps to prevent their systems and processes being used for money laundering.

## Introduction

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 councils in a number of ways. For example: by making large payments in cash, such as for business rates, council tax or when purchasing assets.

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.

Money Laundering is a criminal offence and it is the responsibility of the Councils and Council officers to take reasonable precautions to prevent their involvement in money laundering, either knowingly or as a result of inaction.

The Councils' Code is to do all they can to prevent the Councils and their 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.

This Code has been adopted in order to introduce safeguards to help identify and report on instances where money laundering is suspected.

## Scope of the Code

This Code provides a coherent and consistent framework to enable employees to understand and implement arrangements to ensure 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.

This Code applies to all of the councils' activities their personnel, including those permanently employed, temporary staff, agency staff, contractors, Members (including independent members), volunteers and consultants.

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 Code may lead to prosecution and disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the councils' disciplinary procedures.

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:

Promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (see point 18, below).

## Money Laundering Regulations

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.

This Code 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

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.

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).

### **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)

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)

The officer nominated to receive disclosures about money laundering activity within the Council is the Assistant Director – Financial Services, whose contact details are as follows:

Assistant Director – Financial Services  
Wandsworth Town Hall  
Wandsworth High Street  
London  
SW18 2PU

Tel: 020 8871 6402

In the absence of the MLRO, the Assistant Chief Executive (Policy and Performance) is authorised to deputise.

## Recognising Money Laundering

**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

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.

**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 have been obtained through criminal conduct?

**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 councils 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**

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.

Reports can be made from staff, members of the Councils, contractors, the public, or any other related party or partner.

**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.

**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

High risk areas are mainly accountancy, audit services and certain financial, company and property transactions undertaken by Legal Services.

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

Where the criteria of paragraph 29 above has been met, the Councils should carry out identification procedure to obtain satisfactory evidence of clients' identify. 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 1 March 2004.

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.

Internal Audit are able to give further advice on what the Councils consider satisfactory evidence.

Copies of the evidence obtained should be retained by the individual undertaking the Identification Procedure.

## Actions of the Money Laundering Reporting Officer (MLRO)

### Upon receipt of the 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)

The MLRO, must, if they so determine, promptly report the matter to NCA on their standard report form and in the prescribed manner.

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

Where the Councils deal 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 Councils' 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

The Councils will take all necessary steps to communicate this Code 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.

## Review

This Code will be frequently reviewed in consultation with the Trade Unions and updated, as and when necessary.

# Appendix A

**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]

**Continued from previous page**

**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 National Crime Agency?** (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:**

**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?**

**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:

**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:

Date:

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**

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