Counter Fraud and Corruption Policy Statement and Strategy 2026-2028

CONTENTS

Section		Page
1	Counter Fraud and Corruption Policy Statement	2
2	Counter Fraud and Corruption Strategy	3
3	Definitions	3
4	Scope	4
5	Strategy delivery	5
6	GCiC's approach to countering fraud	6
7	Fighting Fraud and Corruption Locally	8
8	Responsibilities	9
9	Reporting advice and support (Whistleblowing)	11
10	Financial Impropriety	12
11	Further information	12
12	Strategy review	13
	Appendix 1 - Key fraud and bribery indicators	14
	Appendix 2 - Types of fraud	15
	Appendix 3 - Fraud Response Plan	16
	Appendix 4 - Anti-Bribery Policy	17
	Appendix 5 - Anti-Money Laundering Policy	19
	Appendix 6 - Revenues and Benefits Sanction Policy	24

1. Counter-Fraud and Corruption Policy Statement

1.1. Gloucester City Council (the Council) takes its responsibilities to protect the public purse very seriously. It is fully committed to the highest ethical standards to ensure the proper use and protection of public funds and assets.

1.2. This statement sets out Council's policy in relation to fraud, bribery and corruption. It has the full support of the Council's Audit and Governance Committee (AGC) and Senior Management Team.

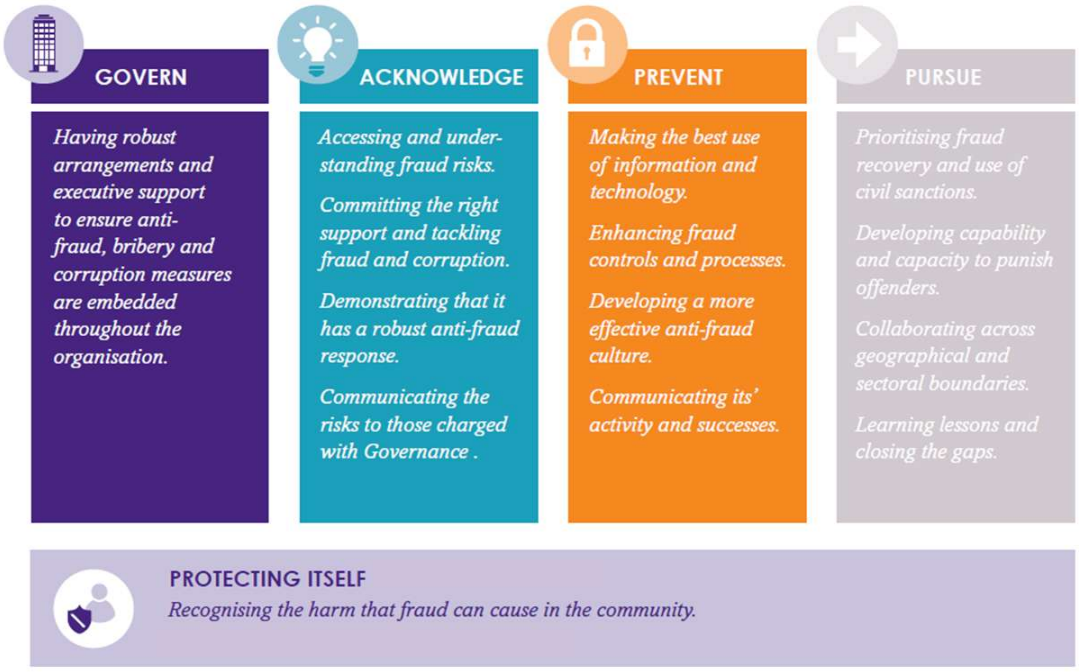
1.3. The Council will not tolerate fraud or corruption by its directors, employees, suppliers, contractors, or partners. It will take all necessary steps to investigate allegations of fraud or corruption and pursue sanctions, including removal from office, disciplinary action, dismissal or prosecution. The required ethical standards are included in both the Members' and officers' Code of Conduct.

1.4. Audit Risk Assurance (ARA) provides an Internal Audit (IA) service to the Council, providing independent analysis, evaluation, and assurance within the "third line of defence".

1.5. The ARA Counter Fraud Team (CFT) provides a strategic and tactical counter fraud service which includes independent investigation. It aims to reduce fraud and misappropriation to zero to maximise the Council's financial and operational resources.

1.6. This policy statement is underpinned by a Counter-Fraud and Corruption Strategy, which sets out the key responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

1.7. The strategy is based upon five key themes from the Fighting Fraud and Corruption Locally (FFCL) strategy for the 2020s, produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) Counter Fraud Centre:



2. Counter-Fraud and Corruption Strategy

2.1. The Council has a **zero-tolerance** stance to all forms of fraud, corruption, and theft, both from within the Council and from external sources. We recognise fraud and corruption can:

- Undermine the standards of public service that the Council is attempting to achieve;
- Reduce the level of resources and services available for the residents of Gloucester; and
- Result in major consequences which reduce public confidence in the Council.

3. Definitions

3.1. Throughout this policy "fraud" should be understood to include all of fraud, theft, corruption, bribery, money laundering and other criminality or staff misconduct. For the avoidance of doubt, the main offences are defined below:

Fraud

3.2. Fraud is defined by the Fraud Act 2006 (at UK Legislation).

3.3. A person can commit fraud by acting dishonestly with the intention to make a gain or cause a loss (or risk of loss) usually in one of the following three ways:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

3.4. The Act also describes further offences including possession of articles for use in fraud, making or supplying articles for use in frauds, participating in fraudulent business and obtaining services dishonestly.

3.5. The Council recognises its corporate responsibility to prevent fraud in accordance with the Economic Crime and Corporate Transparency Act (2023).

Theft

3.6. Theft is the dishonest appropriation (any assumption of the rights of an owner) of property (including money and intangible property) belonging to another with the intention to permanently deprive the other of it.

3.7. The Theft Act 1968 also includes the "dishonesty offence" of false accounting, where a person knowingly falsifies or conceals information needed for accounting purposes, which may extend beyond statements and to tax and VAT records

Corruption

3.8. Corruption can be described as the abuse of entrusted power for private gain. Entrusted power may refer to an elected position or paid and unpaid employment. Its abuse covers actions which violate the functions and public or contractual

expectations of their role. It is commonly associated with illegal behaviour such as bribery.

Bribery

3.9. Bribery is defined by the Bribery Act 2010, which came into force on 1 July 2011.

3.10. It is defined as "giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward a person for having already done so, in order to gain personal, commercial, regulatory or contractual advantage". There are four possible offences:

- Giving or offering an inducement to commit a corrupt act;
- Receiving or soliciting an inducement to commit a corrupt act;
- Bribery of foreign public officials; and
- Failure to prevent bribery (corporate offence).

3.11. The Council's responsibilities and approach are set out within the Anti-Bribery Policy (see Appendix 4).

Money Laundering

3.12. Money laundering is the term used for a number of offences which involve manipulating the proceeds of crime or terrorist funds, so that they appear they have come from a legitimate source.

3.13. Money laundering involves one or more of three principal offences:

- concealing; or
- arranging; or
- acquisition, use or possession.

3.14. The burden of identifying and reporting acts of money laundering (Anti-Money Laundering – AML) rests with the Council. Any service that receives money from an external person or body is potentially vulnerable to a money laundering. The need for vigilance is vital and any suspicion concerning the appropriateness of a transaction should be reported and advice sought from the Money Laundering Reporting Officer (MRLO).

3.15. The Council recognises its responsibilities under the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and the Proceeds of Crime Act 2002. These responsibilities are set out within the Council's AML Policy (see Appendix 5).

4. Scope

4.1. This strategy applies to:

- All Council employees (including volunteers and agency staff);
- Members;
- Staff and committee members of council funded voluntary organisations;
- Council partners;
- Council suppliers, contractors, and consultants;

- Service users; and
- Gloucester City residents.

5. What are the aims and objectives of the strategy?

5.1. The Council, through its Counter Fraud Service, will protect its resources ensuring they are not lost to fraud but are used for improved services to Gloucester's residents and visitors.

5.2. To assist with this, the Council has procured the services of the ARA Counter Fraud Team. The Council working together with the CFT will:

- Ensure that the Council's dedicated counter fraud resources are sufficient and those involved are qualified to deliver a professional counter fraud service to the highest standards;

- Proactively deter, prevent and detect fraud, bribery, corruption and theft;

- Investigate suspected or detected fraud, bribery, corruption and theft;

- Enable the Council to apply appropriate sanctions and recover losses:

    - Wherever possible the Council seeks to recover all proven financial losses through court action or by invoicing an individual;

    - The Council may also seek to recover losses resulting from employee misconduct or criminality from that officer's Local Government Pension Scheme benefits; and

    - Alternatively, the Council may seek (up to) full forfeiture of that member's or officer's pension benefits where applicable.

- Provide recommendations to inform policy, system, risk management and control improvements, thereby reducing the Council's exposure to fraudulent activity.

- Provide strategic updates on any current trending frauds, both locally and nationally.

- Create an environment that enables the reporting of any genuine suspicions of fraudulent activity. However, the Council will not tolerate malicious or vexatious allegations or those motivated by personal gain. If proven, the Council may take disciplinary or legal action; and

- Work with our partners and other investigative bodies to strengthen and continuously improve our arrangements to prevent fraud and corruption.

6. What is the Council's approach to countering fraud?

6.1. It is the responsibility of managers to ensure that fraud is considered when preparing risk assessments in support of achieving strategic priorities, objectives and outcomes. In making this assessment it is important to consider the risk of fraud occurring rather than the actual incidence of fraud having occurred in the past. Once the fraud risk has been evaluated, appropriate action should be taken to mitigate those risks on an ongoing basis.

6.2. Any changes in operations or in the business environment must also be risk assessed to identify and implement effective fraud controls. This ensures any changes which might increase or otherwise affect the risk of fraud, bribery and corruption are properly considered.

6.3. The Council acknowledges the changing nature of fraud, in particular the risks emerging as a result of increased online access to delivery of services. In recognition of the importance of robust cyber security and identity assurance, the Council takes a networked approach involving collaboration both with other local authorities and also central government agencies and departments.

6.4. A Fraud Risk Assessment (FRA) must:

- Consider the likelihood of fraud, rather than just historic incidence rates;
- Consider the potential impact of fraud, rather than reusing old fraud events;
- Identify key controls to mitigate fraud risk; and
- Assign ownership and monitoring of accepted fraud controls.

6.5. **If in doubt, managers should seek CFT expertise to complete FRAs.**

6.6. Effective corporate governance procedures and positive employee engagement are a strong safeguard against fraud and corruption. Adequate supervision, recruitment and selection, scrutiny and healthy challenge shapes attitudes and values, creating an environment opposed to fraudulent activity.

6.7. Whilst all stakeholders in scope have a part to play in reducing the risk fraud, the Council's Members, Strategic Directors and Management are ideally positioned to influence the ethical tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

6.8. The Council believes the best defence against fraud, corruption and bribery is to create a strong counter-fraud culture within the organisation. Honesty and openness are key to this culture. The codes of conduct for Members and officers are based upon the seven 'Nolan Principles' of standards in public life. The Nolan Principles are:

Selflessness: You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family, or friends;

Integrity: You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties;

Objectivity: You must make choices on merit when making decisions on appointments, contracts, or recommending rewards and benefits for individuals;

Accountability: You are accountable for your decisions and actions to the public, and you must submit yourself to whatever scrutiny is appropriate;

Openness: You should be as open as possible about all decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands;

Honesty: You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in the way that protects the public interest; and

Leadership: You should promote and support these principles by leadership and example.

6.9. In cases where Members or officers fail to adhere to these codes appropriate action will be taken against them.

6.10. The Council will fulfil the responsibility to reduce fraud and protect their resources by a strategic approach consistent with that outlined in Fighting Fraud and Corruption Locally, A Strategy for the 2020s.

7. Fighting Fraud and Corruption Locally (FFCL)

GOVERN	Arrangements and Executive Support	We have robust arrangements and executive support to ensure counter-fraud, bribery and corruption measures are embedded throughout the Council. The internal arrangements that are put in place are communicated throughout the Council and publicly available to demonstrate the culture and commitment to preventing fraud.
ACKNOWLEGE	Committing Support	The Council's commitment to tackling the threat of fraud is clear. We have strong whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. We will not, however, tolerate malicious or vexatious allegations.
	Assessing Risks	We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities. In addition, Internal Audit will carry out work in these high-risk areas to assist management in detecting existing and new types of fraudulent activity. **Examples of fraud indicators are provided at Appendix 1 and types of fraud are provided at Appendix 2.**
	Robust Response	We will strengthen measures to prevent fraud. Internal Audit will work with our internal partners such as management, HR, Finance, policy makers and external partners including Legal, to ensure new and existing systems and policy initiatives are adequately fraud proofed.
PREVENT	Better use of Information Technology	We will make greater use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud. We have use of an industry bespoke AI tool for Fraud Risk Assessments.
	Counter-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work. This will include publicising the results of all proactive work, fraud investigations, successful sanctions and any recovery of losses due to fraud.
PURSUE	Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
	Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action, where appropriate.
	Enforcement	Appropriately trained investigators will investigate any fraud detected through the planned proactive work; cases of suspected fraud referred from internal or external stakeholders or received via the confidential reporting procedure (whistleblowing). We will also work with relevant internal and external partners, external agencies and organisations.
PROTECT	Recognise the harm	We will recognise and protect the organisation against serious and organised crime.
	Protect itself	We will protect public funds, protect the organisation from fraud and cybercrime and also monitor and protect the organisation from future fraud risks.
	Protect its residents	We will endeavour to protect individuals from becoming victims of crime and protect against the harm that fraud can do to the community.

8. Responsibilities

Stakeholder	Specific Responsibilities
Managing Director	Accountable for the effectiveness of the Council's arrangements for countering fraud and corruption by: • Ensuring that the Council has a trained counter fraud resource in the Council or has access to one; and • Providing the Audit and Governance Committee with regular reports on the work of those leading on fraud.
Monitoring Officer	To advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Conduct/Practice. Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Officers/Employees (Whistleblowing) and ensuring that: • Members, Audit and Governance Committee and portfolio leads are aware of counter fraud activity and that training is available to them; and • The fraud team is independent of process and it produces reports to relevant committees that are scrutinised by members.
Head of Finance and Resources (Section 151 Officer)	To ensure the Council has adopted and implemented an appropriate Counter Fraud and Corruption Policy/Strategy and that the Council has an adequately resourced and effective Internal Audit service to deliver "counter fraud" activity by ensuring that the: • Chief Internal Auditor is assessing counter fraud resources, capability and has sufficient internal unfettered access; • Counter Fraud Team produce regular reports on activity, success and future plans; • Council participates fully in the bi-annual National Fraud Initiative (NFI) exercise and reports outcomes accordingly; and • Council is measuring itself against the FFCL checklist.
Audit and Governance Committee	To monitor the adequacy and effectiveness of the arrangements in place for combating fraud and corruption by: • Receiving a report quarterly on the counter fraud activity which includes proactive and reactive work; • Proactively supporting and challenging counter fraud activity; and • Monitoring the adequacy and effectiveness of the arrangements in place for combating fraud and corruption.
Members	To comply with the Members Code of Conduct and related Council policies and procedures, to be aware of the possibility

	of fraud, corruption, bribery and theft, and to report any genuine concerns accordingly.
External Audit	Statutory duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption, bribery and theft.
Internal Audit	Responsible for developing and promoting to the Council the requirements of the Counter Fraud and Corruption Strategy and monitoring and/or undertaking the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy and that action is identified to improve controls and reduce the risk of recurrence. Present the Counter-Fraud and Corruption Policy Statement and Strategy to Cabinet for approval and annually to the Audit and Governance Committee, to support the Committee to fulfil their role. **Please see Appendix 3 – Fraud Response Plan.**
Heads of Service / Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to the Monitoring Officer and/or the Head of ARA. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption, bribery and theft and to reduce these risks by implementing strong internal controls.
Officers/Employees	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption, bribery and theft, and to report any genuine concerts to management, the Monitoring Officer, Chief Internal Auditor or via the Whistleblowing procedure.
Public, Service Users, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions.

9. Reporting, Advice and Support (Whistleblowing)

9.1. The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. If it is believed that someone is committing a fraud or corrupt practices are suspected, these concerns should be raised in accordance with the Council's confidential reporting procedure (whistleblowing).

9.2. Alternatively, you may raise any concern with the Council's Monitoring Officer, s151 Officer or the Head of ARA in accordance with the Council's confidential reporting procedure (whistleblowing).

9.3. **The Council also provides a 24 hour "whistleblowing" answer phone service – 01452 427052.** This service can be used to report any concern relating to possible fraud, bribery, corruption, misconduct or mal-practice or administration. We will treat all concerns or suspicions with discretion and in confidence.

9.4. To avoid potentially contaminating the evidence, managers should not investigate themselves and instead immediately report all suspicions of fraud or corruption, as detailed above.

9.5. Officers who wish to raise a serious concern, require advice and/or support, should do so verbally or in writing (marked 'Confidential') to either of the following:

Role	Officer Name/Co.	E-mail Address
Monitoring Officer	Tanya Davies	monitoringofficer@gloucester.gov.uk
Head of Finance and Resources (Section 151 Officer)	Alison Turner	s151officer@gloucester.gov.uk
Counter Fraud Team	Carolyne Wignall Alison Bell Claire Smith	fraud@gloucestershire.gov.uk

Members of the Public, External Providers and Partners

9.6. If the informant is a member of the public, external contractor or partner they should contact the Council's Head of ARA to report any concerns of fraudulent activity.

9.7 However, the above process does not relate to reporting housing benefit fraud allegations which are now dealt with by the Department for Work and Pensions.

9.8 Under the Single Fraud Investigation Service (SFIS), the investigation of Benefit fraud is undertaken by the Department of Work and Pensions (DWP). If initial enquiries carried out identify that a benefit claim maybe fraudulent, then it will be

passed to the DWP for formal investigation. The Council may work jointly with the DWP on cases where Council benefits, grants or reductions may also be in payment.

9.7. All concerns in relation to possible financial impropriety will be reported to the S151 officer and the Head of ARA.

10. Financial Impropriety

10.1. The Council has a responsibility to protect the funds it administers. It is committed to taking appropriate action against anyone believed to have committed (or attempted to commit) a fraudulent or corrupt act against it.

10.2. Council Tax Support – also referred to as Council Tax Reduction or Local Council Tax Support – replaced Council Tax Benefit in April of 2013. This scheme is administered under rules set locally and whilst it bears some hallmarks of the older Council Tax Benefit legislation, it is essentially a scheme which is unique to Gloucester City.

10.3. The Council are also responsible for ensuring that Council Tax is billed correctly, and that discounts and exemptions are not claimed incorrectly.

10.4. The Revenues and Benefits Fraud Sanction Policy 2023 sets out the aims and responsibilities of the Council in respect of Council Tax, Housing Benefit, Non-Domestic Rates and Discretionary Hardship Payments.

11. Further Information

11.1. Further information on relevant the Council's policy and practice and relevant publications can be found in the following documents:

- The Constitution includes Financial Regulations, Members Code of Conduct and Contract Standing Orders;
- Confidential Reporting Procedure (whistleblowing);
- Sanction and Prosecution Policy
- Fraud Response Plan (Appendix 3);
- Anti Bribery Policy (Appendix 4);
- Anti Money Laundering Policy (Appendix 5);
- Risk Management Policy Statement and Strategy;
- Internal Audit Charter;
- Information Security Policy;
- Members Code of Conduct;
- Employees Code of Conduct;
- The Local Government Transparency Code 2015 (at GOV.uk);
- National Fraud Initiative (NFI) (at GOV.uk); and
- Fighting Fraud and Corruption Locally, A strategy for the 2020s (at the Chartered Institute of Public Finance & Accountancy).

12. Strategy Review

12.1 The S151 Officer and the Audit and Governance Committee will ensure the continuous review and amendment of this strategy and the relevant associated policies as necessary to ensure that it remains compliant with good practice, national public sector Codes of Practice and meets the needs of the Council.

Responsible Officer:	Head of ARA
Review date:	June 2027

Appendix 1 - Key fraud and bribery indicators

A number of incidents can come to light because of suspicions aroused by, for instance, the behaviour of certain individuals. It is impossible to give a definitive list of fraud and bribery indicators or warning signs. However, the following are indicators that may, either alone or cumulatively with other factors, suggest the possibility of fraud and or bribery and may therefore warrant further investigation or enquiry:

Unusual officer behaviour: Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long hours, job dissatisfaction, unhappy officer, secretiveness or undue defensiveness.

Financial irregularities: Key documents missing (such as invoices and contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; or excessive variations to budgets or contracts. Financial Reporting irregularities.

Poor procurement practice: Too close a relationship with suppliers or contractors; suppliers or contractors who insist on dealing with only one particular officer; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to get under small purchase requirements or to avoid prescribed levels of review or approval.

Contract bidding practice: Not declaring connections with another bidder (for example same names, contact details); submitting bids that vary significantly from others; offering gifts, benefits, or hospitality; or hiring a losing bidder as sub-contractors.

Disorganisation: Understaffing in key control areas; consistent failures to correct major weaknesses in internal control; or inadequate or no segregation of duties.

Inadequate supervision: Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); or low officer morale, weak or inconsistent management.

Lax corporate culture: Management frequently override internal control; climate of fear or a corporate culture; employees under stress without excessive workloads; new officers resigning quickly; crisis management coupled with a pressured business environment; or a high employee turnover rates in key controlling functions.

Poor work practices: Lack of common-sense controls; work is left until the officer returns from leave; post office boxes as shipping addresses; documentation that is photocopied or lacking essential information; lack of rotation of duties; or unauthorised changes to systems or work practices.

Appendix 2 - Types of Fraud

There are a wide range of fraud types. It is clear that a one size fits all approach is not appropriate and therefore the Council needs to remain vigilant and be aware of these types of fraud risks relating to the Council.

It should be noted that fraud and bribery are generally linked. Where there is fraud there is likely to be bribery, and vice versa.

Known Fraud Risks Remaining Significant

Council tax – Discounts and exemptions, council tax support.

Grants – Work not carried out, funds diverted, ineligibility not declared.

Identity fraud – False identity / fictitious persons applying for services / payments.

Internal fraud – Diverting Council monies to a personal account; accepting bribes; stealing cash; misallocating funds for personal gain; working elsewhere while claiming to be off sick; false overtime claims; wrongfully claiming benefit while working. False accounting and false financial reporting.

Payroll – Ghost employees, false or over inflated overtime claims, expenses, polygamous employments.

Recruitment – Failing to disclose convictions or gaps in employment, misstating of qualifications and experience, and nepotism. AI generated fake applications for employment.

Pensions – Deceased pensioner, overpayments, and entitlement overstated.

Procurement – Tendering and evaluation of tenders' inappropriately undertaken, split contracts, double invoicing. Mandate Fraud.

Tenancy – Fraudulent applications for housing or successions of tenancy and subletting of the property.

Emerging / Increasing Fraud Risks

Business rates – Fraudulent applications for exemptions and reliefs, unlisted properties;

Commissioning of services – Including joint commissioning, third sector partnerships – conflicts of interest and collusion;

Cyber dependent crime and cyber enabled fraud – Enables a range of fraud types resulting in diversion of funds, creation of false applications for services and payments;

Insurance Fraud – False claims including slips and trips;

Disabled Facility Grants – Fraudulent applications for adaptions to homes aimed at the disabled;

Immigration – Including sham marriages. False entitlement to services and payments;

Local Enterprise Partnerships – Voluntary partnerships between local authorities and businesses. Grant and Procurement fraud;

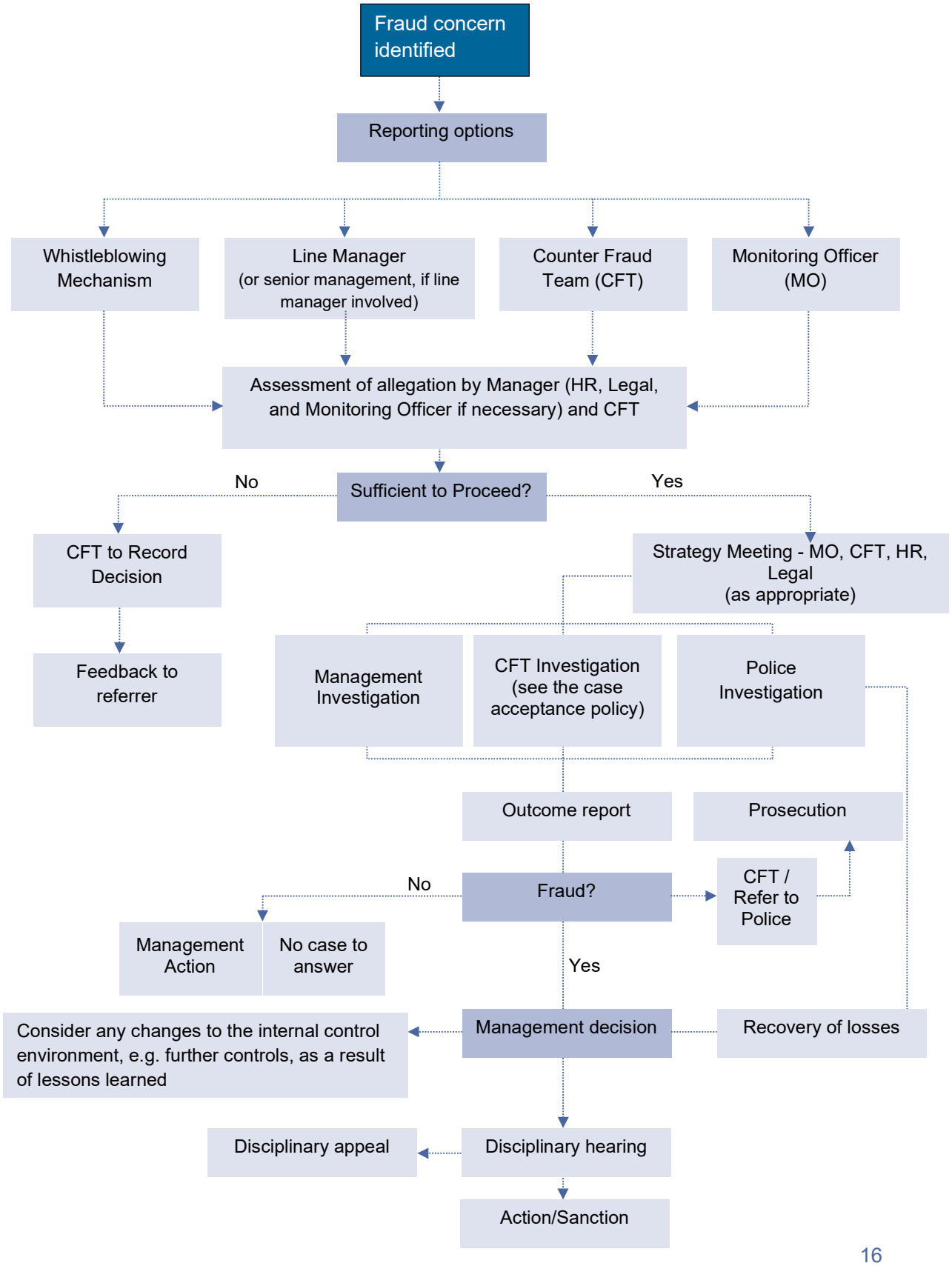
New Responsibilities – Areas that have transferred to local authority responsibility such as Public Health grants and contracts;

Money laundering – Exposure to suspect transactions;

No recourse to public funds – Fraudulent claim of eligibility; and

Right to buy – Fraudulent applications under the right to buy/acquire scheme.

Appendix 3 – The Council's Fraud Response Plan



Appendix 4 – Anti-Bribery Policy

Introduction

The Council is committed to implementing and enforcing effective systems to counter bribery. Therefore, it is the Council's policy to conduct all aspects of its business in an honest and ethical manner at all times.

Bribery Act 2010

The Bribery Act 2010 came into force in the UK on 1st July 2011. It amends and reforms the UK criminal law and provides a modern legal framework to combat bribery in the UK and internationally.

Everybody needs to be aware of their obligations under this Act, which sets out the criminality of accepting and giving of bribes. including the Council corporately.

The Bribery Act creates the following offences:
Active bribery: promising or giving a financial or other benefit in return for their corruption or to secure an unfair advantage.
Passive bribery: requesting, agreeing to receive or receiving a financial or other benefit in return for your corruption (actions contrary to Council policies, processes or ethics);
Bribery of foreign public officials; and
Failure to prevent bribery: where organisations do not have sufficient "adequate procedures" in place to prevent bribery by an associated person (corporate offence).

The penalty under the Bribery Act is an unlimited fine and/or imprisonment up to a maximum of 10 years. Full details of the Act can be found at: http://www.legislation.gov.uk/ukpga/2010/23/contents

Policy

The aim of this policy is to help the Council act in accordance with the Bribery Act 2010, maintain the highest possible standards of business practice, and advise individuals of the Council's 'zero-tolerance' to bribery.

This policy applies to all permanent and fixed-term staff employed by the Council, and any contractors, consultants or other persons acting within or on behalf of the Council.

Council Responsibility

The Council will not:

- Make contributions of any kind with the purpose of gaining a commercial advantage;
- Provide gifts or hospitality with the intention of persuading anyone to act improperly, or to influence a public official in the performance of their duties; or
- Make, or accept, inducements of any kind.

The Council will:

- Keep appropriate internal records that will evidence the business reason for making any payments to third parties;
- Encourage employees to raise concerns about any issue or suspicion of malpractice at the earliest possible stage; and
- Ensure that anyone raising a concern about bribery will not suffer any detriment as a result, even if their concerns are not validated, providing there is no malicious intent.

Officer Responsibility

Officers must not:

- Accept any financial or other reward from any person in return for providing some favour; or
- Request a financial or other reward from any person in return for providing some favour; or
- Offer any financial or other reward to any person in return for providing some favour.

Officers will:

- Record any offers of gifts, prizes, or hospitality in the Council's gifts and hospitality register. The register includes all offers of gifts whether they are accepted or declined; and
- Record any interests that they have which could or could be seen to conflict with any work they do. Such interests need to be declared in writing and registered.

Non-Compliance

All those that work for the Council (in whatever capacity) have a role to play in enforcing the policy and are required to report any suspected breach in accordance with the Council's whistleblowing policy.

The Council will not tolerate bribery or corruption. It will take all necessary steps to investigate all allegations of bribery or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal and/or prosecution under the Bribery Act 2010.

Appendix 5 – Anti-Money Laundering Policy

Introduction

The Proceeds of Crime Act (POCA) 2002, Money Laundering, Terrorist Financing and Transfer of Funds (Information of the Payer) Regulations 2017 and the Terrorism Act 2000 place obligations on the Council and its officers with respect to suspected money laundering.

These obligations impact on certain areas of the business and require the Council to establish internal procedures to prevent the use of their services for money laundering. This Policy sets out how any concerns should be raised.

Vigilance by officers of the Council can help identify those who are or may be perpetrating crimes relating to the financing of terrorism and money laundering.

Scope of the Policy

This Policy applies to all employed or engaged by the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations.

Failure by anyone employed or engaged by the Council to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

What is Money Laundering?

Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source.

In other words, the process of changing ‘bad’ money into ‘good’ money, in order to hide the fact that the money originated from criminal activity. Formally, the following acts constitute money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002); or
- Entering into or becoming concerned in an arrangement which you know, or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328);
- Acquiring, using or possessing criminal property (section 329); or
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorism Act 2000); or
- Tax evasion (Part 3 sections 45 and 46 of the Criminal Finances Act 2017); or
- Gross human rights abuse and violation (Part 5 of POCA 2002, section 241 amended by the Criminal Finances Act 2017).

These are the primary money laundering offences and thus prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the primary offences and tipping off. Tipping off is where someone informs a person or people who are, or are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

Potentially anyone employed or engaged by the Council could be implicated by the money laundering provisions if they suspect money laundering and either become involved with it in some way or do nothing about it.

Failure to disclose (section 330)

A person commits an offence if each of the following three conditions are satisfied;

- They know or have reasonable grounds to suspect that another person is engaged in money laundering;
- The information or knowledge in which they have grounds for suspicion is received in the course of business in the regulated sector; and
- The required disclosure is not made as soon as is practicable after the information comes to them.

A person does not commit an offence under this section if:

- There is a reasonable excuse for not disclosing this information or other matter;
- They provide professional legal advice, and the information came to them in privileged circumstances; and
- They do not know or suspect money laundering or have not been provided with such training as specified by the Secretary of State.

Whilst the risk to the Council of contravening the legislation is low, ***it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation.***

What are the obligations on the Council?

Organisations conducting "relevant business" must:

- Appoint a Money Laundering Reporting Officer ("MLRO") to receive disclosures from employees of money laundering activity (their own or anyone else's);
- Implement a procedure to enable the reporting of suspicions of money laundering;
- Maintain client identification procedures in certain circumstances; and
- Maintain record keeping procedures.

Not all of the Council's business is "relevant" for the purposes of the legislation. It is mainly the accountancy and audit services carried out by the financial service functions within the Council and the financial, company and property transactions undertaken by Legal Services.

However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council; therefore, all staff are required to comply with the reporting procedure set out in the Disclosure Procedure section below.

Money Laundering Reporting Officer (MLRO)

The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Finance and Resources (S151 Officer). Contact details are provided below:

Alison Turner, Head of Finance and Resources (S151 Officer),

Email: alison.turner@gloucester.gov.uk
Telephone: 01452 396422 (direct line)

In the absence of the MLRO, the Monitoring Officer is authorised to deputise.

Disclosure Procedure

Cash Payments

No payment to the Council will be accepted in cash (including notes, coins or travellers cheques in any currency) if it exceeds £5,000. Cash payments in excess of £10,000 received in more than one transaction within a twelve-month period must also be treated as suspicious.

Even if the cash value is less than £5,000 and there is suspicion that the monies are from proceeds of crime then it should still be reported to the MLRO.
Any officer involved in a transaction of this kind should ensure that the person(s) provide satisfactory evidence of their personal identity.

Reporting to the Money Laundering Reporting Officer

Where it is known or suspected that money laundering activity is taking or has taken place or there is a concern an individual's involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed as soon as practicable to the MLRO.

Any disclosure should be made to the MLRO using the pro-forma report form on the Intranet Money Laundering page. The report must include as much detail as possible.

Anyone making a report must follow any subsequent directions from the MLRO or deputy and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation from the MLRO or deputy.

Anyone making a report must not disclose or otherwise indicate their suspicions to the person(s) suspected of money laundering otherwise they may commit a criminal offence of "tipping off". They must not discuss the matter with others or note on a file that a report has been made to the MLRO in case this results in the suspect becoming aware of the suspicion, through a request to see their file. The MLRO will keep the appropriate records in a confidential manner.
Full details of the people involved (including the individual who made the report, if relevant), for example name, date of birth, address, company names, directorships and phone numbers will be required. If an individual is concerned that their involvement in the transaction would amount to a prohibited act under sections 327 - 329 of the 2002 Act, then the report must include all relevant details, as the individual will need consent from the National Crime Agency (NCA) via the MLRO, to take any

further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given.

Any individual should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent such as a completion date or court deadline.

Once you have reported the matter to the MLRO you must follow any directions that maybe give you. The individual who makes a report must **not** make any further enquiries into the matter: any necessary investigation will be undertaken by the NCA. Simply report suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All those employed or engaged by the Council will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Client Identification Procedure (Customer Due Diligence)

Where the Council is carrying out relevant business (for example accountancy, audit and certain legal services) it must apply customer due diligence measures:

- When you establish a business relationship;
- When you carry out an 'occasional transaction' worth €15,000 (approximately £13,000) or more;
- When you suspect money laundering or terrorist financing;
- When you have doubts about a customer's identification information that you obtained previously; and
- When it is necessary for existing customers - for example if their circumstances change.

A business relationship is one that the Council enters into with a customer where both of you expect that the relationship will be ongoing. It can be a formal or an informal arrangement.

When a new business relationship is established, the Council needs to obtain information on:

- The purpose of the relationship; and
- The intended nature of the relationship - for example, where funds will come from, the purpose of transactions, and so on.

The type of information that you need to obtain may include:

- Details of the customer's business or employment;
- The source and origin of funds that the customer will be using in the relationship;
- Copies of recent and current financial statements;
- Details of the relationships between signatories and any underlying beneficial owners; and
- The expected level and type of activity that will take place in the relationship.

Please note that unlike the reporting procedure, the client identification procedure is restricted to those operating relevant business, i.e. Financial Services and Legal Services.

In the above circumstances, those employed or engaged by the Council must obtain satisfactory evidence of the identity of the user or supplier, as soon as practicable after

instructions are received (unless evidence of the client has already been obtained). This applies to users and suppliers, as well as new ones, but identification evidence is not required for matters entered into prior to 1 March 2004.

With instructions from new users or suppliers, or further instructions from a user or supplier not well known to the Council, the Council may wish to seek additional evidence of the identity of key individuals in the organisation and of the organisation itself.

In all cases, the evidence should be retained for at least five years from the **end** of the business relationship or transaction(s).

If satisfactory evidence of identity is not obtained at the outset of the matter, then the business relationship or one-off transaction(s) cannot proceed any further.

Record Keeping Procedures

The MLRO should retain records of all referrals made to them and of any action taken. The precise nature of these records is not set out in law but should be capable of providing an audit trail during any subsequent investigation.

All records should be retained for at least five years. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.

Guidance and Training

In support of this policy, the Council will:

- make all those engaged or employed by the Council aware of the requirements and obligations under the anti-money laundering policy legislation; and
- provide training to those most likely to encounter money laundering.

Conclusion

The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This Policy has been written to support the Council in meeting the legal requirements in a way which is proportionate to the very low risk to the Council of contravening the legislation.

Should there be any concerns whatsoever regarding any transactions then you should contact the MLRO.

Further Information

Further information relating to the anti-money laundering policy can be found at the following links:
National Crime Agency (NCA);
The Money Laundering and Terrorist Financing (Amendment) Regulations 2019;
Terrorism Act 2000 - Code of Practice;
CIPFA Guidance on Money Laundering;
Proceeds of Crime Act 2002;
Criminal Finances Act 2017.

Appendix 6 – Revenues and Benefits Sanction Policy

Introduction

The Council has a responsibility to protect the funds it administers. A fundamental part of the strategy is to encourage the prevention and detection of fraud and corruption.

The Council's Sanction and Prosecution Policy covers Council Tax, Housing Benefit, Non-Domestic Rates and Discretionary Hardship Payments.

The aim of the policy is to:

- Offer assurance of the council's integrity on anti-fraud and corruption by recognising the importance of loss of public funds through fraud and other dishonest activity, and adopting a firm and consistent stance;
- Confirm the council's approach to prosecution or alternative sanctions/penalties in cases of fraud, attempted fraud and misinformation pertaining to Council Tax Support and Council Tax; and
- Ensure residents and landlords are clear that they have a responsibility to provide accurate and timely information about claims for Council Tax Support and Council Tax Discounts.

By applying this policy, the Council will:

- Ensure that a fair, proportionate and consistent approach is taken and that each case is considered on its own merits, having regard to the Code for Crown Prosecutors;
- Treat individuals consistently and fairly, and with dignity and courtesy; and
- Actively participate with other partnership agencies to reduce the threat of fraud by active liaison, data matching, joint investigations and the joint application of sanctions and prosecutions.

May 2026	Ali Bell Carolyne Wignall	Updated policy to include new legislation, new potential threats and updates to relevant officer contact details.