
Anti-Money Laundering Policy

**A policy for tackling
money laundering in
Wiltshire 2022**

Strategy Statement

Wiltshire Council has a **zero-tolerance** approach to fraud, bribery and corruption and as such takes a proactive approach to the prevention, detection and reporting of money laundering and suspected money-laundering incidents. Controls are in place to ensure compliance with policies, and the council is committed to taking all necessary steps to prevent money laundering and will seek the appropriate disciplinary and / or legal action is taken against those found to have committed money laundering and recover any losses.

Although local authorities are not obliged to comply with the requirements of the Money Laundering Regulations 2017, guidance from CIPFA indicates that they should embrace the underlying spirit of the legislation and regulations.

This Policy sets out the Council's commitment to ensuring compliance with the requirements of legislation relating to money-laundering and criminal property. The Policy supports the principles in the Council's Anti-Fraud, Bribery and Corruption Policy.

All staff have a responsibility to assist in preventing money laundering and expected staff behaviours are contained within the Code of Conduct. This policy is supported and endorsed by the Corporate Leadership Team and Cabinet.

The council's expectation is that councillors and employees at all levels will lead by example to ensure the highest standards of probity and accountability are established and strictly adhered to, and that personal conduct is above reproach at all times.

This policy applies to all employees, whether permanent or temporary, and Councillors of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside work should contact the Police.

This policy defines the Council's approach to managing the risk of money laundering ensuring best practice is embedded across all services, projects and partnerships. Any act of money laundering is unlawful.

This holistic approach to tackling fraud, bribery and corruption is an integral part of existing governance arrangements, policies and procedures and this policy supports the approach of providing a raft of measures designed collectively to deter would be offenders.

As a living document it is envisaged that this strategy will continually evolve as the council gains a better understanding of the potential threat from money laundering, as new threats arise, and as new and existing partnerships develop.

The Anti-Money Laundering Policy underpins these principles in seeking to ensure sound governance. In adopting this approach and culture the policy supports the outcomes in enabling greater engagement with the community and partners, whilst protecting the public purse. As such this document and approach is a key support for the delivery of the council's business plan 2022-2032.

Anti-Money Laundering Policy

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1. Purpose

1.1 The purpose of this policy is to set out clearly:

- The Council's commitment and approach to tackling money laundering.
- The responsibilities of Councillors and employees to report any suspicions they have.
- The importance of the public in tackling money laundering.

1.2 This policy applies to:

- Councillors
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Employees and committee members of organisations funded by Wiltshire Council
- Employees and principals of partner organisations
- Volunteers working for Wiltshire Council

1.3 In addition to the above Wiltshire Council expects members of the public and businesses to be honest in their dealings with the Council.

1.4 Other relevant policies, procedures and controls include:

- Council Constitution including Financial Regulations
- Standards Committee
- Codes of Conduct for Councillors and for Employees
- Registers of Interest
- Procurement Rules and Guidance
- Anti-Fraud, Bribery and Corruption Policy
- Whistle Blowing Policy
- HR policies and procedures for managing performance including disciplinary matters
- HR policies and procedures for managing recruitment
- I.T. Security Policy
- Benefit Fraud Sanction Policy
- Benefit Fraud Strategy

1.5 A priority aim is to fully integrate this policy's approach into existing policies, procedures and controls' ensuring it becomes a key part of the council's governance and risk management framework. The arrangements set out in this policy will be reviewed annually to ensure the Council remains resilient to the threat of money laundering.

2. Key Principles

- 2.1 The council will not tolerate money laundering and if proven employees will face possible dismissal and/or prosecution.
- 2.2 The council expects that Councillors and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability and operate within relevant Codes of Conduct.
- 2.3 The council will endeavour to raise money laundering awareness as part of the Anti-Fraud, Bribery & Corruption framework and approach among employees both at induction and periodically throughout their employment.
- 2.4 The council expects Councillors and Senior Officers to emphasise the importance of these policies and approach and to actively promote and support the fight against money laundering.
- 2.5 The council expects individuals and organisations with whom it comes into contact with to act with integrity towards the council.
- 2.6 The council understands the risks it faces and will implement policies and procedures to identify and prevent any fraudulent acts, but will also take all action necessary to investigate and identify it, including money laundering.
- 2.7 The council will take appropriate action against those responsible for money laundering and where possible recover losses incurred (see Recovery of Losses section).
- 2.8 Members of the public are asked to contribute to the council's fight against money laundering by remaining vigilant to the potential for it and reporting it where they suspect the council is being targeted. Employees and Councillors have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:
 - A criminal offence.
 - A failure to comply with a statutory or legal obligation.
 - Improper or unauthorised use of public or other official funds, or assets.
- 2.9 The investigation of any acts of money laundering will be fair, independent and objective. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions. Officers will not be affected by improper or undue pressure from any source.
- 2.10 Wiltshire Council will endeavour not to facilitate fraud against other bodies including money laundering. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the 'appropriate body'.
- 2.11 Senior Officers will work with service areas to help raise awareness of money laundering risk that affect the public relative to the service area.

3. Relevant Legislation

3.1 Fraud is defined in the Fraud Act 2006 which came into effect from 15 January 2007. There are three basic types of fraud:

- False representation;
- Failing to disclose information; and
- Abuse of position

A person can be found guilty even if there is no victim of the crime; all that needs to be proven is the intent to make a gain or cause a loss by the accused.

3.2 The Proceeds of Crime Act 2002 made it a criminal offence to fail to disclose knowledge of or suspicion of money laundering with three main offences of:

- Concealing - knowing or suspecting a case of money laundering but concealing or disguising its existence
- Arranging - becoming involved in an arrangement to launder money or assisting in money laundering
- Acquisition - use or possession: benefiting from money laundering by acquiring, using or possessing the property concerned

3.3 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism.

3.5 The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 set out the additional obligations of organisations working in areas of higher money laundering risk.

4. Reporting Money Laundering

4.1 Money-laundering is generally defined as the process by which the proceeds of crime, and the true ownership of those proceeds, are changed so that the proceeds appear to come from a legitimate source. Money-laundering can arise from small profits and savings from relatively minor crimes, such as regulatory breaches, minor tax evasion or benefit fraud. Because banks and financial institutions have developed procedures to alert them to potential money laundering, criminals look for other ways of placing cash within the financial system (for example, by investing in property).

4.2 Circumstances that may be susceptible to money laundering for the council include but are not limited to sale of council land/buildings, sales of council properties, receipt of cash payments, and investments.

4.3 Indicators that should raise suspicion include:

- Where the person you are dealing with is excessively secretive or obstructive
- Where a transaction seems unusual, such as an unusually large cash payment

- An overpayment or duplicate payment in cash where the refund is requested by cheque
- Where a customer pays funds to the Council but then ends the transaction for no apparent reason, or unexpectedly asks for money to be refunded or forwarded to a third party
- Where a customer tells you that funds are coming from one source and at the last minute the source changes
- Absence of an obvious legitimate source of funds e.g. where an individual is on a low income and is purchasing a property from the Council
- Movement of funds overseas, particularly to a high-risk country
- Individuals and companies that are insolvent but have funds
- Purchase of property (e.g. a Council house) where no mortgage is involved

4.2 Council employees and members must report any concerns they may have regarding money laundering, whether it relates to dishonest behaviour by council employees, Councillors, contractors or by others. That action will be free from recrimination. Such concerns will be treated in confidence and will be properly investigated. In the first instance a member of staff should contact a senior manager within the line management structure who will then liaise with the Money Laundering Reporting Officer (MLRO).

4.2 However, if the member of staff considers the matter too serious or sensitive or inappropriate to raise within the line management structure then they should contact the MLRO direct or concerns can also be raised directly to the SWAP Internal Audit Services Counter Fraud Team through their Confidential Reporting Line:

SWAP Confidential Reporting Line	
Confidential Helpline	020 8142 8462
Confidential Email	confidential@swapaudit.co.uk
https://www.swapaudit.co.uk/contactus	Report It

4.3 All matters will be treated in confidence and an expressed wish not to reveal the identity of a complainant will be respected wherever possible. (Concerns expressed anonymously are much less powerful but will be considered by the council). Alternatively, any person with a concern may use the Council's Confidential Whistleblowing Policy or as an external contact point our external auditors, Deloitte LLP.

4.4 Councillors should normally report any concerns to the Monitoring Officer who will then liaise with the MLRO.

4.5 Where you know or suspect that money laundering activity is taking/has taken place, you must disclose this as soon as practicable to the MLRO. The disclosure should be made as soon as possible. The MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable the MLRO to prepare a report to the National Crime Agency (NCA), where appropriate.

4.6 Where staff may be involved there are policies that set out the approach taken. The Council's Disciplinary Policy clearly identifies the following as gross misconduct:

- Dishonesty, including theft and/or fraud, falsification of records or information, non-declaration of information.
- Serious Data protection breaches, unauthorised disclosure of council documents or confidential information to others inside or outside the council
- Misuse of an official position for personal gain

Only a Manager / Officer at Head of Service level or above, can dismiss an employee on the grounds of gross misconduct in accordance with HR policies and procedures.

- 4.7 An accusation of dishonest behaviour by a Member of the council should be referred to the Monitoring Officer for an assessment of whether this is likely to constitute a breach of the Members' Code of Conduct.
- 4.9 Where investigation reveals evidence of suspected criminal activity with regard to money laundering the Corporate Director of Resources & Deputy Chief Executive (S151 officer) **must** refer the matter to the National Crime Agency. Where an employee is involved, the matter should be reported to the Assistant Director of HR&OD.

5. Investigation of Money Laundering

- 5.1 The legislative requirements set out the responsibility to appoint a Money Laundering Reporting Officer (MLRO). The S151 Officer is appointed officer for the council.
- 5.2 The investigation of money laundering is a complex and specialist area and will usually be undertaken by staff in the Counter Fraud Team – SWAP Internal Audit Services or, for less complicated cases, managers, under advice from the Counter Fraud Team. The Counter Fraud Team or MLRO will liaise with the National Crime Agency.
- 5.2 To facilitate audit work and investigations, the Counter Fraud Team are accorded rights, by the Accounts and Audit Regulations (England) 2015, to access all necessary documents, records, information and explanations from any member of staff.

6. Prevention

- 6.1 There are many ways of preventing money laundering happening. The Council has adopted the following preventative measures including:
- Having a sound Governance Framework with performance against it, being reviewed annually by senior management. Reported to Audit & Governance Committee.
 - Ensuring that the risks of money laundering are controlled via corporate and operational risk registers.
 - The Council's Recruitment and Selection procedure requires that references should always be taken up when recruiting posts externally.
 - The officers' standards of conduct makes clear the expected conduct of its employees.
 - The members' Code of Conduct makes clear the expected conduct of its Councillors.

- The council maintains a register of all pecuniary and personal interests (and where appropriate prejudicial interests) as well as details of gifts and hospitality received.
- Contracts Standing Orders and Financial Regulations prescribe the minimum standards for financial controls that must be in place within all processes throughout the council.
- Targeted training of services where the perceived risk is higher.
- The council seeks to maintain relevant procedures, including top-level commitment to tackling fraud, bribery and corruption and effective communication, including training. Senior Officers have an additional responsibility (beyond that of the employees own) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their department along with other good practice regarding ethical behaviour.
- The council subscribes to the National Anti-Fraud Network.

6.2 Each individual employee and councillor is responsible for observing these rules and codes. This will go a long way to preventing and detecting improper practice.

7. Detection

- 7.1 The array of preventative systems, particularly internal controls systems with the council, help to provide indicators of, and help to deter, any fraudulent activity including money laundering. Where fraudulent activity is suspected, this may be investigated by Internal Audit. It is not Internal Audit's primary responsibility to detect fraud; the role of Internal Audit is to check the adequacy of the controls within systems. However, the assessment of the risk of fraud is routinely taken into account in planning all internal audits. High risk areas will be considered for annual audit reviews.
- 7.2 It is the responsibility of the Corporate Leadership Team and their managers to prevent and detect any aspects of fraud, bribery and corruption. However, it is often the alertness of staff, Members and the public to the possibility of fraud, bribery and corruption, that enables detection to occur and appropriate action to take place when there is evidence that fraud, bribery or corruption may have been committed or is in progress.
- 7.3 Allegations can be a key factor in the detection of fraud and as such the Council treats all suspicions and concerns and complaints seriously and is committed to investigate all such matters.
- 7.4 The Council's Code of Practice on Whistleblowing allows employees and Members to raise any concerns they may have in confidence and anonymously should they so wish.
- 7.5 The Council takes part in the Governments National Fraud Initiative (NFI) which brings together data from NHS bodies, local authorities, government departments and other agencies to detect a wide range of frauds against the public sector. This data matching exercise which is run every two years. Potential frauds uncovered through NFI will be investigated in accordance with this Policy. Along with this the council subscribes to CiFAS, giving access to their national fraud database.

8. Recovery of Losses

- 8.1 The council will always seek to recover the losses incurred as a result of money laundering.
- 8.2 If anyone under investigation offers money in settlement of any losses to the council, it should be made clear that any monies offered will be accepted:
- without prejudice to any other action the council may wish to take.
 - that acceptance is only in respect of losses identified to date.
 - and that the council reserves the right to seek recovery of any further losses that may come to light in the future.
- 8.3 Instances of money laundering will be reported to the National Crime Agency and consideration will be given to legal action against the perpetrator of fraud or those benefiting from fraud in order to recover any losses the council faces.

9. Policy Review

- 9.1 The council will maintain a continuous overview of these arrangements.
- 9.2 This Policy Statement will also be subject to regular review at least every other year to ensure that it remains compliant with good practice and legislative requirements. If you have any questions about these procedures, please contact the Assistant Director of Finance.