

STMARY’S RC PRIMARY SCHOOL, LANGLEY

**POLICY & Procedure for**

**ANTI-FRAUD & CORRUPTION**

**FOR ALL SCHOOLS BASED STAFF IN LOCALLY MANAGED SCHOOLS & ACADEMIES**

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**CONTENT**

|  |  |  |
| --- | --- | --- |
|  | **Content** | **Page Number** |
| 1 | Introduction | 4 |
| 2 | Definitions | 4 |
| 3 | Rules and procedures | 5 |
| 4 | Behaviour of Governing Boards and members of staff | 6 |
| 5 | Prevention of fraud & corruption | 6 |
| 6 | Detection and investigation of fraud & corruption | 7 |
| 7 | Training and awareness | 8 |
| 8 | Review of the policy and its effectiveness | 8 |
| 9 | Contact details | 8 |

**APPENDICES**

|  |  |  |
| --- | --- | --- |
|  | **Content** | **Page Number** |
| 1 | Fraud Investigation Plan | 9 |
| 2 | Prosecution Policy | 14 |
| 3 | Anti-Money Laundering Policy  Appendix 3.1 Report to Money Laundering Reporting Officer regarding money laundering activity | 15  20 |
| 4 | Anti-Bribery Policy | 26 |

1. **INTRODUCTION**
   1. The Anti-Fraud and Corruption Policy recognises that the School as an organisation is at risk of loss due to fraud and corruption both from within the School and outside it.
   2. In meeting the School’s responsibilities relating to fraud and corruption, whether attempted internally or externally, the School is committed to an effective anti-fraud and corruption policy designed to:-
      * encourage prevention
      * promote detection
      * ensure effective investigation where suspected fraud or corruption has occurred
      * prosecute offenders where appropriate
   3. There is an expectation and requirement that all Governors, employees, consultants, contractors, and service users be fair and honest, and if able to do so, provide help, information and support to assist the investigation of fraud and corruption. In addition advice on how members of the public may raise suspicions about fraud and corruption is contained in Appendix 1 to the Policy.
2. **DEFINITIONS**
   1. The Fraud Act 2006 is legislation that has been introduced in order to provide for absolute clarity on the subject of fraud. It replaces certain parts of other legislation (e.g. parts of the Theft Act 1968 and 1978) which were generally untidy, had become difficult to operate and were open to arguments on technicalities.
   2. Section 1 of the Fraud Act 2006 introduces a new general offence of fraud and three ways of committing it:

* Fraud by false representation
* Fraud by failing to disclose information
* Fraud by abuse of position.
  1. Fraud by false representation requires:
     + Dishonesty
     + An intent to make gain or cause loss
     + The person makes the representation knowing that it is or might be false or misleading.
  2. Fraud by failing to disclose information requires:
     + Dishonesty
     + An intent to make gain or cause loss
     + Failure to disclose information where there is a legal duty to disclose.
  3. Fraud by abuse of position requires:
     + Dishonesty
     + An intent to make gain or cause loss
     + Abuse of a position where one is expected to safeguard another person’s financial interests.

**Corruption**

* 1. Corruption is ‘the offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.’ It is an offence under the Prevention of Corruption Acts 1889 - 1916 as amended and

S.117 (3) of the Local Government Act 1972.

**Bribery**

2.7 Bribery can be described as giving someone a financial inducement or other form of advantage to encourage that person to perform their functions or activities improperly, or to reward that person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage.

The Bribery Act 2010 came into force on 1 July 2011. The Council has an approved Anti-Bribery Policy in place, which is referred to at Appendix 6 of this Anti-Fraud and Corruption Policy.

**Money Laundering**

2.8 Money laundering is a term applied to any method used to convert or exchange money or assets obtained from criminal activity into money or assets that are “clean”, in such a way that the “clean” money can no longer be linked back to the criminal activity. Whilst the risk of money laundering to RBC is relatively low and the provisions of the Money Laundering Regulations 2007 do not strictly apply to RBC as an organisation, RBC has adopted an Anti-Money Laundering Policy (Appendix 6) as good practice. This Policy supports all staff in complying with the money laundering provisions included within the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

1. **RULES AND PROCEDURES**
   1. The School has various procedures and rules to ensure that the day-to-day operations and activities are properly controlled and are an important part of the internal control framework.
   2. These include:-
      * Financial Procedure Rules and Financial Regulations
      * Contracts Procedure Rules
      * Code of Conduct for Governors
      * Guidance for Safe Working Practice (all employees)
      * Financial Scheme of Delegation and Governing Board Committee Structure and terms of reference document for committees
   3. Individual Schools will have also introduced their own measures designed to control their activities e.g. working manuals etc
   4. Headteachers need to ensure that staff have access to these rules and regulations and that staff receive appropriate training.
   5. Failure to comply with the rules and regulations may result in further investigation and formal action being taken. In the case of members of staff this would be through the School’s disciplinary process. For Governors matters would be dealt with following advice from the Schools Support Service Manager.
2. **BEHAVIOUR OF GOVERNORS AND MEMBERS OF STAFF**
   1. The School is resolute that the culture and tone of the School is one of honesty and opposition to fraud and corruption.
   2. There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the School will act with high standards of probity, openness and integrity and that school members of staff at all levels will lead by example in these matters.
   3. Each school is required to have a code of conduct for their Governing Board and for this to be reviewed annually.
   4. The School’s Codes of Conduct for Governors and members of staff set out an approach to work that is honest, fair, accountable, and, as far as possible, transparent. Governors and members of staff must act in line with the codes at all times.
   5. The School’s members of staff are a vital element in its stance against fraud and corruption and they are positively encouraged to raise any concerns that they may have.
   6. All information supplied will be dealt with fairly and confidentially. The aim will be to avoid revealing the names of persons who supply information. The fraud investigation plan (see Appendix 1) provides further information on this issue.
   7. Chairs of Governors/Headteacher’s are expected to deal firmly and quickly with those who are corrupt, who seek to corrupt, who defraud, or who seek to defraud the Council/ School. Cases involving staff will be investigated and may lead to disciplinary action, which may result in dismissal. Cases involving Governors will result in investigation and potential suspension or removal from the Board Where there is prima facie evidence that a criminal offence has been committed it is the policy of the Council/School to refer the case to the Police for prosecution.
   8. There is a need to ensure that any investigative process is not misused and, therefore, any abuse, such as raising unfounded malicious allegations, may be dealt with as a disciplinary matter.
3. **PREVENTION OF FRAUD AND CORRUPTION**
   1. A key preventative measure against fraud and corruption is an adequate internal control framework covering all the School’s systems both financial and non-financial which support the delivery of services. The Governing Board has responsibility for setting the financial policy framework and has a statutory function in relation to overseeing the financial performance of the school and making sure its money is well spent The operation and adequacy of the internal controls in individual systems is the responsibility of Headteacher and is subject to regular review by both Internal and External Audit.
   2. A further preventative measure against fraud and corruption exists at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity through the pre-employment checks undertaken. Staff recruitment is therefore required to be in accordance with the School’s Code of Practice - “Recruitment and Selection” - which requires written references to be obtained using a form of questionnaire. The accompanying letter urges that the reference should be a full and frank disclosure of all relevant matters. When recruiting for posts that involve work with children or vulnerable adults, or where otherwise deemed appropriate, the screening process must include assessment and checks by the Disclosure and Barring Service. All governor appointments will also be subject to DBS checks.
   3. All Governors and members of staff are required within 28 days of receiving any gift or hospitality over £25 to provide written notification to the monitoring officer of the existence and nature of the gift or hospitality. All Governors and members of staff are required to refuse all gifts or hospitality in excess of £100 (if received on one occasion) or in excess of a total of £100 (if received on more than one occasion in the same Academic year from the same individual or organisation). Registers are maintained of all declarations.
   4. Governors are required to declare their personal and prejudicial interests in accordance with the Code of Conduct for Governors and to act in accordance with the code.
   5. Members of staff are required to declare their personal interests in accordance with the schools Guidance for Safe Working Practice for those working with Children in Education and Early Years setting (Code of Conduct).
   6. A Register of Interests which is available on the schools website, is maintained for Governors and staff to declare their business and related interests, membership of, or associations with, clubs, societies and other organisations.
   7. The School/Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. This may involve the exchange of information with other organisations and data matching (in accordance with the Data Protection Act).
4. **DETECTION AND INVESTIGATION OF FRAUD AND CORRUPTION**
   1. The preventative measures described in the previous section significantly reduce the risk of fraud and corruption but cannot eliminate it entirely. The operation of the internal controls in a system may alert members of staff to potential fraud. However, many frauds are discovered by chance or ‘tip off’.
   2. Financial Regulations require Headteachers/Chair of Governors to notify Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the School’s property or resources. Under the code of conduct employees are expected to report any impropriety or breach of procedure to the Headteacher. Reporting cases in this way is essential to the Anti-Fraud and Corruption Strategy and to ensure that:

* all suspected cases of fraud and corruption are investigated properly;
* the fraud investigation plan (Appendix 1) is carried out properly;
* there is a standard process for dealing with all suspected cases of fraud and corruption; and
* people and the School’s interests are protected.
  1. The School’s Whistleblowing Policy is intended to encourage and enable staff to raise serious concerns. Members of staff reporting concerns in this way are afforded certain rights under the Public Interest Disclosure Act 1998.
  2. Internal Audit will consult with the Head of Schools, the Headteacher or the Chair of Governors as appropriate to decide on the type and course of investigations. School HR Advisory Service staff will also be consulted and involved where appropriate to support investigations, particularly where they may lead to disciplinary action. This will include referring cases to the Police where necessary. Internal Audit may also seek informal advice from the Police in the early stages of an investigation. Care will be taken to ensure that internal disciplinary procedures are followed but do not prejudice any criminal case. This may result in a delay in the progression of a school based investigation

1. **TRAINING AND AWARENESS**
   1. The School recognises that an important aspect of its Anti-Fraud and Corruption Strategy is the general awareness and responsiveness of members of staff throughout the School. To facilitate this the School supports the concept of induction and training, particularly for employees involved in internal control systems. All employees are made aware of the Anti-Fraud and Corruption Strategy via various channels of communication e.g. staff briefings.
   2. In addition the Council/School will seek via appropriate publicity to increase and maintain the general public awareness of the facilities available to report concerns about fraud and corruption.
   3. The investigation of fraud and corruption is carried out in consultation with Schools by the Council’s Internal Audit Team whose skill-base in investigative techniques is maintained by appropriate training.
2. **REVIEW OF THE STRATEGY AND ITS EFFECTIVENESS**
   1. The Council/School has an array of measures and procedures to assist in combating fraud and corruption. It is determined to keep pace with any future developments in preventative and detection techniques and to be able to respond to any future government incentives for the detection of fraud. The Anti-Fraud and Corruption Strategy and its effectiveness will be the subject of regular review.
3. **WHO TO CONTACT**

Advice and guidance on how to pursue matters of concern may be obtained from Internal Audit 01706 925497, by email at [internal.audit@rochdale.gov.uk](mailto:internal.audit@rochdale.gov.uk) or by writing to the Head of Internal Audit, Rochdale MBC, Number 1 Riverside, Smith Street, Rochdale OL16 1XU or by contacting the Schools HR Advisory Service on (01706) 925184, 925194, 926169.

**APPENDIX 1 - FRAUD INVESTIGATION PLAN**

1. **INTRODUCTION**
   1. The School is committed to the highest possible standards of openness, probity and accountability in all its affairs. The Anti-Fraud and Corruption Strategy document outlines the principles the School is committed to in relation to preventing, reporting and managing fraud and corruption.
   2. This Fraud Investigation Plan reinforces the School’s firm approach by setting out the ways in which members of staff can voice their concerns about suspected fraud or corruption and how the School will deal with such complaints.
2. **WHAT DOES THE SCHOOL/COUNCIL WANT TO KNOW ABOUT?**
   1. This Plan is intended to be implemented where suspicions of fraud or corruption have been raised.
   2. **Corruption**
      1. This is defined as **‘the offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.’**
   3. **Fraud**
      1. Fraud as per the Fraud Act 2006 covers:
         * Fraud by false representation.
         * This requires dishonesty; intent to make gain or cause loss; the person makes the representation knowing that it is or might be false or misleading.
         * Fraud by failing to disclose information.
      * This requires dishonesty; an intent to make gain or cause loss; failure to disclose information where there is a legal duty to disclose.
        + Fraud by abuse of position.
      * This requires dishonesty; an intent to make gain or cause loss; abuse of a position where one is expected to safeguard another person’s financial interests.

**Bribery**

2.3.2 Bribery, as per the Bribery Act 2010 covers:

* Bribery of another person;
* Accepting a bribe;
* Bribing a foreign official; and
* Failing to prevent bribery.
  1. Examples of fraudulent or corrupt acts

The examples/areas of risk listed below apply in general. It is not an exhaustive list.

***Employee Fraud where benefit is obtained directly from the Council/School***

Theft of cash or other assets e.g. building materials which involves false accounting to conceal the loss.

Where Council/School equipment is used for personal use e.g. unauthorised private use of Council/School vehicles.

Undertaking personal tasks in ‘works time’ – e.g. shopping, unauthorised use of IT facilities such as the Internet, and any other such activities that could reasonably fall under this classification.

***Employee Fraud against a third party***

Where an employee abuses a position of trust to defraud a third party e.g. a teacher in charge of school funds.

***External Fraud***

Where individuals or companies fraudulently obtain money from the School/Council,

e.g. invalid invoices/work not done.

Benefit fraud - false declarations of income or statements of residency.

* 1. ***Corruption and Bribery***

Areas of the highest risk include: - Tendering and award of contracts.

Settlement of contractors’ final accounts and claims. Appointment and reward of consultants/staff.

Canvassing for appointments.

Acceptance of hospitality and other benefits e.g. free holidays. Pressure selling.

Awarding of permissions, planning consents and licences. The above is not an exhaustive list.

In the case of any doubt about the seriousness of any concerns, advice and guidance can be obtained from the Head of Internal Audit on 01706 925497.

* 1. Other activities of Headteachers/Staff or Governors which are unlawful, fail to comply with school/Council procedure, rules or policies or which fall below established standards or practices may be investigated under this plan following consideration by the Headteacher/Chair of Governors, Head of School and on advice from the Schools Support Service Manager and Internal Audit. Concerns or allegations which fall within the scope of other, existing, procedures (e.g. child protection or discrimination issues) will normally be dealt with under those procedures.

1. **SAFEGUARDS**

Employees who make a ‘protected disclosure’ are protected from being treated unfairly or being dismissed. The key piece of whistleblowing legislation is the Public Interest Disclosure Act 1998 (PIDA) which applies to almost all workers and employees who ordinarily work in Great Britain. The situations covered include criminal offences, risks to health and safety, failure to comply with a legal obligation, a miscarriage of justice and environmental damage.

The PIDA is incorporated into the Employments Rights Act 1996, which also already protects employees who take action over, or raise concerns about health and safety at work.

All disclosures should be dealt with in the first instances under the schools Confidential Reporting (Whistleblowing) Policy

1. **WHAT SHOULD AN EMPLOYEE DO IF THEY SUSPECT FRAUD OR CORRUPTION?**
   1. Members of staff are often the first to realise that there is something seriously wrong within the School. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the School. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
   2. The School’s Confidential Reporting (Whistleblowing) Policy is intended to encourage and enable staff to raise serious concerns within the School rather than overlooking a problem or passing details to the media or other external bodies. This policy has been discussed with the relevant Trade Unions and has received their approval. Members of staff reporting concerns in this way are afforded certain rights under the Public Interest Disclosure Act 1998.
   3. A full copy of the Confidential Reporting (Whistleblowing) Policy is available on the School’s intranet/Engage or at the school office.
   4. Where appropriate, members of staff should normally raise concerns with their Chair of Governors / Headteacher who, if the claim can be substantiated, will inform the Head of Internal Audit. The nature of the complaint will determine the School’s course of action.
   5. Internal Audit can be contacted by phone on 01706 925497, by email at [internal.audit@rochdale.gov.uk](mailto:internal.audit@rochdale.gov.uk) or by writing to the Head of Internal Audit, Rochdale MBC, Number 1 Riverside, Smith Street, Rochdale OL16 1XU
2. **WHAT SHOULD A MEMBER OF THE PUBLIC DO IF THEY SUSPECT FRAUD OR CORRUPTION?**
   1. The Council/School encourages members of the public who suspect fraud and corruption to contact the Chief Executive or Internal Audit Section in the first instance.
   2. The Internal Audit Section is a unit, which operates independently of all other Council Services, and has the following objectives in relation to fraud and corruption: -

* To promote an anti-fraud culture.
* To deter, prevent, detect and investigate fraud and corruption.
* To see appropriate action is taken against those who commit fraud or corruption.
* To obtain compensation in respect of any losses to the school/Council.
  1. Internal Audit can be contacted by phone on 01706 925497, by email at [internal.audit@rochdale.gov.uk](mailto:internal.audit@rochdale.gov.uk) or by writing to the Head of Internal Audit, Rochdale MBC, Number 1 Riverside, Smith Street, Rochdale OL16 1XU

1. **HOW THE COUNCIL/SCHOOL WILL DEAL WITH ALLEGATIONS OF FRAUD OR CORRUPTION**
   1. For issues raised by employees or members of the public, the action taken by the Council/ School will depend on the nature of the concern. The matters raised may:

* be investigated internally
* be referred to the Police where there is evidence of a criminal offence.
  1. Within ten working days of a concern being received a designated officer will write to the complainant in those instances where the complainant has provided contact details :-
* acknowledging that the concern has been received;
* indicating how it is proposed to deal with the matter;
* giving an estimate of how long it will take to provide a final response;
* indicating whether any initial enquiries have been made;
* supplying information on staff support mechanisms, and
* indicating whether any further investigations will take place, and if not, why not.
  1. The School/Council accepts that people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will receive information about the outcome of any investigation and whether any changes/improvements are to be made to systems and procedures as a consequence.

1. **ALTERNATIVE METHODS FOR TAKING A COMPLAINT FORWARD**
   1. If either a member of the public or a member of staff feels it is right to take the matter outside these processes, the following are possible ways forward:

* **Trade Unions** – employees may invite their Trade Union to raise a matter on their behalf.
* Mazars – the Council’s external auditors. They are completely independent from the Council and can be contacted on 0161 238 9200 or by writing to them at 1 St. Peter’s Square, Manchester, M2 3DE.
* **Solicitors**.
* **Local Councillors** – details of how to contact and surgery hours are on the Council’s web site [www.rochdale.gov.uk.](http://www.rochdale.gov.uk/)
* **Greater Manchester Police** – suspicions of fraud or corruption may be reported directly to the Police who can be contacted on 0161 872 5050.
* **The Local Government Ombudsman** – this is an independent body set up by the Government to deal with complaints against Councils in the United Kingdom. Advice can be obtained on 0300 061 0614
* **Protect** –The charity provides confidential advice to would-be whistleblowers who are concerned about making a disclosure. They operate a helpline on 020 7404 6609 and 020 3117 2550 or can be e-mailed at [whistle@protect-advice.org.uk](mailto:whistle@protect-advice.org.uk)
  1. If members of staff take matters outside the Authority, it will be necessary to ensure that they do not disclose confidential or legally privileged information. As such, it is advisable that employees take appropriate advice before proceeding.

**APPENDIX 2 - PROSECUTION POLICY**

* 1. The School is committed to preventing fraud and corruption and has developed an ‘Anti-Fraud and Corruption Policy’ in order to minimise its occurrence.
  2. Having a prosecution policy does not affect other internal disciplinary codes implemented by the School and internal offenders (i.e. members of staff) will be liable to general disciplinary procedures as well as prosecution. Liaison will take place with the Police to ensure that any internal disciplinary procedures do not prejudice or interfere with criminal proceedings.
  3. The Council’s financial regulations require Schools/Heads of Service/Headteachers/Chair of Governors to notify Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority’s/School’s property or resources. Where initial evidence suggests that a criminal offence has been committed the Headteacher/Chair of Governors Schools HR Advisory Service or the Head of Schools will be consulted about referral to the Police. It is the practice of Internal Audit to seek informal advice from the Police at an early stage in an investigation, as the standard of evidence to support a criminal prosecution is much higher than that for internal disciplinary processes.
  4. It is the policy of the School/Council that where there is prima facie evidence that a criminal offence has been committed then the case will be referred to the Police for prosecution.

**APPENDIX 3 - ANTI-MONEY LAUNDERING POLICY**

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| **1.** | **Introduction** | | | | | |
| 1.1  1.2 | Money laundering is the term used for a number of offences involving concealing the proceeds of crime or terrorist funds. Relevant legislation includes The Proceeds of Crime Act 2002 (POCA) as amended in 2007, Money Laundering Regulations 2017, the Terrorism Acts of 2000 and 2006, and the Serious Organised Crime and Police Act 2005.  Whilst public authorities and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, guidance produced by CIPFA confirms that they are not legally obliged to apply the provisions of the Money Laundering Regulations 2017, subject only to any activities or transactions which are subject to regulation in conjunction with the Financial Services Act 2012. However, as responsible public bodies, local authorities such as RBC (inclusive of schools) who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK’s anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice Guidance being issued that requires schools/local authorities to establish internal procedures to prevent the use of their services for money laundering. | | | | | |
|  |  | | | | | |
| 2. | **What is Money Laundering?** | | | | | |
| 2.1 | Money laundering involves one or more of three principal offences – concealing, arranging and acquisition/ use/ possession – and may comprise the following prohibited acts under the legislation:- | | | | | |
|  | * Concealing, disguising, converting, transferring criminal property or removing it from the UK (POCA s327); | | | | | |
|  | * 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 (POCA s328) ; | | | | | |
|  | * Acquiring, using or possessing criminal property (POCA s329); and | | | | | |
|  | * Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (Terrorism Act s18). | | | | | |
|  |  | | | | | |
| 2.2 | Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way or do nothing about it. The Guidance Note gives practical examples. This Policy sets out how any concerns should be raised. | | | | | |
|  |  | | | | | |
| 3. | **What are the Obligations of the Council/school?** | | | | | |
| 3.1 | The obligations of the Council/school, as a public service organisation are to put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable officers to detect and avoid involvement in the crimes described in the legislation and regulations. This may include: | | | | | |
|  |  | | | | | |
|  | * Appointing a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity (their own or anyone else’s); | | | | | |
|  | * Implementing a procedure to enable the reporting of suspicions of money laundering; | | | | | |
|  | * Maintaining client identification procedures in certain circumstances; and | | | | | |
|  | * Maintaining record keeping procedures. | | | | | |
|  |  | | | | | |
| 3.2 | The safest way to ensure compliance with the law is to apply the principles within this policy to all areas of work undertaken by the Council/school. All staff are therefore required to comply with the reporting procedure set out in section 6 below. | | | | | |
|  |  | | | | | |
| 3.3 | The following sections of this Policy provide further detail about the requirements listed in paragraph 4.1. | | | | | |
|  |  | | | | | |
| 4. | **The Money Laundering Reporting Officer** | | | | | |
| 4.1 | The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Internal Audit, telephone 925497.  They can be contacted as follows:  Head of Internal Audit, Finance Service, Rochdale BC  Floor 2  Number One Riverside  Smith Street  Rochdale  OL16 1XU | | | | | |
| 5. | **Disclosure Procedure** | | | | | |
| 5.1 | 1. Reporting to the Money Laundering Reporting Officer | | | | | |
|  | Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement is a matter that may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO. | | | | | |
|  |  | | | | | |
| 5.2 | Your disclosure should be made to the MLRO using the report proforma, appendix 1a. The report must include as much detail as possible, for example: | | | | | |
|  | * Full details of the people involved (including yourself if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers etc; | | | | | |
|  | * Full details of the nature of your involvement: | | | | | |
|  |  | | | * + If you are concerned that your involvement in the transaction would amount to a prohibited act your report must include all the relevant details. You will need consent from the National Crime Agency (NCA), via the MLRO, to take any further part in the transaction; and | | |
|  |  | | | * + You should make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent, e.g. a completion date or court deadline. | | |
|  | * The types of money laundering activity involved; | | | | | |
|  | * The dates of such activities including: | | | | | |
|  |  | | | * + Whether the transactions have happened, are ongoing or are imminent; | | |
|  | * Where they took place; | | | | | |
|  | * How they were undertaken; | | | | | |
|  | * The (likely) amount of money/assets involved; | | | | | |
|  | * Why, exactly, you are suspicious – NCA will require full reasons. | | | | | |
|  |  | | | | | |
|  | Also consider disclosing any other available information to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to NCA, where appropriate. You should also enclose copies of any relevant supporting documentation. | | | | | |
|  |  | | | | | |
| 5.3 | Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself. Any necessary investigation will be undertaken by NCA. Simply report your suspicions to the MLRO who will refer the matter on to NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation. | | | | | |
|  |  | | | | | |
| 5.4 | Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO. Do not, therefore, make any reference on a client file to a report having being made to the MLRO. | | | | | |
|  |  | | | | | |
| 5.5 | The MLRO will keep the appropriate records in a confidential manner. | | | | | |
|  |  | | | | | |
| 5.6 | Consideration of the Disclosure by the Money Laundering Reporting Officer. | | | | | |
|  | Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report, acknowledge receipt of it, and confirm receipt of the disclosure report to the Monitoring Officer. He should also advise you of the timescale within which he expects to respond to you. | | | | | |
|  |  | | | | | |
| 5.7 | The MLRO will consider the report and any other available information they think relevant e.g: | | | | | |
|  | * Reviewing other transaction patterns and volumes; | | | | | |
|  | * The length of any business relationship involved; | | | | | |
|  | * The number of any one-off transactions and linked one-off transactions; | | | | | |
|  | * Any identification evidence held; | | | | | |
|  | and undertake such other reasonable enquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to NCA is required The MLRO may also need to discuss the report with you. | | | | | |
|  |  | | | | | |
| 5.8 | Once the MLRO has evaluated the disclosure report and any other relevant information he must make a timely determination as to whether: | | | | | |
|  | * there is actual or suspected money laundering taking place; | | | | | |
|  | * there are reasonable grounds to know or suspect that is the case; and | | | | | |
|  | * whether he needs to seek consent from NCA for a particular transaction to proceed | | | | | |
|  |  | | | | | |
| 5.9 | Where the MLRO concludes the above, they must disclose the matter as soon as practicable to NCA on their standard report form and in the prescribed manner unless they have a reasonable excuse for non-disclosure to NCA (for example, if you are a solicitor and you wish to claim legal professional privilege for not disclosing the information). | | | | | |
|  |  | | | | | |
|  | 5.9.1 | | | | Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then they must note the report accordingly. He can then immediately give his consent for any ongoing or imminent transactions to proceed. | |
|  |  | | | |  | |
|  | 5.9.2 | | | | In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to NCA. | |
|  |  | | | |  | |
|  | 5.9.3 | | | | Where consent is required from NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from NCA. | |
|  |  | | | |  | |
| 5.10 | Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they shall mark the report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed. | | | | | |
|  |  | | | | | |
| 5.11 | All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years. | | | | | |
|  |  | | | | | |
| 6. | **Client Identification Procedure** | | | | | |
| 6.1 | Where the Council/school is carrying out cash payment or collection and any one of the following apply: | | | | | |
|  |  | | | | | |
|  | 1. forms an ongoing business relationship with a client; | | | | | |
|  | 1. undertakes a one-off transaction involving payment by or to the client of £10,000 or more; | | | | | |
|  | 1. undertakes a series of linked one-off transactions involving total payment by or to the client(s) of £10,000 or more; and | | | | | |
|  | 1. it is known or suspected that a one-off transaction (or a series of them) involves money laundering. | | | | | |
|  | then this Client Identification Procedure must be followed before any business is undertaken for that client. | | | | | |
|  |  | | | | | |
| 6.2 | In the above circumstances, staff in the relevant unit of the Council must obtain satisfactory evidence of the identity of the prospective client, as soon as practicable after instructions are received (unless evidence of the client has already been obtained). This applies to existing clients, as well as new ones. | | | | | |
|  |  | | | | | |
| 6.3 | Once instructions to provide a collection of cash have been received, and it has been established that any of paragraphs 7.1 (a) to (d) apply, evidence of identity should be obtained as follows; | | | | | |
|  |  | | | | | |
|  | **Internal Clients** | | | | | |
|  | 6.3.1 | | Appropriate evidence of identity for schools will be signed, written instructions on school headed paper or an email on the internal MS Outlook email system at the outset of a particular matter. Such correspondence should then be placed on the schools/Councils client file along with a prominent note explaining which correspondence constitutes evidence and where it is located. | | | |
|  |  | |  | | | |
|  | **External Clients** | | | | | |
|  | 6.3.2 | The MLRO will maintain a central file of general client identification evidence regarding the external organisations to whom the school/Council provide a service. You should check with the MLRO that the organisation in respect of which you require identification is included in the MLRO’s central file and check the precise details contained in relation to that organisation. If the organisation is not included in the central file, you should discuss with the MLRO. You should then obtain the following additional evidence: | | | | |
|  |  |  | | | | |
|  |  | 6.3.2.1 | | | | For external clients, appropriate additional evidence of identity will be written instructions on the organisations official letterhead at the outset of the matter or an email from the organisations e-communication system. Such correspondence should then be placed on the school/Council’s client file along with a prominent note explaining which correspondence constitutes the evidence and where it is located (and including a reference to a search of the MLROs central file, if undertaken). |
|  |  |  | | | |  |
|  | 6.3.3 | With instructions from new clients, or further instructions from a client not well known to you, you may wish to seek additional evidence of the identity of key individuals in the organisation and of the organisation itself. Please see the Guidance Note for more information. | | | | |
|  |  |  | | | | |
|  | 6.3.4 | For individuals, accepted documents of identification are passport, driving licence, bank statements and utility bills. | | | | |
|  |  |  | | | | |
| 6.4 | In all cases the evidence should be retained for at least five years from the end of the business relationship transaction(s). | | | | | |
|  |  | | | | | |
| **6.5** | **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.** | | | | | |
|  |  | | | | | |
| 7. | **Record Keeping Procedures** | | | | | |
| 7.1 | The school must maintain records of: | | | | | |
|  | * client identification evidence obtained; and | | | | | |
|  | * details of all relevant business transactions carried out for clients 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. | | | | | |
|  |  | | | | | |
| 7.2 | The precise nature of the records is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the school will be routinely making records of work carried out for clients in the course of normal business and these should suffice. | | | | | |
|  |  | | | | | |
| 8. | **Conclusion** | | | | | |
| 8.1 | The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy has been written to enable the school/Council to meet legal requirements in a way that is proportionate to the very low risk to the school/Council of contravening the legislation. | | | | | |
|  |  | | | | | |
| 8.2 | Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO. | | | | | |
|  |  | | | | | |
| 9. | **Review** | | | | | |
|  |  | | | | | |
| 9.1 | The school and Rochdale Council will continue to review its rules and procedures and will make sure that the Anti-Money Laundering Policy is regularly reviewed to ensure it stays current, appropriate and effective. | | | | | |

**APPENDIX 3.1**

**CONFIDENTIAL**

**Report to Money Laundering Reporting Officer regarding money laundering activity**

**To: Shaun Knowles, RBC Money Laundering Reporting Officer**

From

-------------------------------------------------------------------------

(*Insert name of employee)*

School Ext/Tel No:

------------------------------------------------ ---------------------------- (*insert post title and service)*

**DETAILS OF SUSPECTED OFFENCE**

|  |
| --- |
| **Name(s) and address(es) of person(s) involved:**  *(if a company/public body please include details of nature of business)* |
| **Nature, value and timing of activity involved:**  *(please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary)* |
| **Nature of suspicions regarding such activity:**  *(please continue on a separate sheet if necessary)* |

**Has any investigation been undertaken (as far as you are aware)?**

**Yes / No**

*(Please tick the relevant box)*

**If yes, please include details below:**

|  |
| --- |
|  |

**Have you discussed your suspicions with anyone else?**

**Yes / No**

*(please tick the relevant box)*

**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**

*(Please tick the relevant box)*

**If yes, please specify below:**

|  |
| --- |
|  |

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

**Yes / No**

*(Please tick the relevant box)*

**If yes, please set out full details below:**

|  |
| --- |
|  |

**Are you involved in a transaction that might be a prohibited act under sections 327- 329 of the Act and which requires appropriate consent from the NCA?**

**Yes / No**

*(Please tick the relevant box)*

If yes, please enclose details in the box below:

|  |
| --- |
|  |

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

|  |
| --- |
|  |

**Signed:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Dated:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described.

**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**

*(Please tick the relevant box)*

**If yes, please confirm the date of the report to NCA:**

**and complete the box below:** -----------------------------

|  |
| --- |
| **Details of liaison with the NCA regarding the report:**  Notice of 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**

*(Please tick the relevant box)*

**If yes, please confirm full details in the box 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:

|  |
| --- |
|  |

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

|  |
| --- |
| Other relevant information: |

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Dated: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**APPENDIX 4 – ANTI-BRIBERY POLICY**

**Introduction**

Bribery can be described as giving someone a financial inducement or other form of advantage to encourage that person to perform their functions or activities improperly, or to reward that person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage.

The Bribery Act 2010 came into force on 1 July 2011. The Act makes it an offence for a United Kingdom (UK) citizen or resident to pay or receive a bribe, either directly or indirectly. The Act provides for transactions that take place in the UK and abroad, and both in the public and private sectors. Companies and partnerships can also commit an offence where a bribe has been paid on their behalf by an associate. Associates include employees, agents and other persons providing services on behalf of the corporate entity.

This school/Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor does it accept bribes or improper inducements.

The school/Council is also committed to a zero-tolerance approach that includes prevention, deterrence and detection of bribery. Adequate procedures to minimise the risk of bribery will be implemented and staff and the Governing Body will be made aware of them.

The Act relates to "commercial organisations", and this definition includes the school/Council. There are four key offences under the Act:

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

The offence of failing to prevent bribery is a corporate offence. However, there is a full defence to this, if it can be shown that an organisation had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

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; or
* 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, are liable to an unlimited fine.

**Scope of this Policy**

This policy covers Governors, staff at all levels and grades, including those employed by agency, contractors, non-executives, volunteers and consultants. It also applies to all of the school/Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

This policy provides a coherent and consistent framework to enable the schools governors and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents (most notably the Anti-Fraud and Corruption Policy), it will also enable employees to identify and effectively report a potential breach.

We require that all governors and staff:

* act honestly and with integrity at all times and to safeguard the schools/Council's resources for which they are responsible; and
* comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions within which this school/Council operates, in respect of the lawful and responsible conduct of activities.

**This schools commitment to action**

This school commits to:

* develop and communicate adequate anti-bribery procedures based on principles such as risk and proportionality;
* ensure that there is a genuine commitment to the anti-bribery procedures from senior management;
* ensure that the anti-bribery procedures are clear, practical, accessible, effectively implemented, monitored and enforced;
* apply due diligence procedures in respect of persons who perform or will perform services for or on behalf of the school;
* set out a clear anti-bribery policy and keeping this policy up to date;
* make Members and staff aware of their responsibilities to adhere to this policy at all times;
* encourage staff to be vigilant and to report any suspicions of bribery;
* rigorously investigate instances of alleged bribery and to assist the Police and other appropriate authorities where necessary;
* take firm and vigorous action against any individual(s) proved to have been involved in bribery; and
* include appropriate clauses in contracts to prevent bribery.

**Gifts and hospitality**

This anti-bribery policy is not meant to change the requirements we already have in place regarding gifts and hospitality. Central Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Bribery Act. Therefore it is reasonable to continue to provide or accept appropriate hospitality, promotional or other business expenditure providing it is in accordance with school policy.

Governor and staff

1. Employees should accept offers of hospitality only if there is a genuine need to impart information or represent the school/local authority in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community or where the school/authority should be seen to be represented. They should be properly authorised and recorded.
2. When hospitality has to be declined, those making the offer should be courteously but firmly informed of the procedures and standards operating within the school/Authority.
3. Employees should not accept significant personal gifts from contractors and outside suppliers, although the authority may wish to allow employees to keep insignificant items of token value such as pens, diaries, etc.
4. When receiving authorised hospitality, employees should be particularly sensitive as to its timing in relation to decisions which the authority may be taking affecting those providing the hospitality.
5. Acceptance by employees of hospitality through attendance at relevant conferences and courses is acceptable where it is clear the hospitality is corporate rather than personal, where the authority gives consent in advance and where the authority is satisfied that any purchasing decisions are not compromised.

**Responsibilities of the Governing Board and Members of Staff**

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

You must ensure that you read, understand and comply with this policy, and that you raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

You should be aware that breach of the Bribery Act can lead to civil and criminal prosecution, in addition breach of this policy may result in disciplinary action, which could lead to dismissal on the grounds of gross misconduct.

**Raising a concern**

As a first step, employees should normally raise concerns (verbally or in writing) with their Headteacher/Chair of Governors. If circumstances dictate that this isn't possible, then other contacts for raising a concern are:

* Head of Schools: 01706 925214
* Head of Internal Audit: 01706 925497

The schools Confidential Reporting (Whistleblowing) Policy can also be used to raise bribery concerns.

If the concern is not able to be raised via internal channels, then options such as Local Councillors; Trade Unions; The Police; or The Local Government Ombudsman are all possible alternatives.

Staff not involved with bribery who raise a genuine concern, either via the Whistleblowing Policy or otherwise, will not be at risk of losing their job or suffering any form of retribution or harassment as a result. Providing that concerns raised are genuine and in good faith, it does not matter if they are mistaken or ultimately turn out to be not proven.