



COUNTER FRAUD & INVESTIGATION ANNUAL REPORT 2023/24 AND PROPOSED STRATEGY 2024 - 2027

1 PURPOSE OF REPORT

- 1.1 This report gives a brief headline of the performance of the team over the last year, with the completed work plan for 2023/34 (**Appendix 1**).
- 1.2 This report also introduces the suite of papers that will feed into the overall Counter Fraud Strategy (**Appendix 2**) until 2027 and accompanying suite of policies (**Appendices 3-5**).

2 LINKS TO COUNCIL'S PRIORITIES AND OBJECTIVES

- 2.1 This report links to the Council's priorities of Economy & Growth and People.
- 2.2 The CFI are working collaboratively with the Housing Management Team, Revenues and Benefits team as well as the Neighbourhood Policing teams at CPBC.
- 2.3 It is the intention of the CFI to increase awareness of the work that can be carried out by the team and to offer training to all departments within the Council.
- 2.4 CFI will also be offering training sessions to members, newly elected or otherwise, to understand what the CFI do for the council and to outline what matters Councillors can refer to the team.
- 2.5 The CFI is available for all departments to utilise if staff feel there are any issues that can be resolved by CFI intervention, however its primary role is to ensure those that commit economic crime against the Council are appropriately investigated.
- 2.6 The CFI holds professional expertise in all types of economic crime, including theft, fraud, corruption/bribery and have historically worked within service areas such as waste, procurement, revenues & benefits and planning as well as corporate areas such as finance across several Local Authorities.

2.7 The CFI are also available for members of the public that feel they have a criminal act to report that involves the council, its property, or its processes and recognise that it is vital for local people to feel there is a way to report these things and their concerns will be investigated and we want to work to raise awareness for the residents of the Borough.

2.8 The Counter Fraud Strategy 2024-2027 (**Appendix 2**) and supporting policies (**Appendices 3-5**) all attribute to the ability of the Council to protect its assets as well as enable the Council to actively pursue those that commit offences against the interests of the Council...

3 RECOMMENDATION

3.1 It is proposed that the Committee **RESOLVES**

- (1) That the Committee examines the performance of the Counter Fraud & Investigation team I 2023/24.
- (2) That the Committee approves the Counter Fraud & Investigation Strategy 2024 – 2027 being adopted by the Council. (**Appendix 2**)
- (3) That the Committee approves the Counter Fraud, Bribery and Corruption Policy being adopted by the Council. (**Appendix 3**)
- (4) That the Committee approves the Whistleblowing Policy being adopted by the Council. (**Appendix 4**)
- (5) That the Committee approves the Anti Money Laundering Policy being adopted by the Council. (**Appendix 5**)

4 INTRODUCTION

4.1 The Counter Fraud & Investigation team is responsible for the prevention, detection and deterrence of all instances of alleged fraud and economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

4.2 The work of the service is led by the annual Counter Fraud Strategy which is approved following consultation with the council's services and intelligence from partners in government and policing.

5 COUNTER FRAUD PROACTIVE WORK PLAN 2023/24 AND PROPOSED 2024/25 WORKPLAN

5.1 **Appendix 1** outlines the progress made in delivering the agreed Counter Fraud Proactive Work Plan for 2023/24.

- 5.2 CFI creates a programme of proactive work to ensure the council's posture against fraud is robust and effective. This workplan is monitored through reporting to Audit & Governance throughout the year.
- 5.3 The CFI work plan proposal for the CFI can be found within the Counter Fraud Strategy 2024-2027 (**Appendix 2**). This is the work that the CFI will complete to support the objectives of the strategy for CPBC, as well as the routine day to day criminal investigations that are required

6 INVESTIGATIONS AND PERFORMANCE OF THE CFI DURING 2023/24

- 6.1 CFI can comment on the following statistics for the previous year (2023/24):
- **14** referrals were suitable for Investigation.
 - **7** referrals were not suitable for investigation and were closed.
 - **23** active investigations are currently being conducted.
 - The value of open investigations is currently **£785,085**.
 - **88** property visits were made by the CFI team.
 - **2** Social Housing properties were recovered in 2023/24.
- 6.2 CFI continued to undertake investigations of suspected fraud or other economic crime for the council. The CFI saw an increase in the referrals from officers and members of the public in 2023/24, up 80% from 6 to 14 with less referrals being 'unsuitable' for investigation down 30% from 10 to 7, suggesting that the type of referrals that are being received are of higher quality with deeper understanding of what the CFI investigate.
- 6.3 The value of investigation has also increased, rising from £301,800 in 2022/23 to £785,085 in 2023/24. The CFI has also increased the number of properties visited within CPBC up 104% from 43 to 88 visits being made in 2023/24.
- 6.4 The CFI holds weekly meetings with the housing teams within the Council as well as chairing the local collaboration board consisting of ASB, Policing and Counter Fraud.
- 6.5 This collaborative approach has increased the effectiveness of the CFI and has enabled the team to recover 2 further properties this year which were returned to the social housing stock and made available for those in need in Castle Point.
- 6.6 The team have also been working collaboratively with the ASB and local Policing team. This was seen in full swing during a Housing operation, led by the CFI targeting Ozonia Court in Canvey.

- 6.7 The Housing team and Essex Neighbourhood Police as well as the CFI attended the location and completed Tenancy Audits of every property, which resulted in 2 x referrals to Essex Police of 'potential drug sale/misuse' and 4 x 'Safeguarding concerns' to social services at Essex Council for review.
- 6.8 A CFI officer was also appointed as the 'fraud specialist point of contact' (SPOC) for Castle Point and has been driving the National Fraud Initiative (NFI). This required the officer to work with others within the Council to assist and develop their knowledge around NFI with 45 Reports being carried into 2024/25 that require address by the Council and the new SPOC works with others to complete the required actions.

7 RISK IMPLICATIONS

- 7.1 Failure to operate a strong anti-fraud and corruption culture puts the Council at risk of increased financial loss from fraudulent or other criminal activity.
- 7.2 Although risk cannot be eliminated from its activities, implementing these strategies will enable the Council to manage this more effectively.

8 PROPERTY IMPLICATIONS

- 8.1 Properties could be recovered through the investigation of housing tenancy fraud or assets recovered as a result of criminal activity. This action will benefit the authority by means of returning housing stock to those in need or gaining the assets of those who seek to profit from their criminal behaviour.

9 ENVIRONMENTAL IMPLICATIONS

- 9.1 Although the investigations that are completed by the CFI are criminal, none involve violence or safety implications to the local community or public in the wider sense. If a situation arose where the safety of any member of staff or member of public became apparent, police assistance would be sought.

10 FINANCIAL IMPLICATIONS

- 10.1 The CFI are working collaboratively with the Housing Management Team, Revenues and Benefits team as well as the Neighbourhood Policing teams at CPBC.
- 10.2 It is the intention of the CFI to increase awareness of the work that can be carried out by the team and to offer training to all departments within the Council.
- 10.3 CFI will also be offering training sessions to members, newly elected or otherwise, to understand what the CFI do for the council and to outline what matters Councillors can refer to the team.
- 10.4 The CFI is available for all departments to utilise if staff feel there are any issues that can be resolved by CFI intervention, however its primary role is to

ensure those that commit economic crime against the Council are appropriately investigated.

- 10.5 The CFI holds professional expertise in all types of economic crime, including theft, fraud, corruption/bribery and have historically worked within service areas such as waste, procurement, revenues & benefits and planning as well as corporate areas such as finance across several Local Authorities.
- 10.6 The CFI are also available for members of the public that feel they have a criminal act to report that involves the council, its property, or its processes and recognise that it is vital for local people to feel there is a way to report these things and their concerns will be investigated and we want to work to raise awareness for the residents of the Borough.
- 10.7 The Counter Fraud Strategy 2024-2027 (**Appendix B**) and supporting policies (**Appendices C-E**) all attribute to the ability of the Council to protect its assets as well as enable the Council to actively pursue those that commit offences against the interests of the Council

11 LEGAL IMPLICATIONS

- 11.1 The Accounts and Audit Regulations 2015 Section 3 require that:

The relevant authority must ensure that it has a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and
- includes effective arrangements for the management of risk.

- 11.2 The work of the CFI contributes to the delivery of this.

- 11.3 This is an informative report and as such has no further legal implications.

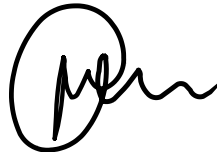
12 HUMAN RESOURCES IMPLICATIONS

- 12.1 Where fraud or corruption is proven the Council will:

- take the appropriate action which could include disciplinary proceedings and prosecution
- seek to recover losses using criminal and civil law
- seek compensation and costs as appropriate

13 EQUALITY AND DIVERSITY IMPLICATIONS

- 13.1 The effects of the CFI and its work do not pose a significant impact on the wider community. The work carried out by the CFI is predominantly reactive and is always due to a criminal offence taking place. If a prosecution is to take place, an equality impact assessment will be completed to determine if the actions of the CFI are justified and if there is a detriment to an individual. This will be completed by appropriately trained staff.
- 13.2 All interactions with individuals are to adhere to the principles of the Council as well as legislation that oversees the work completed by the CFI. All persons are treated fairly and equally, with any adjustment to working practices being made to suit the situation faced by officers of the CFI.



Mike Dineen

Assistant Director, for Counter Fraud, Enforcement and Community Protection
(Thurrock Council)

Background Papers:-

Fighting & Corruption Fraud locally, the Local Government Fraud Strategy
Crowe Whitehall & Clarke Annual Fraud Indicator 2017

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Counter Fraud & Investigation



Counter Fraud & Investigation Proactive Work Plan 2023-24



Proactive Work Plan 2023/24

Risk Area	Activity	When	Current Status	Responsible Officer
Council-wide	<p>Training of Staff and Elected Members</p> <p>Ensure understanding of the threats posed to the Authority in modern times, including cyber enabled fraud. This is to be tailored to the specific areas and ongoing support offered via a Single Point of Contact within CFI.</p>	June 2023 To Mar 2024	PART COMPLETED: Training has been delivered to some departments within the Council, however no training was organised for EM's, however this will be pushed to 2024/25 work plan.	Rob Kleinberg
Council-wide	<p>Review all relevant policies concerning Fraud</p> <p>Ensuring that all hold the most up to date legislative information as well as ensuring best practice is always adhered to.</p>	Mar 2024	COMPLETED: This has taken place and is presented to the Committee (Sep. 2024)	Michael Dineen
Council-wide	<p>Targeting POCA and Civil Legislation to maximise effect on criminal behaviour</p> <p>Ensure that CFI utilise the appropriate legislation to maximise the effects on criminals and ensure that our vision of protecting the public purse is adhered to by promoting this work.</p>	Mar 2024	ONGOING: This is ongoing and referrals are made to AFIs when appropriate.	Rob Kleinberg
Housing	<p>Proactive High Risk Housing Project</p> <p>To work with the Housing department and local police hubs to complete at least 4 proactive operations in areas of high-risk housing. This should be taking place once a quarter.</p>	Mar 2024	PART COMPLETED: It was not possible to organise 4 operations with the local policing team, however there was a successful operation with them which resulted in matters being referred for investigation by Essex Police and referrals made to Essex CC for safeguarding concerns. These operations will continue into 2024/25	Sean Bradley
Council-wide	<p>Develop NFI systems and upload process</p> <p>To establish a process and work-flow for all NFI updates with leads from all areas involved. Develop relevant responses and establish flow of cases to the Counter Fraud & Investigation Team.</p>	Sep 2023	COMPLETED: This process is fully underway with 45 cases being looked at working alongside colleagues across the Council.	Sean Bradley

Risk Area	Activity	When	Current Status	Responsible Officer
Revenue	<p>Undertake an SPD review</p> <p>The Counter Fraud & Investigation team will work with the Revenues team and establish where a review of those claiming SPD could be targeted to ensure minimal abuse to the benefit.</p>	Jan 2024	NOT COMPLETED: This needs to take place and will be led by the SPOC after NFI cases have been dealt with.	Sean Bradley & Robert Kleinberg

**Counter Fraud
& Investigation**



See it.



Report it.



Stop it.

Counter Fraud Strategy

2024/25 – 2026/27



Key Information

Author: Michael Dineen, Assistant Director for Counter Fraud, Enforcement & Community Protection

*Directorate: Corporate Services (Thurrock Council)
CPBC Oversight: CPBC Director for Finance*

External Consultation: N/A

Internal Consultation:

- *Audit and Governance Committee*
- *Senior Leadership Team (CPBC)*

Background Information:

- *CPBC Counter Fraud, Bribery & Corruption Policy*
- *CPBC Anti-Money Laundering Policy*
- *CPBC Whistleblowing Policy*
- *The Fraud Act 2006*
- *The Bribery Act 2010*
- *The Proceeds of Crime Act 2002*
- *The Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014*
- *The Prevention of Social Housing Fraud Act 2013*
- *The Money Laundering, Terrorist Financing*
- *Transfer of Funds (Information on the Payer) Regulations*

Strategy Approval, Senior Officer Level

- Michael Dineen, Assistant Director for Counter Fraud, Enforcement, Community Protection (Thurrock Council)
- Lance Wosko, Assistant Director, Finance & Procurement (s151 Officer), Corporate & Customer (Castle Point Borough Council)

Strategy Approval, Member Level

PFH

Review date: March 2027

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1. Introduction

Castle Point Council is committed to protecting public funds by the prevention and detection of fraudulent activity across the borough. In the current climate of reduced funding and financial hardship it is more important than ever that losses to the Authority, as a result of fraud and corruption, are kept to a minimum to ensure that our limited resources are utilised for their intended purpose.

The Authority also has a legal responsibility under the Accounts and Audit (England) Regulations 2015 for ensuring that financial management is adequate and effective and has a sound system of internal control which facilitates the effective exercise of functions which includes arrangements for the management of risk.

To deliver successfully against the Counter Fraud Policy the Authority's approach and key priorities for the next three years are confirmed in this strategy, which will be subject to regular review. Key actions have been identified and are set out in the Strategy Action Plan at Appendix A.

2. Strategy Context

The ongoing delivery of the strategy will be based upon comprehensive ongoing risk assessments in all areas of Authority activity, to reduce losses from fraud and corruption through:

- Reinforcing an organisational culture of 'zero tolerance' to fraud and corruption
- Encouraging prevention
- Pro-actively detecting fraud and corruption.
- The instigation of legal, disciplinary (Authority employees only) and financial recovery action against any individual found to have acted fraudulently or corruptly in their relationship and dealings with the Authority.

This holistic approach to tackling fraud and corruption is an integral part of existing governance arrangements, policies and procedures. Providing a raft of measures and interventions designed collectively to deter 'would be' offenders.

As a living document it is envisaged that this strategy will continually evolve as the Authority gains a better understanding of the potential threat from fraud and corruption and as new and existing partnerships, both internally and externally, develop. The

strategic ambitions will be further supported in practical terms by an operational delivery plan.

The National Fraud Landscape

The Fighting Fraud and Corruption Locally Strategy 2020 is a document produced for local government, which suggests that over one in three of all crimes committed nationally are fraud based. The Annual Fraud Indicator produced by Crowe Clark Whitehill estimates that the National figure for fraud may be as high as £219bn in 2023. The Government's Economic Crime Plan states that the numbers of fraud offences rose by 12% during 2018 to 3.6 million.

In addition to the scale of losses and potential losses, there are further challenges arising from changes to the wider public sector landscape including public expenditure specific to the pandemic, budget reductions, service remodelling and integration, and government policy changes.

Why it is important for us to protect Castle Point residents?

Any fraudulent or corrupt act committed against the Authority effectively constitutes theft of taxpayers' money. It is unlawful and deprives the Authority of resources that should be available to provide public services.

Fraudulent applications for housing, 'Right to Buy' or succession of tenancy and subletting of property, has a direct impact on our residents, especially those in need of Authority or social housing. More than 1.21 million people in the UK are currently on the waiting list for a Authority or social housing home with Castle Point's figure is currently at approximately 4,612.

How does this strategy fit with the Authority's overall corporate plan?

The Corporate Plan for 2018-2024 highlights the Authorities vision, as well as its priority areas, objectives and targets. This allows residents, businesses and partner organisations to see what the Authority is aiming to achieve and how it will achieve it.

To achieve the Authorities vision, it will focus on the following four priority areas with a series of objectives sitting under each: Economy and Growth, People, Place and Environment.

This strategy identifies with these priorities by ensuring economic growth is maintained and where public money is being spent, it is spent appropriately and legally. The strategy places accountability on the Authority to ensure it educates and reforms when needed to ensure that the money it controls is not lost to illegal activity.

3. Our Approach

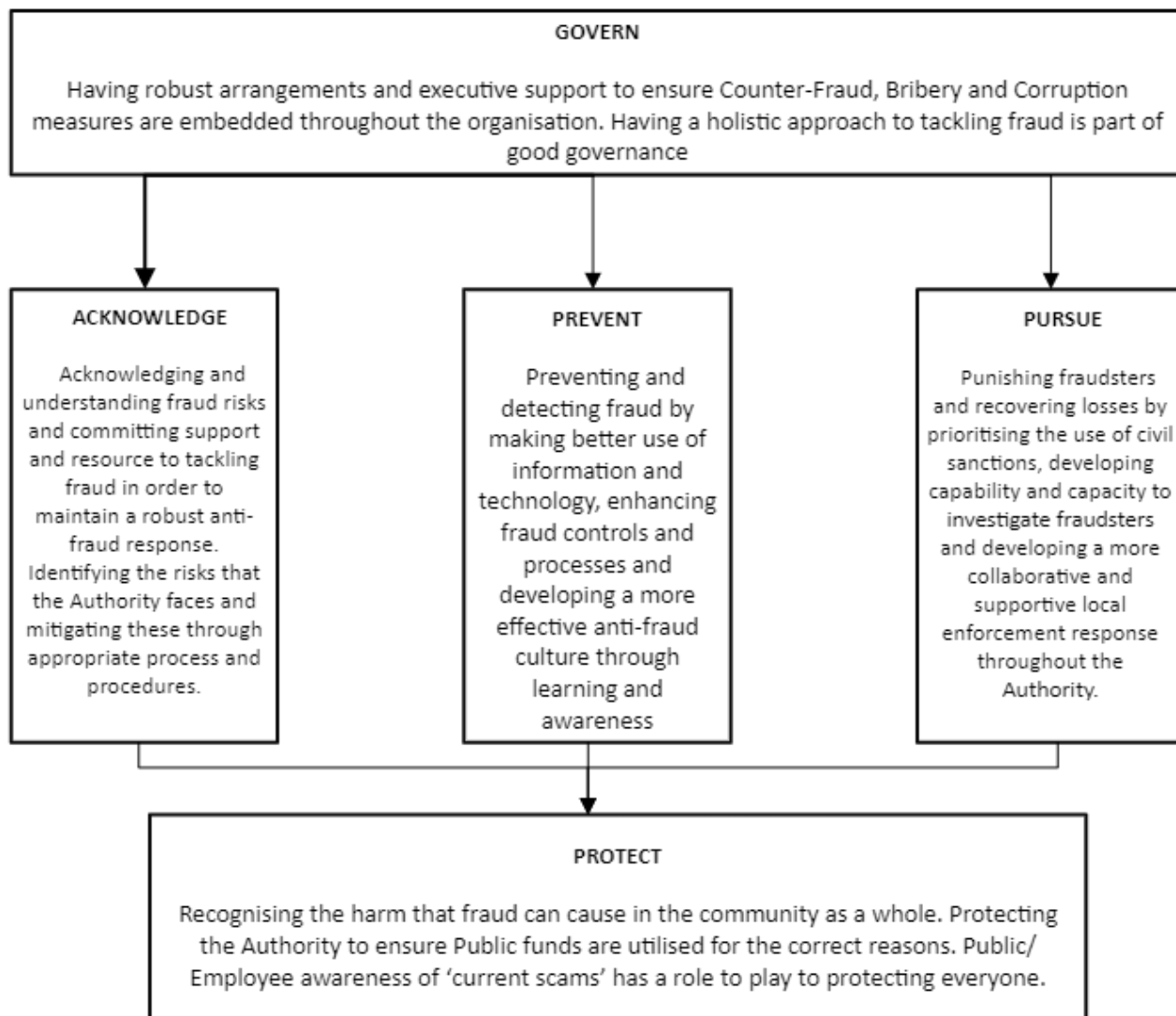
Minimising fraud and irregularity is everyone's concern. Whilst specialist teams have a key role, the Authority expects the highest standards of probity, propriety and conduct from all Elected Members, Employees and Contractors. This includes a requirement to act lawfully and to comply at all times with the Authority's policies, procedures and regulations.

The Authority will fulfil its aim to reduce fraud and corruption to an absolute minimum through a strategic approach consistent with that outlined in the Local Government Fraud Strategy 'Fighting Fraud & Corruption Locally' and in the Authority's Counter Fraud Policy. We will continue to engage with internal and external stakeholders through various workshops/programs in the promotion of this strategy, encouraging the reporting of all fraud and working with fraud response partners to combat all aspects of public sector fraud.

Fighting Fraud and Corruption Locally 2020 is the updated counter fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the very top of the Authority. The strategy can be seen in the diagram below; however, it consists of 5 areas that the Authority should concentrate its efforts on and work towards, which are Govern, Acknowledge, Prevent, Pursue and Protect.

The concept of 'govern' sits before 'Acknowledge/Prevent/Pursue' as it is recognised that without good governance, nothing will be imbedded throughout the organisation to assist with acknowledging risks, preventing threats or pursuing those that commit criminal acts against the Authority.

This therefore means it is vital that we have robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Lastly, we look towards 'Protect', which recognises the harm that fraud can cause in our community; for us this also includes protecting public funds, protecting the organisation from fraud and cybercrime, and protecting itself from future frauds, which restarts the process once again.



4. How do we succeed

The ongoing development of this strategy will be informed through our understanding of the threat, emerging risks, trends and the savings that can be achieved by investing in counter fraud and corruption, which will be monitored through the Fraud Risk Register. This will focus on greater use of technology and interrogation of data to assess vulnerability and proactively target higher risk areas.

We will also be focusing on raising staff awareness of the risks of fraud and corruption and what they can do to prevent or identify it through staff awareness training.

Since 2018, the measures to prevent fraud and corruption have been strengthened through the establishment of a dedicated counter fraud investigation team that has the capability and capacity to:

- Investigate allegations of fraud and corruption

- Prosecute and sanction offenders.
- Identify fraud prevention controls across the organisation.

The themes that will allow us to succeed in our approach can be summarised by the following areas.

- Culture
The Authority will create a culture where fraud and corruption are unacceptable, and staff feel supported in reporting any concerns they have.
- Capability
The Authority will assess the full range of fraud risks ensuring that the range of counter fraud measures deployed is appropriate.
- Capacity
The Authority will deploy the appropriate resources to deal with the level of risk identified.
- Competence
The Authority will ensure that resources employed on tackling the full range of counter fraud and corruption activity have the appropriate skills and competence.
- Communication
The Authority will raise awareness internally and externally, deterring fraudsters, sharing information and celebrating successes.
- Collaboration
The Authority will work together across internal and external boundaries, for example, with colleagues from other local authorities and other agencies - sharing resources, skills, learning and best practice.

Whistleblowing remains the most common way that fraud and corruption is detected within large organisations. The Authority will raise awareness and continually promote its Whistleblowing policy, and other associated policies and procedures, ensuring all reports of suspected fraud or corruption are treated seriously and acted upon, thereby developing a robust and proportionate response to counter any threats. The Authority will also ensure that people have confidence in the Whistleblowing policy and arrangements and are confident and protected when raising issues, which forms the 'culture' of the Authority.

The best way to fight fraud and corruption is to prevent it happening in the first place. The Authority will continually work towards realigning counter fraud resources away from enforcement towards prevention; ultimately, aiming to deter all would-be offenders.

The Authority has already established a robust framework of procedures and controls which provide the major elements of its counter-fraud and corruption governance arrangements. This strategy is an integral part of a series of interrelated policies, procedures and controls designed to deter any attempted fraudulent or corrupt act.

These policies, procedures and controls include:

- The Constitution, including Financial Regulations
- Internal Control Systems and Procedures
- Standards Committee
- Code of Conduct for Councillors; for Employees
- Registers of Interest
- Gifts & Hospitality Procedure
- Procurement Rules and Guidance
- Counter Fraud, Bribery & Corruption Policies
- Anti Money Laundering Policy and Procedures
- Whistleblowing Policy
- Human Resources policies and procedures for managing performance including disciplinary matters.
- Human Resources policies and procedures for managing recruitment (employee vetting procedures)
- Information Technology Security Policy
- Information Sharing Arrangements

A priority aim is to fully integrate this strategy into existing policies, procedures and controls, ensuring it becomes a key part of the Authority's governance and risk management framework. Preventative measures will be supported by ongoing assessment of those areas most vulnerable to the risk of fraud and corruption, in conjunction with risk management arrangements and risk-based audit reviews.

Records of this will be kept within the fraud risk register, as well as the mitigation the organisation has put in place so that repeat instances are kept to a minimum.

The sheer diversity of the services the Authority and its partners provide, and the multiple systems used to manage them, generates huge volumes of records and data. The Authority will re-engineer its fraud detection processes by comparing data from a variety of its systems, as well as partners' systems to identify anomalies, improve information sharing across services and inform the risk management process.

The Authority is resolute that the culture and tone should be one of honesty & transparency, with zero tolerance towards fraud and corruption. This is already demonstrated through its behavioural framework and codes of conduct for employees and its Members. The right organisational culture will be continually reinforced by:

- Raising awareness of this strategy to new and existing employees
- Ensure yearly training is given to all staff concerning counter fraud and how they can help in the Authority's fight to protect its resources.
- Publicising the results of all proactive work, sanctions and recovery of losses due to fraud and corruption.
- Increase and maintain the awareness of the facilities available to report concerns about fraud and corruption.

The Authority will seek to deter any fraudulent activity by publicising all criminal convictions of those found to have committed fraud against it. Press releases will always follow successful prosecutions. In addition, the Authority will take every opportunity to publicise the number of disciplinary, regulatory or civil sanctions taken against those who commit fraud against it.

National schemes such as the National Fraud Initiative (NFI) are examples of national fraud detection tools that identify many frauds that might have previously gone unnoticed. This is achieved by matching data from numerous sources to identify discrepancies. These data sets outline several service areas within the Authority, including payroll, HR, and housing.

In addition to specific counter fraud activity, all managers play a major role by the regular checking of work in their own service areas, thus detecting fraudulent activity at the earliest opportunity.

We believe the best defence against fraud, corruption and bribery is to create a strong anti-fraud culture within the organisation. We promote the 'seven principles of public life' (the Nolan Principles) and expect all our staff, including contractors, and

Councillors to make themselves aware of and to follow these principles and all legal rules, procedures & practices, and to always protect our legitimate interests.

These principles are:

- i. Selflessness
- ii. Integrity
- iii. Objectivity
- iv. Accountability
- v. Openness
- vi. Honesty
- vii. Leadership

We will commit to making efforts to proactively seek out instances of fraud and take effective action once it is identified. The Authority will make best use of its communications strategy to highlight instances of fraud, for the purposes of seeking the maximum deterrence effect.

Fraud must not pay. Where fraud or corruption is discovered, the full range of sanctions will be deployed, including civil, disciplinary and criminal action. Every effort will be made to recoup losses and confiscate assets gained as a result of criminal activity. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that where possible funds are recovered.

Criminal prosecutions deter offenders and reinforce a culture of zero tolerance towards fraud. Successful prosecutions require cases to be professionally investigated ensuring all evidence is collected within the law. Investigative staff must be adequately trained with the appropriate skills and access to specialist resources to secure effective prosecutions.

Organised crime has no respect for boundaries and can cross a range of organisations and services. Effective co-operation and joint working between local authorities and with other agencies including the Police will be essential in the ongoing development of the Authority's strategic response.

Our communication strategy, which sets out our detailed approach to anti-fraud communication, but this will be underpinned by our commitment to always being proactive in promoting our culture and approach to fraud and corruption, both internally

to the Authority's staff and Councillors, but also externally to the public, businesses and partners through specific departments within the Authority.

The Authority's counter fraud officers are experienced counter fraud professionals who have undergone extensive training in the investigation of fraud. Counter fraud officers employed at Castle Point (via Castle Point Council) have far-reaching powers to obtain employment records, bank account records, other financial records, applications for mortgages, credit cards and other records that may be confidential. Records of this nature can legally be accessed by accredited counter fraud investigation officers where there is a reasonable suspicion of fraud.

Castle Point Borough Council will always seek to recover as much as possible to ensure the criminal behaviour does not 'pay' and we will do this as promptly as possible.

5. Strategy Action Plan

Key Actions

There may be some realignment of existing resources, in terms of delivery of the strategy but at this stage it is not anticipated that there will be any additional financial implications because of implementing this strategy.

Monitoring

The Authority's Counter Fraud, Bribery & Corruption Policy as well as this Counter Fraud Strategy will bring together the ethos of the Authority and its transparent and open approach. Fraud should not be hidden, instead it should be detected and learned from. There is a requirement for the Authority to monitor the outcome of this Strategy and to review its effectiveness.

Counter fraud arrangements will be evaluated through the implementation of the Strategy and through the outcome of proactive work identified in the Counter Fraud proactive work Plan. Progress will be monitored by the Audit Committee and the Annual Governance Statement.

Review

This strategy is subject to review yearly, however if only small changes are made this will result in control adjustments being noted at the beginning of the strategy. This strategy has a lifespan of 3 years in total. The Counter Fraud Manager is responsible for this Strategy.

6. Links to other corporate policies and strategies

This document should be read in conjunction with the Authority's Counter Fraud, Bribery and Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy and associated procedures.

Strategy Action/Work Plan

Govern:

Key Actions	Responsible Service	Lead Officer	Timescales
Develop a communication plan that sets out how we are to publicise and promote the Authority's: <ul style="list-style-type: none"> - Counter Fraud Policy, - Bribery & Corruption - Whistleblowing Policy - Money Laundering Policy; - and the results of the CFI work. 	Counter Fraud & Investigations	Counter Fraud Manager	December 2024
Develop the webpage and intranet page for Counter Fraud & Investigation team.	Counter Fraud & Investigations	Counter Fraud Manager	October 2024
Develop a number of campaigns to run over the next three years, as part of the Communications strategy.	Counter Fraud & Investigations	Counter Fraud Manager	Continuous Action
Report results of the Counter Fraud team to Audit and Governance Committee	Counter Fraud & Investigations	Counter Fraud Manager	Quarterly

Publicise on the Council Website the number of fraud cases as well as other information as part of the Authority Transparency arrangements.	Counter Fraud & Investigations	Counter Fraud Manager	Yearly
Review and Refresh Policies, if required.	Counter Fraud & Investigations	Counter Fraud Manager	Yearly

Acknowledge / Prevent / Pursue:

Key Actions	Responsible Service	Lead Officer	Timescales
Participation in the National Fraud Initiative.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Every two years – Constant Review
Proactive Counter Fraud Activity - Performance of tenancy checks as part of examination of C/Tax liability, Right To Buy and Housing applications.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Not time restricted – Ongoing activity
To explore closer working with housing associations, and undertaking fraud work for other local authorities.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Not time restricted – Ongoing activity

Attend Eastern Counter Fraud Working Group to share ideas and discuss the latest developments with regard to fraud identification and prevention.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Not time restricted – Ongoing activity
Undertake joint working with the DWP on cases that have a Housing Benefit and/or a Local Authority Tax Support interest.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Not time restricted – Ongoing activity

Protect:

Key Actions	Responsible Service	Lead Officer	Timescales
Provision of Advice and Guidance to Service areas on internal controls for the prevention and detection of fraud.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Annually as part of the Audit Plan
Ensure staff have completed the e-learning fraud awareness training or where not possible, have received awareness training through face to face training.	Counter Fraud & Investigation	Counter Fraud & Investigation Manager	Annually

Complete a detailed review of the key risks of fraud for the authority and identify the appropriate controls are in place to manage such risks. This is known as the Fraud Risk Register.	All Services Supported by Counter Fraud & Investigations	Counter Fraud & Investigations Manager	Not time restricted – Living Document
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Counter Fraud & Investigation



See it.



Report it.



Stop it.

Counter Fraud, Bribery & Corruption Policy



castlepoint

benfleet | canvey | hadleigh | thundersley

Version control sheet

Title	Counter-fraud, bribery and corruption Policy
Purpose	To advise council workers and suppliers on what fraud, bribery and corruption is how to identify and report its and our response.
Owner	Counter Fraud and Investigation Team
Approved by	SLT – Standards and Audit Committee – Council –
Date	Approved –
Version number	1.0
Status	Final
Review frequency	Annually
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1. Introduction

- 1.1. Castle Point Borough Council is responsible for delivering key frontline services such as keeping our borough clean and green or supporting our residents in housing needs as well as ensuring our communities receive the standard of service that they expect, and we want to deliver. We do this every year with approximately £15M of public money. Criminals do and will continue to seek to take that money from the council. Criminals come in all forms, from service users to suppliers, grant applicants and in rare cases, can unfortunately include colleagues sitting next to us.
- 1.3. The way to beat those who seek to take the public's money is to make sure our systems and controls in place are strong and we follow them. This means all of the procedures we have as a team are robust and auditable so we can prevent fraud and identify possible concerns.
- 1.4. This policy sets out to council workers what fraud, bribery and corruption is, how to spot it and what to do if you do suspect it.
- 1.5. Every council worker, from full-time/part-time employees, Agency workers to contractors are responsible for following this policy and reporting their suspicions to the Counter Fraud and Investigation (CFI) team.

2. Fraud

- 2.1. In this policy 'fraud' is used as shorthand to any criminal offence where money or assets belonging to the council can be lost. It includes theft, fraud, burglary and other deception offences such as corrupt practices by workers or suppliers.
- 2.2. Fraud is where a person is dishonest in their actions in order to cause a loss to the council or expose the council to a potential loss. It also includes where a person causes a chain of events by doing or not doing something that causes or exposes the council to a loss.
- 2.3. Any of the actions described above are criminal offences and can result in imprisonment.

3. How can the council become a victim of fraud?

Applying for services / making a declaration

- 3.1. The council provides hundreds of different services to the public we serve. Unfortunately, there is a small minority of those who seek to take advantage of those services. This could be by someone exaggerating their circumstances, making something up completely or purposefully not declaring something.
- 3.2. In the council's support services such as Housing, Homelessness Teams and Essential Living Fund this could be a person not being honest about their needs, their financial status or what they will be using the services for. It may be a person acting on the service user's behalf that is being dishonest in order to benefit themselves. In each of these examples the fraud is denying the legitimate use of council funds by those who are in need.

Suppliers / providers

- 3.4. The highest risk of fraud to the public sector is in its supply chain. A council is just like a business, making regular and sometimes large financial transactions with our suppliers and providers in order to deliver its services.
- 3.5. Some unscrupulous suppliers or staff working in supplier companies, may seek to take advantage of our payment systems and processes.
- 3.6. Fraud in this area can be committed where suppliers submit false or 'erroneous' invoices or other requests for payment. Suppliers may also be dishonest in how they are delivering the services or goods we are contracted for; they may be poor quality or not supplied at all.
- 3.7. Staff that deal with our suppliers and providers must ensure that the council is getting what it has paid for. The council's Procurement Team and Internal Audit Service are experienced in contract management and applying the right controls when sourcing goods, works and services, if in doubt, speak to one of these teams. Even if not dishonest, failure to provide the works, goods or services that have been contracted to be provided should be raised with the supplier as a breach of contract.

Council worker fraud

- 3.8. Castle Point Council, like any large employer we will always have a very small minority of people who seek to commit, allow or facilitate fraud to take place.
- 3.9. Fraud in this area can be workers (definition of workers can be found in the glossary) who take unauthorised absences, such as claim 'flexi time' when they haven't accrued any, claim to be working from home when they are not or even claim to be working in the field but going home early/starting later.
- 3.10. Payroll or expenses fraud can also be committed by council workers such as staff that falsely claim overtime, allowances, mileage expenses and even steal from 'cash floats'.
- 3.11. It is important for all staff to follow the council's procedures particularly those in management positions as well as colleagues who may notice irregularities.

4. Bribery and corruption

- 4.1. As public servants all workers in the council are in a privileged position to serve the people of Castle Point. That responsibility comes with a significant amount of trust in how we conduct ourselves.
- 4.2. It has always been a criminal offence for any council worker to receive gifts or hospitality where the person giving the gift or hospitality is seeking to induce, or reward us to doing something for their, or somebody else's benefit – that is, to use a particular supplier instead of another one.
- 4.3. This type of corruption has been depicted in many different films and fictional stories, where criminals were seeking to build a house that would be normally rejected by planners, or the criminal who wants the council to 'look the other way' for parking fines or other enforcement action.
- 4.4. All of this conduct is a criminal offence, punishable by imprisonment. It is the most serious type of dishonesty, which brings the council and colleagues into disrepute.

5. What to do if fraud, bribery or corruption is suspected

- 5.1. All workers are responsible for reporting bribery and corruption with workers raising the issue with the Counter Fraud and Investigation team (CFI) in the first instance. Where appropriate the CFI will then engage with others, including stakeholders such as the police.
- 5.3. If you see any of the suspicious activity linked to fraud, against the council, or in any council building you should:
- not tell the person that you have any suspicions about them.
 - take copies of any records that could help to a secure location, which secures evidence.
 - telephone a member of the CFI team right away on 01375 652 157 or send an email to reportfraud@castlepoint.gov.uk
 - follow the instructions given by the CFI manager or team member.

6. How the Council tackles fraud

- 6.1. The council has a dedicated team of professionally trained and accredited investigation officers who fully investigate instances of suspected fraud. The CFI team works in partnership with other local authorities & law enforcement agencies to ensure suspects are pursued for their involvement in criminal activity, and when appropriate, their assets can be seized/frozen to take back what the council has lost.
- 6.2. Castle Point Council's Legal Services have criminal lawyers who apply tests whilst reviewing the evidence that is found and take the decision to either instigate legal proceedings or not. These decisions will align to the Councils 'Enforcement Policy' and their decision will include whether there is sufficient evidence of a crime and whether it is in the public interest to prosecute those suspected of it.
- 6.3. CFI has a Criminal Finances Unit that is accredited by the National Crime Agency to restrain and seize a person's assets, investigate their lifestyle and present cases to a Judge to confiscate any criminal proceeds.

- 6.4. The council will always publicise case of proven fraud in the media to act as a deterrent and encourage people to come forward to report fraud.

7. Whistleblowing

- 7.1. The council is committed to providing the highest quality service to our residents, businesses and visitors to Castle Point. Maintaining the full trust and confidence in the way the council manages our services and resources and making sure that all those who are vulnerable such as children, the elderly and people with learning disabilities are provided for safely, effectively and in accordance with best practice.
- 7.2. The council's Whistleblowing Policy is intended to encourage and enable workers to raise serious concerns. Council workers reporting concerns in this way are afforded certain rights and protection through legislation enacted under the Public Interest Disclosure Act 1998.
- 7.3. Workers who report concerns will be supported and protected from reprisals. Everything possible will be done to protect their confidentiality. They will be advised of the action that has been taken by the person to whom they reported their concerns.
- 7.4. Management is responsible for reporting all allegations received from a whistleblowing declaration to the Monitoring Officer. The Monitoring Officer will refer the allegations to relevant departments, you do not have to do that. All such cases are recorded in a register maintained by the Monitoring Officer.

Concerns of non-workers

- 7.5. The Council would encourage anyone to report any issues or concerns that they have and the details within our Whistleblowing Policy may help those who are not workers, but do hold concerns over processes or procedures that Council workers are partaking in. However, this policy also explains the process for non-workers to report concerns.

8. Information sharing

- 8.1. The council always ensures that personal data we hold is safeguarded and used properly with the Data Protection Act 2018 (General Data Protection Regulations) and the guidance of the ICO.

- 8.2. The council will use data we hold to prevent and detect criminality and identify those responsible.
- 8.3. Any staff contacted by the Counter Fraud and Investigation, Internal Audit or Legal Services teams as part of a criminal investigation must provide any council data held in any form (paper or electronically). Council workers must not tell anyone that they have been asked for any material for an investigation, unless permitted to by the CFI, Internal Audit or Legal Services.
- 8.4. Any concerns workers may have about releasing information should be directed to the information management team at Castle Point Council.

9. Monitoring delivery

- 9.1. The Counter Fraud and Investigation team leads the council's fight against fraud and economic crime, including bribery and corruption. The team reports twice a year to the Standards and Audit Committee.

Appendix A – Roles & Responsibilities and Key Contacts

Expected behaviour

The council requires all workers and elected Members to conduct themselves adhering to what are known as the 'Nolan Principals', which are.

Selflessness – Holders of public office should act solely in terms of the public interest.

Integrity – Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity – Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability – Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness – Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty – Holders of public office should be truthful.

Leadership – Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Fraud is an ever-present threat to the Council and must remain a concern to all workers and elected Members. With regards to the roles and responsibilities of specific Officers for the prevention of fraud are set out below

Section 151 Officer (Chief Finance Officer) is responsible for:

- Proper administration of the authority's financial affairs and system of internal checks
- Duty to report if the council, or one of its representatives makes, or is about to make a decision which is unlawful, or involves illegal expenditure or potential financial loss (Local Government Finance Act 1988 s.114)

Monitoring Officer is responsible for:

- reporting on contraventions or likely contraventions of any enactment or rule of law

- report on any maladministration or injustice where the Ombudsman has carried out an investigation to the SLT.
- promoting and maintaining high standards of conduct through and with the support of the Standards Committee
- advice on vires (legality) issues, maladministration, financial impropriety, probity and policy framework and budget issues to all Members

Senior Managers are responsible for:

- maintaining internal control systems and ensuring that the authority's resources and activities are properly applied in the manner intended
- identifying the risks to which systems and procedures are exposed
- developing and maintaining effective controls to prevent and detect fraud
- ensuring that controls are being complied with, including making sure their staff are performing well and meeting council policies and procedures
- Compliance with financial and contractual procedures and regulations
- Reporting fraud

Council workers are responsible for:

- their own conduct and for contributing towards the safeguarding of corporate standards, including declarations of interest, gifts and hospitality, private working, whistleblowing, and so on
- acting with propriety in the use of official resources and in the handling and use of corporate funds, such as when dealing with contractors and suppliers
- reporting details immediately to the Counter Fraud and Investigation team if they suspect that fraud, theft, bribery, corruption and money laundering has been committed or see any suspicious acts or events

Internal Audit is responsible for:

- the independent appraisal of control systems
- reporting to the Directors Board and the Standards and Audit Committee on the council's governance framework
- the implementation of an annual audit plan to include identification of fraud risks to the Counter Fraud and Investigation team

Counter Fraud and Investigation team is responsible for:

- the receipt and investigation into allegations of any fraud, bribery, theft, corruption and money laundering committed against the Council.
- Assist Legal Services in the prosecution (or the application of an alternative sanction) of offenders.
- all action under the Proceeds of Crime Act 2002 in respect of financial investigation, restraint, detention, forfeiture and confiscation.
- the co-ordination of participation in the National Fraud Initiative (NFI).
- providing counter-fraud, money laundering, theft, bribery and corruption awareness training.
- taking redress from offenders under criminal and civil law.
- referring any matters to and receiving information and intelligence from all law enforcement agencies – such as Police, HMRC, Home Office – where appropriate

External Audit are a statutory requirement and have specific responsibilities for:

- reviewing the stewardship of public money
- considering whether the council has adequate arrangements in place to prevent fraud and corruption
- signing-off the annual accounts of the authority

Elected members are each responsible for:

- their own conduct
- contributing towards the safeguarding of corporate standards, as detailed in the Members' Code of Conduct
- Oversight & Scrutiny Committees, as well as the Audit Committee and Standards Committee

Appendix B – Fraud legislation

1. Fraud

1.1. The Fraud Act 2006 introduced the first statutory definition of fraud whereby,

A person is guilty of fraud if he is in breach of any of the sections listed in subsection (2) (which provide for different ways of committing the offence).

(2) The sections are—

(a) section 2 (fraud by false representation),

(b) section 3 (fraud by failing to disclose information), and

(c) section 4 (fraud by abuse of position).

(3) A person who is guilty of fraud is liable—

(a) on summary conviction, to imprisonment for a term not exceeding or to a fine not exceeding the statutory maximum (or to both);

(b) on conviction on indictment, to imprisonment for a term not exceeding 10 years or to a fine (or to both).

Fraud by false representation

A fraud will be committed if a person dishonestly makes a false representation and when doing so intends to make a gain or cause loss (or a risk of loss) to another.

Fraud by failing to disclose information

A fraud will be committed if a person dishonestly fails to disclose information where there is a legal obligation to do so and when doing so intends to make a gain or cause loss (or a risk of loss) to another.

Fraud by abuse of position

A person will commit fraud if he occupies a position in which he is expected to safeguard, or not act against, the financial interests of another person and he dishonestly abuses that position; and in doing so intends to make a gain or cause loss (or a risk of loss) to another.

2. Theft, burglary and robbery

- 2.1. A person is guilty of theft if they dishonestly appropriate property, belonging to another, with the intention of permanently depriving the other of it.
- 2.2. Theft includes where someone takes something "and uses it as their own".
- 2.3. A person is guilty of robbery if he steals, and immediately before or at the time of doing so, and in order to do so, he uses force on any person or puts or seeks to put any person in fear of being then and there subjected to force.
- 2.4. A person is guilty of burglary if he enters any building or part of a building as a trespasser and with intent to steal anything in the building or that part of it or inflicts or attempts to inflict on any person any grievous bodily harm or doing unlawful damage to the building or anything therein.

3. Misconduct in a Public Office

- 3.1 Misconduct in public office ("MiPO") is a common law offence that can be tried only on indictment. It carries a maximum sentence of life imprisonment. The offence concerns serious wilful abuse or neglect of the power or responsibilities of the public office held. There must be a direct link between the misconduct and an abuse of those powers or responsibilities. The Court of Appeal has made it clear that the offence should be strictly confined, and it can raise complex and sometimes sensitive issues.
- 3.2 The elements of the offence were summarised in Attorney General's Reference No 3 of 2003 [2004] EWCA Crim 868. The offence is committed when:
 - a public officer acting as such,
 - wilfully neglects to perform their duty and/or wilfully misconducts themselves,
 - to such a degree as to amount to an abuse of the public's trust in the office holder,
 - without reasonable excuse or justification
- 3.3 "Acting as such" needs to be distinguished from circumstances in which the officer was merely "acting whilst" a public officer. There must be a close nexus between the wilful neglect/breach of duty or wilful misconduct and the power, authority, responsibilities and/or duties vested in the suspect by virtue of their office.
- 3.4 "Wilful" means "deliberately doing something which is wrong knowing it to be wrong or with reckless indifference as to whether it is wrong or not".

3.5 Not every 'wilful' neglect of duty or misconduct will suffice to constitute the offence. There is a high bar of seriousness. In Attorney General's Reference No 3 of 2003 [2004] EWCA Crim 868 the court said that the misconduct must amount to:

"... an affront to the standing of the public office held. The threshold is a high one requiring conduct so far below acceptable standards as to amount to an abuse of the public's trust in the office holder."

Whether the threshold is met in a particular case is a matter for a jury.

3.6 When investigating this offence, the Council will consider the following factors

- Did the conduct involve the exploitation or attempted exploitation of vulnerable people? (see for example Amar Iqbal [2008] EWCA Crim 2066).
- Did the conduct have an operational impact that harmed the public interest or undermined public trust either in the role held by the suspect or the relevant public service or institution? (Norman [2016] EWCA Crim 1564; Collins & Ors [2022] EWCA Crim 742). This might include conduct where the objectivity of the suspect in the exercise of their powers and authority was compromised or that exposed them to conflicts of interest or exploitation (whether or not any actual harm was caused): Cosford [2013] EWCA Crim 466.
- What was the suspect's motive? Was it personal gain (either financial or otherwise)? At its highest the motive may be malice or bad faith, but they are not prerequisites.
- What was the severity of the actual or likely consequences? Was there a risk of death or serious injury?
- How egregious was the abuse of power? Did the wilful misconduct or breach of a duty have the effect of benefitting the wider public interest rather than being injurious to it (see Chapman [2015] EWCA Crim 539).

Appendix C – Bribery and corruption legislation

1. Bribery

- 1.1. A bribe is "a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity."
- 1.2. The types of offending relating to Bribery are:
 - 1.2.1. Bribery – giving or receiving something of value to influence a transaction dishonestly makes a false representation
 - 1.2.2. Illegal gratuity – giving or receiving something of value after a transaction is completed, in acknowledgment of some influence over the transaction
 - 1.2.3. Extortion – demanding a sum of money (or goods) with a threat of harm (physical or business) if demands are not met
 - 1.2.4. Conflict of interest – where a worker has an economic or personal interest in a transaction
 - 1.2.5. Kickback – a portion of the value of the contract demanded/ provided as a bribe by an official for securing the contract.
- 1.3. The Bribery Act 2010, which came into force on 1st July 2011, introduced four primary offences in a single piece of legislation with all previous statutes being repealed.
 - 1.3.1. Section 1 – Offences of bribing another person, where:
 - (a) a person offers, promises or gives a financial or other advantage to another person, and
 - (b) intends the advantage –
 - i. to induce a person to perform improperly a relevant function or activity, or
 - ii. to reward a person for the improper performance of such a function or activity.

- 1.3.2. Section 2 – Offence relating to being bribed
 - 1.3.3. Section 6 – Bribery of foreign public officials
 - 1.3.4. Section 7 – Failure by a commercial organisation to prevent bribery
- 1.4. Under the Bribery Act, an organisation has a defence if it can show that it has adequate bribery prevention procedures in place. The Ministry of Justice guidance¹ on the Bribery Act 2010, explains what needs to be in place to rely on this defence:
- Proportionality
 - Top Level Commitment
 - Due Diligence
 - Communication
 - Monitoring & Review
- 1.5. Prior to 2011, under Common Law, a person commits an offence where a person "Offering, giving or receiving, any undue reward, by or to any person whatsoever in a public office, in order to influence his behaviour in office and incline him to act contrary to the known rules of honesty and integrity."

Corruption

- 1.6. Corruption can be committed in many ways but normally involves "two or more people entering into a secret agreement."
- 1.7. Indicators showing this type of offending can include the following:
- i. Abnormal cash payments
 - ii. Pressure exerted for payments to be made urgently or ahead of schedule
 - iii. Private meetings with public contractors or companies hoping to tender for contracts
 - iv. Lavish gifts being offered or received
 - v. An individual who never takes time off even if ill, or holidays, or insists on dealing with specific contractors himself or herself
 - vi. Making unexpected or illogical decisions accepting projects or contracts

¹ <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-quick-start-guide.pdf>

- vii. Abuse of the decision process or delegated powers in specific cases
- viii. Agreeing contracts not favourable to the organisation either because of the terms or the time period
- ix. Unexplained preference for certain contractors during tendering period
- x. Avoidance of independent checks on the tendering or contracting processes
- xi. The council's or its suppliers'/partners' procedures or guidelines not being followed

The Local Government Act 1972 requires, under section 117(2), that employees must disclose any personal interest in contracts that have been, or are proposed to be, entered into by the council. Failure to do so is a criminal offence.

Counter Fraud & Investigation



See it.



Report it.



Stop it.

Whistleblowing Policy (Speak up, Stamp it Out)



Version control sheet

Title:	Whistleblowing policy and procedure
Purpose:	The policy and procedure have been developed so that council workers will know how to raise concerns in the right way at an early stage, and to enable managers to understand their responsibilities in relation to allegations of misconduct and impropriety.
Owner:	Mike Dineen
Approved by:	Audit & Governance Committee
Date:	
Version number:	1.0
Status:	Draft
Review frequency:	Subject to legislative changes and operational changes
Next review date:	March 2025
	This policy was sent out for consultation to the following: <ul style="list-style-type: none"> • SLT • Audit & Governance Committee

Change history

Date	Change details	Approved by

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1. About this policy

We are committed to conducting our business and delivering our services with ensuring we adhere to the 'Nolan Principles', namely Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty & Leadership, as well as expecting all staff to maintain high standards in accordance with our Code of Conduct for Employees. However, all organisations face the risk that things go wrong from time to time, we have a suite of policies in place that seek to prevent and tackle fraud, bribery and corruption. This policy promotes a culture of openness and accountability in order to prevent such situations occurring and to address them promptly and effectively when they do occur.

1.1 The policy's purpose is:

- (a) To encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected.
- (b) To provide staff with guidance on how to raise those concerns.
- (c) To reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

1.2 This policy does not form part of any contract of employment or other contract to provide services.

2. Who does this policy apply to?

2.1 This policy applies to everyone who works for or provides services to the council including all employees, officers, consultants, self-employed contractors, external service providers, casual workers, agency workers, volunteers, and interns.

3. Who is responsible for this policy?

3.1 Everyone is responsible to ensure this whistleblowing policy is adhered to. The Monitoring Officer has overall responsibility for the effective operation of this policy and for reviewing the effectiveness of actions taken in response to concerns raised under this policy. The Monitoring Officer will report to Audit Committee on an annual basis or when the need arises.

3.2 The Assistant Director Counter Fraud, Enforcement and Community Protection has day-to-day responsibility for this policy and must ensure that regular and appropriate training is

provided to all managers and other staff who may deal with concerns or investigations under this policy.

3.3 This policy is reviewed annually by the Monitoring Officer and if the policy was to be amended this would be reported to the Audit Committee for approval.

3.4 All staff are responsible for the success of this policy and should ensure that they use it to disclose any suspected danger or wrongdoing.

4. What is whistleblowing?

4.1 **Whistleblowing** is the disclosure of information which relates to suspected wrongdoing or dangers at work. This may include but is not limited to:

- (a) criminal activity;
- (b) failure to comply with any legal [or professional] obligation [or regulatory requirements];
- (c) miscarriages of justice;
- (d) danger to health and safety;
- (e) damage to the environment;
- (f) bribery [under our Counter-Fraud, Bribery and Corruption Policy;
- (g) financial fraud or mismanagement including breaches of our Anti Money Laundering Policy;
- (h) breach of our internal policies and procedures including our Employees' Code of Conduct;
- (i) conduct likely to damage our reputation or financial wellbeing;
- (j) unauthorised disclosure of confidential information (although in the case of personal data this should be reported to the Council's Data Protection Officer without delay);
- (k) negligence
- (l) the deliberate concealment of any of the above matters.

This list is not exhaustive and workers are encouraged to raise any matter of concern relating to misconduct and impropriety.

- 4.2 A **whistleblower** is a person who raises a concern relating to any of the above. If you have any concerns related to suspected wrongdoing or danger affecting any of our activities (a **whistleblowing concern**) you should report it under this policy.
- 4.3 This policy should not be used for complaints relating to your own personal circumstances, such as the way you have been treated at work. In those cases, if received through
- 4.4 If a complaint relates to your own personal circumstances but you also have wider concerns regarding one of the areas set out at paragraph 4.1 above (for example, a breach of our internal policies), you should contact the Assistant Director Counter Fraud, Enforcement and Community Protection which route is the most appropriate.
- 4.5 If you are uncertain whether something is within the scope of this policy you should seek advice from the Assistant Director Counter Fraud, Enforcement and Community Protection, whose contact details are at the end of this policy.

5. Raising a whistleblowing concern

- 5.1 We hope that you will be able to raise any concerns with your line manager by either telling them in person or by put the matter in writing. They may be able to agree a way of resolving your concern quickly and effectively. In some cases, they may refer the matter to the Assistant Director Counter Fraud, Enforcement and Community Protection.
- 5.2 Where the matter is more serious or they are the person you have a concern about, or you feel that your line has not addressed your concern, or you prefer not to raise it with them for any reason, you should contact one of the following:
- (a) Assistant Director Counter Fraud, Enforcement and Community Protection, or
 - (b) Assistant Director, Legal & Democratic Services and Monitoring Officer

Contact details

Role	Contact Details
Michael Dineen - Assistant Director CF, Enforcement and Community Protection	mdineen@thurrock.gov.uk
Angela Law - Assistant Director, Legal & Democratic Services and Monitoring Officer	alaw@castlepoint.gov.uk

There is also the Protect charity, which works with employees who wish to bring forward whistleblowing allegations. Their website can be found at Protect-Advice.org.uk.

- 5.3 Concerns are better raised in writing so that there is a record of the exact concern. It would be helpful for this to set out the background and history of the concern, giving names, dates and places where possible, and the reason why you have a particular concern. If you do not feel able to put the concern in writing, you can telephone or meet the appropriate officer. The earlier they express the concern, the easier it is to take action.
- 5.4 Although a worker would not be expected to prove the truth of an allegation, they will need to demonstrate that there are sufficient grounds for concern so a meeting will be arranged with you as soon as possible to discuss the concern. You may bring a colleague or union representative to any meetings under this policy. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.
- 5.6 A written summary of your concern will be taken, and we will provide you with a copy after the meeting. We will also aim to give you an indication of how we propose to deal with the matter and how evidence can be provided to us.

5.3 Safeguarding of a child (under 18)

Although Castle Point Council does not deliver services within social care, there is a moral responsibility on all to safeguard children and vulnerable adults and therefore if any information raises concerns about harm or potential harm to any child (Safeguarding), you must make a child protection referral immediately (see the Contact List at the end of this policy, including emergency out of out of hours numbers) where an experienced social worker will ensure Child in Need or Child Protection Procedures are instigated if needed and will provide you with any required advice and guidance.

5.4 Concerns over a Vulnerable Adult

If you have concerns about harm or potential harm to a vulnerable adult, you should report these concerns immediately to the Adult Social Care team at Essex County Council (see the Internal Contact List at the end of this policy, including emergency out of hours numbers).

5.5. Immediate concern for danger of Child or Vulnerable adult

If you have concerns about immediate danger and need an emergency response or you think a crime is being committed, the police should be contacted on 101 or 999. You should never delay taking emergency action to safeguard a child or vulnerable adult.

6. Confidentiality

- 6.1 We hope that staff will feel able to voice whistleblowing concerns openly under this policy. However, if you want to raise your concern confidentially, we will make every effort to keep your identity secret. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.
- 6.2 We do not encourage staff to make disclosures anonymously, although we will make every effort to investigate anonymous disclosures. You should be aware that proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also more difficult to establish whether any allegations are credible. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the Assistant Director Counter Fraud, Enforcement and Community Protection or one of the other contact points listed in paragraph 5.2 and appropriate measures can then be taken to preserve confidentiality.

7. Investigation and outcome

- 7.1 We will carry out an initial assessment to determine the scope of any investigation. We will inform you of the outcome of our assessment. You may be asked to attend additional meetings in order to provide further information if required by the officer investigating the concern.
- 7.2 In some cases we may appoint an investigator or team of investigators including staff with relevant experience of investigations or specialist knowledge of the subject matter. The investigator (or investigators) may make recommendations for change to enable us to minimise the risk of future wrongdoing.
- 7.3 We will keep you informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality or legislative restrictions may prevent us giving you specific details of the investigation, an outcome or any disciplinary action taken as a result. You should treat any information about the investigation as confidential.

8. External disclosures

- 8.1 The aim of this policy is to provide an internal mechanism for reporting, investigating, and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.
- 8.2 The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.
- 8.3 Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a customer or client, supplier or service provider or another external public body. In some circumstances the law will protect you if you raise the matter with the third party directly. However, we encourage you to report such concerns internally first, in line with this policy. You should contact your line manager or one of the other individuals set out in paragraph 5 for guidance.

9. Protection and support for whistleblowers

- 9.1 It is understandable that whistleblowers are sometimes worried about possible repercussions. We aim to encourage openness and will support staff who raise genuine concerns under this policy, even if they turn out to be mistaken.
- 9.2 Whistleblowers must not suffer any detrimental treatment as a result of raising a concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line manager or HR business partner immediately. If the matter is not remedied, you should raise it formally using our Grievance Procedure.
- 9.3 You must not threaten or retaliate against whistleblowers in any way. If you are involved in such conduct you may be subject to disciplinary action. In some cases, the whistleblower could have a right to sue you personally for compensation in an employment tribunal.
- 9.4 A confidential support and counselling hotline is available to whistleblowers who raise concerns under this policy. Their contact details are set out at the end of this policy.

9.5 If we conclude that a whistleblower has made false allegations **maliciously** (lied about something to get others into trouble) the whistleblower will be subject to disciplinary action.

10. If you are not satisfied

10.1 While we cannot always guarantee the outcome you are seeking, we will try to deal with your concern fairly and in an appropriate way. By using this policy, you can help us to achieve this.

If you are not happy with the way in which your concern has been handled, you can raise it with one of the other key contacts in paragraph 5.2. Alternatively, you may contact the Chief Executive, our external auditors or the Protect charity.

11. Contacts

Assistant Director, Legal & Democratic Services and Monitoring Officer	Angela Law	alaw@castlepoint.gov.uk
Chief Executive	Angela Hutchings	ahutchings@castlepoint.gov.uk
Section 151 Officer	Lance Wosko	lwosko@castlepoint.gov.uk
Assistant Director, People & Engagement	Mykela Smith	msmith@castlepoint.gov.uk
Assistant Director for CF, Enforcement and Community Protection	Michael Dineen	mdineen@thurrock.gov.uk
Essex County Council Adult Social Care		socialcaredirect@essex.gov.uk
Essex County Council Children's Social Care		0345 603 7627

External contact list

If you have used the appropriate internal procedures and are not satisfied with any action taken in relation to your concerns and if you feel it is right to take the matter outside the council, further possible contact points are given below. It is stressed that the list below is not exhaustive, and you are free to contact any organisation which you feel will be able to deal properly with your concerns.

A full list is available from the independent charity, Protect (formerly known as Public Concern at work) (contact details below) and includes the following:

Local Government Ombudsman	020 7217 4620
Environment Agency (24-hour line)	0370 850 6506
Health and Safety Executive (fatal and major incidents only)	0345 300 9923 www.hse.gov.uk
Food Standards Agency	020 7276 8000
Information Commissioner's Office	0303 123 1113
Protect	www.protect-advice.org.uk

If you are unsure whether or how to use this procedure or want independent advice, you may contact the independent charity, Protect (formerly known as Public Concern at Work) on 020 3117 2520. Their lawyers can give you free confidential advice at any stage on how to raise a concern about serious malpractice at work.

Counter Fraud & Investigation



See it.



Report it.



Stop it.

Anti-Money Laundering Policy



Version control sheet

Title:	Counter-Money Laundering Policy
Purpose:	To advise council workers and suppliers what money laundering is, how to identify it and report it.
Owner:	Counter Fraud & Investigation
Approved by:	SLT – Audit Committee –
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Date	Change details	Approved by

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1. Introduction

- 1.1 It is the responsibility of public sector organisations like Local Authorities to deliver the provision of effective and efficient services to its residents in a manner that seeks to ensure the best possible protection of the public purse.
- 1.2 This policy sets out the action we will take to mitigate the risk that money could be laundered through our systems.
- 1.3 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. Whilst the risk to the Council of contravening the legislation is relatively low, it is extremely important that all Council workers are familiar with their legal responsibilities.
- 1.4 Serious criminal sanctions may be imposed for breaches of the legislation, including imprisonment.
- 1.5 As a responsible public body, we expect all of our suppliers and contractors to follow to our strong stance and will not tolerate any criminality attempting to affect our services or staff.

2. What is Money Laundering?

- 2.1 Money laundering is the process where a person undertakes a particular act as relates to 'criminal property' (i.e. a person's benefit from criminal conduct).
- 2.2 Criminal conduct is anything that is a criminal offence in the United Kingdom. It could be fraud, theft, drug dealing, prostitution, terrorism and includes offences such as breaching building planning law and trade-mark offences.
- 2.3 Criminal property is defined as anything which is a person's benefit from their criminal conduct. That could be money, real and personal property (houses, buildings, boats, cars, horses, watches etc.), 'things in action' and other intangible or incorporeal property (i.e. debts, intellectual property such as copyright, designs and patents etc.)

3. The 5th Anti Money Laundering Directive (5MLD)

- 3.1 The '5MLD' was implemented into UK law by the UK Government on 10/01/2020 via The Money Laundering and Terrorist Financing (Amendment) Regulations 2019ⁱ.
- 3.2 The Fifth Directive is more of a series of amendments to the structure of the Fourth Directive, adding various additional provisions that weren't included in the text of 4MLD.

- 3.3 The main changes are focused on enhanced powers for direct access to information and increased transparency around beneficial ownership information and trusts, such as corporate property ownership, none of which plays a part in the day to day running of the council.
- 3.4 There are areas of the 5MLD that as a local authority we should be aware of, concentrate mainly around the use of 'prepaid cards' and the 'collecting of cash' on such cards as well as taking cash from, or doing business with, companies that are based within High-Risk countries.

Enhanced Due Diligence for High-Risk third countries

- 3.5 The UK currently maintains a list of High-Risk third countries which is sent out to appropriate organisations periodically with updates/removalsⁱⁱ. When doing business with clients within these countries, parties are required to undertake enhanced due diligence measures. One of the new updates that the 5MLD brings, is that any client that is based in a High-Risk country is now subject to compulsory enhanced due diligence measures which the 'relevant person' must undertake. These include obtaining information on the source of funds, enhanced background checks and beneficial ownership. Transactions with High-Risk third countries are extremely rare for the council. Any transactions proposed within this area will be initially referred to Castle Point Council's Counter Fraud & Investigation (CFI) team to lead on the required due diligence before any transactions take place.

Use of Prepaid or preloaded cards

- 3.6 Where the council are to issue 'prepaid' or 'preloaded' cards for service users the council only ever uses 'Non-Reloadable' prepaid cards. This will stop the use of these cards once the initial sums are used. By ensuring the council only use this type of prepaid card we ensure that our own issued cards cannot be used to further any criminal activity.

4. The 6th Anti Money Laundering Directive (6MLD)

- 4.1 It is important to note that this directive does not affect the UK and therefore Castle Point Council, as the UK government chose **not** to implement the most recent directive into national law after the UK left the EU. This was because the government considered that UK

legislation was already largely compliant with the 6MLD's measures through UK legislation.¹

4.2 Among the elements contained in the 6MLD that were already present in UK law to deal with money laundering were the predicate money laundering and associated offences contained within the Proceeds of Crime Act 2002, namely:

- Concealing, disguising, converting, transferring or removing criminal property from the UK
- Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquiring, using or possessing criminal property
- Doing something that might prejudice an investigation e.g. falsifying a document
- Failure to disclose one of the offences listed in a) to c) above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigationⁱⁱⁱ

5. Tackling Tax Evasion

5.1 The Criminal Finances Act 2017 introduced criminal offences which apply to Relevant Bodies². In summary, Relevant Bodies will be criminally liable where they fail to prevent those who act for, or on their behalf, from criminally facilitating tax evasion. A Relevant Body is “*a body corporate or partnership wherever incorporated or formed*”. Under s.2(3) Local Government Act 1972 a council is recognised as a “*body corporate.*”

5.2 These offences will be committed where a relevant body fails to prevent an associated person *criminally* facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country.

5.3 Previously, attributing criminal liability to a relevant body required prosecutors to show that the senior members of the relevant body were involved in and aware of the illegal activity, typically those at the Board of Directors level.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684374/eighth-annual-report-to-parliament-eu-justice-home-affairs-matters.PDF

² <https://www.legislation.gov.uk/ukpga/2017/22/section/44/enacted>

5.4 **Criminal Offences:**

- **Stage one:** the criminal tax evasion by a taxpayer (either an individual or a legal entity) under existing law
- **Stage two:** the criminal facilitation of the tax evasion by an “associated person” of the relevant body acting in that capacity
- **Stage three:** the relevant body failed to prevent its representative from committing the criminal facilitation act

5.5 **Defence:** where the relevant body has put in place ‘reasonable prevention procedures’ to prevent its associated persons from committing tax evasion facilitation offences (stage two), or where it is unreasonable to expect such procedures, it shall have a defence

5.6 **Application of new criminal offences in a local government environment:**

5.7 The council has a top-level commitment to prevent all forms of financial crime affecting the authority. As guardians of public finance, the council has invested in both proactive counter fraud and internal audit teams to examine, monitor and recommend changes to the system of internal control where improvements could be required.

5.8 The council’s contact with the tax regimes are mainly focused on the employment arena. The council has mature procedures on the appointment of staff which include active measures to prevent criminals abusing that area.

5.9 The council uses proprietary systems to capture, monitor and report regularly on the payment of monies to staff and third-parties which is supported by strict policies, procedures and contract clauses.

5.10 Any council worker who suspects that a person may be evading tax has a duty to report their concerns to the CFI.

6. **Preventing Fraud**

6.1 Economic Crime and Corporate Transparency Act 2023 has introduced a new offence of failure to prevent fraud. The new offence will make a ‘large’ organisation liable if it fails to prevent a fraud offence where:

- i. it is committed by its employees, subsidiaries or service providers (each an associated person); and

- ii. where the fraud is intended for the benefit of the company or a person to whom the associated person is providing services on behalf of the company.

6.2 An organisation is a 'large' organisation if two or more of the following conditions in the financial year preceding the year of the offence apply:

- i. it has more than 250 employees
- ii. it has more than GBP 36 million turnover; and/or
- iii. it has assets of more than GBP 18 million.

6.3 Smaller and other organisations will still have to consider putting in place, or reinforcing, anti-fraud procedures, given that they may be the 'associated person' of a large organisation, meaning the large organisation will require them, for instance, to have in place reasonable procedures to prevent fraud.

6.4 The defence to the failure to prevent fraud offence is for the organisation to have in place reasonable fraud prevention procedures. The offence applies to the fraud and false accounting offences which are most likely to be relevant to large organisations. These are:

- fraud by false representation (section 2, Fraud Act 2006)
- fraud by failing to disclose information (section 3, Fraud Act 2006)
- fraud by abuse of position (section 4, Fraud Act 2006)
- obtaining services dishonestly (section 11, Fraud Act 2006)
- participation in a fraudulent business (section 9, Fraud Act 2006)
- false statements by company directors (Section 19, Theft Act 1968)
- false accounting (section 17, Theft Act 1968)
- fraudulent trading (section 993, Companies Act 2006)
- cheating the public revenue (common law)

7. What are the money laundering criminal offences?

Proceeds of crime offences

7.1 The criminal offences of money laundering are contained in the Proceeds of Crime Act 2002. They are committed when 'criminal property' is transferred, concealed, disguised, converted or removed by a person from England, Wales, Scotland and Northern Ireland.

- 7.2 A person also commits the offence of 'money laundering' if they enter into or becomes concerned in an arrangement which they know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- 7.3 A person commits a criminal offence when they do something that might prejudice 'a money laundering investigation', for example, falsifying or concealing a document or 'tipping off' ("telling") a person who is suspected of being involved in money laundering.

Terrorist financing offences

- 7.4 The Terrorism Act 2000 also creates money laundering offences where a person enters in to or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property ("money"):
- by concealment
 - by removal from the United Kingdom
 - by transfer to nominees, or
 - in any other way
- 7.5 It should be understood that 'terrorist property' covers not only the money stolen in, say, a terrorist robbery, but also any money paid in connection with the commission of terrorist acts. Any resources of a proscribed organisation are also covered: not only the resources they use for bomb-making, arms purchase etc but also money they have set aside for non-violent purposes such as paying their rent.
- 7.6 A proscribed organisation is defined under Schedule 2 of the Terrorism Act 2000. The CFI are responsible for monitoring these organisations and responding appropriately.
- 7.7 A person also commits a criminal offence if they fail to disclose to a constable that they believe a person has committed a terrorism money laundering offence.

Criminal law defences

- 7.8 A person does not commit an offence of fail to disclose to a constable where they can demonstrate that "**his employer has established a procedure for the making of disclosures of the matters specified**" and the person *follows* that procedure.

8. Requirements of the Money Laundering Legislation

8.1 The main requirements of the legislation are:

- To appoint a money laundering reporting officer
- Maintain client identification procedures in certain circumstances
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain record keeping procedures.

9. How to identify suspected money laundering

9.1 All council workers should be alert to the possibility of someone trying to launder criminal proceeds through the Council. Some indications of suspicious activity are:

- △ Large cash payments (e.g. paying business rates in cash)
- △ Regular overpayments by a person/ company in any way
- △ Duplicate payments by a person/ company in any way
- △ Regular requests for refunds of payments
- △ Regular 'chargebacks' for card payments
- △ Someone paying regularly on behalf of third parties
- △ Cash buyers purchasing land or property (e.g. Right to Buy properties)

9.2 Any council workers with concerns about money laundering should contact a member of the Counter Fraud & Investigation team on reportfraud@castlepoint.gov.uk

9.3 The CFI regularly provides training to council services on identifying and reporting suspected money laundering.

10. How to report suspected money laundering?

10.1 The CFI team are responsible for managing any cases of suspected money laundering.

10.3 It is the responsibility of every council worker to look for and report any possible money laundering taking place. You **do not** have to speak to a manager before reporting your suspicions.

10.4 If you see any of the suspicious activity linked to money laundering you should:

10.5 NOT tell the person that you have any suspicions about them

△ Take all the records (and any cash) from the person to a secure location

△ Contact the CFI team on reportfraud@castlepoint.gov.uk

△ Follow the instructions given by the CFI

10.6 **Remember:** Failure to report your suspicions to the CFI could expose *you* to criminal prosecution.

11. The Money Laundering Reporting Officer (MLRO)

11.1 The Council has designated 'Michael Dineen – Assistant Director for Counter Fraud, Enforcement and Community Protection, as the Money Laundering Reporting Officer (MLRO). He has specific duties and actions he must consider as relates to information received concerning suspected money laundering. He can give advice where necessary and can be contacted at mdineen@thurrock.gov.uk.

12. What does the council do about money laundering?

12.1 Castle Point Council has a large number of Financial Investigators (AFIs) who are accredited by the National Crime Agency, as well as investigators, intelligence officers and a digital forensic unit available to the Council. These officers can undertake money laundering investigations and when appropriate, can obtain search warrants and Production and/or Disclosure Orders to access bank account material. They can also seize cash and listed assets, freeze bank accounts and restrain assets.

12.2 In cases where money laundering is proven the council will prosecute those offenders and use the Proceeds of Crime Act 2002 to recover money from individuals or companies who profited from their offending. A percentage of the funds confiscated and / or forfeited by Castle Point is paid back to the Council to enable enforcement against criminals.

12.3 The CFI works with business areas and Internal Audit to ensure that the controls in place prevent and identify potential money laundering. The council's policy is that the CFI must be involved in the provision of new services, systems or contracts to ensure compliance with money laundering legislation.

13. Monitoring delivery

13.1 The CFI lead the council's fight against money laundering and economic crime, with reports on its performance being given to the council's SLT as well to the Authorities Audit Committee twice a year.

14. Relevant legislation

14.1 The Terrorism Act 2000 as amended by the Anti-Terrorist Crime and Security Act 2001

14.2 The Proceeds of Crime Act 2002

14.3 Serious Organised Crime and Police Act 2005

14.4 The Money Laundering Regulations 2007

14.5 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (*known as the EU 4th Money Laundering Directive*)

14.6 5th Anti-Money Laundering Directive (5MLD) as amended to Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (*known as the EU 4th Money Laundering Directive*)

14.7 6th Anti-Money Laundering Directive (6MLD) on combatting money laundering by criminal law.

14.8 Criminal Finances Act 2017

14.9 Economic Crime and Corporate Transparency Act 2023

ⁱ [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(legislation.gov.uk\)](https://legislation.gov.uk)

ⁱⁱ [EUR-Lex - 02016R1675-20231018 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu)

ⁱⁱⁱ The offence of failure to disclose and tipping off will apply if the Council undertakes activities regulated under the Financial Services and Markets Act 2000.