



# Anti-Fraud, Corruption and Money Laundering Policy

<b>Originator:</b>	Policy and Strategy Team
<b>Approval date:</b>	9 <sup>th</sup> November 2017
<b>Review date:</b>	November 2018

<b>1</b>	<b>Introduction</b>
1.1	Amianto is committed to honesty, openness and accountability in the conduct of all business activities. Amianto is aware that fraud, corruption and the dangers of money laundering can undermine its reputation and impact upon the standards of service that it provides and may reduce the resources available for service delivery.
1.2	<p>The purpose of this Policy is to ensure that Amianto meets its legal requirements in regard to fraud and corruption as outlined in the Fraud Act 2006, the Bribery Act 2010, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Serious Crime Act 2015. The main provisions of the legislation are set out below:</p> <ul style="list-style-type: none"><li>● <b>The Fraud Act 2006:</b> A person commits an offence of 'fraud' if he/she breaches any of the following:<ul style="list-style-type: none"><li>○ <b>Fraud by false representation</b> – (a person breaches the Act if A) - he/she dishonestly makes a false representation and B) he/she intends, by making the representation, to gain for himself or another or causes loss to another / exposes another to a risk of loss)</li><li>○ <b>Fraud by failing to disclose information</b> – (a person breaches the Act if A) - he/she dishonestly fails to disclose to another person information which he is under a legal duty to disclose and B) intends, as a result of failing to disclose the information, to gain for themselves or another or causes another / exposes another to a risk of loss)</li><li>○ <b>Fraud by abuse of position</b> – (a person breaches the Act if A) - he/she occupies a position in which he/she is expected to safeguard, or not act against the financial interests of another person and B) – dishonestly abuses that position and C) – intends, as a result to make gain for themselves or another, or causes loss to another / exposes another to risk or loss</li></ul></li></ul>

- **The Bribery Act 2010**

The main provisions of the Act relevant to Amianto are as follows:

- The Act provides a revised framework to combat bribery in the public or private sectors, removing the need to prove acts were done corruptly or dishonestly
- The Act creates two general offences of bribing another person (“active bribery”) and being bribed (“passive bribery”)
- The Act creates a new offence of failure of commercial organisations to prevent bribery by persons associated with them
- The Act provides that senior officers of a body corporate may be prosecuted if an offence is proved to have been committed by a corporate body with their consent or participation

- **Money Laundering Regulations 2007**

The Regulations require Amianto to:

- Assess the risks posed to the business of money laundering activity
- Carry out appropriate ‘customer due diligence’ including verifying the identity of customers on the basis of documents obtained from a reliable and independent source, on a risk based approach
- Checking the identity of ‘beneficial owners’ (person or body who has a controlling interest) in financial transactions
- Ongoing monitoring of financial transactions (i.e. not just at the start of a financial transaction)
- Informing the National Crime Agency (NCA) of any suspicious activity using the Suspicious Activity Reporting (SAR) procedures
- Having in place a Money Laundering Reporting Officer (MLRO) and easily accessible mechanisms for reporting concerns internally
- Keeping records relating to financial transactions and due diligence (in line with document retention schedules)
- Providing staff training / refresher training on money laundering
- Regularly reviewing Policy and procedures

- **The Proceeds of Crime Act (POCA) 2002**

The Act sets out the offence of money laundering as follows:

- A person commits an offence if they:
  - Conceal, disguises, converts or transfers criminal property or removes it from England and Wales or Scotland or Northern Ireland
  - Enters into or becomes concerned in an arrangement which he or she knows or suspects facilitates the acquisition, retention, use or control of criminal property
  - Acquires, uses or has possession of criminal property

The Act also requires Amianto to report any suspicious activity it comes across through its business activities.

- **The Serious Crime Act 2015**

The Act makes an addition to the POCA, to the effect that a person making a disclosure of money laundering, via a Suspicious Activity Report in good faith, is protected from civil liability.

The Act also creates an offence of participating in the activities of an organised crime group, where three or more people assist or are participatory in any conspiracy to commit a fraud.

It should be noted that breach of the Acts is a serious criminal offence and if successfully prosecuted Amianto could be subject to unlimited fines and individuals, working for Amianto, may be subject to robust sentencing powers of up to ten years imprisonment. Breach of the Money Laundering Regulations may lead to imprisonment or fines or both.

### 1.3 **Access and Communication**

1.3.1 Amianto is committed to ensuring that its services are accessible to everyone. Amianto will seek alternative methods of access and service delivery where barriers, perceived or real may exist, that may make it difficult for people to work for Amianto or use its services.

### 1.4 **Equality, Diversity and Human Rights**

1.4.1 Amianto is committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following core strands of equality; Age, Disability, Gender, Race, Gender Reassignment, Sexual Orientation, Marriage and Civil Partnership, Pregnancy and Maternity and Religion and/or Belief.

1.4.2 Amianto also recognises that some people experience disadvantage due to their socio economic circumstances, employment status, class, appearance, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.

1.4.3 Amianto will also ensure that all services and actions are delivered within the context of current Human Rights legislation. Amianto will ensure its staff and others with whom we work, will adhere to the central principles of the Human Rights Act (1998).

1.5 This Policy should be read in conjunction with the:

- Amianto Confidential Reporting Whistleblowing) Policy
- Amianto Gifts, Hospitality and Charitable Giving Policy.

## **2 Statement of Intent**

2.1 Amianto is committed to combating all forms of fraud and corruption (which incorporate bribery) and money laundering, whether these are attempted from within or are external to the organisation.

2.2	The Amianto Directors Team is responsible in its own right for ensuring effective anti-fraud, corruption and money laundering controls are in place. Whilst cooperating with other Boards within the Group in promoting good practice in preventing fraud, corruption and money laundering, it will not be responsible for oversight or operation of the controls that exist with other Partners in the Group.
2.3	Where there are risks from fraud, corruption and money laundering, Amianto will ensure they are constantly reviewed and the appropriate and proportionate mitigation measures are in place. To this effect fraud, corruption and money laundering will as appropriate be included on the Risk Register and regularly reviewed by the Sovini Commercial Board (SCB).
2.4	Amianto Directors Team will also review the operation of the Amianto Anti-Fraud, Corruption and Money Laundering Policy on an annual basis to ensure its continuing effectiveness and appropriateness.
2.5	Amianto will maintain a register of all suspected fraud and corruption and any SAR's made for money laundering, including those that upon investigation are deemed to be unfounded. Regular reports of allegations made and actions taken will be provided to the SCB, Group and Partner Boards, Internal and External Audit and Regulatory bodies as required.
2.6	Amianto will analyse intelligence from the fraud register to determine the financial impact of these activities on all areas of the business and to determine the future investment and resource requirements of the anti-fraud measures it puts in place.
2.7	<p>Amianto encourages the open reporting from employees, all associated persons and those outside the organisation of suspected fraud, corruption and money laundering by a variety of means, including:</p> <ul style="list-style-type: none"> <li>• Direct personal communication with any Amianto employee that has management responsibility</li> <li>• In writing or via e-mail to senior designated officers (as outlined in Amianto's Fraud and Corruption Response Plan</li> <li>• Via use of a third party or intermediary</li> <li>• Confidentially as outlined in the STS Confidential Reporting (Whistleblowing) Policy</li> </ul>
2.8	All allegations of fraud, corruption or money laundering received will be investigated. Upon receipt of an allegation those with designated responsibility (as outlined within the Amianto Fraud Response Plan – See foot of Policy for contact details) will be immediately informed and will take a decision on the most appropriate course of action including internal investigation or referral to an external investigation agency.
2.9	Through the induction process Amianto will ensure all new employees are made aware of the zero tolerance stance and response to fraud, corruption and money laundering, including the possibility of disciplinary or criminal proceedings for anyone found to be responsible for this type of behaviour or act.
2.10	Amianto will ensure all staff that have responsibility for internal investigation of fraud, corruption and money laundering have appropriate authority and training to be able to carry out their roles effectively.

2.11	Amianto will have in place appropriate insurance provision to combat and protect against the consequences of fraud and corruption.
2.12	As part of its commitment to promote the good commercial and consumer reputation of the Group, Amianto will work in partnership with other partners within the Group to eradicate fraud, corruption and money laundering risks. This will include ensuring contractors and suppliers have sound cultures and anti-fraud/corruption measures in place and these are applied to any joint procurement arrangements.
2.13	Amianto will fully comply with any investigations undertaken by the Serious Fraud Office or National Crime Agency. Amianto will also co-operate and maintain working relationships with local agencies in the areas it operates that may be involved in preventing and investigating fraud, corruption or money laundering including Police and Housing Benefit Teams.
2.14	Amianto is committed to recovering loss that may result from acts of fraud or corruption and will take all measures necessary to recover costs.

### **3 Policy**

3.1	For the purposes of this Policy a distinction will be made between fraud / corruption / money laundering but all may include an element of bribery. This distinction is made to help identification and aid appropriate reporting.
3.2	<b>Fraud</b>
3.2.1	In the context of this Policy, fraud is defined as “a conduct that involves deception or dishonesty intended to result in unfair or unlawful gain”. Fraud may or may not involve a financial gain and when the term is applied to individual Amianto staff can include, but is not exhaustive of, the following illustrative examples: <ul style="list-style-type: none"> <li>● Falsifying attendance or flexi time records</li> <li>● Falsifying expenses, car mileage, petty cash or other employee claim forms</li> <li>● Using work time to carry out non work activities</li> <li>● Taking goods and falsifying records to conceal this</li> <li>● Using work resources or materials in furthering alternative employment e.g. own business interests</li> </ul>
3.3	<b>Corruption</b>
3.3.1	In the context of this Policy, ‘corruption’, which can also include a fraudulent element is defined as “an effort to influence and or the abuse of authority through means that are illegal, immoral, or incompatible with ethical standards”. Illustrative examples include: <ul style="list-style-type: none"> <li>● Improper payments such as illegal political contributions, bribes, pay-offs to officials, customers or suppliers</li> <li>● Intentional, improper representation or valuation of transactions, assets, liabilities or income</li> <li>● Intentional failure to record or disclose significant information to improve the financial picture of the organisation to outside parties</li> </ul>

- Abuse of power or position to gain preferential treatment in the delivery of Amianto services for friends or relatives
- Using Amianto / Group systems to access information or position to gain an unfair advantage e.g. in allocation of properties for rent or sale

### 3.4 Money Laundering

3.4.1 In the context of this Policy, 'money laundering' can be the process by which the true source and ownership of the proceeds of crime is changed so that they appear to come from a legitimate source. Illustrative examples of the warning signs for money laundering include:

- Transactions which are not at arm's length / not between independent parties
- Full or part payments of large transactions in cash
- Undertaking customer due diligence proves difficult or there is reluctance on behalf of the customer for these checks to be completed
- Customers and counterparties are unable or reluctant to provide information about the source of their funds / provenance of funds when requested
- Sudden improvement in financial position without explanation
- Introduction of unknown parties at a late stage in the transactions
- Submission of suspiciously low tenders in competitive tendering exercises.

3.4.2 In respect of money laundering, Amianto will ensure that staff raising concerns only do so where there is 'reasonable suspicion' based on facts or circumstances and do not unduly refuse to process transactions or act in ways that could be construed as 'tipping off / prejudging an investigation.

3.4.3 Where any suspicions are raised, normal procedure would be for staff to report the concern to the 'Money Laundering Reporting Officer' (MLRO) Chief Finance Officer or Operations Director – Finance) who will in turn submit an SAR and seek advice from the regulating body. This would apply unless, the staff member suspected the MLRO was involved, in which case the report could be made direct to the regulating body (see Fraud Response Plan for details).

### 3.5 Fraud Response Plan

3.5.1 In order to deal effectively with any allegations of fraud, corruption or money laundering, Amianto will have in place a clear Fraud Response Plan. The plan will outline the following:

- The position and contact details of those Officers who will review all fraud, corruption or money laundering allegations received and who will carry out initial assessment of the risk posed by the allegation and determine a proportionate / appropriate course of action
- Clear procedural steps to be followed in the investigation of allegations including appointment of:
  - Internal Independent Investigation Officers
  - External Fraud Investigators, or
  - Referral to external agencies e.g. Police or Regulatory Agencies

- A clear reporting framework for appointed investigating Officers (internal and external) to report findings to senior management and give feedback to those submitting allegations with due regard to Data Protection requirements

3.5.2 The investigation procedures outlined in the Fraud Response Plan will also apply to allegations that are received anonymously, via the mechanisms outlined in the Amianto Confidential Reporting (Whistleblowing) Policy. It will not, however, be possible in these circumstances to provide feedback to those making allegations.

### 3.6 Training

3.6.1 Amianto will ensure that all named Officers within the Fraud Response Plan receive appropriate training to be able to carry out their duties effectively. The training will ensure the named officers have:

- An understanding of the legal position in regard to fraud, corruption, bribery and money laundering
- An understanding of when to escalate investigations to external agencies or when it is most appropriate for external agencies to carry out investigations
- An understanding of the possible sanctions and disciplinary procedures that would apply to Amianto staff found to be responsible for fraud or corruption (in line with the staff handbook and governance documents) or who make malicious or repeated allegations that are unfounded

3.6.2 Amianto will also ensure all staff and Directors are aware of their responsibilities in regard to fraud, corruption and money laundering through the induction programme, refresher training and through publication of the Statement of Internal Controls annually. The training and information provided will include an overview of Amianto's culture in regard to fraud, corruption and money laundering as follows:

- Re-enforcement of the zero tolerance approach to all forms of fraud, corruption and money laundering
- Illustrative examples of behaviours and actions that could constitute fraud, corruption and money laundering
- Mechanisms of how to report allegations including confidential reporting
- Possible consequences if individuals are found to be responsible for fraud, corruption or money laundering including disciplinary measures, civil or criminal proceedings

### 3.7 Financial Management Processes

3.7.1 Amianto promotes a strong culture of anti-fraud and corruption through the implementation and up-keep of sound financial management processes, including:

- Clear accounting and cash flow procedures
- Clear authorisation and approval routes for expenditure
- Clear Financial Regulations (that meet regulatory and lenders requirements)
- Regular internal and external audit procedures
- Clear supplier evaluation and monitoring procedures including credit checks for all new suppliers

	<ul style="list-style-type: none"> <li>● Clear due diligence procedures when entering partnerships / commercial or other business ventures with external parties</li> <li>● Clear due diligence for customers with whom Amianto enters to significant financial transactions</li> </ul>
3.8	<b>Gifts and Hospitality</b>
3.8.1	The Corporate Governance Framework and Staff Handbook also reinforce the message of sound financial probity and include relevant information for staff and Directors on the need to declare any conflicts of interest and the acceptance of gifts and hospitality.
3.8.2	Amianto recognises that there will be occasions when the acceptance or offering of hospitality and other business expenditure will form part of the process of normal business relations. Amianto safeguards against the risks that these activities may present for fraud or corruption, whether real or perceived, by maintaining: <ul style="list-style-type: none"> <li>● A Hospitality Register – where all Directors and staff are duty bound to disclose hospitality received or offered</li> <li>● A system of line management permissions to attend any external event where hospitality may be offered (See the Amianto Gifts, Hospitality and Charitable Giving Policy)</li> </ul>
3.9	<b>Response to Fraudulent Actions</b>
3.9.1	Amianto will take all actions necessary to recover loss that is incurred as a result of fraud or corruption including the use of internal sanctions and civil proceedings as required.
<b>4</b>	<b>Implementation</b>
4.1	All Directors and staff have a responsibility to be aware of the Anti-Fraud, Corruption and Money Laundering Policy and to abide by its provisions.
4.2	The responsibilities for investigation of any allegations of fraud or corruption and reporting to external agencies are outlined in the Amianto Fraud Response Plan.
4.3	The Operations Director (Finance) will have responsibility for producing the Internal Control Statement and for producing monitoring information on all fraud actions to the Amianto Board of Directors.
<b>5</b>	<b>Performance</b>
5.1	A report will be provided quarterly to the Amianto Board of Directors for all actions taken in the investigation of any fraud, corruption or money laundering allegations that are made.
<b>6</b>	<b>Review</b>
6.1	The Anti-Fraud, Corruption and Money Laundering Policy will be reviewed every twelve months by the Managing Director. The review process will ensure its continuing suitability, adequacy

and effectiveness or as required by the introduction of new legislation or regulation that impacts on Amianto's obligations in regard to fraud or corruption, changes to Amianto business practices or in the light of management system audits.

## 7 Equality Impact Assessment

7.1	Was a full Equality Impact Assessment (EIA) required?	No
7.2	When was EIA conducted and by who?	An EIA Relevance Test was conducted by the Operational Director (Finance) – and the Policy and Strategy Officer – on 16th November 2012. The findings of this Relevance Test are still appropriate for this version of the Policy and do not require further review.
7.3	Results of EIA	The relevance test revealed the significant risks to Amianto from fraud, corruption and money laundering are largely mitigated by the existing control measures that are in place. There are no anticipated adverse or differential impacts to any groups with protected characteristics as a result of operation of the Policy.

## 8 Scheme of Delegation

8.1	<b>Responsible committee for approving and monitoring implementation of the Policy and any amendments to it</b>	Managing Director - Amianto
8.2	<b>Responsible officer for formulating Policy and reporting to committee on its effective implementation</b>	Managing Director - Amianto
8.3	<b>Responsible officer for formulating, reviewing and monitoring implementation of procedures</b>	Managing Director - Amianto

## 9 Amendment Log

Date of revision:	Reason for revision:	Consultation record:	Record of amendments:
Not Applicable-this is the first version of the Policy for Amianto	Not applicable	See section 6	Not Applicable