

PART 11 – ANTI-MONEY LAUNDERING POLICY

1. What is money laundering?

- 1.1 Money Laundering means exchanging money or assets that were obtained criminally for money or other assets that are “clean”. The clean money or assets do not have an obvious link with any criminal activity. Money Laundering also includes money that is used to fund terrorism, however it is obtained.

2. Council’s statement

- 2.1 The Council is committed to ensuring there are appropriate and proportionate anti-money laundering safeguards to prevent, wherever possible, the organisation and its staff being exposed to money laundering. The Council is similarly committed to identifying areas where it may occur, complying with all legal and regulatory requirements, and reporting actual or suspected cases.
- 2.2 All staff should be aware of this policy and it is important that staff involved in processing financial transactions are aware of the issues surrounding money laundering, and how any concerns should be reported.

3. Money laundering regulations

- 3.1 The legal and regulatory framework is summarised below:

- The Proceeds of Crime Act 2002 (“POCA”) (as amended by the Serious Organised Crime and Police Act 2005)
- The Terrorism Act 2000 (“TA”) (as amended by the Anti-Terrorism and Security Act 2001 and the Terrorism Act 2006)
- The Money Laundering Regulations 2007 (“2007 Regulations”)

- 3.2 The primary money laundering offences are described in the POCA 2002, and are as follows:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK
- Entering into or becoming concerned in an arrangements which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquiring, using or processing criminal property
- Doing something that might prejudice an investigation – for example falsifying a document
- Failure to disclose
- “tipping off” – which is where someone informs a person or persons who are, or suspected of being involved in money laundering, in such a way as to reduce the likelihood of being investigated or prejudicing an investigation

4. Corporate responsibilities

- 4.1 The Council is subject to the full provisions of the TA and the first four offences of POCA.
- 4.2 The Authority is not subject to the 2007 Regulations although there are some Local Authority activities that could come within the scope of these regulations. The safest way to ensure compliance with the law is to apply these regulations to all areas of work undertaken by the Council.
- 4.3 The Council will seek to promote this policy with partners and suppliers.

5. Employee responsibilities

- 5.1 Employees are required to act ethically and within the confines of the law.
- 5.2 If any one in the Authority knows or suspects that another person is money laundering or financing terrorism they must tell the nominated officer.

6. Key risk factors

- Large volume/value cash transactions
- Payments received from unexpected sources
- Cancellation or reversal made of a previous transaction

7. Key prevention methods

- Through this document all employees are informed of who the nominated officer is and what their role is
- Appointment of a nominated officer
- Records of all risk assessments completed
- Ensuring all staff are aware of the regulations and have had the necessary training
- Upper limit for cash transactions of £1000
- Sufficient identity confirmation checks when transacting monies, both in relation to individuals and companies
- Only refunding monies to the source bank accounts
- Retaining all documents that relate to financial transactions, the identity of customers and management procedures and processes

8. What are the penalties?

- 8.1 In a Crown Court fines are unlimited and a custodial sentence can be imposed.

9. Nominated Officer/Money Laundering Officer

- 9.1 As part of the anti-money laundering controls the Authority has responsibility for appointing a nominated officer (sometimes called the Money Laundering Officer) who is an employee at a sufficiently senior level within the Authority. The nominated officer for the Council is the Chief Finance Officer.

- 9.2 The nominated officer reviews any information that they receive and decides and if there are reasonable grounds for suspecting Money Laundering they inform Serious Organised Crime Agency (SOCA) as soon as possible, and obtain consent from SOCA to complete the transaction. If it was not possible to delay the transaction until consent was received then SOCA are made aware of this by the nominated officer when the matter is reported to SOCA.
- 9.3 Nominated officer responsibilities can be temporarily delegated to the Head of Finance Strategy when the Chief Finance Officer is absent, but the nominated officer retains overall responsibility.
- 9.4 The nominated officer will provide the Audit Committee with a record of the number and nature of incidents.
- 9.5 The nominated officer will review the policy annually in light of an assessment of the level of risk that the Council is exposed to.

10. Wider framework

- Relevant policies

Fraud and Corruption Policy
Whistleblowing Policy

- Relevant Rules

Financial Rules (Chapter 4, part 6)
Contract Rules (chapter 4, part 7)
Employment Rules (Chapter 4, part 8)

- Codes of Conduct

Members Code of Conduct (Chapter 5, part 1)
Employee Code of Conduct (Chapter 5, part 3)
Code of corporate governance (Chapter 5, part 6)

More information about the Money Laundering Regulations guidance is available on the HMRC website www.hmrc.gov.uk/

