



Ashfield

DISTRICT COUNCIL

ANTI-MONEY LAUNDERING POLICY STATEMENT AND PROCEDURES

**Director of Legal and Governance
(Monitoring Officer)**

APPROVED:
Audit Committee – 28 March 2022

REVIEW:
March 2024

Version Control

Version Number	Date Issued
Original	November 2017
Revised V1	February 2020
V2	March 2022

Introduction

The Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

Scope of this Policy

This policy applies to those permanently and temporarily employed by the Council, agency staff, consultants, contractors, volunteers, partners and Elected Members.

Its aim is to enable those who work on behalf of, or with the Council and its Elected Members to respond to a concern they have in the course of their dealing for the Council. Individuals who have a concern relating to a matter outside of work should contact the Police.

This policy sits alongside the following Council policies:

- The Constitution:
 - Financial Regulations
 - Contract Procedure Rules
 - Members' Code of Conduct
 - Employees' Code of Conduct
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Anti-Bribery Policy
- Prosecution Policy
- Fraud Response Plan

Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy.

What is Money Laundering?

Money laundering describes offences involving the integration of the proceeds of crime or terrorist funds into the mainstream economy. Money laundering is the channelling of "bad" money into "good" money in order to hide the fact the money originated from criminal or terrorist activity.

The relevant legislation is the:

- Proceeds of Crime Act 2002 (as amended)
- Terrorism Act 2000 (as amended)
- Money Laundering Regulations 2007
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Money Laundering and Terrorist Financing (Amendment) Regulations 2019

The Proceeds of Crime Act 2002 creates the following offences:

- 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
- Failure to disclose one of the offences listed above where there are reasonable grounds for knowledge or suspicion
- Doing something that might prejudice an investigation, for example, falsifying documentation
- Tipping off a person who is, or is suspected of being, involved in money laundering in such a way as to reduce the likelihood of, or prejudice, an investigation

Potentially heavy penalties (unlimited fines and imprisonment for up to 14 years) can be handed down to those who are convicted of one of the offences set out above.

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

The risk of the Council contravening the money laundering legislation is low, however, it is still extremely important that all those working for the Council and its Elected Members are familiar with their responsibilities to report potential money laundering activities.

Potential or suspected money laundering activity should be reported to the Money Laundering Reporting Officer (MLRO).

Requirement of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a Money Laundering Reporting Officer (MLRO)
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain record keeping procedures
- Maintain client identification procedures in certain circumstances

The Money Laundering Reporting Officer (MLRO)

The Council has designated the Monitoring Officer as the Money Laundering Reporting Officer (MLRO).

The Monitoring Officer can be contacted as follows:

By post: Council Offices, Urban Road, Kirkby-in-Ashfield,
Nottinghamshire, NG17 8DA
By telephone: 01623 457009
By e-mail: ruth.dennis@ashfield.gov.uk

In the absence of the Monitoring Officer, concerns should be raised with the Chief Finance Officer **who can be contacted as follows:**

By telephone: 01623 457362
By e-mail: pete.hudson@ashfield.gov.uk

Circumstances that may be Susceptible to Money Laundering

- Sale of Council land/buildings (as sale proceeds could be in cash)
- Sales of Council residential properties (under the right-to-buy scheme)
- Receipt of cash payments
- Investments – this would cover activities such as the issue of local bonds or transfers to or from non UK banks

Indicators that should raise suspicion include:

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

Identification, information about source of money, and record-keeping

In some circumstances, you may wish to seek confirmation of the identity of an individual involved in a transaction with the Council (such as the purchase of **land or** a property from the Council). This could be, for instance, where the individual is not represented by a solicitor who would be expected to have carried out the necessary checks. Evidence of identification and details of the transaction must be kept for at least 5 years.

Where there is no obvious source of funds, you may consider asking the individual to explain the source of the funds and to provide evidence to substantiate the explanation. Assess whether you think their explanation is valid: for example, the money may have been received from an inheritance or from the sale of another property.

Reporting Procedure

Where you know or suspect that money laundering activity is taking, or has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you **MUST DISCLOSE THIS AS SOON AS PRACTICABLE TO THE MLRO**. The disclosure should be at the earliest opportunity not weeks or months later, any delay may make you liable to prosecution.

Your disclosure should be made to the MLRO using the report form attached as Appendix 1 to this policy.

The disclosure report must include as much detail as possible including:

- Full details of the people involved
- Full details of the nature of their/your involvement
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent
- Where they took place
- How they were undertaken
- The amount of money/assets involved
- Why you are suspicious
- Attach copies of all relevant documentation

The MLRO must then consider if there are reasonable grounds for knowledge or suspicion of money laundering and if so, to prepare a report to the National Crime Agency (NCA).

Once a report has been made to the MLRO you must follow any directions she gives you. You must NOT make any further enquiries into the matter yourself. You must NOT take further steps in the transaction without authorisation from the MLRO. All Elected Members and those working for the Council must cooperate with the MLRO and the NCA during any subsequent money laundering investigation.

At no time and under no circumstances should you voice any suspicions to the person whom you suspect of money laundering, otherwise you may commit an offence of "tipping off".

Consideration of the Disclosure by the Money Laundering Reporting Officer

The MLRO must promptly consider the information provided and carry out other reasonable enquiries she thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required. The MLRO must consider if:

- There is actual or suspected money laundering taking place; or
- There are reasonable grounds to know or suspect that is the case; and
- Whether she needs to seek consent from the NCA for a particular transaction to proceed.

If the MLRO considers that a report to the NCA is necessary, this must be done as soon as practicable and made on the NCA's standard reporting form and in the prescribed manner.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then she shall mark the report accordingly and give her consent for any ongoing or imminent transactions to proceed.

All disclosure reports made to the MLRO and the NCA should be kept confidential and retained for a minimum of 5 years.

The MLRO commits a criminal offence if she knows, or suspects, or has reasonable grounds to do so, through a disclosure being made to her, that another person is engaged in money laundering and she does not disclose this as soon as practicable to the NCA.

Training

The Council will:

- Make all those working for the Council and its Elected Members aware of this policy and their responsibility to report potential money laundering activity
- Give targeted training to those most likely to encounter money laundering.

Policy Review

The Monitoring Officer and the Audit Committee will ensure the continuous review and amendment of this policy to ensure that it remains compliant.

The policy should be reviewed every two years.

CONFIDENTIAL

**REPORT TO MONEY LAUNDERING REPORTING OFFICER
SUSPECTED MONEY LAUNDERING ACTIVITY**

To: Monitoring Officer acting as
Money Laundering Reporting Officer

From:

Post Title:

Section:

Tel. No.

E-mail:

Dated:

Please do not discuss the contents of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years imprisonment.

Please attach any relevant information / documents to this report

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:

[If a company / public body please include details of nature of business / activity]

Nature, value and timing of activity involved:

[Please include full details e.g. what, where, how. Continue on a separate sheet is necessary.]

Nature of suspicions regarding activity:

[Continue on a separate sheet is necessary.]

Has an investigation been undertaken?

Yes/No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes/No

If yes, please provide details of who the discussions took place with and explain why such discussion was necessary:

Have you consulted any supervisory body for guidance regarding money laundering? For example, The Solicitors Regulation Authority.

Yes/No

If yes, specify below:

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