

Anti-Money Laundering Policy

1.0 Introduction

Bury Council ("The Council") is committed to the highest standards of openness, probity and accountability and has put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

The aim of this policy is to set out the procedures which must be followed where money laundering is suspected within the Council.

2.0 Definition of Money Laundering

Money laundering is the illegal process of making large amounts of money, generated by criminal activity, appear to have come from a legitimate source.

The Proceeds of Crime Act (POCA) 2002 makes it an offence to; -

- conceal, disguise, convert, transfer or remove criminal property from the UK and/or
- enter into or become concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of *criminal property by or on behalf of another person and/or
- acquire, use or have possession of criminal property

These primary offences carry a maximum penalty of 14 years' imprisonment and/or an unlimited fine.

3.0 Scope of the Policy

This policy applies to all Council employees, whether permanent or temporary, and Members of the Council. Its aim is to enable Council employees and Members to respond to a concern which may arise within the course of their Council duties. Any concern, relating to a matter outside the Council, should be referred directly to the Police.

4.0 Council obligations

Whilst Local Authorities are not directly covered by the requirements of the Money Laundering Regulations, there is the risk of reputational and/or financial loss. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that public service organisations should comply with the underlying spirit of the legislation and regulations and as such the Council is committed to ensuring compliance as follows:

- To appoint a money laundering reporting officer ("MLRO") to whom any suspicions of money laundering activity can be reported
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain client identification procedures in certain circumstances

- Maintain record keeping procedures

5.0 The Money Laundering Reporting Officer (MLRO)

This is the Head of Fraud Audit, Insurance and Risk who has the ability to act upon reported cases. The deputy MLRO role is undertaken by both Senior Auditors within the Fraud, Audit, Insurance and Risk Team.

6.0 Reporting Procedure for Suspicions of Money Laundering

Where money laundering activity is suspected of taking/has taken place, this must be disclosed as soon as practicable to the MLRO using the disclosure report, attached at 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 (likely) amount of money/assets involved
- The reasons for the suspicions.
- Any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable a report to the National Crime Agency (NCA), where appropriate, to be prepared.

Copies of any relevant supporting documentation must also be provided to the MLRO.

Once the matter has been reported to the MLRO all subsequent directions from the MLRO must be followed, no further enquiries into the matter should be made as any necessary investigation will be undertaken by the National Crime Agency (NCA)

All Council employees will be required to co-operate with the MLRO and any other bodies, as directed, during any subsequent money laundering investigation.

At no time and under no circumstances should suspicions be voiced to the person(s) suspected of money laundering, or reference made on any client file without the specific consent of the MLRO. Alerting an individual to the fact that a referral has been made or making reference to this on a client file, which the client may subsequently exercise their right to see, could result in the Council employee committing an offence known as “tipping off”, for which they could be prosecuted.

The MLRO will keep the appropriate records in a confidential manner.

7.0 Consideration of the disclosure by the Money Laundering Reporting Officer

Upon receipt of a suspicion of a money laundering transaction the MLRO or nominated representative will update the money laundering incident log and undertake appropriate investigations to determine whether a report to the National Crime Agency (NCA) is required.

Once the MLRO has evaluated the allegation and any other relevant information, they will make a timely determination as to whether; -

- there is actual or suspected money laundering taking place; **or**
- there are reasonable grounds to know or suspect that is the case; **and**

- whether they need to seek consent (in liaison with the Section 151 Officer from the NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they will update the money laundering incident log and give consent for any ongoing or imminent transaction(s) to proceed.

All suspicions referred to the MLRO and reports made by them to the NCA will be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

If a money laundering allegation involves a member of staff who is subsequently prosecuted then Human Resources will be informed so it can be considered under the disciplinary procedure.

8.0 Policy Review

This policy will be reviewed annually

Appendix 1

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REPORT TO MONEY LAUNDERING REPORTING OFFICER RE: SUSPECTED MONEY LAUNDERING ACTIVITY

To: Money Laundering Reporting Officer (MLRO)

From: [Name of employee]

Department: [Post title and Service Area]

Ext / Tel No:

DETAILS OF SUSPECTED OFFENCE:

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

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

Nature, value and timing of activity involved:

[Please include full details e.g. what, where, how].

Nature of suspicions regarding such activity:

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Has any investigation been undertaken (<i>as far as you are aware</i>)? Yes / No

If yes, please include details below:

Have you discussed your suspicions with anyone else? Yes / No
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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? Yes / No If yes, please specify below:

Do you feel there is a reasonable justification for not disclosing the matter to the NCA?
Yes / No
If yes, please specify below:

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Please set out below any other information you feel is relevant:
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Please be aware that you should not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity, as to do so may constitute a tipping off offence, under the legislation, for which you could be prosecuted.

Signed: Dated: