



Anti-Money Laundering Policy

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Document summary

This policy sets out the procedures that must be followed to enable the Council to comply with its legal obligations to prevent criminal activity through Money Laundering.

Contents

Key Points:	3
1. Introduction.....	3
2. Policy Statement.....	3
3. Scope of the Policy.....	3
4. What is Money Laundering?	4
5. The Warning Signs.....	5
6. What to do if you have concerns -Reporting Procedures.....	5
7. The Money Laundering Reporting Officer.....	5
8. Customer / Contractor Identification.....	6
9. Record Keeping Guidance and Training	6
10. Guidance and Training.....	6
11. Further Information.....	6

About this document:

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<p>Accessibility help</p> <p>Zoom in or out by holding down the Control key and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document Press Alt-left arrow to return to your previous location. References shown in blue text are available on the Intranet/Czone References shown in underlined blue text are links to other areas of this document</p>	

Anti-Money Laundering Policy

Key Points

- The Council is committed to the prevention, detection and reporting of money laundering.
- All employees must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO).
- No payment to the Council will be accepted in cash if it exceeds £3,000.
- Customer / Contractor identification should be carried out when forming new business relationships or significant 'one off' transactions.

1 Introduction

- 1.1 The Proceeds of Crime Act (POCA) 2002, the Terrorism Act (TA) 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to ensure that procedures are in place to prevent the Council's services being used for money laundering.
- 1.2 This policy sets out the process which minimises the risk and provides guidance on the Council's money laundering procedures. Adhering to this policy and guidance will protect employees from the risk of prosecution if an employee becomes aware of money laundering activity while employed by the Council.
- 1.3 This policy is not intended to prevent customers and service providers from making payments for Council services, but is intended to minimise the risk of money laundering in high value cash transactions.
- 1.4 Any person involved in any known or suspected money laundering activity in the UK risks a criminal conviction.

2 Policy Statement

- 2.1 The Council is committed to:
 - Doing all we can to prevent, wherever possible, the Council and its staff from being exposed to money laundering;
 - Identifying the potential areas where money laundering may occur and strengthening procedures to minimise the risk; and
 - Complying with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.
- 2.2 It is vital that every member of staff is aware of their responsibilities and remains vigilant.

3 Scope of the Policy

- 3.1 This Policy applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.
- 3.2 This Policy sits alongside the Council's Anti-Fraud and Corruption Strategy and Whistleblowing Policy – Raising Concerns.

3.3 Failure by a member of staff 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 and Procedures.

4 **What is Money Laundering?**

4.1 Money laundering is the process whereby the proceeds of crime (criminally obtained money or other assets (criminal property)) are exchanged for 'clean' money or other assets with no obvious link to their criminal origin.

4.2 Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism. Money laundering activity includes:

- acquiring, using or possessing criminal property;
- handling the proceeds of crimes such as theft, fraud and tax evasion;
- being knowingly involved in any way with criminal or terrorist property;
- entering into arrangements to facilitate laundering criminal or terrorist property;
- investing the proceeds of crimes in other financial products;
- investing the proceeds of crimes through the acquisition of property/assets;
- transferring criminal property.

4.3 Money laundering is the term used for a number of offences involving the proceeds of crime. The POCA 2002 defines both the money laundering offences and reporting responsibilities. These include possessing, or in any way dealing with, or concealing, the proceeds of any crime.

4.4 The main offences relating to money laundering can be summarised as:

- concealing, disguising, converting, transferring or removing criminal property from England, Wales, Scotland or Northern Ireland.(section 327);
- being involved in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property (section 328);
- acquiring, using or possessing criminal property (section 329);
- doing something that might prejudice an investigation – for example, falsifying a document (section 342).

4.5 Additionally, the Terrorism Act 2000 extends the money laundering reporting requirements of all individuals and businesses in respect of terrorist fund-raising. There is a requirement to report any knowledge or reasonable grounds for belief or suspicion about the funds or property which are likely to be used for the purposes of terrorism, even if the funds are 'clean' in origin.

4.6 Any member of staff could potentially be implicated in money laundering, if they suspect money laundering and either become involved with it in some way and/or do nothing about it. This Policy sets out how any concerns should be raised.

4.7 While the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

5. Warning Signs

5.1 Because money launderers are always developing new techniques, no list of examples can be fully comprehensive; however, here are some key factors which may give you cause for concern:

- Secretive clients / customers – a secretive or obstructive client / customer;
- Unusual instructions – instructions that are unusual in themselves or unusual for the business or your client;
- Large payments made in cash - No payment to the Council will be accepted in cash if it exceeds £3,000;
- Large payments made and a refund requested (very quickly after payment received);
- Money received from a source other than your client / customer – not where you were expecting the funds to have come from.

6 What to do if you have concerns - Reporting Procedures

6.1 Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, or to the MLRO's deputy if appropriate, using the Anti-Money Laundering reporting form, which is available upon request, from Internal Audit. If you would prefer, you can discuss your suspicions with the MLRO or their deputy first.

6.2 The employee must follow any subsequent directions of the MLRO or deputy, and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.

6.3 The employee must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must not discuss the matter with others or note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.

6.4 The MLRO or deputy must promptly evaluate any reported disclosure, to determine whether it should be reported to the National Crime Agency (NCA).

6.5 The MLRO or deputy must, if they so determine, promptly report the matter to NCA by completing an on-line Suspicious Activity Report (SAR's) which can be accessed via the following link:

<http://www.nationalcrimeagency.gov.uk/>

7. The Money Laundering Reporting Officer (MLRO)

7.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Assurance, Russell Banks. He can be contacted as follows:

Russell Banks
Head of Assurance – Business Services Department
East Sussex County Council
County Hall
St Anne's Crescent
Lewes, East Sussex
BN7 1UE
Telephone: 01273 481447
E-mail: russell.banks@eastsussex.gov.uk

7.2 In the absence of the MLRO, the Senior Audit Manager, Nigel Chilcott (nigel.chilcott@eastsussex.gov.uk) Telephone: 01273 481992 at the same address, is authorised to deputise for him.

8. Customer / Contractor Identification

8.1 It is the intention of this Council for its staff to be alert to potential suspicious circumstances in all their business dealing and to raise concerns with the MLRO as and when they arise.

8.2 Whilst there is no legal requirement to put in place formal procedures for evidencing the identity of those we do business with, in forming new business relationships or considering undertaking a significant one-off transaction, it is expected and prudent for management to satisfy themselves as to the identity of the parties with whom they are transacting.

8.3 Where there is a need to carry out identification, details of the check made must be recorded and retained. In carrying out an identification check you might consider the following:

- checking with the customer's website to confirm their business address;
- conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
- seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.

8.4 If, at any time, you suspect that a client or customer for whom you are currently, or are planning to do business with is carrying out money laundering or terrorist financing, or has lied about their identity, then you must report this to the MLRO.

9. Record Keeping

9.1 In carrying out identification procedures - the records and detail of the relevant transaction(s) for that customer / contractor / client must be retained for at least five years after the end of the business relationship.

10. Guidance and Training

10.1 In support of the policy and procedure, the Council will:

- make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
- give specific, targeted training to those individuals whose area of business is considered to be vulnerable to money laundering.

11. Further Information

11.1 Further information can be obtained from the MLRO and the following sources:

- National Crime Agency (SAR's reporting) website www.nationalcrimeagency.gov.uk
- "Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations" – CIPFA
- 'Combating Financial Crime (Further guidance on Anti-money Laundering for Public Service Organisations) – CIPFA – www.cipfa.org.uk
- The Consultative Committee of Accountancy Bodies (CCAB) – www.ccab.org.uk
Her Majesty's Revenues and Customs (HMRC) –
<http://www.hmrc.gov.uk/mlr/index.htm>
- Law Society - www.lawsociety.org.uk
- The Joint Money Laundering Steering Group (JMLSG) – www.jmlsg.org.uk