

Money Laundering Policy

1. Introduction

- 1.1 Money Laundering is generally understood to mean the conversion of the proceeds of crime in order to create the end appearance of legitimately earned funds.
- 1.2 Legislation concerning money laundering impacts on certain areas of local authority business and requires councils to establish internal procedures to prevent the use of their services for money laundering.
- 1.3 Any officer or elected member could potentially be caught by money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing about it.
- 1.4 While the risk to the council of contravening the legislation is low, it is important that all officers and elected members are familiar with their responsibilities. Serious criminal sanctions may be imposed for breaches of the legislation. Training is incorporated into the council's training programme. Directors and service area managers must ensure that all employees are aware of the council's policy and procedures on this subject.

2. Legislation and the regulatory framework

- 2.1 The Proceeds of Crime Act 2002 (as amended) (the Act) and the Money Laundering Regulations 2007 have broadened the definition of money laundering. The main money laundering offences are:-
 - concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Act)
 - entering into or becoming 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 (section 328 of the Act) and
 - acquiring, using or possessing criminal property (section 329 of the Act).
- 2.2 By virtue of section 18 of the Terrorist Act 2000 (as amended) money laundering also occurs when there is involvement in an arrangement which facilitates the concealment, removal from jurisdiction, transfer to nominees or any other retention or control of terrorist property.
- 2.3 The legislative requirements covering anti-money laundering procedures are lengthy and complex.

3. How does the legislation affect our work?

3.1 Not all of the council's business is "relevant" for the purposes of the regulations. The safest way to ensure compliance with the law (both Act and Regulations) is for it to be applied to all areas of work undertaken by the council, therefore all officers and elected members are required to comply with the procedures set out below.

3.2 The council must:-

- appoint a nominated officer, usually referred to as the money laundering reporting officer (MLRO), who shall receive disclosures from employees or elected members of money laundering activity (their own or anyone else's) and make reports if necessary to the National Crime Authority, NCA, (previously the Serious Organised Crimes Agency, SOCA)
- implement a procedure to enable the reporting of suspicions of money laundering
- maintain client identification procedures in certain circumstances
- maintain record keeping procedures and
- train staff

3.3 The council's anti money laundering procedures have been formulated in a way which is proportionate to the very low risk to the council of contravening the legislation.

4. The Money Laundering Reporting Officer (MLRO)

4.1 The officer nominated to receive disclosures about money laundering activity within the council is the Section 151 Officer, the Head of Finance.

4.2 The Policy, Procedure and Reporting Form can be found on the Council's Intranet; <http://occweb/intranet/finance.cfm>