

# Anti Money Laundering Policy

## Policy summary

<p><b>Purpose</b></p>	<p>This Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations to combat money laundering. Failure by a member of staff to comply with the procedures set out in the Policy may lead to disciplinary action being taken against them.</p>
<p><b>Scope</b></p>	<p>This Policy applies to all employees of the Council, and Councillors, and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.</p> <p>It relates to the following legislation: Proceeds of Crime Act 2002; Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</p> <p>It sits alongside the Council's Anti-Fraud, Corruption &amp; Bribery Policy and Strategy and its Whistleblowing Policy and Procedure.</p> <p>It supersedes the Anti-Fraud, Corruption and Bribery Strategy dated 6 February 2019.</p>

**Table of contents**

1) Introduction	P3
2) Scope of the Policy	P4
3) The Council's Approach to Money Laundering - Policy Statement	P4
4) The Money Laundering Reporting Officer (MLRO)	P4
5) Procedures	P5
6) Summary	P6
7) Key Roles and Responsibilities	P7
8) Appendix A – Money Laundering Reporting Form	P9

## 1. Introduction

1.1 **What is money laundering?** Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following acts constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002).
- 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); or
- Acquiring, using or possessing criminal property (section 329).

These are the primary money laundering offences and are thus prohibited acts under the legislation.

1.2 There are also two secondary offences:

- Failure to disclose any of the three primary offences; and
- Tipping off - This is where someone informs a person or people who are, or are suspected of being involved in money laundering, in such a way as to reduce the likelihood of them being investigated or prejudicing an investigation.

1.3 We all have a special responsibility for dealing with public funds and assets. The Council takes very seriously its important stewardship role and, as such, is committed to meeting the high expectations and scrutiny to which the affairs of the Council are quite rightly subject to.

1.4 While acts of dishonesty across Dorset Councils are rare, we have a zero-tolerance approach to any such acts and are committed to dealing with any acts robustly.

1.5 Any member of staff could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing to raise their concerns about it. This policy therefore sets out how any concerns should be raised and formally reported.

1.6 While the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities as 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 Council's appointed Money Laundering Reporting Officer (MLRO) (See Section 4)

## **2. Policy Statement**

- 2.1 The Council is fully committed to doing all it can to prevent, wherever possible, the organisation and its staff being exposed to money laundering; to identifying the potential areas where it may occur; and to complying with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.
- 2.2 We cannot stress too strongly, however, that it is every member of staff's responsibility to be vigilant and raise any concerns that they have either directly with the Money Laundering Reporting Officer (MLRO) or their line manager, who must also ensure the concerns raised are lodged with the MLRO.

## **3. Scope of the Policy**

- 3.1 This Policy applies to all employees of the Council, and Councillors, and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.
- 3.2 The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.
- 3.3 This Policy sits alongside the Council's Anti-Fraud, Corruption & Bribery Policy and Strategy and its Whistleblowing Policy and Procedure.
- 3.4 Failure by a member of staff to comply with the procedures set out in the Policy may lead to disciplinary action being taken against them.

## **4. The Money Laundering Reporting Officer (MLRO)**

- 4.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Chief Financial Officer (Section 151), who can be contacted as follows:
  - Chief Financial Officer: Aidan Dunn

4.2 In the absence of the Chief Financial Officer then disclosures should be directed to the Deputy Chief Financial Officer, who can be contacted as follows:

- Deputy Chief Financial Jim McManus Officer

4.3 When cases are reported, the MLRO is committed to objectively considering the concerns raised on behalf of the Council and, where appropriate, investigating and/or referring the matter to the appropriate authorities.

## 5. Procedures

5.1 **Cash Payments** - No payment to the Council will be accepted in cash if it exceeds £5,000. (NB: Cash is defined as including notes, coins or travellers' cheques in any currency).

5.2 **Reporting** - Any employee who suspects money laundering activity must report their suspicion promptly to the nominated MLRO. If you would prefer, you can discuss your suspicions with the MLRO first.

5.3 Employees must follow any direction and/or guidance given by the MLRO 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.

5.4 The employee must not disclose or otherwise indicate their suspicions to the person suspected of 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.

5.5 The MLRO must promptly evaluate any disclosure to determine whether it should be reported to the appropriate external authorities.

5.6 The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the appropriate external authorities.

5.7 **Identification of Clients** - Where the Council is carrying out 'relevant business' and, as part of this:

- a) forms an ongoing business relationship with a client; or

- b) undertakes a one-off transaction involving payment by or to the client of 15,000 Euros (or the equivalent in Sterling) or more; or
- c) undertakes a series of linked one-off transactions involving total payment by or to the client(s) of 15,000 Euros (or the equivalent in Sterling) or more; or
- d) it is known or suspected that a one-off transaction (or series of them) involves money laundering;

Then the Client Identification Procedure, which follows, must be followed before any business is undertaken for that client.

*(NB: 'Relevant Business' is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; audit services; legal services; services involving the formation, operation or arrangement of a company or trust; or dealing in goods wherever a transaction involves a cash payment of 15,000 Euros or more.)*

- 5.8 **Client Identification Procedure** - Where the 'relevant business' is being provided to another public-sector body, then you must ensure that you have signed, written instructions on the body's headed paper before any business is undertaken.
- 5.9 Where the 'relevant business' is not a public-sector body, then you should seek additional evidence of identity, for example:
- Checking with the organisation's website to confirm their business address;
  - Conducting an on-line search via Companies House;
  - Seeking evidence from the key contact of their personal identity and position within the organisation.
- 5.10 **Record Keeping** - Where 'relevant business' is carried out then the client identification evidence and details of the relevant transactions(s) for that client must be retained for at least five years.

## 6. Summary

- 6.1 This Policy and Procedure is in place to ensure that the Council is able to demonstrate its clear commitment to the effective stewardship of public funds in taking a zero-tolerance approach to money laundering.

- 6.2 It fully supports the Council's desire to maintain a culture of openness and transparency in its business activities.
- 6.3 A copy of the strategy will be placed on the Council's website to ensure that it is available and widely accessible to ensure any concerns can be raised.
- 6.4 This Policy and Procure provides the Council with a clear framework through which it can both deter and investigate any cases of money laundering. It will ensure that these arrangements are fair and proportionate and a regularly monitored and updated to ensure that they keep pace with future developments in prevention, deterrence and detection techniques.

## **7. Key Roles & Responsibilities**

### **Employees / Councillors**

- Will ensure that any genuine concerns associated with the activities of the Council in respect of any suspected money laundering are reported.

### **All Managers**

- Will ensure that their members of staff (including agency staff, consultants, contractors, volunteers etc) are aware of and follow approved Council procedures.
- Will ensure any concerns are raised with relevant officers

### **Directors / Chief Executive / Monitoring Officer**

- Will respond to concerns positively and ensure that relevant notifications are reported and acted upon.

### **The Money Laundering Reporting Officer (Chief Financial Officer)**

- The Council's appointed Money Laundering Reporting Officer (Chief Financial Officer) has a particular responsibility for the Anti Money Laundering Policy & Procedure.
- The MLRO has overall responsibility for overseeing the appropriate application and adherence to the requirements of the Anti Money Laundering Policy & Procedure and will maintain a record of all such notifications.
- Will provide proactive support and advice to managers as required; including attendance at meetings as necessary.

- Will ensure that this Policy & Procedure is subject to formal review on a regular basis.

Policy Owner: Marc Eyre, Service Manager for Assurance  
Date Approved: Audit and Governance Committee 22 June 2022  
Review Date: May 2025

**CONFIDENTIAL**

**A REPORT OF CONCERNS IN RESPECT OF MONEY LAUNDERING ACTIVITY**

To: Chief Financial Officer (Dorset Council Money Laundering Reporting Officer)

From: \_\_\_\_\_

Post Title: \_\_\_\_\_

Section: \_\_\_\_\_

Directorate: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**DETAILS OF SUSPECTED OFFENCE:**

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

(If a company / public body please include details of the nature of business)

The nature, value and timing of the suspected activity: (Please include full details of the contact with the council - what; where; when; how; and who)

(NB: - Continue overleaf and/or on a separate sheet if necessary)