

# **Anti-Money Laundering Policy – officers guide – to be read with the Anti-Money Laundering Policy**



## 1. What are the obligations on the Council?

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance advises that Councils should:

- Maintain robust record keeping procedures.
- Make those members and employees who are likely to be exposed to or suspicious of money laundering activities to be aware of the requirements and obligations placed on Derby City Council, and on themselves as individuals, by the Proceeds of Crime Act and related legislation.
- Provide targeted training to those considered most likely to encounter money laundering activities e.g. how to recognise and deal with potential money laundering offences.
- Implement formal systems for members and employees to report money laundering suspicions to the MLRO.
- Establish internal procedures appropriate to forestall and prevent money laundering and make relevant individuals aware of the procedures.
- Report any suspicions of money laundering to Serious Organised Crime Agency (NCA) (this is a personal legal obligation for the MLRO).
- Put in place procedures to monitor developments in the 'grey' areas of the legislation and to keep abreast of further advice and guidance as it is issued by relevant bodies.

1.2 The safest way to ensure compliance with the requirements of these legislations is to apply them to **all areas** of work undertaken by the Council; therefore, **all members and employees** are required to comply with the policy and these procedural guidance notes.

## 2. The Money Laundering Reporting Officer

2.1 The officer nominated to receive disclosures about money laundering activity within the Council is the **s151 Officer**, who can be contacted as follows:

Derby City Council
The Council House
Corporation Street,
Derby
DE1 2FS
Telephone: 01332 643377



- 2.2 Disclosures by staff to the MLRO should, where appropriate, be made through their Strategic Director, Service Director, or Head of Service.
- 2.3 In the absence of the MLRO, the Head of Audit Partnership, or the Deputy s151 Officer are authorised to deputise.
- 2.4 The MLRO will determine whether the information or other matters contained in the report he has received give rise to a *knowledge* or *suspicion* that a person is engaged in money laundering.
- 2.5 In making this judgement, he will consider all other relevant evidence (information) available to the Council concerning the person or business to who the initial report relates. This may include reviewing other transaction patterns and volumes, the length of the business relationship, and referral to identification records held.
- 2.6 If after completing this review, he is *satisfied* with the suspicions that the *suspect* is engaged in money laundering, then the MLRO must ensure that the information is disclosed to the NCA (National Crime Agency).

### 3. Disclosure Requirements

#### Reporting to the Money Laundering Reporting Officer

- 3.1 Where you know or suspect that money laundering activity is taking / has taken place or is about to take 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 possible to the MLRO.
- 3.2 The disclosure should ideally be made within “hours” of the information coming to your attention wherever practicable, not weeks or months later.
- 3.3 Your disclosure should be made to the MLRO using the *proforma* attached at Appendix A of these guidance notes. The report should enclose copies of any relevant supporting (evidence) documentation and must contain as much detail as possible which should include the following:
  - Full details when known of the people involved (including yourself, if relevant), i.e. name, address, company names, directorships, phone numbers, etc.
  - Full details of the nature of their/your involvement:
    - If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327 – 329 or s342 of the Proceeds of Crime Act 2002, (explained on page 5 of the Anti-Money Laundering Policy) then your report must include all relevant details, as you will need consent from the NCA, via the MLRO, to take any further part in the transaction - this is the case even if the party giving rise to concern gives instructions for the matter to proceed before such consent is given.
    - You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.



- The types of money laundering activities involved:
  - if possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (or 2000 Act), or
  - general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both.
- The dates of such activities and a note stating whether the activity has happened, on-going or imminent.
- Location where the activity took place i.e. department, section, depot etc.
- How the activities were undertaken.
- The (likely) amount of money/assets involved (if known).
- Why, exactly, you are suspicious of the activity– the NCA will require full reasons.
  - along with 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.
  - to enable him to prepare his report to the NCA, where appropriate. You should also enclose copies of any relevant supporting documentation.

#### **4. Recognition of Suspicious Transactions**

- 4.1 As the types of transactions which may be used by money launderers are almost unlimited, it is difficult to define a suspicious transaction.
- 4.2 Sufficient guidance will be given to staff to enable them to recognise suspicious transactions. The Council will also consider monitoring the types of transactions and circumstances that have given rise to suspicious transaction reports, with a view to updating internal instructions and guidelines from time to time.
- 4.3 The Council has set a general transaction limit of £13,000 (in line with the 2007 Regulations) over which any transaction or group of transactions from the same source should automatically be classified or deemed as suspicious. This does **not** however mean to say that any transactions under these limits on which you have suspicions should not be reported. All suspicious transactions irrespective of their values should be reported.

#### **5. Reporting of Suspicious Transactions**

- 5.1 The Council has a clear obligation to ensure that members and employees know to which person(s) they should report suspicions and that there is a clear reporting chain under which those suspicions will be passed without delay to the MLRO. Once a member or an employee has reported his/her suspicions to the MLRO, he/she has fully satisfied their own statutory obligation.



## **6 Record Keeping Procedures**

- 6.1 Each section of the Council conducting relevant business (Accountancy, Audit and certain Legal Services) must maintain appropriate records of:
- Client identification evidence obtained; and
  - Details of all relevant business transactions carried out for clients for at least five years. This is so that they may be used as evidence in any subsequent investigation into money laundering.
- 6.2 The precise nature of the records to be held is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the party giving rise to concern and the relevant transaction and recording in what form any funds were received or paid.
- 6.3 In practice, the business units of the Council will be routinely making records of work carried out for various parties, customers and clients in the course of normal business and these should suffice in this regard.

## **7. Conclusion**

- 7.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. The policy and these procedural guidance notes have been written so as to enable the Council to meet the legal requirements in a way that is proportionate to the Council's risk of contravening the legislation.
- 7.2 Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO or his deputy.



**STRICTLY CONFIDENTIAL****Report to: Money Laundering Reporting Officer (MLRO)****Re: money laundering activity suspicion****To: ....., DCC Money Laundering Reporting Officer or Deputy  
MLRO****From: Name.....Post.....***[Insert name of member, or employee and post title]***Directorate: ..... Ext/Tel No: .....***[Insert department, business unit and contact details]***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]**Please continue on a separate sheet if necessary]***Nature, value and timing of activity involved:***[Please include full details e.g. what, when, where, how]**[Please continue on a separate sheet if necessary]***Nature of suspicions regarding such activity:**

*[Please continue on a separate sheet if necessary]*

**Have you discussed your suspicions with anyone else?**

*[Please tick the relevant box]*

☐ Yes

☐ No

**If yes, please specify below, explaining why such discussion was necessary:**

*[Please continue on a separate sheet if necessary]*

**Has any investigation been undertaken (as far as you are aware)?**

*[Please tick the relevant box]*

☐ Yes

☐ No

**If yes, please include details below:**

*Please continue on a separate sheet if necessary]*



**Have you consulted any supervisory body guidance re money laundering (e.g. the Law Society)?**

*[Please tick the relevant box]*

☐ Yes

☐ No

**If yes, please specify below:**

*[Please continue on a separate sheet if necessary]*

**Do you feel you have a reasonable excuse for not disclosing the matter to the NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)**

*[Please tick the relevant box]*

☐ Yes

☐ No

**If yes, please set out full details below:**

*[Please continue on a separate sheet if necessary]*





**Are you involved in a transaction which might be a prohibited act under sections 327-329 or 342 of the Act and which requires appropriate consent from the NCA?**

*[Please tick the relevant box]*

☐

Yes

☐

No

**If yes, please enclose details in the box below:**

*[Please continue on a separate sheet if necessary]*

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

*[Please continue on a separate sheet if necessary]*

**DECLARATION:**

**Signed:**..... **Dated:**.....

***Please do not discuss the content 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.***



**THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO**

Date report received: .....

Date receipt of report acknowledged: .....

**CONSIDERATION OF DISCLOSURE:**

**Action Plan:**

**OUTCOME OF CONSIDERATION OF DISCLOSURE:**

**Are there reasonable grounds for suspecting money laundering activity?**



**If there are reasonable grounds for suspicion, will a report be made to the NCA?**

*[Please tick the relevant box]* ☐ Yes ☐ No

**If yes, please confirm date of report to NCA: .....and  
complete the box below:**

**Details of liaison with the NCA regarding the report:**

**Notice Period: ..... To .....**

**Moratorium Period: ..... To .....**

**Is consent required from the NCA to any ongoing or imminent transactions which  
would otherwise be prohibited acts? ☐ Yes ☐ No**

**If yes, please confirm full details in the box below:**

**Date consent received from NCA: .....**

**Date consent given by you to employee or member: .....**



**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:**

*[Please set out any reasonable excuse for non-disclosure]*

**Date consent given by you to member or employee for any prohibited act transactions to proceed: .....**

**Other relevant information:**

**Signed:.....Dated:.....**

**THIS REPORT IS TO BE RETAINED FOR AT LEAST FIVE YEARS**

