



Anti-Money Laundering Policy

September 2016

CONTENTS

Section		Page
1	Introduction	3
2	Scope of the Policy	3
3	Definition of Money Laundering	3
4	The Council's response to the risk of money laundering	4
5	Review and approval of this policy	5

1. INTRODUCTION

- 1.1. The council, its Elected Members and staff are subject to the full provision of the Terrorism Act 2000 and may be exposed to most of the offences listed under the Proceeds of Crime Act 2002.
- 1.2. As Public authorities are neither 'Relevant Persons' (as defined in Regulation 3 of the Money Laundering Regulations 2007) nor part of the 'Regulated Sector' (as defined in schedule 9 of the proceeds of Crime act 2002) they are not obliged to apply the provisions of the Money Laundering Regulations 2007.
- 1.3. However, the size and scope of the council activities of is such that it is unlikely to be completely immune from the risks surrounding money laundering. As a responsible public body, Gravesham Borough Council has therefore embraced the underlying principles of money laundering legislation and put in place appropriate anti-money laundering procedures and reporting arrangements proportionate to its activities.
- 1.4. The Anti-Money Laundering Policy is intended to outline how the council will apply this approach and directly contributes to the successful delivery of the council's Corporate Business Plan.

2. SCOPE OF THE POLICY

- 2.1. This policy and its associated internal procedures apply to all Elected Members and employees of the council and are intended to maintain the high standards of conduct which currently exist within the council by preventing criminal activity through money laundering.
- 2.2. Directors and Service Managers should ensure that all employees are aware of this policy document and relevant internal procedures.
- 2.3. This policy document sits alongside the Council's Anti-Fraud & Corruption Strategy, Whistleblowing Policy and other governance arrangements.

3. DEFINITION OF MONEY LAUNDERING

- 3.1. Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for clean money or assets with no obvious link to their criminal origins. It also covers money, however it has been obtained, which is used to fund terrorism.
- 3.2. Money laundering can take many forms including the following;
 - handling the proceeds of crime
 - being directly involved with any criminal or terrorist property
 - entering into arrangements to facilitate the laundering of criminal or terrorist property
 - investing the proceeds of crime into other financial products or into the acquisition of property / assets.

- 3.3. These are the primary money laundering offences, and are thus prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the primary offences and tipping off. For the purposes of this policy, tipping off is where someone informs a person or people who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.
- 3.4. Whilst the main areas of concern are financial and property transactions undertaken by the council's Finance, Legal, Property Services and Housing teams, potentially any Elected Member or employee could be in the scope of the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The Money Laundering Guidance Note gives practical examples of how this could happen. This document sets out how any such concerns should be raised.
- 3.5. Whilst the risk to the council of contravening the legislation is low, it is extremely important that Elected Members and employees are familiar with their legal responsibilities. Serious criminal sanctions can be imposed for breaches of the legislation.

4. THE COUNCIL'S RESPONSE TO THE RISK OF MONEY LAUNDERING

- 4.1. The Council will work to,
 - prevent, where possible, exposure to money laundering,
 - identify the potential areas where it may occur, and
 - comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.
- 4.2. The Council will take necessary steps to comply with the principal requirements of the Money Laundering Regulations 2007.

Money Laundering Reporting Officer

- 4.3. The Council will appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees and elected members of suspected money laundering activity (their own or anyone else's)
- 4.4. The MLRO will be responsible for assessing whether the disclosure made shows sufficient evidence to believe that there is actual or suspected money laundering taking place and ensuring that relevant disclosures are reported to the National Crime Agency.
- 4.5. A Deputy Money Laundering Reporting Officer will also be appointed to act in the absence of the Money Laundering Reporting Officer.

Procedures

- 4.6. The Council will develop and maintain procedures to be followed by all staff and elected members for the reporting of suspicions of money laundering and will include templates for forms that would need to be completed for formal reporting.

- 4.7. These procedures will also include clear instruction on client identification and in what circumstances such steps should be taken to verify the identity of a client.
- 4.8. In accordance with this policy, failure by a member of staff to comply with the internal procedures may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the council's disciplinary procedure. Failure by an Elected Member to comply with the associated procedures will be dealt with under the Member Code of Conduct.

Records

- 4.9. Each section of the council will maintain records of any client identification evidence obtained and details of all relevant business transactions carried out for at least 5 years. This is to ensure that records are available for use as evidence in any subsequent investigation by the authorities into money laundering.
- 4.10. The Money Laundering Reporting Officer will maintain a central record of all;
 - disclosure forms received from employees or elected members,
 - client identification evidence associated with disclosures,
 - reports issued to the National Crime Agency,

for a minimum of seven years.

Training

- 4.11. The procedures document will provide sufficient information for most members of staff. However, further guidance may be issued from time to time.
- 4.12. All staff in areas exposed to potential money laundering will receive appropriate targeted training on the subject, which will be included in the corporate training programme of the council.
- 4.13. General awareness of money laundering will be promoted to all Elected Members and employees.

5. REVIEW AND APPROVAL OF THIS POLICY

- 5.1. This Anti-Money Laundering Policy will be reviewed at least annually, with any material amendment subject to approval of the Cabinet.