

**Agenda Item No.5**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**4 October 2016**

**Report of the Director of Finance and the Director of Legal Services**

**ANTI-MONEY LAUNDERING POLICY**

**1 Purpose of the Report**

The purpose of this report is to advise Members of the latest review and update of the Council's Anti-Money Laundering Policy.

**2 Information and Analysis**

The consequence of any public authority or members of its staff becoming involved in money laundering, without policies and procedures in place to help prevent it, may be very serious. It may result in criminal prosecutions if organisations and individuals are not fulfilling their duty under the law. It would reflect poorly not only on the Council but potentially on the public sector as a whole.

It is therefore prudent and responsible practice for the Council to put in place and to keep up to date a policy, which includes appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the legislation and regulations.

The requirement to ensure that appropriate arrangements are in place is contained within the Council's Financial Regulations.

The Council's Anti-Money Laundering Policy (the "Policy") was most recently presented to the Audit Committee at its meeting on 6 October 2015, following a review of the Policy in June 2015, when an update was made to reflect the name of the Acting Head of Investments. The person fulfilling the role of Head of Investments acts as one of the deputies for the Money Laundering Reporting Officer. The Acting Head of Investments has since been appointed to the post.

Following a further review of the Policy in August 2016, the following updates have been made:

- References to the Serious Organised Crime Agency (“SOCA”) have been replaced by the National Crime Agency (“NCA”), which has taken over its responsibilities for investigating money laundering and terrorist financing.
- References to UK legislation and regulations on money laundering have been changed to refer to updated amendments to the Proceeds of Crime Act 2002 (Crime and Courts Act 2013 and the Serious Crime Act 2015) and to clarify references to amendments to the Terrorism Act 2000 (Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007).
- Version control and information classification have been incorporated into the Policy.

The Policy, which takes account of the Council’s exposure to money laundering, along with guidance notes and supporting documentation, is attached in the Appendix to this report.

### **3 Other Considerations**

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

### **4 Background Papers**

The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)

The Money Laundering Regulations 2007

The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007)

Combating Financial Crime – CIPFA 2009

Proceeds Of Crime (Anti-Money Laundering) – Practical Guidance For Public Service Organisations – CIPFA 2005

Papers are available from Technical Section, Corporate Finance.

## **5 Officers' Recommendation**

That Members note that a review and update of the Anti-Money Laundering Policy has taken place.

PETER HANDFORD

Director of Finance

JOHN McELVANEY

Director of Legal Services



# Anti-Money Laundering Policy

Version History			
Version	Date	Detail	Author
1.0	31 03 2010	Council's first Anti-Money Laundering Policy noted and approved by Members of Audit Committee on 31 Mar 2010.	E Scriven
2.0	17 10 2011	Members of Audit Committee noted and approved update at meeting 17 Oct 2011.	E Scriven
3.0	29 01 2013	Members of Audit Committee advised of latest review at meeting 29 Jan 2013.	E Scriven
4.0	07 10 2014	Reviewed by Members of Audit Committee at meeting 7 Oct 2014.	E Scriven
5.0	06 10 2015	Members of Audit Committee advised of latest review at meeting 6 Oct 2015.	E Scriven
6.0	04 08 2016	Policy reviewed for presentation to Audit Committee Members at meeting 4 Oct 2016 - updated for changes to UK legislation and regulations amendments on money laundering; to include references to the National Crime Agency (NCA), which replaced the Serious Crime Agency (SOCA) and took over its responsibilities for investigating money laundering; update job titles of deputy MLROs; version control and information classification added.	E Scriven
This document has been prepared using the following ISO27001:2013 standard controls as reference:			
ISO Control	Description		
A.8.2	Information classification		
A.7.2.2	Information security awareness, education and training		
A.18.1.1	Identification of applicable legislation and contractual requirements		
A.18.1.3	Protection of records		
A.18.1.4	Privacy and protection of personally identifiable information		

## **Introduction**

This policy establishes a framework within which the requirements of the Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007) and the Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015), as applicable to public authorities, will be adhered to by the Council.

It sets out appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the legislation and regulations. It is the Council's responsibility to take all reasonable steps to minimise the likelihood of money laundering occurring.

Failure to adhere to the requirements of the legislation may result in criminal prosecutions, if the Council and its officers and members are not fulfilling their duty under the law.

## **Scope**

This policy applies to all officers and members (from hereon referred to as "employees") and aims to maintain the high standards of conduct which currently exist within the Council, by preventing criminal activity through money laundering. The policy sets out the procedures which must be followed to enable the Council to meet its legal obligations.

It is designed to help employees familiarise themselves with the legal and regulatory requirements relating to money laundering, as they affect both the Council and themselves personally.

Whilst the policy particularly applies to employees involved with monetary transactions, it is everyone's responsibility to be vigilant.

## **Purpose**

The legislative requirements concerning anti-money laundering procedures are extensive and complex. This policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the low risk to the Council of contravening this legislation.

Any employee could potentially be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way or do nothing about it. Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities.

The objectives of this policy are to:

- ensure that all employees are aware of the legislation and money laundering offences within it, their responsibilities regarding the legislation and the consequences of non-compliance;
- document the Council's client identification procedures;
- establish the Council's internal reporting procedures;
- define the Council's expectations in respect of employee awareness and targeted training;
- establish the Council's requirements for the appointment of an officer responsible for anti-money laundering; and
- document certain procedures of internal control and communication for activities which are restricted or regulated.

## **Legislation and Offences**

The requirements of the Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007) ("the TA") and the Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015) ("the POCA"), as applicable to public authorities, will be adhered to by the Council.

Under this legislation, money laundering is interpreted very widely and includes possessing, or in any way dealing with, or concealing, the proceeds of any crime. In summary, the main money laundering offences are:

- concealing, disguising, converting, transferring or removing criminal property from the UK;
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property;
- acquiring, using or possessing criminal property; and
- doing something that might prejudice an investigation, for example, falsifying a document.



It is an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of criminal activity, or resulting from acts of criminal activity. All individuals and businesses in the UK, including employees and the Council, have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, criminal activity or its laundering, where it relates to information that comes to them in the course of their business or employment.

## **Employee Responsibilities**

Whilst money laundering may most commonly be associated with organised crime, employees of the Council could be exposed to it in the ongoing pursuit of their everyday activities. Guidance for employees on their possible exposure to money laundering, along with examples of warning signs of money laundering, is attached at Appendix A ("Money Laundering - Warning Signs") to this policy.

Employees should follow this policy in respect of all crimes, however small. The regime under which money laundering is monitored operates on an "all crimes" basis and sets no lower limit below which suspected crimes should not be internally reported.

It is essential that employees rigorously apply the internal procedures set out in this policy for forestalling and preventing money laundering.

## **Non-Compliance**

Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against them, in accordance with the Council's Disciplinary and Dismissal Procedure Policy.

Offences may be tried at a Magistrate's Court or in the Crown Court, depending on the severity of the suspected offence. Trials at the former can attract fines of up to £5,000, up to six months in prison, or both. In a Crown Court, fines are unlimited and sentences up to fourteen years may be handed out.

## **Client Identification Procedures**

Although it may not be a legal requirement to put in place formal procedures for evidencing the identity of those the Council does business with, in practice, prudence dictates that employees are alert to potentially suspicious circumstances.

Examples include situations where funds flow through the Council from a source with which it is unfamiliar. There is a greater risk if the parties concerned are not physically present, or may be acting for absent third parties.

In particular, if the Council is forming a new business relationship and/or is considering undertaking a significant one-off transaction, it is required that identification procedures are set up and maintained in respect of the parties involved. If the client acts, or appears to act, for another person, reasonable measures must be taken for the purposes of identifying that person. These may already be part of the Council's procedures in some areas.

In this situation, the client should provide satisfactory evidence of their identity either personally, through passport/photo driving license plus one other document with their name and address, for instance a utility bill (not a mobile bill), mortgage/building society/bank documents, credit card documents, a pension/benefit book; or their corporate identity, which can be through company formation or business rates documents. This evidence should then be retained. If satisfactory evidence is not obtained, the relationship or the transaction should not proceed.

### **Internal Reporting Procedures**

Staff concerns should be reported to the Council's nominated anti-money laundering officer ("the Officer"), or in his or her absence, their deputies. All suspicious transactions, irrespective of their values, should be reported to the Officer.

Employees should first have an initial discussion with the Officer, which should be recorded on an internal form if the Officer decides that the matter is serious enough to warrant this. The Officer will then decide whether an external report is needed. The forms are attached at Appendix C to this policy.

All forms will be retained for five years from the date the matter is satisfactorily concluded on.

Once an employee has reported their suspicions to the Officer, they have fully satisfied their own statutory obligation.

The Council will monitor the types of transactions and circumstances that give rise to suspicious transaction reports, with a view to updating internal instructions and guidelines from time to time.

At no time and under no circumstances should an employee voice any suspicions to the persons suspected of money laundering. This is known as “tipping off”. Whilst this is not an offence for a public authority which does not operate in the regulated sector (which is avoided by ensuring that undertaking investment activities for a third party and structuring agreements for certain activities, if undertaken for third parties, are restricted), it is best practice. No reference should be made on a client file to the Officer having been contacted, or a report having been made to the Officer. Should the client exercise their right to see the file, then such a note would obviously tip them off as to the report having been made. The Officer should keep the appropriate records in a confidential manner.

### **Employee Awareness and Training**

It is not necessary for all staff to have a detailed knowledge of what constitutes criminal offences under the legislation. Those who are most likely to encounter money laundering should read this policy, as it documents what procedures are in place to help forestall and prevent money laundering and informs them of their personal responsibilities and possible liabilities as individuals. Suggested notes for managers to distribute to these and other employees are attached at Appendix B (“Anti-Money Laundering – Notes for Employees”).

The Council does not have any areas of activity that are considered to be especially vulnerable to money laundering. This is supported by the fact that local authorities are not included as a “relevant person” in the Money Laundering Regulations 2007 and are therefore not covered by those regulations.

Any managers who believe they have identified any especially vulnerable areas should first consult with the Council’s officer responsible for money laundering activities. If it is then agreed that this is the case, then the manager of the employees involved should request the Officer to arrange to deliver more targeted training to the employees.

### **Appointment of an Officer Responsible for Anti-Money Laundering**

Whilst the Council is not obliged to have a formally appointed Money Laundering Reporting Officer (“MLRO”) under the POCA, it is good practice for an officer to be nominated as being responsible for the Council’s anti-money laundering activities. The Council should therefore always have a nominated anti-money laundering officer (“the Officer”), along with two nominated deputies, who are authorised to act in their absence.

These appointees should already hold a senior position at the Council so that they can access relevant information (even if it is sensitive) and have the authority to make the decision not to externally report, without having to refer to anyone else in the organisation. This policy therefore requires that the Officer and deputies should occupy the following senior positions at the Council:

Role	Name	Position
Officer	Peter Handford	Director of Finance
Deputies	Richard Appleby	Assistant Director of Finance (Pension Fund)
	Dawn Kinley	Head of Investments

The Council's appointed Officer and deputies should:

- maintain the Council's policies and procedures in respect of money laundering;
- receive and manage the concerns of employees about money laundering and their suspicion of it;
- document internal money laundering reports in conjunction with the employee concerned, where warranted;
- make internal enquiries to follow up concerns; and
- make external reports to NCA (see below), where necessary.

The Officer and deputies must follow the current requirements of the National Crime Agency ("NCA") (which has taken over the responsibilities of the Serious Organised Crime Agency ("SOCA") for investigating money laundering and terrorist financing) in enforcing the legislation. However, the Officer and deputies should not allow the role to consume a disproportionately large amount of time and resources, relative to the risks.

## Restricted Activities

This policy requires certain activities to be regulated or restricted as follows:

### a) Undertaking Investment Activities for a Third Party

In making investment arrangements, the Council should not act as a principal or agent in, or an arranger of, investment activities for a third party, without prior authority from the Officer, as such activities might be

interpreted as being a regulated activity and expose the Council to additional money laundering regulations.

This excludes the investments of trust and charitable funds and the placing of cash deposits for other local authorities, as such activities, in CIPFA's view, would not be interpreted as being "by way of business".

## **b) Receiving High Value Cash Receipts**

For the purpose of forestalling and preventing money laundering:

- Cash receipts of £10,000 or more should not be accepted. "Cash" includes notes, coins or travellers' cheques in any currency. It is not appropriate for payment of a balance owed to the Council to be sub-divided into smaller cash receipts to circumvent this limit, whatever the purpose of the payment. Any attempts to do this should be reported to the Officer as suspicious activity.
- If money offered in cash is £2,500 or more, then the payment must not be accepted until the employee has received guidance from the Officer or his/her deputies.
- The Council, in the normal operation of its services, accepts payments from individuals and organisations, for example in relation to property rental and sundry debtors. For all transactions under £2,500, no action is required, unless the employee has reasonable grounds to suspect money laundering activities, proceeds of crime or is simply suspicious, at which stage the matter should be reported to the Officer.

## **c) Refunds**

A significant overpayment of an amount owed, which results in a repayment, should be properly investigated and authorised as not suspicious, before repayment is made.

## **d) Structuring of Agreements**

Advice from the Officer should be sought in structuring agreements relating to the following activities, if undertaken on behalf of third parties, as such activities might be interpreted as being a regulated activity and expose the Council to additional money laundering regulations:

- advice about tax affairs;
- accountancy services;

- audit services;
- legal services which involve participation in a financial or real property transaction; and
- services which involve the formation, operation or management of a company.

### **CIPFA's Treasury Management Code**

Treasury management activities and the legal and best practice requirements relating to them (including money laundering), are subject to the provisions of CIPFA's Treasury Management: Code of Practice ("the TM Code"). The TM Code is legally enforceable in local authorities.

### **Conclusion**

The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy and the guidance notes and supporting documentation in the Appendices 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.

## **Anti-Money Laundering**

### **Money Laundering - Warning Signs**

Those involved in the handling of criminal property look for ways to secure and safeguard the proceeds of their criminal activities. Although other ways exist, cash is the mainstay of criminal transactions, being the most reliable and flexible, and having little or no audit trail.

In the UK, the most popular method of laundering money is thought to be the purchase of property, followed by investment in front companies or high cash turnover businesses (frequently legitimate businesses), or funding a lifestyle.

The following examples, which employees could encounter at the Council, may indicate that money laundering is taking place.

- Transactions or trade that appear to make no commercial or economic sense from the perspective of the other party. A money launderer's objective is to disguise the origin of criminal funds and not necessarily to make a profit. A launderer may therefore enter in to transactions at a financial loss if it will assist in disguising the source of the funds and allow the funds to enter the financial system.
- Large volume/large cash transactions. All large cash payments should be subject to extra care and should cause questions to be asked about the source. This will particularly be the case where the cash paid exceeds the amount necessary to settle a transaction and the persons concerned request a non-cash refund of the excess. This will include double payments. The Council's Anti-Money Laundering Policy includes procedures which must be followed when encountering high value cash receipts. The cash receipts limit is £10,000; cash payments may not be sub-divided to circumvent this limit. Cash payments over £2,500 must not be accepted without approval from the Council's Officer responsible for anti-money laundering activities and his/her deputies.
- Payments received from third parties. Money launderers will often look to legitimate business activity in order to assist in "cleaning" criminal funds and making payments on behalf of a legitimate company can be attractive to both parties. For the legitimate company it can be a useful source of funding and for the launderer the funds can be repaid through a banking system.

Examples of warning signs which could point to money laundering are:

- use of cash where other means of payment are normal;
- unusual transactions or ways of conducting business, including where third party intermediaries becomes involved in a transaction;
- unwillingness to answer questions / secretiveness generally;
- difficulties in establishing the identity of a party, or where the identity is not disclosed;
- use of overseas companies;
- evasiveness as to the source or destiny of funds; and
- overpayment of property rental income where refunds are needed.

The money laundering regime adopts an “all crimes” approach. It should be noted that the money laundering offences described in the Council’s policy may apply to a very wide range of more everyday activities. Examples include:

- being complicit in crimes involving the falsification of claims;
- benefiting from non-compliance with the conditions attaching to a grant;
- retaining customer overpayments on a ledger; and
- facilitating employment on which tax is not paid.



## **Anti-Money Laundering**

### **Notes for Employees**

#### **Derbyshire County Council's and Your Own Personal Responsibilities**

##### **Purpose**

These notes are important. They are designed to help you familiarise yourself with the legal and regulatory requirements relating to money laundering, as they affect both the Council and you personally.

##### **What is Money Laundering?**

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. The following constitute the act of money laundering:

- concealing, disguising, converting, transferring, or removing criminal property from the United Kingdom;
- becoming concerned in an arrangement in which someone, knowingly or suspecting, facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- acquiring, using or possessing criminal property; and
- doing something that might prejudice an investigation, for example, falsifying a document.

Whilst the risk to the Council of contravening the legislation is perceived to be low, you may be used unknowingly in laundering money from criminal activities.

Although the term “money laundering” is generally used when describing the activities of organised crime – for which the legislation and regulations were first and foremost introduced – to most people who are likely to come across or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

The money laundering regime adopts an “all crimes” approach. The offences may apply to a very wide range of more everyday activities within the Council. This could include, for example, being complicit in crimes involving the falsification of claims, benefiting from non-compliance with the conditions attaching to a grant, retaining customer overpayments on a ledger, or facilitating employment on which tax is not paid.

### **What Laws Exist to Control Money Laundering?**

In recent years, new laws have been passed which significantly shift the burden of identifying acts of money laundering away from government agencies and more towards organisations and their employees. They prescribe potentially very heavy penalties, including imprisonment, for those who are convicted of breaking the law. These laws are important. A list of the laws and relevant papers appears at the end of these notes.

### **What is the Council’s Policy on Money Laundering?**

The Council aims to maintain its high standards of conduct, by preventing criminal activity through money laundering.

The Council’s policy is to do all that it can to prevent, wherever possible, the Council and its officers and members being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. We cannot stress too strongly, however, that it is everyone’s responsibility to be vigilant.

Peter Handford, whose contact details appear in the box later in this note, has been nominated as being the Council’s Officer Responsible for Anti-Money Laundering (“the Officer”).

### **What are the Main Money Laundering Offences?**

There are three principal offences – concealing, arranging and acquisition/use/ possession.

**Concealing** is where someone knows, or suspects, a case of money laundering but conceals or disguises its existence. **Arranging** is where someone involves themselves in an arrangement to assist in money laundering. **Acquisition/use/ possession** are where someone seeks to benefit from money laundering by acquiring, using or possessing the property concerned.

There are also two “third party” offences - failure to disclose one of the three principal offences, and “tipping off”. **Tipping off** 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 their being investigated, or prejudicing an investigation. Provided the Council does not involve itself in certain regulated activities, then these two offences do not apply to it. However, the Council’s policy is still to apply best practice and therefore all suspicions should be reported to the Officer and no tipping off should occur.

All the main money laundering offences may be committed by the Council or its staff and members (from hereon referred to as “employees”).

### **What are the Implications for the Council and its Employees?**

The Council has accepted the responsibility to ensure that those of its employees who are the most likely to be exposed to money laundering can make themselves fully aware of the law and where necessary, are suitably trained. The Council has also implemented procedures for reporting suspicious transactions and if necessary, making an appropriate report to the National Crime Agency.

The consequences for employees of committing an offence are potentially very serious. Whilst it is considered most unlikely that an employee would commit one of the three principal offences, the failure to disclose a suspicion of a case of money laundering is a serious offence in itself, and there are only limited grounds in law for not reporting a suspicion.

Whilst stressing the importance of reporting your suspicions, however, you should understand that failure to do so is only an offence if your suspicion relates, in the event, to an actual crime.

### **What are the Penalties?**

Money laundering offences may be tried at a Magistrate’s Court or in the Crown Court, depending on the severity of the suspected offence. Trials at the former can attract fines of up to £5,000, up to six months in prison, or both. In a Crown Court, fines are unlimited and sentences up to fourteen years may be handed out.

Failure by an employee 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 and Dismissal Procedure Policy.

## **What are the Warning Signs?**

Examples of warning signs which you could encounter and may point to money laundering are attached at Appendix A (“Warning Signs”) to these notes. You should ensure that you familiarise yourself with these examples.

## **What Should I do if I Suspect a Case of Money Laundering?**

You should report the case **immediately** to Peter Handford (the Council’s Officer Responsible for Anti-Money Laundering, “the Officer”), either using a form he will give to you or, if you prefer, in a discussion.

Peter can be contacted as follows:

<p>Peter Handford Director of Finance Derbyshire County Council County Hall MATLOCK Derbyshire DE4 3AH</p> <p>Telephone: 01629 538 700 E-mail: <a href="mailto:peter.handford@derbyshire.gov.uk">peter.handford@derbyshire.gov.uk</a></p>
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In the absence of the Officer, Richard Appleby and Dawn Kinley (or the officers in these posts at the relevant time) are authorised to deputise for him. He will decide whether the information or transaction is suspicious and whether to make an external report based on all other relevant evidence (information) available to the Council concerning the person or business to which the initial report relates.

There is no clear definition of what constitutes suspicion – common sense will be needed. If you are considered likely to be exposed to particularly suspicious situations, which are especially vulnerable to money laundering, you will be made aware of these by your senior officer and, where appropriate, training will be provided.

Should you have any concerns whatsoever regarding any transactions then you should contact the Officer or one of his deputies.

## **Summary**

Robust money laundering procedures are essential if the Council and its employees are to comply with our responsibilities and legal obligations. It falls to you as an employee, as well as to the Council itself, to follow these procedures rigorously.

## **Legislation, Regulations and Guidance Relating to Money Laundering**

The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)

The Money Laundering Regulations 2007

The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007)

Combating Financial Crime – CIPFA 2009

Proceeds Of Crime (Anti-Money Laundering) – Practical Guidance For Public Service Organisations – CIPFA 2005

**Reviewed and updated August 2016  
(Original February 2010; updated August 2011; reviewed December 2012; reviewed September 2014; reviewed June 2015)**

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## Internal Suspicion of Money Laundering Activity Form

### **STRICTLY CONFIDENTIAL**

**Report to: Officer Responsible for Anti-Money Laundering  
("the Officer")**

**Regarding: Suspicion of Money Laundering Activity**

To: .....  
(Derbyshire County Council (Deputy) Officer Responsible for Anti-Money  
Laundering)

From: .....

Department: .....

Job title: .....

### **Details of Suspected Offence**

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

*[If a company/public body please include details of nature of business]*

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

**Nature, value and timing of activity involved:**

*[Please include full details eg what, when, where, how]*

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

**Nature of suspicions regarding such activity:**

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

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

Yes/No *(please select the relevant option)*

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

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

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

Yes/No *(please select the relevant option)*

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

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



**Have you consulted any supervisory body guidance on money laundering (eg the Law Society?)**

Yes/No *(please select the relevant option)*

**If yes, please specify below:**

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

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

Yes/No *(please select the relevant option)*

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

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

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

Yes/No *(please select the relevant option)*

If yes, please enclose details in the box below:

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

Please set out below any other information you believe is relevant:

*[Please continue on to 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 OFFICER**

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 NCA?

Yes/No (*please select the relevant option*)

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

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

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

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

**Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?**

*Yes/No (please select the relevant option)*

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

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

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

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

*[Please set out reasons for non-disclosure.]*

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

.....

**Other relevant information:**

**Signed:** .....

**Dated:** .....

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