

Anti – Money Laundering Policy



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1. Introduction

As per CIPFA best practice guidance Local Authorities have adopted Money laundering legislation to establish internal procedures to prevent the use of their services for money laundering. Money laundering in the UK is governed by the following legislation:

- The Terrorism Act 2000;
- The Anti-Terrorism Crime & Security Act 2001;
- The Proceeds of Crime Act 2002;
- Serious Organised Crime and Police Act 2005;
- The Criminal Finances Act 2017;
- The Money Laundering Regulations 2017;
- The Money Laundering and Terrorist Financing Regulations 2022;
- The Sanctions and Anti-Money Laundering Act 2018.

Hillingdon Council seeks to actively prevent money laundering within its services by identifying areas of money laundering risk, implementing measures to minimise and control this risk, and ensuring compliance with all legal and regulatory requirements.

This policy is in line with the Counter Fraud Strategy, setting out the procedures to be followed to enable the Council to comply with its legal obligations.

2. Scope

This policy applies to all staff of Hillingdon Council - permanent and temporary, agency staff, contractors, executives, agents, members, volunteers and consultants. All have a responsibility to be alert to the risk of money laundering and report suspicions where appropriate.

3. Principles

This policy is based on the following principles:

- To provide a clear process on how to report suspicions of money laundering.
- To outline the responsibilities of staff as well as those who have defined roles regarding the reporting of money laundering.
- To provide an understanding of money laundering offences.
- To define the Council's obligations.

4. What is Money Laundering?

Money laundering is generally defined as the process by which the proceeds of crime, and the true ownership of those proceeds, are changed so that the proceeds appear

to come from a legitimate source. It is not limited to major organised crimes, but covers the proceeds of all crimes, however small. The primary money laundering offences are:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the 2002 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 2002 Act)
- Acquiring, using or possessing criminal property (section 329 of the 2002 Act)
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorist Act 2000)
- Failing to disclose suspected money laundering
- *'Tipping-off'* i.e. informing someone who is suspected of being involved with money laundering (only applies to regulated sector).

None of the above offences are committed if:

- The person involved did not know or suspect that they were dealing with the proceeds of crime; or,
- A report of the suspicious activity is made promptly to the Money Laundering Reporting Officer.

5. The Council's Obligations

The main requirements of the legislation are:

- To appoint a Money Laundering Reporting Officer (Nominated Officer)
- Implement a process to receive and manage the concerns of staff regarding money laundering and their suspicions of it, and to submit reports when necessary to the National Crime Agency (NCA)
- To raise awareness of money laundering including the organisations responsibilities and obligations of individuals through targeted training in service areas that could be exposed.

6. Nominated Officers

The regulations require the Council to appoint a Nominated Officer which is also known as a Money Laundering Reporting Officer (MLRO). The nominated officer and their deputy are responsible for receiving internal suspicious transaction reports and deciding whether these reports should be reported to the NCA.

The nominated officers are:

- MLRO – Head of Counter Fraud
- Deputy MLRO – All 3 Counter Fraud Managers

Contact details for the nominated officers are listed in Section 7.

7. How to report Incidents and Suspicions

Suspected cases of money laundering must be reported to the Head of Counter Fraud who is the **Money Laundering Reporting Officer (MLRO)** or one of the Counter Fraud Managers who are the **Deputy Money Laundering Reporting Officer (Deputy MLRO)** for advice and guidance. The MLRO is responsible for:

- Maintaining awareness of money laundering through training and sharing information to ensure the Council's policies and procedures are adhered to
- Receiving Money Laundering Reports from anyone who has suspicions of money laundering and maintaining records of these reports
- Investigating reports of money laundering to determine if there are reasonable grounds to make a report to the National Crime Agency
- Making reports to the National Crime Agency and cooperating with law enforcement agencies in the prosecution of those who commit money laundering.

Suspicions or incidents of money Laundering can be reported directly to MLRO or Deputy MLRO via the below options:

- **In person:** Head of Counter Fraud (MLRO) or Counter Fraud Manager (Deputy MLRO)
- **24 hour hotline:** freephone number 0800 389 8313
- **Email:** fraud@hillingdon.gov.uk

8. High Value Transactions & Cash Transactions

Those receiving or arranging to receive cash on behalf of the Council must ensure they are familiar with this Anti-Money Laundering Policy. No cash payment to the Council should be accepted if it exceeds £10,000.

If a cash payment over £1,000 is to be received by the Council the MLRO should be informed for due diligence to take place.

9. Suspicious Activity Report (SAR)

Once a report of potential suspicions activity is referred to the MLRO, it is their responsibility to decide whether to report the matter to the NCA via a suspicious activity report (SAR).

The NCA receives and analyses SARs and uses them to identify the proceeds of crime. It counters money laundering and terrorism by passing on important information to law enforcement agencies so they can take action.

10. Administration

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