ANTI-MONEY LAUNDERING POLICY

(March 2026)

Bolsover District Council

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CONTROL SHEET FOR ANTI-MONEY LAUNDERING POLICY

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1. Introduction

1.1 This policy and the accompanying procedures and reporting forms, are to clearly demonstrate that the Council embraces the underlying principles of money laundering legislation.

1.2 The policy is to comply with the requirements of the following legislation ***as applicable to public authorities***:

- 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 Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015),
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

1.3 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 above legislation.

1.4 The risks to the Council of contravening money laundering legislation remain relatively low and some aspects of the legal and regulatory requirements do not apply to local authorities. However, it is recognised that the Council is not completely immune from the risks surrounding money laundering and it is the Council's responsibility to take all reasonable steps to minimise the likelihood of money laundering occurring.

1.5 Failure to adhere to the requirements of the legislation may result in criminal prosecutions. The Proceeds of Crime Act 2002 and the Terrorism Act 2006, both place a number of duties and responsibilities on the Council, its officers, and members to prevent themselves being subject to criminal prosecution.

1.6 This policy seeks to address both the underlying spirit of the 2017 regulations whilst ensuring responsibilities under the Proceeds of Crime Act 2002 and Terrorism Act 2006 are clear.

2. Scope of the Policy

2.1 This policy applies to all officers and members of the Council and aims to maintain the high standards of conduct which currently exist within the Council. It aims to prevent criminal activity through money laundering and to enable employees and members to respond to a concern that they may have in the course of their dealings for the Council.

2.2 This policy sets out the procedures which must be followed to enable the Council to meet its legal obligations under legislation. Whilst the policy particularly applies to employees involved with monetary transactions it is everyone's responsibility to be vigilant.

2.3 The Anti-Money Laundering Policy is part of the Council's Anti-Fraud and Corruption Policy and Strategy and sits alongside its Whistleblowing Policy and Employee Code of Conduct and Member/Officer Relations.

3 Principles of the Policy

3.1 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 legislation in a way which is proportionate to the low risk to the Council of contravening the law.

3.2 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;
- Establish the Council's requirements for the appointment of an officer responsible for anti-money laundering;
- Establish the Council's internal reporting procedures;
- Define the Council's expectations in respect of employee awareness and training; and
- Document certain procedures of internal control and communication for activities which are restricted or regulated.

4 The Legislation and Offences

4.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 were effective from 26 June 2017. These replaced the Money Laundering Regulations 2007. The regulations built on the current regulatory framework but in general terms, these regulations impose requirements on those conducting 'relevant business'. Relevant businesses do not include local authorities. The legislation included at 1.2 of this policy, as applicable to public authorities, will be adhered to by the Council.

4.2 Money laundering is how criminally obtained money or other assets are exchanged for money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.

4.3 Money laundering can take many forms, such as:

- Concealing, disguising, converting, transferring, or removing criminal property from the United Kingdom;
- Entering into or becoming involved 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;
- Attempting or helping any of the above offences;
- Doing something that might prejudice an investigation, for example falsifying a document or tipping off a person or persons, suspected of being involved in money laundering.

4.4 There is no one method of laundering money. For this reason, it is important that the Council, via its employees and contractors and agents, should be vigilant and alert to possible signs of money laundering through the Council's services.

5 Employee Responsibilities

5.1 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.

5.2 Guidance for employees on their possible exposure to money laundering is attached at **Appendix 1**. This provides information on the types of activities where the Council may be subject to money laundering offences.

5.3 Employees should follow this policy in respect of all crimes, however small. The money laundering regime adopts an 'all crimes' approach and sets no lower limit below which suspected crimes should not be internally reported.

5.4 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.

6 Consequences of Non-Compliance

6.1 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 Policy.

6.2 The money laundering offences cited above carry a prison sentence of up to 14 years. A defence is available if it can be shown that any knowledge or suspicion of money laundering was reported to the National Crime Agency and as a result that any resultant transaction was on hold until consent to proceed was given.

7 The Anti-Money Laundering Reporting Officer (MLRO)

7.1 All employees and members are obliged to report any suspicion of money laundering or terrorist financing to the Council's nominated officer for anti-money laundering activities. The Council has nominated the Director of Finance & Section 151 Officer as the Anti-Money Laundering Reporting Officer (MLRO). In their absence, the Chief Executive Officer acts as the Deputy Anti-Money Laundering Reporting Officer.

Their contact details are as follows:

Director of Finance & Section 151 Officer	Chief Executive Officer
The Arc	The Arc
High Street	High Street
Clowne	Clowne
Chesterfield	Chesterfield
Derbys	Derbys
S43 4JY	S43 4JY

7.2 The Council's appointed Officer and deputy 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;
- Make internal enquiries to follow up concerns; and
- Make external reports to the National Crime Agency where necessary.

8 Internal Reporting Procedures

8.1 The primary duty of any employee, member or third party under this policy is to ensure that suspicions or concerns regarding money laundering are reported to the Council's Anti-Money Laundering Reporting Officer (MLRO), or their deputy. All suspicious transactions, irrespective of their values, should be reported. The disclosure should be within hours of a suspicious activity coming to an individual's attention.

8.2 Employees should first have an initial discussion with the MLRO, which should be recorded on an internal form if the MLRO decides that the matter is serious enough to warrant this. The MLRO will then decide whether an external report is needed. **Appendix 2** provides the forms for this.

8.3 All forms shall be retained for 6 years from the date on which the matter is satisfactorily concluded.

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

8.5 The employee, member or third party should not make any further enquiries into the matter themselves. At no time should suspicions be voiced to the person suspected of money laundering by those who have raised the concern.

8.6 Upon receipt of a disclosure report the MLRO must acknowledge receipt and confirm the timescale within which they expect to respond.

8.7 The MLRO is required to promptly evaluate any concerns/disclosures raised and determine whether they require further investigation and referral to the National Crime Agency using the forms at **Appendix 2**. The MLRO should not undertake investigation of any concerns themselves. Where legal professional privilege may apply, the MLRO must liaise with the Director of Governance & Monitoring Officer to determine the further action to be taken.

8.8 Where money laundering is suspected the MLRO will report to the National Crime Agency and also notify the Chief Executive Officer and the Director of Governance & Monitoring Officer.

8.9 To ensure the Council minimises the risk of tipping off and to minimise any reputational damage should the suspicion be unfounded, the confidentiality of the matter will be respected at all times. The MLRO will only inform anyone of the suspicion where there is a genuine business need.

8.10 In some cases it may be necessary to seek approval from the National Crime Agency before the Council can undertake any further activity in respect of the transaction. Where the MLRO has made such a referral to the National Crime Agency, they will notify the person raising the concern and again inform the individual when the Agency has provided permission for the transaction to proceed.

8.11 If a request for consent has been made to the National Crime Agency, no action should occur for a period of 7 days or until the Agency gives consent. If this results in a transaction having to be deferred or delayed, it should be carefully handled to ensure that the customer is not tipped off as to the money laundering concern.

8.12 After 7 days if the National Crime Agency does not notify otherwise, they are deemed to have given their consent to the transaction. If the Agency instead notifies they refuse to give consent, they have a further 31 calendar days to take action. A moratorium period of 31 days starts on the day the Council receives the refusal notice. During this period, the Council cannot proceed with the matter for which the consent was applied. At the expiry of the 31 days if nothing has been heard, the Agency is deemed to have consented to the request and the Council can proceed.

8.13 The MLRO should retain the details of any referrals made including correspondence with the necessary bodies. All information should be retained for a minimum of 6 years.

9 Employee Awareness and Training

9.1 It is not necessary for all staff to have a detailed knowledge of what constitutes a criminal offence 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 prevent money launder and informs them of their personal responsibilities and possible liabilities as individuals.

9.2 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, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and are therefore not covered by those regulations.

9.3 Any managers who believe they have identified any especially vulnerable areas should first consult the Anti-Money Laundering Reporting Officer. If agreed, more targeted training to the employees should then be delivered.

10 Restricted or Regulated Activities

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

10.2 **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 MLRO, 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’.

10.3 **Receiving High Value Cash Receipts**

For the purpose of 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 MLRO as suspicious activity.

- If money offered in cash is £5,000 or more, then the payment must not be accepted until the employee has received guidance from the MLRO or their deputy.

- The Council in the normal operation of its services, accepts payments from individuals and organisations. For all transactions under £5,000, no action is required unless the employee has reasonable grounds to suspect money laundering activities, proceeds of crime or is simply suspicious.

10.4 **Refunds**

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

10.5 **Structuring of Agreements**

Advice from the MLRO should be sought in structuring agreements relating to the following activities, if undertaken on behalf of third parties. 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 transactions; and
- Services which involve the formation, operation, or management of a company.

11 CIPFA's Treasury Management Code

11.1 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. This document is legally enforceable in local authorities.

12 Responsibility for Implementation

The Policy will be referred to the Risk Management Group to be reviewed at least every 3 years by the Anti-Money Laundering Reporting Officer (or more frequently if required by changes to statutory legislation) and approved by the Executive.

Potential Money Laundering Activity   Appendix 1

1 Guidelines to staff and members on concerns or suspicions

It is anticipated that the most likely scenario in which a money laundering issue may arise is where officers unwittingly become concerned or involved in an arrangement which we know or suspect enables criminal property to be retained or acquired by a third party.

1.1 If you do have any suspicions or concerns about an individual or transaction then it is always better to raise those concerns appropriately. If necessary, you may wish to use the Council's Whistleblowing Policy for further support and guidance on how to raise a concern. Conversely, if in doubt, seek advice from the Anti-Money Laundering Reporting Officer (MLRO).

1.2 Although some offences and suspicions may be fairly apparent, some can be more difficult to identify. The simple guidance is to be vigilant and not be afraid to question something if you don't think it looks right. If you think something looks suspicious, then the probability is someone else may also think the same. It is better for the Council's reputation if it was found we had taken monies that were obtained through theft, drug trafficking, terrorism, etc.

1.3 It is recognised that a lot of the Council's activities are sensitive in nature and in cases what, to some people, may be suspicious or concerning behaviour, from a money laundering perspective may not necessarily be in line with the activity occurring. However, people should always be mindful of genuine concern and suspicion.

2 The types of activities that may be affected

The following table sets out the types of activities that might be suspicious and how the Council may come across those activities. It is not intended to be exhaustive and just because something you are suspicious about is not on the list, it doesn't mean you shouldn't report it.

Activity	The types of activity that may be affected
New customers with high value transactions	• Selling property to individuals or businesses; • Renting out property to individuals or businesses; • Entering into other lease agreements; • Undertaking services for other organisations.
Secretive clients	• Housing benefit claimants who have sums of money entering into/out of their bank account (even if we do not award them benefit, we should still consider money laundering implications); • People buying or renting property from the Council who may not want to say what it is for; • People receiving grant funding who refuse to demonstrate what funding was used for.

Customers who we think are acting dishonestly or illegally	• People paying for Council services who do not provide details about themselves; • People making odd or unusual requests for payment arrangements.
Illogical transactions	• People paying cash then requesting refunds; • Requests for the Council to pay seemingly unconnected third parties in respect of goods/services provided to the Council; • Requests for the Council to pay in foreign currencies for no apparent reason.
Payments of substantial sums by cash	• Large debt arrears paid in cash; • Refunding overpayments; • Deposits/payments for property.
Movement of funds overseas	• Requests to pay monies overseas, potentially for 'tax purposes'.
Cancellation of earlier transactions	• Third party 'refunds' grant payment as no longer needed/used; • No payment demanded even though good/service has been provided; • Sudden and unexpected termination of lease agreements.
Requests for client account details outside normal course of business	• Queries from other companies regarding legitimacy of customers; • Council receiving correspondence/information on behalf of other companies.
Extensive and overcomplicated client business structures/arrangements	• Requests to pay third parties in respect of goods/services; • Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties.
Poor accounting records and internal financial control	• Requests for grant funding/business support, indicates third party not supported by financial information; • Companies tendering for contracts, unable to provide proper financial information/information provided raises concerns; • Tender for a contract which is suspiciously low.
Unusual property investments or transactions	• Requests to purchase Council assets/land with no apparent purpose; • Requests to rent Council property with no apparent business motive.
Overcomplicated legal arrangements/multiple solicitors	• Property transactions where the Council is with several different parties.

3 The Council's Officer Responsible for Anti-Money Laundering (MLRO)

Contact details of the MLRO and their deputy are as follows:

Director of Finance & Section 151 Officer	Chief Executive Officer
The Arc	The Arc
High Street	High Street
Clowne	Clowne
Chesterfield	Chesterfield
Derbys	Derbys
S43 4JY	S43 4JY
01246 242458	01246 222224
Email: theresa.fletcher@bolsover.gov.uk	karen.hanson@bolsover.gov.uk

Internal Suspicion of Money Laundering Activity Form Appendix 2

STRICTLY CONFIDENTIAL

Report to: Officer Responsible for Anti-Money Laundering (MLRO)

Regarding: Suspicion of Money Laundering Activity

From: ………………………………………………………………………………

Department/Section: ………………………………………………………………………………

Job Title: ………………………………………………………………………………

Contact Details: ………………………………………………………………………………

Date Reported: ………………………………………………………………………………

Details of Suspected Offence

Name and address of persons or company 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]*

Reason you are suspicious of activity:

[Please continue on a separate sheet if necessary]

Have you discussed your suspicions with anyone else?

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)?

Yes/No

If yes, please include details below:

[Please continue on a separate sheet if necessary]

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

Yes/No

If yes, please specify below:

[Please continue on a separate sheet if necessary]

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

Yes/No

If yes, please give full details below:

[Please continue on a separate sheet if necessary]

Please include below any other information you believe 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. This form, upon completion, should be passed directly to the Anti-Money Laundering Reporting Officer (MLRO).

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE ANTI-MONEY LAUNDERING REPORTING OFFICER (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 NCA?

Yes/No

If yes, please confirm date of report to NCA:……………………………………………………
and complete the box overleaf:

Details of liaison with NCA regarding this report:

Notice Period: ……………………………………………….

Moratorium Period: ……………………………………………….

(See 8.11 – 8.12 of policy)

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

Yes/No

If yes, please give details 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:

Other relevant information:

Signed: ………………………………………………………………………………

Dated: ………………………………………………………………………………

THIS REPORT IS TO BE RETAINED FOR AT LEAST SIX YEARS