



Sheffield City Council

Finance and Commercial  
Services

# Anti-Money Laundering Policy Statement and Procedures



Revised  
May 2018

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## Anti-Money Laundering Policy Statement and Procedures

1. This statement sets out Sheffield City Council's policy in relation to money laundering. It has the full support of both the Council's senior management and elected members through the Audit and Standards Committee.
2. The Council takes its responsibilities to protect the public purse very seriously and is fully committed to the highest ethical standards, in order to ensure the proper use and protection of public funds and assets. The Council has an ongoing commitment to continue to improve its resilience to fraud, corruption (including bribery and money laundering) and other forms of financial irregularity.
3. The Council advocates **strict adherence** to its anti-fraud framework and associated policies. Whilst individual circumstances of each case will be carefully considered, there will be a zero tolerance approach to fraud and corruption (including bribery and money laundering) in all of its forms. The Council will not tolerate fraud or corruption by its councillors, employees, suppliers, contractors, partners or service users and will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal, loss recovery and/or referral to the Police and/or other agencies. The Council's general belief and expectation is that those associated with it (employees, members, school governors, service users, contractors and voluntary bodies) will act with honesty and integrity.
4. This Anti-Money Laundering Policy is supplementary to the Council's wider Anti-Fraud and Corruption Strategy (the Strategy), which sets out what actions the Council proposes to take over the medium-term future to continue to develop its resilience to fraud and corruption. The Strategy sets out the key responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.
5. The Council's anti-money laundering policy statement and procedures have been in place for a number of years. These have now been revised and updated to take into account, changes in the Council's management arrangements, and also the requirements of the new money laundering regulations which came into effect on the 26 June 2017.

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## INTRODUCTION

- 1 There are a number of pieces of legislation that underpin the requirement for the Council to have robust anti-money laundering processes, to prevent money laundering and if it is suspected, to ensure that the issues are reported promptly. The relevant legislation include the Proceeds of Crime Act 2002, the Terrorism Legislation 2000 and the most recent Money Laundering Regulations 2017 (Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations).
- 2 Money Laundering regulations apply to UK financial businesses and legal professionals. This includes; banks, building societies, money transmitters, bureau de change, cheque cashiers, savings and investment firms, accountants, tax advisors, auditors, insolvency practitioners, estate agents, casinos, high value dealers and trust or company service providers. There is also a requirement on large organisations that are not directly affected by the legislation to have appropriate processes in place to prevent and report on money laundering.
- 3 There are a large number of Council services that do not fall under “relevant business” for the purpose of the legislation. There are some elements such as property transactions that do. There is a requirement on organisations to review the potential risks of money laundering. There is a requirement on all services across the Council to undertake ongoing reviews of their risks. The Council’s cash transactions have diminished, but those remaining continue to be examined by the Council to reduce them further. The Council has developed these processes to ensure that services are aware of the legislation and that they comply with the relevant reporting requirements.
- 4 It should be noted that there is a clear link between this policy and the requirements of the Council’s Officers’ Code of Conduct requirements and also the Council’s Whistle Blowing Policy. As part of the cultural ethos of the Council the citizens of Sheffield have the right to expect that all officers in their actions comply with the requirements of the Nolan Committee, these are:
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 5 If anyone within the Council becomes aware of any potential money laundering activity there is an expectation on them to report this in line with the processes in this document.
- 6 The policy has been tailored to the specific requirements of Sheffield City Council; however, much of the detail is necessary to be consistent with the

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specific requirements of the legislation. The policy complies with the requirements of the Money Laundering Regulations.

- 7 There is a requirement for the Council to report any suspicious activity using an online Suspicious Activity Report (SAR) to the National Crime Agency (NCA) this is done by the Council's Money Laundering Reporting Officer (MLRO) as explained later in this document.

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

- 8 'Money laundering' is any action taken to conceal, arrange, use or possess the proceeds of any criminal conduct. Criminals try to undertake transactions with 'dirty money' (money from criminal activity or from untaxed income sources) in an attempt to make it look 'clean' (derived from a legitimate source) in order to be able to use the proceeds without detection and to put them beyond the reach of law enforcement and taxation agencies. This typically involves transactions through legitimate organisations such as the Council.

### **Scope of the Policy**

- 9 This policy applies to all employees of the Council and aims to maintain a high standard of conduct. The Policy sits alongside the Council's suite of documents governing counter fraud, including the Whistleblowing Policy, Officers' Code of Conduct, Member's Code of Conduct and Anti-Fraud and Corruption Strategy.
- 10 The policy sets out procedures that must be followed to enable the Council to comply with its legal obligations. 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 policy.
- 11 This policy should be read in conjunction with the 'Anti-Money Laundering Guidance Note for Staff', attached at Appendix A.

### **Anti-money laundering legislation and offences**

- 12 Anti-Money Laundering Legislation is contained in the following acts:

- The Proceeds of Crime Act 2002 (POCA).
- Serious Organised Crime and Police Act 2005.
- The Money Laundering Regulations 2017.
- The Terrorism Act 2000.
- Counter Terrorism Act 2008.

- 13 Under the legislation, the main money-laundering offences include:

- Concealing, disguising, converting or transferring criminal property or removing it from the UK;

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- Entering into or becoming involved 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; or
  - Acquiring, using or processing criminal property; or
  - Becoming involved in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property.

14 The Money Laundering regulations also extend to failing to disclose incidents of Money Laundering or ‘tipping off’ a person or persons who are expected to be involved in Money Laundering.

15 The Anti-Money Laundering Guidance Note for Staff at Appendix A gives practical examples of money laundering that are applicable to Council services.

### **What arrangements does the Council need to have in place?**

16 Under the Money Laundering Regulations 2017, organisations are required to establish appropriate risk sensitive policies and procedures to prevent activities related to money laundering and terrorist financing. There is also a requirement to report potential incidents of money laundering to the National Crime Agency (NCA).

17 To meet the requirements of the money laundering regulations, the Council must have in place:

- A Money Laundering Reporting Officer (MLRO) to receive money laundering reports within a structured system for making those reports.
- Ensure that there is risk assessment process in place to identify areas of potential money laundering.
- Have in place ‘Customer Due Diligence’ procedures that are designed to acquire knowledge about the identity of clients and prospective clients and undertake ongoing monitoring of this – A Guide to Knowing Your Customer
- Ensure that there are internal controls in place to try to prevent money laundering (particularly in areas perceived to be of a higher risk).
- Ensure that there is a system in place that monitors and manages compliance with this policy.
- Ensure that this policy and procedures are fully communicated to staff.
- The Council’s Officers’ Code of Conduct has explicit expectations that all officers should comply with the law and to have the highest standards in public life.

18 This policy details how the Council has implemented the measures above and to ensure ongoing compliance.

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## The Money Laundering Reporting Officer (MLRO)

19 The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Strategic Finance, Dave Phillips. He can be contacted as follows:

Dave Philips  
Head of Strategic Finance  
Moorfoot Building  
Sheffield  
S1 4PL

Telephone: 0114 2735872  
Email: [Dave.Phillips@sheffield.gov.uk](mailto:Dave.Phillips@sheffield.gov.uk)

20 In his absence, Stephen Bower, Finance Manager (Internal Audit), is the appropriate officer to deputise for him on this matter. He can be contacted at the address above or:

Telephone: 0114 2735587 or  
Email : [Stephen.Bower@sheffield.gov.uk](mailto:Stephen.Bower@sheffield.gov.uk).

### Disclosure Procedure

21 Under the Proceeds of Crime Act failing to report knowledge or suspicion of money laundering is a criminal offence. Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, either by discussing the suspicion or using the appropriate money laundering form attached at Appendix C. The MLRO is responsible for assessing these reports, making further enquiries and reporting where necessary, to the National Crime Agency (NCA). **At all times it is important to note that if you have a suspicion of money laundering activity, this must be reported to the MLRO as soon as possible.**

22 The form attached at Appendix C should be used to report money laundering activity and requests details of the people involved, the information that the knowledge or suspicion is based on and the whereabouts of the 'property' (proceeds). Please note that the staff guidance note at Appendix A includes a section on recognising money laundering activity.

23 Once the matter has been reported to the MLRO you must follow any directions he may give you. **You must not make any further enquiries into the matter yourself and under no circumstances should you voice your suspicions to the person/s suspected of money laundering activity. You must not discuss the matter with anyone else or make a note on a client file/record that a report has been made to the MLRO. If a client exercises their right to**

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**see the file, any note that has been made would tip them off. The MLRO is responsible for retaining all appropriate records in a confidential manner.**

24 The MLRO will promptly evaluate the internal report to evaluate if the activity should be reported to NCA. The roles and responsibilities of the MLRO are covered in the attached guidance – ‘Roles and Responsibilities of the MLRO’, attached at Appendix B.

### **Due Diligence**

25 Services are required, to undertake a proportionate level of due diligence in relation to all transactions. The amount of due diligence required is linked to the type and value of transaction being undertaken, however services need to know the identity of the individual they are dealing with and where their funds are coming from. The process of knowing your customer is also fundamental in ensuring that the Council can comply with the data protection legislation.

26 Most areas of the Council currently have in place adequate processes to ensure that they know their customers. There is enhanced checking in key areas such as property transactions, benefits claims, employment checking, council house tenancies and “Right to Buy” sales as well as several other areas. This issue does need to be included when services look to move transactions from face to face to online transactions.

27 Under Money Laundering Regulations, businesses should undertake a risk based approach to ‘customer due diligence’. Risks must be assessed before the appropriate level of due diligence can be applied.

28 A separate document “guide to knowing your customer” is available online to aid in this process.

### **Transactions with the potential to be Money Laundering**

29 Below are types of transactions which may be considered suspicious and should be examined to see if they have the potential to be money laundering:

- **When an individual makes a payment in cash of £1,000 or more or;**
- **When an individual makes a series of lump sum linked transactions in cash over a short period of time that total £2,500 or more or;**
- **Where the payment will lead to a significant overpayment.**
- **When making a refund of £1,000 or more, particularly if this cannot be made to the account where the funds originated.**

**Important note: In line with the Council’s Financial Regulations and Financial Policy 3.5, no payment over £2,500 in cash should be accepted by the Council’s employees or its agents, unless specifically agreed with the MLRO.**

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30 It is very important that officers use their experience to judge situations appropriately. If an action arouses suspicion because it is so unusual or different from the norm, then it may need to be investigated further. It would also be appropriate in these situations to require additional verification of identity without warning the individual of concerns. For example if a significant council tax or rent overpayment was made for no specific reason, further investigations would be required. As noted, this relies on staff using their common sense and experience in each individual case.

### **Record keeping procedures**

31 Where require all client identification evidence and details of the relevant transactions must be retained for a minimum of five years. The records need to be maintained in a format where they can be easily recovered by the client department.

### **Risk assessment and control**

32 Under the 2017 Money Laundering Legislation, all relevant businesses are required to have policies and procedures in place to safeguard against money laundering activity in relation to the level of risk that they face. The Council has a risk assessment process to identify areas of potential money laundering. These areas have enhanced controls in place to try to prevent money laundering from occurring. It is important that the controls already documented in this policy – verifying customer's identities, monitoring activity and reporting to NCA, keeping the right records and ensuring there are appropriate management controls in place are diligently applied across the Council and in particular in high risk areas. If you are aware of changes that may increase the risk of money laundering activity in your service area, you should report this to the MLRO as soon as possible.

### **The Council and its external relationships**

33 Sheffield City Council is involved in a number of external relationships to deliver its services and obtain inward investment. If a 'partner' is engaged in delivering a service that may be subject to money laundering activity, they are required to have the necessary safeguards in place to mitigate the risks associated with this. Relevant controls/ requirements should be documented in contract terms and conditions.

34 When undertaking transactions with overseas clients, it is important that due diligence is undertaken in relation to foreign national, so that the Council complies fully with the anti-bribery legislation. This is particularly important if it the individuals are linked to overseas governments or political parties.

### **Monitoring and Compliance**

35 The Money Laundering process is controlled by the Head of Strategic Finance. , but relies upon officers in the Council undertaking the required assessment of



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risk, carrying out due diligence and reporting where appropriate. Further details of monitoring and compliance are included within the briefing note for the MLRO at Appendix B.

### **Communication and Support**

36 This policy alone will not reduce the risk of money laundering activity across the Council. The risk of money laundering and the controls in place to prevent this must be communicated to all staff and particularly to those undertaking 'relevant' business if the Council is to reduce the risk.

37 All staff should have access to this policy and to the relevant guidance notes attached.

38 It is important that management assess the risk of money laundering activity within their service area and communicate the risks and the controls to mitigate this risk in the most appropriate manner. This should include regular reminders to staff of the requirements to comply with the process.

### **Further Information**

39 Further information can be obtained from the MLRO and the following sources:

- National Crime Agency (NCA) – <http://www.nationalcrimeagency.gov.uk/>
- CIPFA - <http://www.cipfa.org/members/members-in-practice/anti-money-laundering>
- CCAB - Anti-Money Laundering (Proceeds of Crime and Terrorism) – Guidance for Accountants – [www.ccab.org.uk](http://www.ccab.org.uk)

(main site) or

- The Law Society - Anti-Money Laundering Guidance and Advice <http://www.lawsociety.org.uk/advice/anti-money-laundering/>

**ANTI-MONEY LAUNDERING GUIDANCE NOTE FOR STAFF**

**INTRODUCTION**

This document provides practical guidance on Sheffield City Council's Anti-Money Laundering Policy.

**What is Money Laundering?**

'Money Laundering' is any action taken to conceal, arrange, use or possess the proceeds of any criminal conduct. Criminals try to undertake transactions with 'dirty money' (money from criminal activity or from untaxed income sources) in an attempt to make it look 'clean' (derived from a legitimate source) in order to be able to use the proceeds without detection and to put them beyond the reach of law enforcement and taxation agencies. This typically involves transactions through the legitimate organisations such as the Council.

**What are the Offences under the Money Laundering Regulations?**

Under the legislation, the main Money-Laundering offences include:

- Concealing, disguising, converting or transferring criminal property or removing it from the UK; or
- 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; or
- Acquiring, using or processing criminal property; or
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property.

The Money Laundering Regulations 2017 also extend to failing to disclose incidents of money laundering or 'tipping off' a person or persons who are expected to be involved in money laundering.

**A RISK BASED APPROACH**

Money laundering legislation does not apply to all Council business but to avoid confusion, all staff should be aware of the policy and adhere to the requirements. As noted in the policy, the reputation of the Council would be compromised if it did not comply with the spirit of the legislation.

Under legislation, it is important to apply a risk-based approach to anti-money laundering controls. Therefore, it is important for the service to determine the activities it undertakes and which would be the most susceptible to money laundering activity. Certain activities that we undertake are specifically covered by the legislation and are referred to as 'relevant business'.

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Relevant business in the Council would include:

- Accountancy services.
- Audit services.
- Legal services including financial and legal property transactions.
- The formation, operation or management of a company or trust.

There are also other service areas/activities within the Council that are more susceptible to money laundering activity, than others. These include:

- Central cashiers function.
- Processing of Council Tax, NNDR (National Non-Domestic Rates) and Creditors.
- Banking contracts.
- Property auctions.
- Council employees involved in giving financial advice to others such as in social services and CYP
- Property services.
- Licensing.
- Markets.
- Planning.

This is by no means a comprehensive list. Staff should always be open to the possibility of potential money laundering activity even if it doesn't appear to fall in the confines of the categories noted above. However, in line with risk-based principles, if your service falls under one of the categories listed, it is important that you understand the money laundering legislation and follow the policy and guidance notes here.

#### **POSSIBLE EXAMPLES OF MONEY LAUNDERING ACTIVITY WITHIN THE COUNCIL**

- Payments of large bills such as Council Tax/ NNDR in cash (note the Council has only limited cash transactions)
- Overpayment of bills – this can be to obtain a refund cheque from the Council which is much easier to pay in to a bank than large amounts of cash.
- Individuals claiming benefits etc who appear to be living significantly beyond their declared means.

It should be noted that these are possible indicators and are not proof of money laundering activity.

#### **HOW DO YOU RECOGNISE MONEY LAUNDERING ACTIVITY?**

It is impossible to give clear rules as to how to recognise money laundering activity. All individuals can do is to be aware of the policy and to trust their professional

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judgement and experience. The following list gives some risk factors which alone or cumulatively, may suggest the possibility of money laundering activity:

- ✓ A new or secretive client that refuses to provide the information requested.
- ✓ Concerns about a client's honesty, integrity and identity.
- ✓ Illogical transactions – the unnecessary routing or receipt of funds via third party accounts.
- ✓ Payment of a substantial sum in cash (over £1,000).
- ✓ Significant overpayments by a client (or repeated overpayment).
- ✓ Size, nature and frequency of transactions or instructions (or size, location or type of client) are out of line with normal expectations.
- ✓ A transaction without an obvious legitimate purpose or which appears uneconomic, inefficient or irrational.
- ✓ Cancellation or reversal of an earlier transaction.
- ✓ Unusual property transactions that have no apparent investment purpose or rationale.

Again, this list is not a fully comprehensive list and a transaction as listed above may be legitimate. The key is to use professional judgement and experience. Any suspicious activity should be reported to the Money Laundering Reporting Officer (MLRO).

### **The Money Laundering Reporting Officer (MLRO)**

The Officer nominated to receive disclosures about Money Laundering activity within the Council is the Head of Strategic Finance, Dave Phillips. He can be contacted as follows:

Dave Philips  
Head of Strategic Finance  
Moorfoot Building  
Sheffield  
S1 4PL

Telephone: 0114 2735872  
Email: [Dave.Phillips@sheffield.gov.uk](mailto:Dave.Phillips@sheffield.gov.uk)

In his absence, Stephen Bower, Finance Manager (Internal Audit), is the appropriate officer to deputise for him on this matter. He can be contacted at the address above or:

Telephone: 0114 2735587 or  
Email : [Stephen.Bower@sheffield.gov.uk](mailto:Stephen.Bower@sheffield.gov.uk)

### **Officers should also consider the following questions:**

- Am I suspicious, or do I know that the activity I have witnessed is criminal and caused someone to benefit in some way?

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- Although I cannot pinpoint an offence, am I suspicious because an action is so unusual or lacking in normal commercial rationale that it causes me to suspect money laundering activity?
  - If so, do I suspect a particular person or persons of having been involved in criminal activity (or do I know who undertook criminal activity), or does another person have details of this person(s) or information that might assist in identifying this person?
  - Do I know who might have received, or still be holding, the benefit of the criminal activity or where the criminal property might be located or have I got information which might allow the property to be located?
  - Do I think that the person involved in the activity knew or suspected that the activity was criminal or do I think the activity arose from an innocent error?
  - Can I explain coherently what I am suspicious of, and why I consider that money laundering activity may have taken place?

It is important that these questions are asked so that you can complete a fully detailed report to the MLRO. The reporting form to the MLRO is included at Appendix C. A report should be made to the MLRO as soon as suspicions are aroused. **If you do not report your suspicions, you are committing an offence. You must report any concerns you have irrespective of where you work or whether you are undertaking 'relevant business'. You can discuss your concerns with your line manager but you must make the report yourself. You must not discuss the suspicions or the report to the MLRO with anyone else and you must not make further investigations yourself once the report has been made. The key is, if you are at all suspicious; provide a report to the MLRO.**

### **Client Identification Procedures – “Know your Customer”**

It is important that with all financial transactions or where we are providing information to someone that we can be assured of their identity and entitlement. The amount of checking is in proportion to the service that they are accessing or the information that they seek. A separate document “guide to knowing your customer” [include hyperlink?] is available to aid in this process.

There are some areas of Council activity, such as property transactions, benefits claims and recruitment for example where additional checking is in place.

If someone tries to pay the Council £1,000 or more in cash (or up to £2,500 in linked transactions) or is suspicious in nature, then you will need to check their identity. Similarly if they are requiring a significant refund.

**Important note: In line with the Council's Financial Regulations and Financial Policy 3.5, no payment over £2,500 in cash should be accepted by the Council's employees or its agents.**

### **Support and Advice**

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If you undertake work in a relevant business area, you should have received training on money laundering and the Council's Anti-Money Laundering Policy. If not ask your manager for guidance.

Money laundering and the Anti-Money Laundering Policy should always be covered in induction where appropriate and should be detailed enough for most officers across the Council.

The Council policy gives links as to where additional information may be sought.

### **Summary**

There is a requirement on all Officers to comply with the spirit of the legislation. These guidance notes should be read in conjunction with the full Policy. The key is if in doubt, report it.

**SHEFFIELD CITY COUNCIL**

**THE ROLES AND RESPONSIBILITIES OF THE MONEY  
LAUNDERING REPORTING OFFICER (MLRO)**

The Money Laundering Reporting Officer (MLRO) role carries significant responsibility and as such should be undertaken by a senior officer who has the authority to take independent decisions and who has the knowledge and experience to undertake the role.

**The Money Laundering Reporting Officer (MLRO)**

The officer nominated to receive disclosures about Money Laundering activity within the Council is the Head of Strategic Finance, Dave Phillips. He can be contacted as follows:

Dave Philips  
Head of Strategic Finance  
Moorfoot Building  
Sheffield  
S1 4PL

Telephone: 0114 2735872  
Email: [Dave.Phillips@sheffield.gov.uk](mailto:Dave.Phillips@sheffield.gov.uk)

In his absence, Stephen Bower, Finance Manager (Internal Audit), is the appropriate officer to deputise for him on this matter. He can be contacted at the address above or:

Telephone: 0114 2735587 or  
Email : [Stephen.Bower@sheffield.gov.uk](mailto:Stephen.Bower@sheffield.gov.uk).

The key role of the Money Laundering Reporting Officer is to receive internal reports from within the Council about potential money laundering activity and to make reports to NCA (National Crime Agency) where necessary.

The MLRO will also advise staff on how to proceed once a report has been made, guarding staff against tipping off or prejudicing the investigation.

**Considerations to be made by the MLRO**

When the MLRO receives an internal report, he should review the report and all the internal information available. Reports should be made on a standard proforma and this is included within the Anti-Money Laundering Policy at Appendix C. The MLRO may want to consider the transaction patterns and volumes, link one off transactions, the nature of the business relationship and any identification details held.

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Reports to the MLRO should contain the following relevant details (and are included on the standard proforma):

- Who is making the report.
- The date of the report.
- Who is suspected or information that may assist in ascertaining the identity of the suspect.
- Who is involved in or associated with the matter and in what way.
- What the facts are.
- What is suspected and why.
- Information regarding the whereabouts of any criminal property or information that may assist in ascertaining it.
- What involvement does the Council have with the subject so that immediate action can be fully considered.

The MLRO will then decide whether to make a report to NCA. This should be undertaken as soon as possible after receiving the report. The MLRO needs to review the evidence presented and determine whether there is actual or suspected money laundering taking place and if there are reasonable grounds to know or suspect that this is the case. All decisions should be fully documented. If the MLRO does not decide to make a report then the reasons why should be fully documented and supported with any relevant information. The MLRO should also hold records of the reports sent and any other relevant information. These should be held securely and should be subject to the strictest confidence. As stated within the Anti-Money Laundering Policy, notes should not be made on any other client files as this may result in the potential 'tipping off' of a client.

If the MLRO decides to continue with the report, there are a number of ways in which a report can be made to NCA using the secure portal at [www.NCA.gov.uk](http://www.NCA.gov.uk).

NCA are essentially looking for the answers to six questions:

- Who?
- What?
- Where?
- When?
- How?
- Why?

Ideally, they will need to know the subjects name and date of birth, the subjects address including postcodes, the account numbers/policy numbers and transaction details including recipient account details if appropriate, the full reason for suspicion including date of activity, type of product or service and the reason for the suspicion and how the activity will or has taken place. It should be noted that it is important that the relevant information is completed within the appropriate fields on the online portal, and not merely placed within the 'reasons for suspicion' field. The NCA will provide acknowledgement of the receipt of the information.



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Once a report has been made the MLRO should advise staff about how to continue work and the interaction that will be required post report. Essentially, the MLRO should advise staff not to discuss the matter with anyone else or make any record of the report made. The MLRO's file will include all the information necessary.

Under the money laundering regulations, there may be reasons why the MLRO would not disclose an internal report to NCA. There may also be instances where consent is required from NCA to continue with the disclosure. An example would be a lawyer who could claim legal professional privilege (see below).

A relevant professional adviser who suspects or has reasonable grounds to suspect that another person is engaged in money laundering activity is exempted from making a report where his knowledge or suspicion comes to him in privileged circumstances (the privilege reporting exemption). Provided that the information is not given with the intention of furthering a criminal purpose, the advisor has a complete defence against a charge of failing to disclose. The exemption means that in these circumstances a report should not be made as the advisors are bound by the same standards of behaviour as in the case of legal advisors who have legal professional privilege. Relevant legal professional advisors include accountants, auditors and tax advisors. However, this is a complex area and if this situation emerges, the MLRO should seek further advice from Legal Services.

### **Monitoring and Compliance**

Managers are responsible for assessing their area and establishing the level of risk in relation to money laundering activity. If an area is assessed as high risk, they need to provide evidence of the measures that are in place and the training given to officers to comply with the policy.

The Money Laundering Reporting Officer should ensure that the policy and guidance is up to date: managers are then responsible to disseminate this information to their service.

Services are currently required, as part of the Annual Governance Statement process, to verify that the Anti-Money Laundering Policy has been implemented and the necessary actions taken in line with the policy.

CONFIDENTIAL

Report to the Money Laundering Reporting Officer

To: **Dave Phillips, Head of Strategic Finance,  
Money Laundering Reporting Officer (MLRO)**

Name of officer making this report: .....

Portfolio: .....

Service: .....

Date: .....

**DETAILS OF SUSPICIOUS ACTIVITY**

**Please give as much information as possible to allow the Money Laundering Reporting Officer to fully evaluate the report.**

Who is suspected of undertaking the activity? (Please provide details such as: names, addresses and dates of birth if known).

What (if any) documents have been checked to validate the person's identity or address?

Please give details of the activity causing suspicion or the details of the incident. This should include details of the nature, value and timing of the activity, where and when the activity took place and why there is cause for suspicion. Please provide as much detail as possible.

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Has any investigation been undertaken (as far as you are aware)? YES/NO

If yes, please give details of the investigation below and why it was deemed necessary:

Have you discussed your suspicions with anyone else? YES/NO

If yes, please give details below including explaining why the discussion was necessary:

Have you consulted any supervisory body regarding your suspicions? YES/NO

(For example, the Law Society)

If yes, please give details below:

Do you have a reasonable reason for not disclosing this matter to the National Crime Agency (NCA)?  
YES/NO (For example, professional privilege)

If yes, please give an explanation below:

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Do you feel that you need consent from NCA to continue transaction within this report?

YES/NO

If yes, please give an explanation as to why below:

Is there any other information that you wish to provide? If so, please give details below.

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

**Please do not discuss the content of this report with anyone else. Please await further instructions from the Money Laundering Reporting Officer.**