



# **Renfrewshire Council Anti-Money Laundering Policy**

February 2025

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## 1. Introduction

- 1.1. Renfrewshire Council's Anti-Money Laundering Policy Statement sets out the internal procedures established to prevent the use of Council services for money laundering.
- 1.2. Local authorities are not obliged to apply the provisions of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. However, the size and scope of the Council's activities is such that it is unlikely to be completely immune from the risks surrounding money laundering. As a responsible public body, the Council has therefore embraced the underlying principles of money laundering legislation and put in place appropriate anti-money laundering policies, procedures and reporting arrangements proportionate to its activities.
- 1.3. The Council's policy is to do all it can to; prevent the Council and its staff being exposed to money laundering, identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially regarding the reporting of actual or suspected cases. Internal procedures will be proportionate and cost effective. However, Money Laundering is a criminal offence and it is the responsibility of the Council and Council officers to take reasonable precautions to prevent its involvement in money laundering, either knowingly or as a result of inaction. The key requirement on employees is to immediately report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO).

## 2. What is Money Laundering?

- 2.1. Money laundering is 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. The "dirty" money is said to be "laundered."

2.2. Money Laundering is interpreted very widely and includes possessing, or in any way dealing with, or concealing, the proceeds of any crime. Therefore, when any Council employee or member is accepting or dealing with money or other assets there is a risk that the money or assets could come from a criminal source. In most cases this is unlikely, but everyone should be aware that they could break the law if they become aware of, or suspect this type of criminal activity and continue to be involved, without reporting their concerns.

2.3. The Primary money laundering offences include:

- Concealing, disguising, converting or transferring of criminal property or removing it from the United Kingdom
- 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
- Acquiring, using or possessing criminal property
- Doing something that might prejudice an investigation, for example, falsifying a document.

2.4. There are also two secondary offences:

- Failing to disclose any of the four primary offences
- ‘Tipping off’ whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

### 3. Terrorist Financing

- 3.1. The Terrorism Act 2000 also creates a money laundering offence under Section 18 which says:

'A person commits an offence if he or she enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property, by

- Concealment
- Removal from the jurisdiction
- Transfer to nominees, or
- in any other way...'

### 4. Recognising Money Laundering

- 4.1. All employees should be alert to the possibility of someone trying to launder money through the Council. Some possible indicators of money laundering may include:

- Any unusually large cash payments made by a person in a single transaction or over a short period of time (e.g. paying business rates in cash)
- Any large overpayment or duplicate payment in cash where a refund is requested by cheque
- If a third party is involved in any transaction e.g. someone paying cash to settle someone else's bill or requests to forward balances on to third parties
- Cash is used to purchase land, buildings or other assets
- A person who is reluctant to supply evidence of identity or address
- Cancelled transactions without good reason, requiring a repayment
- Information received about an individual which may reveal criminality or association with criminality
- The use of over complicated financial systems or funds received from third parties
- Generally, a buyer's or seller's financial profile not "fitting" the transaction they are undertaking.

This list is not exhaustive but gives examples of when employees (or members) should consider whether their suspicions should be aroused and that they should be asking themselves questions such as:

- Would I expect this individual to have this amount of cash?
- Why do they wish to pay in cash?
- Why is this person offering to pay more than the going rate for this item/service?

4.2. All the above money laundering offences may be committed by an organisation or by the individuals working for it. Under the terms of the legislation, it is also an offence if employees or members suspect money laundering and do nothing about it.

4.3. Whilst the risk to the Council of breaking the legislation is low, it is extremely important that members and employees are familiar with their legal responsibilities. Serious criminal sanctions can be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

## **5. Controls and Reporting**

5.1. The threshold for the reporting of a suspicious transaction to the National Crime Agency (NCA) is £10,000. The Council shall not accept payments in cash over £5,000 (unless the payment relates to settlement of a Sequestration Petition, which will be confirmed by Legal Services). Payment over £5,000 must be made by bank transfer.

- 5.2. Signs shall be placed at the counter in all locations where cash is accepted, advising of the policy of the Council.
- 5.3. If an employee has any suspicion over refunds of any amount, these should be referred to the Chief Auditor before being passed for payment.
- 5.4. If an employee/member suspects money laundering, then they must report their suspicions to the Chief Auditor who is the Council's nominated Money Laundering Reporting Officer (MLRO). The Chief Auditor can be contacted as follows:

Chief Auditor

Finance and Resources Department

Renfrewshire House, Cotton Street, Paisley. PA1 1JB

Tel: 0141 487 0678

E-Mail: [karen.campbell@renfrewshire.gov.uk](mailto:karen.campbell@renfrewshire.gov.uk)

- 5.5. The disclosure should be made within hours of the information coming to their attention, not days or weeks later. Employees/members will need to supply as much information as possible to the MLRO about the individual or company concerned, i.e. names, addresses, and previous addresses, if relevant, any bank account details, if known, evidence of identification, reasons for suspicions. If any other employees/members have been involved with the transaction the names of these persons should also be passed to the MLRO.

- 5.6. The employee must not disclose or otherwise indicate their suspicions to the person(s) suspected of the money laundering. They must not discuss the matter with others or note on a file that a report has been made to the MLRO in case this results in the suspect becoming aware of the suspicion.
- 5.7. If the MLRO is not available then any disclosure must be made to the Head of Finance & Procurement.
- 5.8. Failure to report, or concealing a suspected case of money laundering is a criminal offence with, a maximum penalty of up to 14 years imprisonment or a fine or both.
- 5.9. Employees/members making a disclosure report to the Chief Auditor as the Money Laundering Reporting Officer of the Council, must complete a “Report to Money Laundering Officer” form (see attached Appendix 1). They will be informed if a report is then made to the National Crime Agency (NCA). They must not make any further enquiries into the matter themselves and must also not disclose or otherwise indicate their suspicions to the person suspected of money laundering. They should not discuss the matter with others inside or outside of work or note on any file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.
- 5.10. The NCA is the body responsible for handling investigations and generally dealing with money laundering, as set out in the legislation.
- 5.11. No transactions should be completed where it is believed that money laundering is involved until clearance has been received from the NCA, or seven days have passed since the disclosure was made to them and no instructions have been received. Employees must always check the position with the Chief Auditor before taking any action.



## 6. Considerations of Disclosures by the MLRO

6.1. Upon being made aware of the disclosure, the MLRO will formally record details of the disclosure and acknowledge the details of the incident with the person making the disclosure. The MLRO will then begin work to evaluate the content of the report form, considering any other available internal information that may be relevant, for example:

- Relevant transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held.

The MLRO may also undertake other reasonable enquiries as considered appropriate to ensure that all available information is taken into account in deciding whether to report to the National Crime Agency (NCA). As part of these enquiries, the MLRO may need to discuss the form with the person making the disclosure.

6.2. Once the MLRO has evaluated the disclosure and any other relevant information, they will determine whether:

- There is actual or suspected money laundering taking place
- There are reasonable grounds to know or suspect that is the case
- Whether the matter should be reported to the NCA.

6.3. Where it is decided that the matter should be reported, the MLRO must promptly report it to the NCA by completing a Suspicious Activity Report. The transactions in question must not be undertaken or completed until consent for this has specifically been given by the NCA, or there is consent through the expiration of relevant time limits without objection from the NCA.

- 6.4. Where the MLRO suspects money laundering but has reasonable grounds for non-disclosure to the NCA, then the reasons for this should be recorded on the disclosure form. Consent can then be given immediately for any ongoing or imminent transactions to proceed.
- 6.5. Where the MLRO concludes that there are no reasonable grounds to suspect money laundering, the disclosure form will be updated accordingly, and consent given for any ongoing or imminent transactions to proceed.
- 6.6. All disclosure forms received by the MLRO and reports made by the MLRO to the NCA will be securely and confidentially retained by the MLRO for a minimum of five years.
- 6.7. The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering, and they do not disclose this as soon as practicable to the NCA.

## **7. Advice and Training**

- 7.1. Advice is available on any aspect of this policy from the Chief Auditor.
- 7.2. Employees and members are encouraged to gain a general awareness of money laundering by completing the online Fraud Awareness course.
- 7.3. Officers whose employment activities bring them into contact with the regulated sector (notably those employed in the field of treasury management) will be encouraged to familiarise themselves with the obligations and responsibilities placed on them by the relevant legislation.

## **8. Review and Approval of this Policy**

- 8.1. The Anti-Money Laundering Policy will be regularly reviewed, and any material amendment will be subject to approval by the Finance, Resources and Customer Services Policy Board.

## Appendix 1

REPORT TO MONEY LAUNDERING OFFICER	
Staff member's name	
Title/Department	
Phone	
Email	
<b>Details of Suspected Offence</b>	
Names and addresses of persons/company involved (if a company the nature of their business)	
Transaction details including, location, value, timing of activity	
Nature of suspicions	
Has any investigation been undertaken?	
Have you discussed your suspicions with someone else – please provide details.	
<b>For Completion by the MLRO</b>	
Date received	
Date acknowledged	
Unique reference number	
Are there reasonable grounds for suspecting money laundering?	
If yes, confirm date of report to National Crime Agency.	
Date consent given to employee for transaction to proceed	
Categories	1. Overpayment      2. Refund 3. Debt/charge      4. Cashier error 5. House or Asset resale within 3 months 6. Other
Signed and dated	
<b>THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS</b>	

Completed Form should be passed to the MLRO: Chief Auditor, Finance & Resources Department, 2<sup>nd</sup> Floor, Renfrewshire House, Cotton Street, Paisley PA1 1JB.

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