

Anti-Money Laundering Policy

SUMMARY

- 1.1 As a responsible public body, the Council has in place policies and procedures which reflect the essence of the UK's anti-terrorist financing and anti-money laundering regimes. The Council first implemented an Anti-Money Laundering Policy in 2006.
- 1.2 This report seeks approval for continuation of use of the updated policy document, as part of corporate policy.

RECOMMENDATION

- 2.1 To approve the updated Anti-Money Laundering Policy document.

REASONS FOR RECOMMENDATION

- 3.1 The Audit and Accounts Committee is responsible for considering, approving and monitoring council policies on whistleblowing, counter fraud measures and the council's complaints process.

SUPPORTING INFORMATION

- 4.1 Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of their criminal activity, allowing them to maintain control over the proceeds and, ultimately, providing a legitimate cover for their sources of income.
- 4.2 In response to significant changes to the legislation concerning money laundering (the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003) local authorities were advised to establish internal procedures to prevent the use of their services for money laundering. In 2006, the Council introduced an Anti-Money Laundering Policy which outlined its approach to the legislation.
(Note: On 26 June 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 replaced the previous Money Laundering Regulations which had been in place since 2007).

- 4.3 Local authorities are not directly covered by the requirements of the Money Laundering Regulations. However, guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) following the 2007 Regulations advised that local authorities should comply with the underlying spirit of the legislation and regulations by maintaining anti-money laundering policies and procedures.
- 4.4 CIPFA considered that there is substantial reputational risk for an authority which does not have such policies and procedures in place. Whilst the majority of activity falls outside of the public sector, vigilance by authorities and their staff can help identify those who are or may be perpetrating crimes relating to the financing of terrorism or money laundering.
- 4.5 CIPFA's guidance advised that all local authorities should:
- Raise awareness of how Members and staff may unwittingly come across reportable fraud or suspicions of terrorism, and what to do should this happen;
 - Put in place internal reporting procedures, including nominating a Money Laundering Reporting Officer (MLRO);
 - Nominate an officer to take responsibility for devising, implementing and maintaining the policy and procedures; and
 - Identify activities vulnerable to money laundering and provide staff in those areas with specific, more targeted training.
- 4.6 The Anti-Money Laundering Policy was last reviewed and approved by Committee on 11 December 2013. During the current review, the Policy has been updated to;
- refer to policies and strategies which have been introduced since it was last approved,
 - update role titles
 - refresh the wording where required
- 4.7 The Council's MLRO is the s151 Officer. In previous policies, specific reference has been given to the job title of the s151 Officer. Given the current interim arrangements, the updated policy refers only to the s151 Officer, not their job title.
- 4.8 The updated policy document is attached at Appendix 2. A procedure document for officers which was included as an appendix to the 2013 Policy has also been updated and is attached at Appendix 3.
- 4.9 This policy will be reviewed as required, and every 3 years in any event.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	n/a
Financial officer	n/a
Human Resources officer	n/a
Estates/Property officer	n/a
Service Director(s)	n/a
Other(s)	n/a

For more information contact:	Richard Boneham, Head of the Audit Partnership, 01332 643280 richard.boneham@derby.gov.uk
Background papers:	
List of appendices:	Appendix 1 –Implications Appendix 2 - Anti-Money Laundering Policy Appendix 3 – Officers’ guide

IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 None directly arising

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising

Equalities Impact

- 5.1 The policy covers preventing and dealing with cases of money laundering and there is nothing within the policy which could have a differential and/or adverse impact on any individual who has one or more protected characteristic. All cases of money laundering will be dealt with in accordance with the policy. Deterrence of fraud activities will be of general benefit to all individuals.

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management& Safeguarding

- 9.1 There is substantial reputational risk for an authority which does not have such policies and procedures in place (see para 4.4)

Corporate objectives and priorities for change

- 10.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's

controls and governance arrangements.