



**AGENDA ITEM: 5(e)**

**AUDIT AND GOVERNANCE COMMITTEE:  
29 January 2013**

**CABINET:  
19<sup>th</sup> March 2013**

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**Report of: Borough Treasurer**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holder: Councillor D Westley**

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**SUBJECT: REVIEW OF ANTI-MONEY LAUNDERING POLICY**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To set out the results of a review of the Council's Anti-Money Laundering Policy and Guidance and Procedure Notes.

**2.0 RECOMMENDATION**

2.1 That the updated Anti-Money Laundering Policy and Guidance and Procedure Notes, as set out in Appendix 1 and 2 to this report, be endorsed for agreement.

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**3.0 BACKGROUND**

3.1 An Anti-Money Laundering Policy was first introduced in 2005 in response to new legislation set out in the Money Laundering Regulations 2003 which made public authorities more accountable for monitoring and detecting money laundering activities.

3.2 In 2010 a comprehensive review of these documents was undertaken leading to changes in the format of the policy and new guidance in the areas relating to 'failure to disclose' and 'tipping off'.

## **4.0 THE UPDATED POLICY**

- 4.1 This latest review has focused on ensuring that the documents are still up to date with legislation, in line with best practice and accurate in terms of Council structure and Officer titles. This review has been completed and has established that the policy and procedures continue to meet best practice requirements.
- 4.2 The documents have been updated with the correct terminology following the change to the Managing Director structure in terms of having Services rather than Divisions.
- 4.3 The one area of note is that the responsibility for Deputy Money Laundering Reporting Officer has now been assigned to the Assistant Solicitor rather than the Borough Solicitor.

## **5.0 CURRENT POSITION**

- 5.1 The Anti-Money Laundering Policy and Guidance and Procedure Notes have worked effectively since their inception but regular reviews are required to ensure the documents are still fit for purpose.
- 5.2 The Money Laundering Reporting Officer arrangements work effectively and this Officer – the Internal Audit Manager – along with his newly assigned Deputy are kept abreast of all current developments in money laundering and are, of course, the first officers to be made aware of any suspicious activities.
- 5.3 Due to the nature of the services provided by the Council instances of suspected money laundering are unlikely to arise, but there is a need to maintain the profile of this issue. Consequently, the Policy and Guidance Notes will be re-circulated to all staff following committee approval and further training offered where required.

## **6.0 BEST PRACTICE AND GUIDANCE**

- 6.1 The Council's money laundering documentation take account of the guidance set out in the CIPFA best practice document 'Combating Financial Crime: Further guidance on anti-money laundering for public services organisations 2009'.

## **7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 7.1 There are no significant sustainability implications associated with this report and the report has no significant links with the Sustainability Community Strategy

## **8.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 8.1 The operation of the money laundering framework will be accommodated within existing resources.

## **9.0 RISK ASSESSMENT**

- 9.1 Legislation requires that the Council has adequate procedures in place for the reporting of suspected money laundering activities. Failure to do so would be in breach of this legislation and lack of knowledge in this area could lead staff to inadvertently commit offences. Both would jeopardise the good reputation of the Council.

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### **Background Documents**

CIPFA 'Combating financial crime: Further guidance on anti-money laundering for public services organisations 2009'

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix 1 – Anti-Money Laundering Policy

Appendix 2 – Anti-Money Laundering Guidance and Procedures

Appendix 3 – Minute of Audit & Governance Committee 29 January 2013