



## **AGENDA ITEM: 5(n)**

**AUDIT AND GOVERNANCE COMMITTEE:  
27th January 2015**

**CABINET:  
17th March 2015**

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**Report of: Borough Treasurer**

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

**Relevant Portfolio Holder: Councillor D Whittington**

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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 TO AUDIT AND GOVERNANCE COMMITTEE**

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.

### **3.0 RECOMMENDATION TO CABINET**

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

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### **4.0 BACKGROUND**

4.1 The Council has had an Anti-Money Laundering Policy in place since 2005 following the enactment of the Money Laundering Regulations 2003 which made public authorities more accountable for monitoring and detecting money laundering activities.

- 4.2 The Policy has continued to be reviewed since its inception to ensure compliance with best practice and legislation and to ensure it is still fit for purpose.

## **5.0 THE UPDATED POLICY**

- 5.1 Through research and dialogue with the Council's Legal section it has been established that the Policy is still in line with legislation and best practice.
- 5.2 The documents have, however, been updated with the correct terminology following the change from the Serious Organised Crime agency (SOCA) to the National Crime Agency (NCA). References to 'tipping off' have also been removed from the documents as it is no longer classed as an offence under the 2007 regulations so is no longer relevant. A number of other minor amendments have also been made to improve the readability and drafting of the policy and guidance. Tracked changes versions of the proposed new documents are included in the appendices.

## **6.0 CURRENT POSITION**

- 6.1 The Money Laundering Reporting Officer arrangements work effectively and this Officer – the Internal Audit Manager – along with his Deputy in the Borough Solicitor's Office 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.
- 6.2 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 and advice offered where required.

## **7.0 BEST PRACTICE AND GUIDANCE**

- 7.1 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'.

## **8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

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

## **9.0 FINANCIAL AND RESOURCE IMPLICATIONS**

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

## **10.0 RISK ASSESSMENT**

- 10.1 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 committing 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 27 January 2015 (Cabinet only)