

Subject: ANTI-MONEY
LAUNDERING POLICY

Status: FOR PUBLICATION

Report to: THE CABINET

Date: 2ND AUGUST 2006

Report of: HEAD OF LEGAL AND DEMOCRATIC SERVICES

Portfolio

Holder: CABINET MEMBER FOR FINANCE AND RISK MANAGEMENT

Key Decision: YES

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 To seek Cabinet approval to the attached Anti-money Laundering Policy and Guidance Note.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report are linked to and support the following corporate priorities:

- *Finance and Risk Management (Improvement)* To comply with current legislation, take appropriate steps to minimize the risk of money laundering through the Council and adopt procedures for reporting actual or suspected instances of the same.
- *Human Resources (Improvement)* To heighten staff awareness of money laundering generally. To provide training on the policy and guidance note so as to inform staff of their responsibilities and the consequences of failure to comply the same.

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- There would be a risk to the organisation if we failed to adopt a policy and guidance note dealing with anti-money laundering policies.

4. BACKGROUND AND OPTIONS

- 4.1 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 have broadened the definition of money laundering and as a result the Council is required, by law, to establish procedures designed to prevent the use of its services for money laundering. All members of staff will be required to comply with the proposed policy in terms of reporting concerns re money laundering with a further onus being placed on those members of staff who are said to be dealing with “relevant business” (as detailed within the proposed policy and guidance note).
- 4.2 This policy has been drafted to enable the Council to meet its legal requirements in a way that is proportionate to the very low risk to the Council contravening the legislation.
- 4.3 The subsequent training of staff as appropriate will minimize the risk yet further, ensure that everybody is fully aware of their obligations and is required under the regulations.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 The Council has in recent years, through changes in its operations, reduced its exposure to money laundering risks, examples being:
- the elimination of cash and the move to electronic and cheque payment for services
 - the transfer of Housing eliminating larger transactions associated with Rights to Buy.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 The Council is advised by the Audit Commission to adopt an anti- money laundering policy. High standards of ethical governance are an important element of any organisation. The adoption of this policy and guidance note will clarify the responsibilities which officers have in relation to money laundering and ensure that we have clear procedures in place should a situation arise.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 Training in the Policy will comprise part of the organisational development plan.

8. CONCLUSION

- 8.1 Approval of the policy and subsequent use of the same will not only allow the Council to comply with the legislation but will provide clear and precise guidance to all those potentially caught by the legislation and highlight the responsibilities of staff under the same.

9. RECOMMENDATION(S)

- 9.1 That Cabinet approves the attached Anti-money Laundering Policy and Guidance Note.

- 9.2 That training is arranged by the Head of Legal and Democratic Services for all relevant staff on the policy and guidance note.
- 9.3 That the Executive Director of Resources is appointed as Money Laundering Reporting Officer under the Act
- 9.4 That the Head of Financial Services is appointed as Deputy Money Laundering Reporting Officer under the Act.

10. CONSULTATION CARRIED OUT

- 10.1 Linda Fisher – Head of Legal and Democratic Services
- 10.2 Phil Seddon – Head of Financial Services

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Background Papers	
Document	Place of Inspection
The Proceeds of Crime Act 2002 Money Laundering regulations 2003	Room 220 Futures Park