

STRATEGY / POLICY FRONT COVER



Name of Strategy / Policy: Anti Money Laundering Policy

Date last updated: February 2009

Links to Council Priorities:

Priority	Linked Yes
Environment – Civic Pride	No
Regeneration and Homes	No
Improving the Council	Yes
Community Safety	No

Links to Other Strategies and Policies

Whistleblowing Policy, Anti Fraud and Corruption Policy, Strategy and Prosecution Policy

Action Plan in this document?

Yes in that the manner in which the policy will be implemented is outlined

Is progress on the action plan regularly updated?

Not really required although there will be at least annual reporting to the Audit Committee on activities undertaken.

Officer Monitoring

Name of officer responsible for co-ordinating and progressing the action plan:

Karen Shorter - Fraud Investigations Manager

Member Monitoring

Name of cabinet portfolio holder responsible for over viewing progress of the Strategy / Policy (if applicable):

No cabinet portfolio holder assigned to this policy

Chair of Audit Committee is nominated as the member risk lead

Member forum for agreeing the policy / strategy (if applicable):

Updates are initially presented to the Audit Committee for challenge before being forwarded to Cabinet for approval.

Has it been subject to a Diversity Impact Assessment? No

Has it been subject to an Environmental Sustainability Impact Appraisal? No



ANTI MONEY LAUNDERING POLICY (INCORPORATING TERRORIST FINANCING REQUIREMENTS)

PRODUCED BY: HEAD OF INTERNAL AUDIT, FRAUD INVESTIGATIONS MANAGER AND HEAD OF LEGAL SERVICES

SUBJECT TO ANNUAL REVIEW

APPROVED BY:

- EXECUTIVE MANAGEMENT TEAM: 24 FEBRUARY 2009
- CABINET: 17 MARCH 2009
- AUDIT COMMITTEE: 31 MARCH 2009

ANTI MONEY LAUNDERING POLICY

1. INTRODUCTION

The Proceeds of Crime Act (POCA) 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees regarding suspected money laundering.

The legislative requirements concerning anti money laundering procedures are lengthy and complex. This policy has been written so as to enable the Council to comply with the Proceeds of Crime (Anti-Money Laundering) Practical Guidance for Public Service Organisations by Chartered Institute of Public Finance and Accountancy (CIPFA) relating to the anti money laundering regulations. The approach outlined is considered proportionate to what is considered to be a low risk to the Council and its employees.

2. SCOPE OF POLICY

This policy applies to all employees of the Council and aims to maintain the high standards of conduct, by reducing the risk of criminal activity through money laundering. This policy sets out the procedures, which must be followed.

The Anti Money Laundering Policy is part of the Council's Anti Fraud and Corruption Policy and Strategy and sits alongside its Whistleblowing Policy and Employees Code of Conduct.

3. WHAT IS MONEY LAUNDERING?

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.

Primary money laundering offences include:

- concealing, disguising, converting, 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.

There are also two secondary offences:

- failure to disclose any of the three 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.

ANTI MONEY LAUNDERING POLICY

4. WHAT IS TERRORIST FINANCING?

The Terrorism Act 2000 creates a money laundering offence under Section 18 whereby 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
- by removal from the jurisdiction
- by transfer to nominees, or
- in any other way.

5. OBLIGATIONS ON THE COUNCIL

The obligations on the Council, where full adoption of the legislative requirements are not felt to be appropriate, are to:

- identify the potential areas where it may occur
- issue a staff note and undertake training for those staff
- nominate an officer to whom concerns regarding cases of suspected money laundering can be reported.

6. REPORTING CONCERNS

The nominated officer who will receive the concerns of staff relating to money laundering is Fraud Investigations Manager on tel: 01268 882250.

7. FURTHER INFORMATION

The following legislation applies:-

- The Proceeds of Crime Act 2002
- The Money Laundering Regulations 2007
- The Terrorism Act 2000 (as amended by the Anti- terrorism Crime & Security Act 2001).

Further information can be obtained from the Head of Legal Services or the Fraud Investigations Manager and the following sources:

- www.soca.gov.uk - website of the Serious Organised Crime Agency

ANTI MONEY LAUNDERING POLICY

- Proceeds of Crime (Anti-Money Laundering) Practical Guidance for Public Service Organisations, by Chartered Institute of Public Finance and Accountancy (CIPFA)

Note: See attached appendix for details relating to the application of this policy.

APPLICATION OF THE ANTI MONEY LAUNDERING POLICY: APPENDIX 1

APPLICATION OF THE POLICY

Whilst the policy **applies to all staff and activities**, specific consideration has been given to the following areas as potentially being susceptible to money laundering.

REGENERATION AND PLANNING

These areas were considered to be susceptible as they enter into "business relationships". Where this circumstance arises, the service is required under the regulations to identify those it does business with.

It was considered that this area is susceptible to money laundering as:

- Regeneration's role is to encourage investment in the town. Whilst there are no transactions taking place and there is no money or value to the work, Council Officers may become involved in 'arranging' for partners to work together;
- Planning may grant planning permission in return for the company involved building roads or providing other benefits to the town.

TREASURY MANAGEMENT

Treasury management could be deemed to fall within a 'relevant business' sector as defined in the Money Laundering Regulations as it involves investment business. However, CIPFA's view is that where public services treasury management activities are largely for their own use the particular sections on the Proceeds of Crime Act do not apply.

COUNCIL PROPERTY SALES

Steps should be taken to confirm that the acting firm of solicitors is appropriately registered with the Law Society and the money is coming from a legitimate source such as a known and properly regulated bank or building society.

DEBTORS INCLUDING COUNCIL TAX, BUSINESS RATES, AND RENTS

These areas are considered to be susceptible to money laundering.

The risk would be that a person seeks a refund of an overpayment or duplicate payment in a form or to an account that differs from the original transaction.

Debt recovery officers who go to court were considered to be a low risk as they occasionally take money.

CASHIERS

This is an area considered to be low risk and only susceptible to money laundering if a large sum of cash is processed.