

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :			
<b>Any especially affected Wards</b>	Discretionary /	Be entirely within Cabinet's powers to decide		NO	
	Operational	Need to be recommendations to Council		YES	
		Is it a Key Decision		NO	
Lead Member: Leader Brian Long E-mail: <a href="mailto:cllr.Brian.Long@West-Norfolk.gov.uk">cllr.Brian.Long@West-Norfolk.gov.uk</a>		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Michelle Drewery E-Mail: <a href="mailto:Michelle.Drewery@West-Norfolk.gov.uk">Michelle.Drewery@West-Norfolk.gov.uk</a> Direct Dial: 01553 616432		Other Officers consulted:			
Lead Officer: Jamie Hay E-mail: <a href="mailto:Jamie.hay@west-norfolk.gov.uk">Jamie.hay@west-norfolk.gov.uk</a> Direct Dial: 01553 616701		Assistant to the Chief Executive Assistant Director Companies and Housing Delivery Senior Policy & Performance Officer Chief Operating Officer, Alive West Norfolk EastLaw Internal Audit Equalities Working Group Unison Personnel Officer			
Financial Implications YES	Policy/ Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications NO	Environmental Considerations NO

Date of meeting: 30 June 2020

### ANTI-MONEY LAUNDERING POLICY

#### Summary

Regulated Authorities must have provisions in place relating to 'Money Laundering', as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, the Borough Council who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering. As part of the work being undertaken by the Internal Audit Department in respect of anti-fraud, anti-corruption / bribery this is a new policy being introduced to enhance the Council's controls and mitigation to the risk of serious fraud / money laundering. This report provides information regarding the proposed policy and procedures including roles and responsibilities and the particular criminal offences/activities that relate to money laundering.

#### Recommendation

Cabinet is asked to recommend to Council:

- 1) The introduction of the Anti-Money Laundering Policy and the associated procedures that are contained/attached within the policy and the appendices with immediate effect.

## **Reason for Decision**

To introduce the anti-money laundering policy and the associated procedures as a new policy, as the council do not currently have any policy or procedures in place for anti-money laundering purposes. This policy looks to provide a clear process for officers/members who wish to report suspicions of money laundering and to the same end helps to raise suspicions of serious crime to the relevant responsible officers and other organisations (the National Crime Agency – NCA). As well as to protect officers/members who may have a suspicion and may require assistance to prevent further offences and/or obtaining guidance to prevent themselves from inadvertently becoming 'involved' in money offences.

## **1 Background**

- 1.1 The Anti-Money Laundering Policy sets out the Borough Council's policy on what the definition of money laundering actually is, the scope and the legislation requirements regarding money laundering, who the responsible officer(s) will be, the due-diligence procedures to be implemented relating to suspicious activities, the internal reporting procedures for suspicions of money laundering and the further considerations of disclosure to the national governing body for anti-money laundering purposes (the NCA). This policy also introduces all of the relevant documents to be used internally to help officers/members decide if a possible money laundering offence is taking/has taken place, what the potential signs of money laundering may look like, the proposed due diligence and verification of customer identity processes/procedures and the reporting procedures to be introduced.

## **2 Options Considered**

- 2.1 The approval of the new Anti-Money Laundering policy and associated procedures which will be implemented to reduce/mitigate the risk to the authority of its exposure to potential money laundering and terrorist/organised crime related activities or to disregard the policy and accept the potential risks to the authority of its exposure to potential money laundering and terrorist/organised crime related activities.

## **3 Policy Implications**

- 3.1 This will be a new policy (attached to this report) setting out clear processes and procedures in accordance with the current legislation relating to money laundering.

## **4 Financial Implications**

- 4.1 Financial implications will include the cost of any prosecution, which varies dependent upon the case. Prosecution costs are awarded by the Court. Monies will be recovered where any accounts are adjusted following investigation actions. Money may also be received in some

cases from imposing any confiscation orders/freezing of assets, cash seizure & forfeitures related to criminal benefit from the proceeds of crime or unexplained wealth.

## **5 Personnel Implications**

5.1 There was a requirement, under the Councils Facilities and Consultation Agreement – Code of Practice, to consult in full with Unions regarding this matter. This has been carried out and Unison are in full agreement with the policy.

## **6 Environmental Considerations**

6.1 None to be considered.

## **7 Statutory Considerations**

7.1 None to be considered.

## **8 Equality Impact Assessment (EIA)**

8.1 The Pre-Screening EIA has been completed with the Equalities Working Group as attached.

## **9 Risk Management Implications**

9.1 None, this policy is likely to enhance our internal controls to help protect our services from money laundering activities.

## **10 Declarations of Interest / Dispensations Granted**

10.1 None.

## **11 Background Papers**

- Pre-Screening Equality Impact Assessment
- The Proceeds of Crime Act 2002
- The Criminal Finances Act 2017
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- The HM Treasury Transposition of the Fifth Money Laundering Directive: response to the consultation – January 2020
- The Money Laundering and terrorist financing (amendment) regulations 2019
- The British Art Market Federation (BAMF) Guidance on Anti Money Laundering for UK Art Market Participants (Approved by HM Treasury) – January 2020