



Governance and Audit Committee

19 June 2024

Report of Councillor Philip Knowles,
Cabinet Member for Corporate Governance and Licensing

Anti-Money Laundering Policy 2024 - 2026

Report Author

Tracey Elliott, Governance & Risk Officer

 tracey.elliott@southkesteven.gov.uk

Purpose of Report

One of the key areas for Governance and Audit Committee, as part of its terms of reference, is to approve the Anti-Money Laundering Policy.

Recommendations

That the Committee:

1. Notes the contents of this report, and;
2. Approves the revised Anti-Money Laundering Policy 2024 - 2026 attached at Appendix A.

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Effective Council

Which wards are impacted? All

1 Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 There are no direct financial implications arising from this report.

Completed by: Paul Sutton, Interim Head of Finance (Deputy 151)

Legal and Governance

- 1.2 The Governance and Audit Committee have the necessary powers at Part 2 of the Constitution (Articles), paragraph 9.1 (xx) to approve the Anti-Money Laundering Policy.

Legislation related to the prevention of money laundering is referenced within the report.

Completed by: James Welbourn, Democratic Services Manager and Deputy Monitoring Officer

2 Background to the Report

- 2.1 The Council is committed to the highest standards of quality, probity, openness, and accountability. As part of the Committee's terms of reference, Anti-Money Laundering is one of the key areas of focus being an essential element of delivering good governance. To develop and promote greater awareness, and in line with best practice, a review of the Council's Anti-Money Laundering arrangements has been undertaken.
- 2.2 Money laundering is the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin in order that they can be retained permanently or recycled into further criminal enterprises. Money laundering may range from a single act to complex and sophisticated schemes involving multiple parties.
- 2.3 The Proceeds of Crime Act 2002, Terrorism Act 2000, and The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering.

- 2.4 Whilst the risk to the Council of contravening the Act and the Regulations is very low, the obligations impact on certain areas of local authority business and require the establishment of internal procedures to prevent the use of services for money laundering.
- 2.5 The Anti-Money Laundering Policy was last reviewed by the Committee on 26 January 2022 and the attached Policy has been reviewed to reflect best practice and the latest legislation.

3 Scope of the policy

- 3.1 The Anti-Money Laundering Policy outlines the Council's responsibility to comply with the relevant legislation.
- 3.2 The policy sits alongside the Council's Whistleblowing Policy, Counter Fraud Policy, and the Council's Code of Conduct for Employees.

4 Key Considerations

- 4.1 The Committee should monitor and review the anti-money laundering arrangements currently in place and the activities that are being undertaken to mitigate those risks.

5 Other Options Considered

- 5.1 None.

6 Reasons for the Recommendations

- 6.1 Governance and Audit Committee, as part of its terms of reference approve the Counter Fraud, Bribery and Corruption Framework, which includes the Whistleblowing Policy and Anti-Money Laundering Policy.
- 6.2 The Committee should monitor and review the counter fraud arrangements currently in place and the activities that are being undertaken to mitigate those risks.