

Report To: **AUDIT PANEL**

Date: 22 November 2022

Reporting Officer: Christine Weston, Interim Head of Risk Management and Internal Audit Services

Subject: **ANTI-MONEY LAUNDERING POLICY**

Report Summary: The report presents the updated Anti-Money Laundering Policy for review and comment.

Recommendations: The Audit Panel approve the updated Anti-Money Laundering Policy at **Appendix 1**.

Policy Implications: The policy will need to be uploaded on the intranet and disseminated across the Council.

Financial Implications: There are no direct financial implications arising from the policy. Whilst not directly covered by the regulations, guidance from the Chartered Institute of Public Finance and Accountancy ("CIPFA") indicates that Local Authorities should comply with the underlying spirit of the legislation and regulations, including the maintenance of effective arrangements to prevent and detect attempts to launder money using Council services.

Legal Implications: The need for an Anti-Money Laundering Policy derives from the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Our legal obligations require the Council to prevent the misuse of services to launder money. This policy details the controls to prevent and protect against money laundering and terrorist financing.

Risk Management: All managers are responsible for promoting an anti-fraud culture in their service. Maintenance of a zero tolerance approach to fraud requires the efforts of every member and officer of the Council.

Background Information: The background papers can be obtained from the author of the report, Christine Weston, Interim Head of Risk Management and Internal Audit Services by:



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1. INTRODUCTION

- 1.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of “dirty money” (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation and this effectively leads to “clean” funds being received in exchange.
- 1.2 Although Local Authorities are not directly covered by the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates that they should comply with the underlying spirit of the legislation and regulations.
- 1.3 Tameside Metropolitan Borough Council is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council is committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.
- 1.4 This policy provides guidance in order to ensure that the Council’s corporate stance on money laundering is being adhered to and the process to be followed to ensure that the Council to comply with its obligations.

2 DETAIL

- 2.1 The policy covers:-
 - what is meant by money laundering
 - requirements of the money laundering legislation
 - the money laundering reporting officer
 - due diligence procedure
 - politically exposed person
 - reporting procedure for suspicions of money laundering
 - action by the money laundering reporting officer
 - training and awareness
 - policy review
- 2.2 The revised document is in line with current guidance and legislation.

3 RECOMMENDATION

- 3.1 As set out on the front of the report.