

# Arun District Council

<b>REPORT TO:</b>	<b>Audit &amp; Governance Committee - 3 October 2024</b>
<b>SUBJECT:</b>	<b>Updated Anti-Money Laundering Policy</b>
<b>LEAD OFFICER:</b>	<b>Antony Baden – Group Head of Finance and Section 151 Officer</b>
<b>LEAD MEMBER:</b>	<b>Councillor Matt Stanley</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> The Council must ensure that it complies with all legislation when delivering its corporate objectives.	
<b>DIRECTORATE POLICY CONTEXT:</b> The Proceeds of Crime Act 2002 and the Terrorism Act 2000 place certain obligations on the Council and its employees regarding suspected money laundering.	
<b>FINANCIAL SUMMARY:</b> There are no direct financial implications associated with this report.	

## 1. PURPOSE OF REPORT

- 1.1. To present the updated Anti-Money Laundering Policy to the Committee.

## 2. RECOMMENDATIONS

It is recommended that the Committee:

- 2.1. Agrees the proposed amendments and approves the updated Anti-Money Laundering Policy for adoption by the Council; and
- 2.2. Delegates authority to the Group Head of Finance & Section 151 Officer to make consequential changes to the Policy in respect of any organisational / legislative changes and minor typographical corrections.

## 3. EXECUTIVE SUMMARY

- 3.1. The Policy provides guidance and introduces safeguards to help staff identify and report instances where money laundering is suspected, and sets out the procedures which must be followed to enable employees to comply with their legal obligations.

#### **4. DETAIL**

- 4.1. While local authorities are not subject to 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 & Accountancy (CIPFA) indicates that they should still comply with the underlying spirit of the legislation and regulations by taking all reasonable steps to minimise the likelihood of money laundering, including putting in place proper policies and procedures.
- 4.2. The Council's Anti-Money Laundering Policy was last reviewed in 2015. A recent internal audit by the Southern Internal Audit Partnership (SIAP) raised the lack of recent review as an issue.
- 4.3. The Policy has been reviewed and references to legislation and parties involved updated, as appropriate.
- 4.4. The proposed revised policy is contained in Appendix A and the previous policy in Appendix B.

#### **5. CONSULTATION**

- 5.1. The document has been provided to the Corporate Leadership Team for review in advance of this meeting.

#### **6. OPTIONS / ALTERNATIVES CONSIDERED**

- 6.1. The Committee could request further information or changes to the final document prior to its adoption.

#### **7. COMMENTS BY THE GROUP HEAD OF FINANCE AND SECTION 151 OFFICER**

- 7.1. Adoption of the policy will enable the Group Head of Finance and Section 151 Officer to implement a recommendation from a recent internal audit report on the Council's Anti-Fraud framework, which advised that the policy be revisited and approved by Members.

#### **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1. The risk that the Council fails to meet its requirements under the legislation covering money laundering is low as the Council has not directly handle cash payments for its services for some time; rather cash payments are made via approved third parties e.g. the Post Office or other outlets via the AllPay service.

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1. The Terrorism Act 2000, Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place the Council under a duty to take reasonable steps to minimise the risk of becoming involved in money laundering and to have in place safeguards and reporting arrangements for those purposes.

## **10.HUMAN RESOURCES IMPACT**

- 10.1. There are no impacts.

## **11.HEALTH & SAFETY IMPACT**

- 11.1. There are no impacts.

## **12.PROPERTY & ESTATES IMPACT**

- 12.1. There are no impacts.

## **13.EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

- 13.1. There are no impacts.

## **14.CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

- 14.1. There are no impacts.

## **15.CRIME AND DISORDER REDUCTION IMPACT**

- 15.1. There are no impacts.

## **16.HUMAN RIGHTS IMPACT**

- 16.1. There are no impacts.

## **17.FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

- 17.1. There are no specific FOI or Data Protection implications.

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### **CONTACT OFFICER:**

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**BACKGROUND DOCUMENTS:** N/A