

# Bolton Council

**Report to:** Executive

**Date:** 27<sup>th</sup> April 2009

**Report of:** Director of Corporate Resources

**Report No:**

**Contact Officer:** Steve Arnfield

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**Report Title:** Anti-Money Laundering Policy

**Confidential /  
Non Confidential:**

(***Non-Confidential***) This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

**Purpose:**

The purpose of this report is to allow the Executive to consider and approve the draft Anti-Money Laundering Policy

**Recommendations:**

The Executive is asked to consider and approve the draft policy.

**Background Doc(s):**

Report to Executive Member Corporate Resources 13<sup>th</sup> December 2005  
Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for  
Public Sector Organisations - CIPFA

## **1. INTRODUCTION:**

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007, place obligations on the Council and its employees with respect to suspected money laundering.

While the risk to the Council of contravening the legislation is low, it is important to put in place appropriate and proportionate anti money laundering safeguards and reporting arrangements. These are designed to enable the Council to detect and avoid involvement in the crimes described in the legislation and regulations

The Executive Member for Corporate Resources approved the Council's initial response to money laundering in December 2005. A review of that response and changes to regulation has lead to an update of the Council's policy.

## **2. ANTI-MONEY LAUNDERING POLICY:**

Guidance for dealing with money laundering has been issued by a variety of professional bodies but there remains uncertainty as to how far the provisions of the Money Laundering Regulations apply to local authorities. The legislation was written with the banking and private sector financial institutions in mind and interpretation for the public sector has not been tested.

The recommendation of the Chartered Institute of Public Finance and Accountancy (CIPFA) is still:

“public service organisations should embrace the underlying principles behind the money laundering legislation and regulations and put in place anti – money laundering policies, procedures and reporting arrangements”.

Taking account of the above advice the attached draft policy has been prepared which updates the 2005 document. The key points from the policy are:

- The Council is committed to the prevention, detection and reporting of money laundering.
- All employees must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO).
- Where the Council is carrying out certain regulated activities by way of business then the customer due diligence procedure must be followed.
- The Money Laundering Regulations are detailed and complex – if you are in any doubt about the application of this policy please contact the MLRO.

The draft policy has been endorsed by Audit Committee and the Executive Member for Corporate Resources.

## **3. CONCLUSIONS:**

It is still not clear how directly anti- money laundering regulations effects local government but advice is that councils should devise a proportionate response and put in place systems to protect staff and enable any suspicions to be reported.

Bolton's policy is now three years old and an updated policy has been drafted to ensure that the council remains adequately covered and staff are clear about their responsibilities.

#### **4. RECOMMENDATIONS:**

The Executive is asked to consider and approve the draft Anti-Money Laundering policy.