


REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

10 January 2019

Subject:	Revised Anti-Money Laundering Policy
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Contact Officer(s):	<p>Oliver Knight Counter Fraud Lead Oliver_knight@sandwell.gov.uk</p> <p>Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk</p>

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

Review and comment upon the accompanying policy.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide the Audit and Risk Assurance Committee with details of the updated version of the council's Anti-Money Laundering Policy before seeking approval from Cabinet.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The risk of money laundering affects many council service areas. This policy assists the council to accomplish its vision by bringing a systematic approach to reducing the risk of money laundering, compliance with existing legislation and safeguarding the council's assets and reputation.
- 2.2 While councils are required to have an anti-money laundering policy, Sandwell's approach to tackling the issue of money laundering, especially in the area of right to buy sales in recent years, has seen the council's reputation increase. The revised policy allows the council to move forward in actively deterring potential money laundering activity and have more robust procedures in place to report suspected money laundering than most councils currently have in place.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council's existing policy was approved by cabinet in November 2015. This updated version brings the policy in line with the the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.
- 3.2 Other amendments include:
- the introduction of a reduced cash limit from £8,000 to £2,000,
 - identifying nominated officers to assist the Anti-Money Laundering Reporting Officer with their duties, and
 - increasing staff awareness on the importance of carrying out due diligence enquiries and reporting concerns of money laundering.

4 THE CURRENT POSITION

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The Policy has been discussed with the relevant stakeholders and reported to the respective Director.

6 ALTERNATIVE OPTIONS

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The policy has been written taking into consideration the following legal framework:
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
 - Proceeds of Crime Act (PoCA) 2002
 - Terrorism Act 2000
 - Data Protection Act 2018
- 8.2 Failure to adhere to the Proceed of Crime Act 2002 could result in an officer or officers of the council committing offences under Sections 327, 328 or 329 of the act, which carries a sentence of 14 years imprisonment, an unlimited fine or both.
- 8.3 If an officer suspects money laundering but fails to report their concerns offences also exist under the Proceeds of Crime Act which carry a sentence of 5 years imprisonment.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. No personal information or data is included within the policy.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 Local authorities do not feature within the 'anti-money laundering regulated sector'. Consequently its services, such as Right to Buy, land and property sales and cash transactions make the council increasingly attractive to criminals wanting to launder money.
- 11.2 Due diligence procedures, clear reporting methods and staff awareness will assist the council to deter, prevent and detect money laundering.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 Under both the existing and updated version of the policy customer due diligence is a requirement. This includes the need to confirm the identity of the customer and source of funds which are being used. Council services such as land and property transactions, leaseholds and right to buy sales are services at risk. However, the due diligence requirements are already being undertaken in line with the existing policy.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is to provide the Audit and Risk Assurance Committee with details of updated version of the council's Anti-money laundering policy before seeking approval from cabinet.

16 BACKGROUND PAPERS

16.1 Anti-Money Laundering Policy

Darren Carter
Executive Director – Resources