

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 14 December 2022
<b>Subject:</b>	Sefton Council Anti-Money Laundering Policy Update		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

**Summary:**

The report provides Members with an update on the Council's Anti-Money Laundering Policy.

**Recommendation(s):**

That Members note the update on the Council's Anti-Money Laundering Policy

**Reasons for the Recommendation(s):**

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. Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them and may also lead to a conviction under Proceeds of Crime Act 2002 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017).

**Alternative Options Considered and Rejected:** (including any Risk Implications)

Not having a policy would leave Officers at risk from the Proceeds of Crime Act 2002 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017).

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

None.

**(B) Capital Costs**

None.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> There may be some staffing time required for training.	
<b>Legal Implications:</b> The Council must implement the policy to ensure that any suspected cases of money laundering are reported to the National Crime Agency.	
<b>Equality Implications:</b> There are no equality implications	
<b>Climate Emergency Implications:</b>  The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable :N/A
Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: N/A
Place – leadership and influencer :N/A
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener: N/A

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.7019/22) and the Chief Legal and Democratic Officer (LD.5219/22) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

N/A

<b>Contact Officer:</b>	Tom Walmsley
Telephone Number:	01519344042
Email Address:	thomas.walmsley@sefton.gov.uk

**Appendices:**

There are no appendices to this report

**Background Papers:**

There are no background papers available for inspection.

## **1. Background to the Report**

Money Laundering is the process by which criminally obtained money or property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for several 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. 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. Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them and may also lead to a conviction under Proceeds of Crime Act 2002 and The Money Laundering and Terrorist Financing (Amendment)(No.2) Regulations 2022.

The Sefton Council Anti-Money Laundering policy was approved by Audit & governance Committee on 16 December 2020.

## **2. Update**

It can be reported that no contraventions of the Anti-Money Laundering policy have occurred since the approval of the report.

The fundamentals of performing risk assessments and due diligence as required by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) which came into force on 26 June 2017 remain undisturbed since the policy was approved on 16 December 2020, therefore there are no changes to the policy as previously approved. The policy is attached for reference. If there is any change to the guidance available to the council or similarly if the council becomes aware of improvements that could be made to the policy or the current arrangements in place via a review of best practice this policy and guidance will be updated and reported back to the committee at the earliest opportunity