

# MIDDLESBROUGH COUNCIL

AGENDA ITEM 6

## COMMITTEE REPORT

### CORPORATE AFFAIRS AND AUDIT COMMITTEE

5<sup>TH</sup> FEBRUARY 2018

### ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

**James Bromiley – Strategic Director Finance, Governance & Support**

#### PURPOSE OF THE REPORT

1. For Members of the Corporate Affairs and Audit Committee to review and approve the Council's Anti-Money Laundering Policy and Procedures.

#### BACKGROUND

2. The internal audit report on report Counter Fraud and Policy Framework report, received by the Committee on the 7<sup>th</sup> December 2017 recommended that the Council's approach to anti-money laundering be reviewed and made available to staff on the intranet.
3. The proposed anti-money laundering policy and procedures is attached to this report for consideration and approval.
4. The policy includes the references to the most recent legislation which the government keeps under review to ensure that controls exist to minimise money laundering activity and funding of terrorism.
5. Money laundering sets out to disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. It also covers money, however come by, which is used to fund terrorism.
6. The Council is exposed to relatively low risk of money laundering activity. That said, it is important that staff are aware of the money laundering policy as there is a reporting obligation placed on everyone to report suspicions of money laundering or terrorist financing. It is actually an offence not to report such suspected activity.
7. When approved the policy will be publicised to all staff through the weekly bulletin and be put on the finance pages of the intranet for reference. Staff handling cash

who are most likely to be exposed to money laundering activity will have the policy specifically drawn to their attention to read and understand the processes.

8. It has also been agreed that fraud awareness training for relevant staff will be provided by the Councils bankers, Nat West before the end of this financial year.

## **RECOMMENDATIONS**

9. That the corporate Affairs and Audit Committee approve the Anti-money Laundering Policy and procedures.

## **REASONS**

10. The recommendation is supported by recommendations made in the Counter Fraud and Policy Framework Report and is regarded as good practice.

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