

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

07 February 2006

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Council

1 ANTI MONEY LAUNDERING POLICY

Members are requested to endorse the Anti Money Laundering Policy, as recommended by Policy & Best Value Committee on 24 January 2006, for adoption by Council. Members are referred to the agenda papers for the Policy & Best Value Committee.

1.1 Background

- 1.1.1 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 were introduced in order to give specific organisations the responsibility to report suspicions of Money Laundering activity. Initial advice from professional bodies was that this did not apply to Local Authorities. However, this advice has been challenged and has been updated to recommend that Local Authorities take action to comply with the legislation.
- 1.1.2 The authority has appointed a Money Laundering Reporting Officer (MLRO), the Exchequer Services Manager, and an anti money laundering policy is also required.
- 1.1.3 The Policy and guidance notes presented to the Policy & Best Value Committee have been prepared from current best practice elsewhere in order to meet the requirements of the legislation. The title has been amended slightly as requested by Members of this Committee.

1.2 Legal Implications

- 1.2.1 Members and Officers have an individual responsibility to report any suspicions of Money Laundering. In order to meet this requirement the Council is required to have a Money Laundering Reporting system in place. Failure to have a policy in place could be considered as a breach of the legislation.

1.3 Financial and Value for Money Considerations

- 1.3.1 There are no financial implications as the Exchequer Services Manager is incorporating the duties of MLRO within his current duties.

- 1.3.2 The distribution of the policy and guidance note by email to Members, publication on the intranet and website and Officers is considered sufficient action to publicise the policy without the need for additional training.

1.4 Risk Assessment

- 1.4.1 Failure to implement an Anti Money Laundering Policy could be a breach of legislation if a case involving the Council were tested in Court.

1.5 Recommendations

- 1.5.1 Cabinet is **RECOMMENDED** to endorse the Anti Money Laundering Policy for adoption by Council.

Background papers:

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Nil

Sharon Shelton
Director of Finance