

Committee Name and Date of Committee Meeting

Audit Committee – 26 November 2024

Report Title

Anti-Money Laundering Policy Review

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

This report refers to a proposed update to the Council's Anti-Money Laundering Policy. The update follows a review process which is designed to ensure that the Policy is up to date with current best practice and to take into account any changes to the Council's organisation structure. There have been only minor updates to the Policy since the last review.

Recommendations

That the Audit Committee is asked to:

1. Review and comment on the revised Anti-Money Laundering Policy.
2. Note the actions being undertaken to review the Council's anti money laundering arrangements.

List of Appendices Included

Appendix A – Anti Money Laundering Policy 2024

Appendix B – Anti Money Laundering Policy 2024 showing tracked changes

Background Papers

N/A

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Anti Money Laundering Policy Review

1. Background

- 1.1 The Council's last update of its Anti-Money Laundering Policy was in 2017. This report provides an update to the Anti-Money Laundering Policy and gives brief details of a review being undertaken by Internal Audit on the anti money laundering arrangements in place within the council.
- 1.2 Public Authorities, (not being regulated businesses as defined within the legislation), are not legally obliged to apply the provisions of all the Money Laundering Regulations unless they are undertaking a service 'by way of business'. This means the provision of a service to a 3rd party for which formal remuneration is received, (for example provision of legal advice / service outside of the authority). The Chartered Institute of Public Finance and Accountancy (Cipfa) have produced guidance which suggests that as responsible bodies, Public Authorities should put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable them to detect and avoid involvement in the crimes described in the legislation and regulations. As a minimum, authorities are recommended to:
- make those staff most likely to be exposed to or suspicious of terrorist financing or money laundering aware of any requirements and obligations placed on the authority, its staff, and on them as individuals, by the Proceeds of Crime Act 2002 and the Terrorism Act 2000
 - give targeted training to those staff considered to be the most likely to encounter the financing of terrorism and money laundering
 - make arrangements for a nominated officer to receive and manage the concerns of staff, to make internal enquiries, to advise staff who feel they should make a report, and to coordinate Suspicious Activity Reports (SARs) to the National Crime Agency (NCA) where necessary
 - establish appropriate internal procedures which are both proportional and cost effective

2. Key Issues

- 2.1 The Council's updated Anti-Money Laundering Policy is attached at **Appendix A** and the tracked changes version is included at **Appendix B**. The contents have been reviewed with only minor amendments having been made. The changes have been made in accordance with the updated legislation, and the CIPFA publication "Combatting Financial Crime, Practical Advice for the Public Sector" (2020). The amendments do not change any of the underlying responsibilities or requirements of staff.
- 2.2 Alongside the policy review Internal Audit are examining controls within higher risk areas within the council and will assess whether there are appropriate and proportionate anti money laundering arrangements in place.

The scope includes staff awareness of the risks, customer due diligence, record keeping, monitoring, reporting lines, and general awareness and training. The outcomes of these reviews will be included in the Internal Audit Progress Report once the final reports are issued.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for ensuring the Council has appropriate arrangements in place for managing the risk of financial crime which includes money laundering.

4. Consultation on proposal

- 4.1 This section is not applicable to this report.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This section is not applicable to this report. The approval of the Anti Money Laundering Policy will be taken by an officer executive decision.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

7. Legal Advice and Implications

- 7.1 There are no legal implications arising from this report.

8. Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no immediate implications associated with this report.

11. Implications for CO₂ Emissions and Climate Change

- 11.1 There are no direct CO₂ and Climate Change implications arising from the report.

12. Implications for Partners

- 12.1 Implementation of the updated Anti-Money Laundering Policy will contribute towards ensuring the Council operates and maintains a culture in which financial crime is understood to be unacceptable.

13. Risks and Mitigation

- 13.1 Failure to refresh the Anti-Money Laundering Policy and associated arrangements could expose the Council to an increased risk of money laundering.

Accountable Officer(s)

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