

To: **Audit & Governance Committee**

Date: **10 January 2019**

Report of: **Head of Financial Services**

Title of Report: **Anti-Money Laundering Policy**

Summary and Recommendations

Purpose of report:

1. To inform Members of the new Anti-Money Laundering Policy and seek approval for adoption into Council Policy

Key decision N/A

Executive lead member: Councillor Ed Turner

Policy Framework: Corporate Plan Priority – Efficient & Effective Council

Recommendation(s): That the report be approved.

Appendices

Appendix 1 – Oxford City Council Anti-Money Laundering Policy

Background

1. It is important that Oxford City Council is able to identify, report on and take precautions to guard against money laundering. The Council is required to abide by anti-money laundering legislation, which applies to some of the activities undertaken within the organisation, and aligns itself to best practice for other areas of the Council where there is a risk of money laundering, in order to safeguard public funds.
2. The Money Laundering Regulations 2007, in conjunction with the EU's Fourth Money Laundering Directive (effective from June 2017), have brought the UK in line with all European Union countries and made it more difficult for criminals to utilise the proceeds of their crimes as well as preventing terrorist funding.
3. The new Anti-Money Laundering Policy replaces the Money Laundering Policy, which was issued in 2012.

4. The new policy comprehensively sets out the scope, legal framework, staff, Member and volunteer responsibilities, provides guidance on how to report suspicions and details the records that should be kept.
5. For the policy to be effective, it is the responsibility of every employee, Member and contractor to be vigilant and to report any transaction or potential transaction that may arouse suspicion to the Money Laundering Reporting Officer (MLRO). In this authority this responsibility has been allocated to the Council's Head of Financial Services.
6. Money Laundering Awareness training is to be rolled out across the organisation during the financial year 2019 – 2020. The training will complement the policy and will be delivered on a risk based programme by the Corporate Investigation Team.

Legal Implications

18. Failure to have an Anti-Money Laundering Policy in place would expose the organisation to significant legal, financial and reputational risks.
19. The Policy has been subject to review by the Legal Services team and meets the required legal standard for compliance with legislation.

Financial Implications

20. The Council is involved in a significant number of financial transactions with customers, suppliers and other organisations. It is of paramount importance that the Council is protected from the “cleaning” of illegal proceeds of criminal origin.
21. The Council’s annual cash transactions equate to approximately £67,000 in receipts. The policy assists in providing security and assurance of legitimacy in these transactions.

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