

REPORT OF:	DIRECTOR OF RESOURCES
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TO:	STANDARDS COMMITTEE
DATE:	12TH MARCH 2007

AGENDA ITEM NO:		WARD(S) AFFECTED:	ALL
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SUBJECT:	MONEY LAUNDERING
PURPOSE OF THE REPORT:	TO SEEK APPROVAL OF THE COUNCIL'S ANTI-MONEY LAUNDERING POLICY
RECOMMENDATIONS:	
1.	The Standards Committee approve the Anti-Money Laundering Policy as set out in Annex 1.
2.	The Director of Resources is identified as the Money Laundering Officer ("MLO") and the Head of Legal & Property Services be authorised to amend the Officer Scheme of delegation as set out in paragraph 9 of the report.

Background

1. Previously this Committee has approved the Council's Anti-Fraud and Corruption Strategy and fed back on our "Whistle Blowing" policy. The anti-money laundering policy proposed in this paper will form part of the Council's financial governance, if approved.

Statutory Powers

2. The Council's constitution - Article 9.03 (i) - makes the Standards Committee responsible for "(the) overview of the Council's anti-Fraud and Corruption Strategy." the Council has delegated to the Committee the function of amending and revising that policy (page 41 of the Constitution). It is also part of the Committees function to promote and maintain high standards of conduct within the Council.

Factors for Consideration

3. The legislation requires the Council to comply with the spirit as well as the letter of its' provisions. The Council already promotes good conduct by Members, Officers and Council Agents in many ways. These include the Member/Officer Protocol, Terms and Conditions of Employment, our Fairness at Work policy and service specific rules and regulations in our many work areas such as the administration of Housing and Council Tax benefit.

4. However, none of these specifically address the issue of money laundering. The proposed policy therefore sets out the procedures that must be followed by all relevant employees with. Failure to comply with these legal obligations not only puts the Council at risk of prosecution but also any employee who fail to comply.
5. A draft Anti-Money Laundering Policy is set out at Annex 1, for consideration and includes the following
 - Section 3 defines money laundering
 - Section 4 sets out the Council's obligations
 - Section 5 identifies the Director of Resources as the MLO. This requires a change to the officer Scheme of delegation and therefore Full Council approval as set out in recommendation
 - The procedures to be followed are contained in sections 6,7 & 8
6. If approved, the Anti-Money Laundering Policy will be added to the suite of documents that address anti-fraud and corruption issues. Management guidance will also be issued to help clarify roles and responsibilities and provide context.
7. It is planned to update and reissue these documents in the next few weeks and months. Publication will largely be by electronic means, on the Council's web site and intranet. In line with previous practice, however, a summary booklet will also be produced and distributed widely (e.g. every member of staff, Help Shops, Libraries etc.)
8. A variety of additional initiatives will be undertaken to publicise the new policy within the Council, including using the training budget to carry out a seminar aimed at improving awareness for key staff.
9. One outcome of the new policy (see para 4.1 of the policy) will be a requirement to amend the Council's constitution to formally allocate responsibility as the Money Laundering Officer (MLO) to the Director of Resources. This is addressed by way of recommendation 2.

Resource Implications

10. Printing and publication costs can be met from existing budgets. The training budget will be accessed as required.

Legal Implications

11. Details are set out elsewhere in this report but it should be noted that recommendation two will (in accordance with the Council's Constitution) require agreement of the Full Council. Officers propose to take a report to the March 29 Executive to progress this matter.

Conclusions

12. The Council takes fraud and corruption seriously and it is important to have regularly updated documentation in place.
13. The Standards Committee is requested to approve the document set out in Annex 1.

Background Papers: Attached as an Annexe