

SUBJECT:	MONEY LAUNDERING POLICY AND PROCEDURE
DIRECTORATE:	CHIEF EXECUTIVE'S AND TOWN CLERK
REPORT AUTHOR:	AMANDA STANISLAWSKI, AUDIT MANAGER

1. Purpose of Report

1.1 To update the Money Laundering policy and procedures.

2. Background

2.1 The Council's Money Laundering policy is part of range of counter fraud policies which are formally reviewed every two years (or sooner if required). The policy was last reviewed in February 2021 where there were some legislative changes made.

2.2 Money laundering is the process where criminals attempt to hide and change the true identity of the proceeds of their crime so that they appear legitimate. City of Lincoln Council is committed to prevent the Council and its employees being exposed to money laundering, to identify the risks where it may occur, and to comply with legal and regulatory requirements, especially with regards to reporting suspected cases.

3. Policy and Guidance

3.1 The Council's money laundering policies set out the definition and legislation around money laundering and the responsibility of the Council and its employees. It sets out the reporting process in detail and contains the relevant forms.

3.2 This review was carried out on the policy's two-year anniversary. The most noticeable change is the format of the policy which includes a document control page and paragraph numbering throughout. The change made to the content was to add the July 2022 legislation to paragraphs 5 and 22 which included:-

- Changing the requirement from all discrepancies to be reported to Companies House to Material discrepancies
- Reference to cryptoasset businesses
- Widening the meaning of a 'trust'
- Widening information and intelligence sharing gateways

A copy of the policy and guidance is attached at Appendix A with the changes marked.

4. Organisational Impacts

4.1 Finance – There are no direct financial implications arising as a result of this report.

4.2 Legal Implications including Procurement Rules – There are no direct legal implications arising as a result of this report; however the policy helps ensure compliance with UK law.

4.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

5. Recommendation

5.1 Audit Committee are asked to approve the updated policy and procedures.

Key Decision No

Do the Exempt Information Categories Apply? No

Call in and Urgency: **Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?** No

How many appendices does the report contain? One

List of Background Papers: None

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