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Report to: **FINANCE & MANAGEMENT**

AGENDA  
ITEM:

**8**

Date of  
Meeting: **29<sup>th</sup> April 2004**

CATEGORY:

Report from: **CHIEF FINANCE OFFICER**

Open

Members'  
Contact Point **TERRY NEAVES (Ext 5800)**

Doc:

Subject: **Money Laundering**

Ref: TN

Ward(s) Affected **All**

Terms of Reference:  
FM 08

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**1. Recommendations**

Members are recommended to designate the Audit Manager as the Council's nominated officer under the money laundering regulations 1993

**2. Purpose of Report**

- 2.1 To ask members to consider new measures to be taken concerning money laundering.

**3. Detail**

- 3.1 Money laundering became a criminal offence in 1986 under the Drug Trafficking Offences Act.

- 3.2 The Money Laundering Regulations 1993 then imposed strict requirements on the financial services sector to introduce counter measures.

- 3.3 This is now being extended to public sector bodies. Effectively they require public bodies to:-

- ☐ Take steps to raise the awareness of staff to recognise transactions that may involve money laundering.
- ☐ Require all individuals working as accountant/auditors to ensure that transactions are properly accounted for and identified.

- 3.4 In addition the Council is required to appoint a nominated officer with the responsibility of receiving staff disclosures/suspensions concerning money laundering and forwarding this information to the National Crime Intelligence Service.

### **The next steps**

- 3.5 It is proposed that the Council appoint the Audit Manager as the Council's nominated officer for money laundering.
- 3.6 It is further proposed that time is set aside within the annual audit plan to ensure that staff are brought up to date with this issue and receive training to identify any potentially suspicious transactions.

### **4. Financial Implications**

- 4.1 None stem directly from this report.

### **5. Summary & Conclusions**

- 5.1 Although instances of money laundering are rare, it is important to ensure that the Council puts in place appropriate procedure to prevent money laundering.

**Terry Neaves**  
**Chief Finance Officer**