

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Audit Committee
Date:	22 June 2017
Title:	Anti Money Laundering Policy
Report From:	Director of Corporate Resources – Corporate Services

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1. Purpose

1.1. This report seeks to formalise the County Council's approach to preventing money-laundering through seeking approval for an Anti-Money Laundering Policy.

2. Summary

2.1. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering.

2.2. Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following acts constitute the act of money laundering:

- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002);
- entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- acquiring, using or possessing criminal property (section 329).

2.3. While the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities hence the need to publish a policy (contained in Annex 1); which is that the County Council will do all it can to prevent, wherever possible, the Council and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

3. Regulated Activities

- 3.1. Under the Money Laundering Regulations, the County Council only carries out two lines of 'regulated activity, both of which relate to property transactions.
- 3.2. Firstly the Estates and Development Practice undertaking Estate Agency work involving another party, such as an Academy or another partner in a joint land transaction. In order to comply with the Regulations this part of the County Council's service is registered with HMRC.
- 3.3. Secondly Legal Services acting for third parties such as charity clients in property transactions. Legal Services comply with the Solicitors Regulatory Authority (SRA) regulations on anti-money laundering and their compliance with the regulations is assessed as part of the Services' accreditation through the Law Society's legal practice quality mark – Lexel.
- 3.4. There are currently no other activities that require regulation, but the Policy outlines the process for identifying whether an activity should be regulated if this is required.

4. Recommendation

- 4.1. The Audit Committee approve the Anti Money Laundering Policy.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because the management of the County Council's cash balance needs to be decided.
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Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equalities objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. This proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.