

Meeting: AUDIT COMMITTEE

Portfolio Area: Resources

Date: 17 March 2020

ANTI-MONEY LAUNDERING POLICY AND ANTI-BRIBERY POLICY

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1. PURPOSE

- 1.1. To update Members on the Council's Anti-Money Laundering Policy.
- 1.2. To update Members on the Council's Anti-Bribery Policy.

2. RECOMMENDATIONS

- 2.1. That, subject to any comments from Audit Committee, and following consultation with the Portfolio Holder for Resources and the Chair of the Overview & Scrutiny Committee, delegated authority is given to the Strategic Director (Chief Financial Officer) to implement the Anti-Money Laundering Policy (Appendix A to the report) and Anti-Bribery Policy (Appendix B to the report).

3. BACKGROUND

- 3.1 The Anti-Money Laundering and Anti-Bribery policies, together with the existing policies on Fraud and Whistleblowing support the Financial Regulations to provide a clear framework for Officers and Members. The Financial Regulations and Contract Standing Orders form an essential part of the control framework within which the Council operates.
- 3.2 These policies apply to all employees of the Council and aim to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering or bribery.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1. Although local authorities are not directly covered by the requirements of The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017, guidance from CIPFA indicates that they should comply with the underlying spirit of the legislation and regulations.

- 4.2. The Anti-Money Laundering Policy names the Strategic Director (Chief Financial Officer) as the designated Money Laundering Reporting Officer.
- 4.3. The objective of the Anti-Bribery Policy is to provide a coherent and consistent approach to ensuring compliance with the Bribery Act. It will enable all employees and any person who performs services for and on behalf of Stevenage Borough Council (including contractors, subcontractors, volunteers, consultants and elected members) to understand their responsibilities and allow them to take the necessary action.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 It is anticipated that these policies will help to protect the Council and mitigate the risk of fraudulent/bribery activity which may lead to compromising the Council's procurement processes and/or disposal of its assets.

5.2 Legal Implications

- 5.2.1 Although local authorities are not directly covered by the requirements of The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017, guidance from CIPFA indicates that they should comply with the underlying spirit of the legislation and regulations.
- 5.2.2 The Bribery Act 2010 ('the Bribery Act') aims to promote anti-bribery practices amongst businesses. It applies to both the private and public sectors and so applies to the Stevenage Borough Council. An organisation will commit a criminal offence under the Bribery Act if it fails to prevent bribery that is intended to obtain or retain business or an advantage in the conduct of business for the organisation. An individual can also be guilty of an offence under the Bribery Act.

5.3 Policy Implications

- 5.3.1 These are new policies designed to protect the Council and its staff from being exposed to money laundering and/or possible bribery. These policies will sit alongside the Council's policies on Fraud and Whistleblowing.

5.4 Equalities and Diversity Implications

- 5.4.1 The Council must have due regard to the requirements of the public sector equalities duty under the Equalities Act 2010. These policies do not impact on these requirements

5.5 Climate change

- 5.5.1 These policies do not adversely affect the Council's ambition to attempt to be carbon neutral by 2030.

6. BACKGROUND DOCUMENTS - none

APPENDICES

Appendix A – Anti-Money Laundering Policy

Appendix B – Anti-Bribery Policy