

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	19 JUNE 2025
Report Title:	ANTI-MONEY LAUNDERING POLICY REVIEW
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	Regulation 26.3 of the Financial Procedure Rules requires the Chief Finance Officer to develop, maintain and implement the Anti-Money Laundering Policy. The Policy should be reviewed on a regular basis.
Executive Summary:	The Anti-Money Laundering Policy was last updated in January 2019. This review provides minor amendments to the policy for the Governance and Audit Committee to consider, prior to the updated Policy being presented to Cabinet for approval.

1. Purpose of Report

- 1.1 The purpose of this report is to present the updated Anti-Money Laundering Policy to the Governance and Audit Committee for review and comment, prior to the Policy being presented to Cabinet for approval.

2. Background

- 2.1 The Council is required to ensure the proper use and protection of public funds and assets to ensure the maximum financial resources are available to deliver its services. In order to achieve this the Council must seek to reduce fraud and the misappropriation of resources to zero. Money Laundering is a term applied to “possessing or in any way dealing with or concealing the proceeds of any crime”, in essence, any method used to convert or exchange money or assets obtained from criminal activity into money or assets that are “clean”, in such a way that the “clean” money can no longer be linked back to the criminal activity. Examples of money laundering offences include tax evasion, theft, bribery, smuggling – including drug trafficking – and illegal arms sales. The Anti-Money Laundering Policy sets out the means to which the Council will achieve this.
- 2.2 In addition to the process of money laundering itself as an offence, the failure to report money laundering offences is also an offence. Money laundering can take many forms such as:

- Concealing, disguising, converting or transferring criminal property or removing it from the UK.
- 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.
- Acquiring, using or possessing criminal property.
- Investing the proceeds of crime into other financial products or the acquisition of property/assets.
- Generating money from a transaction if you have reasonable ground to believe the money will fund terrorism.

3. Current situation / proposal

- 3.1 The Council is committed to establishing and maintaining effective arrangements to prevent, detect and report money laundering in relation to Council services. The Council requires all Members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with the relevant legislation.
- 3.2 The Council has in place Anti-Money Laundering and Anti-Fraud, Bribery and Corruption policies to support effective arrangements to prevent and detect acts of money laundering which are monitored and reviewed by the Governance and Audit Committee.
- 3.3 The Anti-Money Laundering Policy specifically addresses identification of money laundering and the procedures to be followed should money laundering be suspected. Cabinet last approved the Anti-Money Laundering Policy on 19 February 2019. The current review makes a number of minor amendments and updates for the UK's exit from the European Union, to require enhanced due diligence for organisations outside of the UK. The revised Anti-Money Laundering Policy is attached as **Appendix A**, with the changes identified therein. A revised Policy is shown at **Appendix B** with all changes accepted. Subsequent to the Governance and Audit Committee reviewing the revised Policy and making any suggested amendments, it will be presented to Cabinet for approval.
- 3.4 This policy is supplementary to the Council's wider Fraud Strategy and Framework which sets out the key responsibilities with regard to fraud prevention and what to do if fraud or financial irregularity is suspected and the action that will be taken by management.
- 3.5 The Governance and Audit Committee are asked to consider the policy as part of their role to obtain assurance over the Council's corporate governance and risk management arrangements. The policy will be reviewed and updated as required on a regular basis.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies,

strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

- **Long Term** The Anti-Money Laundering Policy, Procedure and Reporting Arrangements will assist in the long term to support officers and Members in the successful execution of their duties by meeting the legal obligations in the course of business activities.
- **Prevention** The purpose of the procedure is to prevent Money Laundering and to report it where it is suspected a transaction may be Money Laundering.
- **Integration** The outcomes that the procedure supports is that implementation of the policy will help in the prevention of Money Laundering.
- **Collaboration** All members and staff are obliged to follow this policy.
- **Involvement** The persons mainly involved in the procedure will be Bridgend County Borough Council staff.

6. Climate Change and Nature Implications

6.1 The climate change and nature implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

7. Safeguarding and Corporate Parent Implications

7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

- 9.1 It is recommended that Governance and Audit Committee considers the amendments to the Anti-Money Laundering Policy at **Appendix A** and notes that, subject to any amendments requested by the Committee, the amended Policy attached at **Appendix B** will be presented to Cabinet for approval.

Background documents

None