

**Agenda Item 6**  
**AGS/04/23**

<b>Report title:</b> Minor update to Anti Money Laundering Policy	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paula Clowes, Head of Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Approval
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<b>County Divisions affected:</b> All Essex	

**1. Everyone's Essex**

- 1.1 The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of internal controls, governance and risk management arrangements as well as the work of the Counter Fraud team and other areas of the Council that are involved in areas that are susceptible to money laundering activities.
- 1.2 This policy sets out the provisions that the Council has put in place to identify and prevent any attempts to use Essex County Council to launder money, and the reporting arrangements such any activity be suspected.

**2. Recommendations**

- 2.1 The Anti Money Laundering Policy be approved in the form appended to the report.

**3. Background**

- 3.1 The Council's current Anti- Money Laundering Policy was considered by Audit Governance and Standards Committee in October 2022 when a query was raised in relation to the section regarding Politically Exposed Personnel (PEPs). The policy has been reviewed and slightly updated to reflect the query raised.
- 3.2 The refreshed draft Anti-Money Laundering Policy is attached at appendix 1.
- 3.3 The proposal is to make a slight change to paragraph 7 to clarify that the extra checks for 'politically exposed persons' only applies to customers with whom the council is transacting. It's proposed to add the three words in bold type below:
  - Page 7 – In considering higher risk transactions, one of the criterion the council has to consider is whether the transaction(s) relate to

**customers who are** Politically Exposed Persons (PEP). Set out below is the definition of PEP.

- 3.4 It is good practice to review the policy every two years. The next review is therefore due in 2025.

#### **4. Links to our Strategic Ambitions**

- 4.1 A strategic approach to risk management is critical in ensuring that the Council successfully mitigates its risks in all areas of work to ensure vital services continue to be delivered and available resources reach those most in need and the council remains resilient. This report links to the following aims in the Essex Vision.

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

- 4.2 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Financial implications**

- 5.1 There are no financial implications as the risk management activity will be met within existing resources.

#### **6. Legal implications**

- 6.1 The Money Laundering Regulations 2017 (as amended) set out the obligations on the council and the policy sets out how we will comply with those regulations.

#### **7. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that this strategy will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

**Appendix A** - Revised Anti-Money Laundering Policy

## **9 List of Background papers**

**None**