



GOVERNANCE AND AUDIT COMMITTEE

Date Written	22 nd March 2022
Report Author	Mark Thomas
Exempt/Non Exempt	Non Exempt
Committee Date	4 th April 2022

To: Chair, Ladies and Gentlemen

DRAFT ANTI-MONEY LAUNDERING POLICY AND DRAFT ANTI-TAX EVASION POLICY

1.0 SUMMARY OF THE REPORT

1.1 To provide the Committee with the Council's draft Anti-Money Laundering Policy and the draft Anti-Tax Evasion Policy for consideration prior to submission to Council for approval.

2.0 RECOMMENDATIONS that

2.1 The draft Anti-Money Laundering Policy and the draft Anti-Tax Evasion Policy be noted.

2.2 The draft Anti-Money Laundering Policy and the draft Anti-Tax Evasion Policy be discussed prior to submission to Council for approval.

3.0 INTRODUCTION AND BACKGROUND

3.1 The Council's updated Counter Fraud Strategy and Framework 2021 to 2024 is a 3-year strategy which provides a framework which identifies roles and responsibilities, aims and objectives, fraud risks, an action plan and a fraud response plan flowchart.

3.2 To support this strategy and framework, counter fraud policies have been developed, reviewed and updated.

3.3 Two policies are attached for consideration and comment:

Appendix A – Draft Anti-Money Laundering Policy

Appendix B – Draft Anti-Tax Evasion Policy

4.0 Key Issues for Consideration

4.1 One of the core functions of an effective Governance and Audit Committee is to consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and corruption policies.

4.2 The Council's updated Counter Fraud Strategy & Framework 2021 to 2024 was considered by this Committee on 10th January 2022.

4.3 The documents at Appendix A and Appendix B have been written to sit alongside the strategy and in line with current legislation. These are key policies which will assist in driving the commitment to developing a culture of honesty, integrity and opposition to fraud, corruption, and bribery.

Anti-Money Laundering Policy (Appendix A)

4.4 Merthyr Tydfil County Borough Council is committed to the highest possible standards of conduct. Although as a local authority it is not directly covered by the requirements of current anti-money laundering legislation, it has responded to guidance from the finance and legal professions and developed an Anti-Money Laundering Policy and accompanying Guidance Notes to provide advice and assistance where money laundering is encountered or suspected.

4.5 Money laundering is the process of concealing sources of money. Money evidently gained through crime is 'dirty' money, and money that has been 'laundered' to appear as if it came from a legitimate source is 'clean' money. Money can be laundered by many methods, which vary in complexity and sophistication.

4.6 Historically, legislation to tackle the laundering of the proceeds of crime was aimed at the financial and investment sector. However, it was subsequently recognised that those involved in criminal conduct were able to 'clean' criminal proceeds through a wider range of businesses and professional activities.

4.7 This policy confirms the Council's commitment to ensuring that the relevant legislation is complied with.

Anti-Tax Evasion Policy (Appendix B)

4.8 The Government believes that relevant bodies should be criminally liable where they fail to prevent those who act for, or on their behalf, from criminally facilitating Tax Evasion.

4.9 At Merthyr Tydfil County Borough Council, we want to make sure that we are providing excellent services to the residents of the County Borough . All our staff,

permanent and temporary, Councillors, partners, agency workers and contractors have an important role to play in achieving this goal and we expect everyone to be committed to our high standards of service which are based on the principles of honesty, openness, and accountability.

- 4.10 This policy is supplementary to the Council’s wider Anti-Fraud, Bribery and Corruption Strategy and Policy 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.

5.0 FINANCIAL IMPLICATION(S)

- 5.1 To ensure that the Council’s funds and resources are used appropriately.

MARK THOMAS
HEAD OF REGIONAL INTERNAL AUDIT
SERVICE

COUNCILLOR CHRIS DAVIES
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council’s Constitution?		No