Cheltenham Borough Council

Audit, Compliance and Governance Committee

15 July 2026

Proceeds of Crime and Anti-Money Laundering Policy

Accountable member:

Councillor Peter Jeffries, Deputy Leader of the Council and Cabinet Member Finance and Assets

Accountable officer:

Adele Taylor, Interim Director of Finance and Operations (s.151 Officer)

Ward(s) affected:

All indirectly

Key Decision: No

Executive summary:

To present Audit, Compliance and Governance Committee with a revised Proceeds of Crime and Anti-Money Laundering Policy for approval and adoption.

The Policy has been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures.

Recommendations:

That Audit, Compliance and Governance Committee:

1. **Approves and adopts the Proceeds of Crime and Anti-Money Laundering Policy attached to this report.**

2. **Delegates to the Interim Director of Finance and Operations (s151 Officer) to approve future minor amendments to the Policy in consultation with**

the Chair of Audit, Compliance and Governance Committee, Assistant Director Counter Fraud and Enforcement Unit, and One Legal.

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1. Implications

1.1. Financial, Property and Asset implications

There are no direct financial implications arising from this report.

The adoption and approval of this policy will help to support the prevention and detection of misuse of public funds and will support the Council's objectives in reducing crime and financial loss to the Council.

Signed off by: Adele Taylor, Interim Director of Finance and Operations (s.151 Officer), Adele.Taylor@cheltenham.gov.uk

1.2. Legal implications

There are no significant legal implications associated with this report.

The Policy sets out the statutory requirements that the Council must consider and adhere to when undertaking relevant activities.

Signed off by: One Legal, legalservices@onelegal.org

1.3. Environmental and climate change implications

None directly.

1.4. Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Looking after your money.

1.5. Equality, Diversity and Inclusion Implications

None directly.

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2. Background

2.1. The Counter Fraud and Enforcement Unit is tasked with reviewing the Council's Proceeds of Crime and Anti-Money Laundering Policy.

2.2. It is recommended good practice that the Policy is updated and reviewed at least every few years in line with any legislative changes.

2.3. In administering its responsibilities, this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.

3. Reasons for recommendations

3.1. Money laundering is the process by which funds derived from criminal activity are given the appearance of being legitimate by being exchanged for 'clean' money so that it appears to come from a legitimate source.

3.2. Proceeds of Crime and Money Laundering legislation govern the responsibilities of individuals and organisations.

3.3. The Policy, at Appendix 2, defines a best practice approach for dealing with the Council's anti-money laundering obligations and suspicious activity reports.

3.4. The nominated Money Laundering Reporting Officer is the Officer appointed under section 151 of the Local Government Act 1972. In the case of the Council, this is the Interim Director of Finance and Operations (s.151 Officer).

3.5. The Policy has been refined with revisions or significantly new sections shown as red text. Any operational or procedural elements relating to the disclosure procedure, the reporting Officer's considerations or client/supplier identification process are now detailed within the supporting internal procedure document.

3.6. The majority of the other amendments are minor and are shown as insertions in red

3.7. Attached for information at Appendix 2 is the supporting flowchart which will be provided to employees as a supporting quick reference guide.

3.8. Audit, Compliance and Governance Committee last considered the policy in April 2021.

3.9. Awareness will be raised with employees following the approval of the Policy. General communications will be issued through internal communication channels and more direct training, and awareness will be delivered with those employees more likely to identify suspicious activity.

4. Alternative options considered

4.1. None.

5. Consultation and feedback

5.1. Any policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and issued to the relevant Senior Officers, Management and Governance Officers for comment.

6. Key risks

6.1. The Council is required to mitigate the risk of money laundering and report any suspicious activity.

6.2. The Policy reduces the risk that the Council will fail to fulfil its legal obligations.

Report author:

Emma Cathcart, Assistant Director, Counter Fraud and Enforcement Unit,
Emma.Cathcart@cotswold.gov.uk

Appendices:

1. Risk Assessment
2. Proceeds of Crime and Anti-Money Laundering Policy
3. Employee Flowchart (Proceeds of Crime and Anti-Money Laundering)

Background information:

N/A.

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	The authority suffers material loss and reputational damage due to criminal activity	Director Finance and Operations	3	3	9	Reduce	Ensure staff are aware of the risks, conduct appropriate due diligence checks and report any suspicious activity	Finance	Ongoing