



National Audit Office

Money Laundering Technical Note

MLTN 01/05

Audit Committees

A significant number of money laundering reports have been generated by items discussed at audit committees. To date staff have tended to submit copies of the audit committee minutes or the papers presented at the audit committee, without providing further details of any discussion at the audit committee.

Staff are reminded that they are required to report all evidence that gives rise to knowledge or suspicion that someone has obtained a benefit from the proceeds of crime that they have come across during the course of their normal work. Incidents discussed at an audit committee are considered to give rise to knowledge or suspicion even if the details are not included in the minutes and therefore all information that has been gained as a result of the discussion should be reported.

Staff are further reminded that the purpose of anti-money laundering legislation is to increase the body of evidence that helps the relevant authorities to conduct an investigation that could lead to the prosecution of those gaining a benefit from the proceeds of crime and enables criminal property to be recovered. Personal records and impressions of a discussion about the same incident are more likely to be of benefit to an investigating authority than a copy of the minutes of the meeting or a list of cases without further details.

Although in the absence of case law the legal position is unclear, it is possible that individuals who simply submit the minutes of audit committees where incidents that give rise to the need to make a money laundering report have been discussed have not fulfilled their legal obligations.

Where incidents giving rise to knowledge or suspicion that someone has obtained a benefit from the proceeds of crime is discussed at an audit committee we would expect the NAO staff member in attendance to report the facts of the discussion, not just provide the minutes or supporting papers.

If cases are presented to the audit committee but not discussed, this should be noted as part of the report submitted to the MLRO.

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