

Scope: Financial Management	Effective Date: Jun 2024	Responsible Dept: Finance	Equality Analysis Undertaken: Stage One
Last updated by/date: DoF Jun 2024	Next review date: Jun 2027	Accessible: Yes	Policy ref: FINAML24V1

## Anti-Money Laundering Policy

### Introduction

This Policy outlines how the University will manage money laundering risks and comply with its legal obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended) and the Money Laundering, Terrorist Financing & Transfer of Funds (Information on the Payer) Regulations 2017 (as amended). This Policy applies to all staff, students and Governors of the University and aims to maintain the high standards of conduct which currently exist to prevent and detect all criminal activity, including money laundering.

### What is Money Laundering?

Money laundering involves concealing the true origin and identity of proceeds of criminal activity, so that it appears to have come from a legal source. This can apply to cash, goods, services and property (including intellectual property rights).

The principal money laundering offences in the UK are:

- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002 (POCA));

- 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 (section 328 POCA);
- acquiring, using or possessing criminal property (section 329 POCA);
- making a disclosure to a person which is likely to prejudice a money laundering investigation (“tipping off”) (section 333A-D POCA);
- becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 Terrorism Act 2000)

Money laundering regulations apply to cash transactions in excess of 10,000 Euros or the equivalent in other currencies (approximately £9,000), however POCA applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

Possible signs of money laundering include:

- A person or company makes a large cash payment to the University, but fails to provide proper evidence to confirm their identity and address.
- A person or company doing business with the University lacks proper paperwork. (Examples may include invoices that exclude VAT, fail to quote a VAT number or invoices issued by a limited company that lack the company's registered office and number. Such information can be verified on the Companies House website, <https://www.gov.uk/government/organisations/companies-house>).
- A person or company attempts to engage in circular transactions, where a payment to the University is followed by an attempt to obtain a refund from the University's accounts. (This may occur where a student pays a significant sum in fees, and then withdraws and seeks a refund).
- Unusual or unexpected large payments are made into the University's accounts.

Please note that the list above is not exclusive, and money laundering takes many forms.

In the light of these regulations and of the security risk of carrying large amounts of cash, the University will not accept cash payments of more than £250 for any fee or charge, as stated in the Student Financial Regulations.

## **University Obligations**

The University has a responsibility to:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, the disclosure of any suspicious activity reported by employees;
  - Implement a procedure to enable the reporting of suspicious activity;
  - Maintain customer identification procedures to “know your customer” in relevant circumstances;
  - Maintain adequate records of transactions;
  - Educate relevant staff, students and Governors.
1. The Director of Finance has been nominated as the Money Laundering Reporting Officer (MLRO) to receive disclosures in respect of suspected transactions or activity within the University. If this is not appropriate as he/she is suspected of involvement then the Vice Chancellor or another member of the Executive Board may be contacted.

Money laundering legislation applies to all staff, students and Governors within the University. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their own involvement it must be disclosed as soon as possible to the MLRO. The University may follow disciplinary procedures against any member of staff who has committed a money laundering offence, which could result in dismissal.

2. Appendix A sets out the procedure to be followed if money laundering is suspected and sets out the responsibility of individual employees, students and Governors.
  
3. The University must ensure controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the University. Satisfactory evidence of identity must be obtained. Examples include:
  - for students - passport, visa, birth certificate, bills or bank statements to their home address;
  - for third parties - letters or documents proving name, address and relationship.

If an organisation is not known to the University it is recommended that a review is carried out of any correspondence on letter headed documents, web sites are checked e.g. Companies House (<https://www.gov.uk/government/organisations/companies-house>), invoices should be checked to ensure they show a Companies registered office and VAT number, credit checks may be requested through the Finance department and key sponsors should be contacted to verify the validity of contact details.

Payments from unexpected sources should always be verified with regard to the validity of the source.

4. Record Keeping Requirements - the University routinely creates and maintains records of financial transactions and due diligence which will be able to show that we have complied with the Money Laundering Regulations. These records are retained for six years in line with Financial Regulations. All disclosure reports and relevant documents relating to a disclosure will be retained in a confidential file by the MLRO for a minimum of six years.

## Appendix A - Anti-Money Laundering Disclosure Procedure

Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a breach of the regulations, you must disclose this as soon as practicable to the Director of Finance (appointed Money Laundering Reporting Officer) but if this is not appropriate, because he/she is suspected of involvement, the Vice Chancellor or another member of the Executive Board may be contacted. The disclosure should be made within “hours” of the information coming to your attention<sup>1</sup>. Should you not do so, then you may be liable to prosecution.

A formal disclosure should then be made without delay using the form in Appendix B. Your report must include as much detail as possible including:

- Full available details of the people and/or companies involved including yourself and other members of staff if relevant.
- Full details of the transaction and nature of each person’s involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- The dates of such activities, and:
  - Whether the transactions have happened, are ongoing or are imminent;
  - Where they took place;
  - How they were undertaken;
  - The (likely) amount of money/assets involved.

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<sup>1</sup> A disclosure under this Policy is regarded as ‘protected’ for the purposes of the Public Interest Disclosure Act. An individual making such a disclosure should refer to the University’s Whistleblowing Procedure for more information. An individual can choose to disclose their concerns through this Procedure should they feel more comfortable doing so providing such disclosure is immediate.

- Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering and to facilitate any report to the National Crime Agency (NCA).

Once you have reported the matter you must follow any directions given to you. You must not make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the Director of Finance, or NCA. Simply report your suspicions and the matter will be referred to the NCA if appropriate. If the Director of Finance determines the need to inform NCA, they will immediately inform the Vice Chancellor and Chair of Audit Committee.

All members of staff will be required to co-operate with internal and external authorities during any subsequent money laundering investigation.

At no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, otherwise you may commit a criminal offence of “tipping off”.

## **Action and Disclosure by the MLRO**

On receipt of a disclosure report the MLRO will:

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report and any other relevant information, undertaking further enquiries if necessary to decide if a report should be made to the NCA. This may involve the appointment of specialist investigators, internal auditors and / or legal advisers.

Once the MLRO has evaluated the case a timely determination will be made as to whether:

- There is actual or suspected money laundering taking place.
- There are reasonable grounds to know or suspect that is the case.
- Consent is required from NCA for a particular transaction to proceed.

Where the MLRO concludes that the case should be disclosed to the NCA this should be done in a timely manner and in the prescribed standard report format provided by the NCA.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed and the disclosure report will be marked accordingly.

### **Further Actions**

Following disclosure to the NCA and once the NCA have advised that investigations have concluded and that internal disciplinary proceedings may commence;

- Where a member of staff is suspected of wilful involvement in money laundering activity then the Disciplinary Procedures would be followed. (The

Disciplinary Policy & Procedure document is available on the staff intranet under HR Policies and Guidance.)

Due to the seriousness of the allegations (Gross Misconduct) then the member of staff would be suspended on full pay<sup>2</sup> until a full investigation has been carried out.

- Where a student is wilfully involved they may be suspended from all or part of the University.
- It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action. In these circumstances the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the University. Any security passes, keys, laptops, tablets, phones and associated hardware/software should also be returned.
- The Director of Human Resources and/or the Director of Student Success and Learning Services will be informed as appropriate and will advise of the best means of denying access to the University, while suspect(s) remain suspended, (for example changing locks, access codes and informing relevant security personnel).
- The Chief Information Officer will be instructed to immediately withdraw permissions to the University's computer systems.
- Where a Governor is wilfully involved then the Chair of Governors will determine the necessary actions.

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<sup>2</sup> Excluding any additional allowances which are only due to be paid when duties are actually performed.



**Confidential – Suspected Money Laundering**  
**Part 1 – Report to the MLRO –Director of Finance**

<b>Details Required</b>	<b>Please Provide Details</b>
From:	
School/Department:	
Position:	
Contact Details:	

<b>Details of Suspected Offence (please continue on a separate sheet if necessary)</b>	<b>Please Provide Details</b>
Name(s) and address(es) of person(s) involved including relationship with the University:	
Nature, value and timing of activity involved:	
Nature of suspicions regarding such activity:	
Provide details of any investigation undertaken to date:	
Have you discussed your suspicions with anyone and if so on what basis?	
Is any aspect of the transaction(s) outstanding and requiring consent to progress?	
Any other relevant information that may be useful:	
Signed:	
Date:	

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment and/or an unlimited fine.

## Part 2 – MLRO Report (to be completed by MLRO only)

Details Required	Please Provide Details
Date report received:	
Date receipt of report acknowledged:	

Consideration of Disclosure (please continue on a separate sheet if necessary)	Please Provide Details
Action Plan:	

Outcome of consideration of Disclosure	Please Provide Details
Are there reasonable grounds for suspecting money laundering activity? (please delete as appropriate)	Yes  No
If there are reasonable grounds for suspicion, will a report be made to the NCA? (please delete as appropriate)	Yes  No
<b>If yes</b> , please confirm date of report to NCA and complete the details below:	
Date of report:	
Details of liaison with the NCA regarding report:	
Notice Period (from and to):	
Moratorium Period (from and to):	
Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? (please delete as appropriate).	Yes  No

If <b>yes</b> , please confirm full details below:	
Date consent received from NCA:	
Date consent given by you to employee:	
If there are reasonable grounds to suspect money laundering, but you <b>do not</b> intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:	
Date consent given by you to employee for any prohibited act transactions to proceed:	
Signed:	
Date:	

**This report is to be retained for at least five years.**