



HUMBERSIDE FIRE AND RESCUE SERVICE

Finance & Procurement

Anti-Money Laundering Policy

Owner	Executive Director of Finance/S.151 Officer
Responsible Person	Joint Deputy Chief Finance Officer & Deputy S.151 Officer
Date Written	December 2017
Date of Last Review	December 2023
Date of next review	December 2025
EIA	December 2021



What we must
do well



How we support our
communities



We value and support
the people we employ



We efficiently manage
the Service

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1. INTRODUCTION

This Statement sets out the policy of Humberside Fire Authority (HFA), including Humberside Fire and Rescue Service (HFRS), to money laundering.

HFA advocates strict adherence to its anti-fraud framework and associated policies. Whilst individual circumstances of each case will be carefully considered, in the majority of cases there will be a zero-tolerance approach to fraud and corruption (including bribery and money laundering) in all of its forms. HFA will not tolerate fraud or corruption by its Members (which includes Independent Co-opted Members), employees, suppliers, contractors, partners, volunteers or service users and will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal, civil action for recovery and/or referral to the Police and/or other agencies. HFA's general belief and expectation is that those associated with it (employees, members, service users, contractors and voluntary bodies) will act with honesty and integrity.

This Anti-Money Laundering Policy is supplementary to the HFA's wider Anti-Fraud and Corruption Policy which sets out what actions the HFA proposes to take over the medium-term future to continue to develop its resilience to fraud and corruption. The Anti-Fraud and Corruption Policy sets out the key responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

Core Code of Ethics

HFRS has adopted the Core Code of Ethics for Fire and Rescue Services. The Service is committed to the ethical principles of the Code and strives to apply them in all we do, therefore, those principles are reflected in this Policy.

National Guidance

Any National Guidance which has been adopted by HFRS, will be reflected in this Policy.

2. EQUALITY, DIVERSITY AND INCLUSION

HFRS has a legal responsibility under the [Equality Act 2010](#), and a commitment, to ensure it does not discriminate either directly or indirectly in any of its functions and services or in its treatment of staff, in relation to race, sex, disability, sexual orientation, age, pregnancy and maternity, religion and belief, gender reassignment or marriage and civil partnership. It also has a duty to make reasonable adjustments for disabled applicants, employees and service users.

3. AIM AND OBJECTIVES

HFA takes its responsibilities to protect the public purse very seriously and is fully committed to the highest ethical standards, in order to ensure the proper use and

protection of public funds and assets. HFA has an ongoing commitment to continue to improve its resilience to fraud, corruption (including bribery and money laundering) and other forms of financial irregularity.

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on HFA and its employees to establish internal procedures to prevent the use of their services for money laundering.

4. ASSOCIATED DOCUMENTS

- [Equality Impact Assessment](#)
- Legal references
 - [Crime Act 2002](#)
 - [Terrorism Act 2000](#)
 - [Money Laundering Regulations 2007](#)
- National Guidance
There is no specific national guidance relating to this policy
- [Anti-Fraud and Corruption Policy](#)
- [Whistleblowing Policy](#)
- Employee Code of Conduct

5. WHAT IS MONEY LAUNDERING?

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the 2002 Act).
- 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).
- Acquiring, using or possessing criminal property (section 329).
- 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 of the Terrorist Act 2000).
- These are the primary money laundering offences and thus prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the primary offences and tipping off. Tipping off is where someone informs a person or people who are, or are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.
- Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in

some way and/or do nothing about it. This Policy sets out how any concerns should be raised.

- Money laundering is the process of channelling 'bad' money into 'good' money in order to hide the fact the money originated from criminal activity. Money laundering often occurs in three steps:
 - first, cash is introduced into the financial system by some means ("placement").
 - the second involves a financial transaction in order to camouflage the illegal source ("layering").
 - and the final step entails acquiring wealth generated from the transactions of the illicit funds ("integration").
- An example is where illicit cash is used (placed) to pay for the annual non domestic rates on a commercial premises (possibly also a large overpayment), and then within a very short time the property is vacated (layering). A refund is made to the individual from the Authority, 'integrating' the source of the money.
- Most money-laundering offences concern far greater sums of money since the greater the sum of money obtained from a criminal activity, the more difficult it is to make it appear to have originated from a legitimate source or transaction.
- Whilst the risk to HFA of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. **A key requirement is for employees to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO).**

6. SCOPE OF THE POLICY

This Policy applies to all employees of HFA (including HFRS) and aims to maintain the high standards of conduct which currently exist within HFA by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable HFA to comply with its legal obligations.

The Policy sits alongside HFA's suite of documents governing counter fraud, including the Whistleblowing Policy, Employee Code of Conduct, Members' Code of Conduct and Anti-Fraud and Corruption Policy.

Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the HFA's Disciplinary Policy.

7. WHAT ARE THE OBLIGATIONS ON THE HUMBERSIDE FIRE AUTHORITY?

Organisations conducting "relevant business" must:

- Appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s).
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain client identification procedures in certain circumstances.
- Maintain record keeping procedures.

Not all of HFA’s business is “relevant” for the purposes of the legislation. It is mainly accountancy and financial; and company and property transactions undertaken by Legal Services. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the HFA; therefore, all staff are required to comply with the reporting procedure set out in sections 18, 19 and 20 below.

8. THE MONEY LAUNDERING REPORTING OFFICER

The officer nominated to receive disclosures about money laundering activity within HFA is the Joint Deputy Chief Finance Officer & Deputy S.151 Officer, Corporate Finance and Procurement Section, who can be contacted as follows:

Joint Deputy Chief Finance Officer & Deputy S.151 Officer
Corporate Finance & Procurement Section
Humberside Fire and Rescue Service
Headquarters Summergroves Way
Kingston Upon Hull
HU4 7BB
Email: sedwards@humbersidefire.gov.uk
Telephone: 01482 565333

In the absence of the MLRO, the Head of Finance, is authorised to deputise.
Email: dlofthouse@humbersidefire.gov.uk
Telephone: 01482 565333

9. DISCLOSURE PROCEDURE

Cash Payments

No payment to HFA should automatically be accepted in cash (including notes, coins or traveller’s cheques in any currency) if it exceeds £5,000. This does not, however, mean that cash transactions below this value will be valid and legal and should not arise any suspicion. Professional scepticism should remain at all times.

Staff who collect cash payments are asked to provide the details of any cash transaction over £5,000 to the MLRO so that precautionary checks can be performed.

HFA, in the normal operation of its services, accept payments from individuals and organisations. If an employee has no reason to suspect or know that money laundering activity is taking/has taken place and if the money offered is less than £5,000 in cash as payment or part payment for goods/services offered by the Authority then there is no need to seek guidance from the MLRO.

If a member of staff has reasonable grounds to suspect money laundering activities or proceeds of crime, or is simply suspicious, the matter must be reported to the MLRO in writing. If the money offered is £5,000 or more in cash, then payment must not be accepted until guidance has been received from the MLRO even if this means the person has to be asked to wait.

Any officer involved in a transaction of this kind should ensure that the person provides satisfactory evidence of their identity personally (and a copy taken), through passport/photo driving licence plus one other document providing evidence of current address in the form of a bank statement, credit card statement, mortgage or insurance details or a utility bill. Where the other party is a company, this can be done through company formation documents or business rate bill.

An officer must not communicate in any way to the individual their intention to report, or subsequent reporting, the matter to the MLRO.

10. REPORTING TO THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

Any employee who becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, must disclose this promptly to the MLRO or deputy. **The disclosure should be at the earliest opportunity of the information coming to your attention, not weeks or months later. Should you not do so, then you may be liable to prosecution.**

The employee must follow any subsequent directions from the MLRO or deputy and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation from the MLRO or deputy.

The employee must not disclose or otherwise indicate their suspicions to the person(s) suspected of money laundering. They must not discuss the matter with others or note on a file that a report has been made to the MLRO in case this results in the suspect becoming aware of the suspicion.

11. CONSIDERATION OF THE DISCLOSURE BY THE MONEY LAUNDERING REPORTING OFFICER

The MLRO or deputy must promptly evaluate any disclosure to determine whether it should be reported to the National Crime Agency (NCA).

The MLRO or deputy must, if they so determine, promptly report the matter to the NCA on their standard report form and in the prescribed manner. Up to date forms can be downloaded from the NCA website at:

- [Main NCA website](#)
- [Direct link to the NCA's electronic referral form](#)

All disclosure reports referred to the MLRO or deputy and reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The Money Laundering Disclosure Form ([Appendix 1](#)) should be used by the MLRO to facilitate the recording of any action taken.

The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

12. RECORD KEEPING

The MLRO will keep a record of all referrals made to him and of any action taken/ not taken. The precise nature of these records is not set down in law but should be capable of providing an audit trail during any subsequent investigation.

13. GUIDANCE AND TRAINING

In support of this Policy, HFA will:

- Make all staff aware of the requirements and obligations placed on HFA and of themselves as individuals by the anti-money laundering legislation.
- Give targeted training to those most likely to encounter money laundering.

14. RISK MANAGEMENT AND INTERNAL CONTROL

The risk to HFA of contravening the anti-money laundering legislation will be assessed on a periodic basis and the adequacy and effectiveness the Anti-Money Laundering Policy will be reviewed in light of such assessments.

15. FURTHER INFORMATION

Further information can be obtained from the MLRO and the following sources:

- [National Crime Agency \(NCA\)](#)
- [CIPFA](#)
- [CCAB - Anti-Money Laundering \(Proceeds of Crime and Terrorism\) – Guidance for Accountants](#) (main site) <http://www.ccab.org.uk/documents/> (direct link)
- [The Law Society-Anti-Money Laundering Guidance and Advice](#)

16. POLICY REVIEW

The S.151 Officer and HFA will ensure the continuous review and amendment of this policy document, to ensure that it remains compliant with good practice national public sector standards, primarily CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and the Local Government Fraud Strategy – Fighting Fraud Locally and meets the needs of the HFA.

Responsible Officer: Joint Deputy Chief Finance Officer & Deputy S.151 Officer (Money Laundering Reporting Officer).

For further guidance / information regarding this policy, please contact the Finance and Procurement Section.

APPENDIX A: MONEY LAUNDERING DISCLOSURE FORM

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity:

Date consent received from NCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering but you do not intend to report the matter to NCA, please set out below the reason(s) for non- disclosure:

[Please set out reasons for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed

Other relevant information:

Signed:

Dated:.....

THIS REPORT IS TO BE RETAINED FOR AT LEAST FIVE YEARS.