

Anti-Money Laundering Policy

Health Sciences University is committed to ethical standards of business conduct and adopts a zero-tolerance approach to financial misconduct, including money laundering.

1. Introduction

- 1.1. In response to the Proceeds of Crime Act 2002 and Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 this policy aims to ensure that the University and its employees comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles.
- 1.2. Legislation has broadened the definition of money laundering and the range of activities where this can apply, so it is not just a concern for banks and the financial sector, but now applies to all companies and institutions including Colleges and Universities. This policy therefore sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees within the process.

2. What is money laundering?

- 2.1. The legislation defines money laundering as:
 - concealing, disguising, converting, transferring criminal property, or removing it from the UK;
 - 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;
 - acquiring, using or possessing criminal property.

3. University obligations

- 3.1. The University has a responsibility to:
 - appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, disclosure of 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;
 - Conduct regular risk assessments to identify and assess areas of potential money laundering and terrorist financing;
 - Provide appropriate training to all relevant members of staff.

4. The Money Laundering Reporting Officer (MLRO)

- 4.1. The Head of Finance & Procurement is the officer nominated to receive disclosures in respect of suspected transactions or activity within the University.

5. Employee obligations

- 5.1. Money laundering legislation applies to ALL employees, which includes staff on a casual or fixed term contract, consultants, agency staff and members of the Board of Governors. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in

some way and do nothing about it.

- 5.2. If any individual suspects that money laundering activity is or has taken place, or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the Money Laundering Reporting Officer (MLRO). **Failure to do so may result in you being personally liable to prosecution.**
- 5.3. Guidance on how to raise any concerns is included in this policy document.

6. Relevant circumstances

- 6.1. Money laundering regulations apply to cash transactions in excess of £3,000 or other methods of payment in excess of £10,000. However, the Proceeds of Crime Act applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.
- 6.2. Staff should be particularly careful where student fees exceeding £10,000 are paid in any of the following ways:
- by a student for another student who is not present at the time
 - by a sponsor or third party not known to the University
 - by various third parties making a string of small payments particularly by way of credit card
 - where the prospective payer wants to pay up-front a larger sum than is required or otherwise wants to make payment in advance of them being due
 - by a secretive person or business e.g. that refuses to provide requested information without a reasonable explanation
- 6.3. Particular rules apply to overseas students, and the immigration service needs to be notified if a student with a visa discontinues, and HM Revenue & Customs need to be notified with details of all foreign students studying at the University. These cases should be dealt with by Academic Registry & Finance in the normal course of business. Fees paid in advance by overseas students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances.
- 6.4. HSU operates a no-cash policy, and all offers to pay Student Fees or other amounts owed to the University in cash or by cheque should be declined and an alternative method of payment such as bank transfer or credit / debit card requested.
- 6.5. Refunds should only be made to the person or organisation making the original payment and only be made by the same method to the same account.
- 6.6. In the event of an attempted payment by credit or debit card being rejected the reason should be checked prior to accepting an alternative card. If there is any doubt about the identity of the person attempting to make a payment the transaction should not be accepted.

7. 'Know your Customer'

- 7.1. It is important that controls are in place to identify the student, customer or other party dealing with the University. Satisfactory evidence of identity must be obtained. Examples include passport, visa, birth certificate, correspondence with students at their home address and for third parties, letters or documents proving name, address and relationship.
- 7.2. If an organisation is not known to the University, look for letter-headed documents,

check websites, request credit checks or aim to meet or contact key sponsors as you feel appropriate to verify validity of contact.

8. Disclosure Procedure to be followed by Individuals

8.1. Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to your line manager. If in consultation with your line manager reasonable suspicion is confirmed a disclosure report must be made to the Money Laundering Reporting Officer (MLRO). This disclosure should be made on the proforma report attached at Annex 1 and should be completed the same day the information came to your attention.

8.2. **Should you not do so you may be personally liable to prosecution under the regulations.**

8.3. Your report should include as much detail as possible including:

- full available details of the people and 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 any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved;
- any other information that may help the Money Laundering Reporting Officer (MLRO) judge the case for knowledge or suspicion of money laundering and to facilitate the report to the Serious Organised Crime Agency (SOCA).

8.4. Once you have reported your suspicions to the Money Laundering Reporting Officer (MLRO) you must follow any instructions provided. You must not make any further enquires unless instructed to do so by the Money Laundering Reporting Officer (MLRO). At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering.

9. Action & Disclosure by the Money Laundering Reporting Officer (MLRO)

9.1. On receipt of a disclosure report the Money Laundering Reporting Officer (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 enquires necessary to decide if a report should be made to the SOCA;
- inform the Vice-Chancellor and Chair of the Audit & Risk Assurance Committee that a disclosure report has been received.

9.2. Once the Money Laundering Reporting Officer (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 SOCA for a particular transaction to proceed.

9.2.1. Where the Money Laundering Reporting Officer (MLRO) concludes that the case should be disclosed to SOCA this needs to be done in a timely manner; and in the

prescribed manner on a standard report format provided by SOCA.

- 9.2.2. Where the Money Laundering Reporting Officer (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.
- 9.2.3. Where the MLRO believes that there is reasonable evidence that a member of staff has been involved in any money laundering activity then he/she will contact the Head of People and Development and request that an investigation is conducted in line with the University's Staff Disciplinary Policy and Procedure.
- 9.2.4. The Money Laundering Reporting Officer (MLRO) will report his / her conclusions to the Vice-Chancellor and Chair of the Audit & Risk Assurance Committee as soon as practicably possible

10. Record Keeping Procedure

- 10.1. All disclosure reports and relevant documents will be retained in a confidential file by the Money Laundering Reporting Officer (MLRO) for a minimum of six years.
- 10.2. All Departments conducting relevant transactions must maintain records for at least six years of:
- student / customer identification evidence
 - details of financial transactions carried out.
- 10.3. In practice, Departments will routinely create and retain records in the course of normal business, and these will normally be sufficient for this purpose.

11. Conclusion

- 11.1. Instances of suspected money laundering are likely to be rare given the nature of services provided by the University. However, everyone must be aware of the legislative requirements, as failure to comply would have serious implications for both the University and individuals concerned.
- 11.2. If you have any suspicions, please consult your line manager or the Money Laundering Reporting Officer (MLRO) about your concerns and follow the guidance in this policy.

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Originator / Author:	Head of Finance & Procurement
Owner:	Head of Finance & Procurement
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Target:	HSU University Staff
Policy location:	Staff Sharepoint site and HSU website
Equality analysis:	No direct impact, the policy provides for equality analysis to be undertaken as part of policy review. The policy provides for information to be made available in alternative formats as required, to make reasonable adjustments in line with the Equality Act 2010.

Annex 1(a)

Suspected Money Laundering - Report to the Money Laundering Reporting Officer (MLRO)

From:

Department:

Contact Details:

DETAILS OF SUSPECTED OFFENCE

Please ensure that your report includes the following:

- **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.**
- **Details of any investigation undertaken to date.**
- **Details of any discussions that you have with anyone about your suspicions if so on what basis.**
- **Details of any aspect of the transaction(s) outstanding and requiring consent to progress?**
- **Any other relevant information that may be useful.**

Signed

Date

Completed reports should be sent to the Head of Finance & Procurement within 24 hours of the time of the suspected offence.

Annex 1 (b)

MONEY LAUNDERING REPORTING OFFICER (MLRO) REPORT (to be completed by the Money Laundering Reporting Officer (MLRO))

Date Report Received

Date Receipt of report acknowledged

CONSIDERATION OF DISCLOSURE

Further Action Required.

Are there reasonable grounds for suspicion requiring a report be made to SOCA?

- **If YES: Confirm date of report to SOCA**

Are any Further details required?.....

Is consent required from SOCA to any process on-going transactions?

- **If YES confirm details & instructions**
- **Date consent received**
- **Date consent given to staff**
- **If NO: Confirm reason for non-disclosure**.....
- **Date consent given to staff**

Signed

Date