

EMMS International
57 Albion Road, Edinburgh EH7 5QY

A Company Limited by Guarantee No SC 224402 and registered as a Scottish Charity No SC 032327

Anti-Fraud, Anti-Bribery and Anti-Money Laundering Policy

Policy Owner	Director of Finance
Reviewed Annually	Leadership Team
Policy Date	February 2021, last reviewed March 2024
Next Policy Review Date	March 2025

1. Purpose

The purpose of this policy is to establish controls to ensure compliance with all applicable fraud, bribery, corruption and money laundering regulations, and to ensure that the charity’s business is conducted in a socially responsible manner. For the purposes of this policy, all references to bribery and corruption are referred to as “bribery”. This policy should be read in conjunction with EMMS International’s Procurement Policy, Standards and Ethics Policy and the Fundraising Regulator’s Fundraising Code of Conduct.

2. Policy statement

Fraud is wrongful or criminal deception intended to result in financial or personal gain. There are many different types of fraud. These include income-related fraud (e.g. diverting charitable donations for personal use), expenditure fraud (e.g. falsely claiming expenses) and property fraud (e.g. unauthorised use of a company vehicle).

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Money laundering, including terrorist financing, is the process of turning the proceeds of crime into property or money that can be accessed legitimately without arousing suspicion. The term ‘laundering’ is used because criminals turn ‘dirty’ money into ‘clean’ funds which can then be integrated into the legitimate economy as though they have been acquired lawfully. In addition to these money laundering acts there are two secondary offences under the Proceeds of Crime Act 2002 which relate to the failure to disclose money laundering and tipping off someone suspected of money laundering in such a way as to reduce the likelihood of them being investigated.

It is our policy to conduct all of our business in an honest and ethical manner. EMMS International takes a zero-tolerance approach to fraud, bribery and money laundering. EMMS International is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever EMMS International operates, and implementing and enforcing effective systems to counter fraud, bribery and money laundering.

EMMS International will uphold all laws relevant to countering fraud, bribery and money laundering in all the jurisdictions in which EMMS International operates. However, EMMS International remains bound by the laws of the UK, including the

Bribery Act 2010 and Proceeds of Crime Act 2002 in respect of our conduct both at home and abroad.

Bribery is punishable for individuals by up to ten years' imprisonment and a fine. If EMMS International is found to have taken part in corruption, the charity could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation.

Under the Proceeds of Crime Act 2002, different offences have different maximum penalties. The highest maximum penalty is 14 years' imprisonment for individuals and/or an unlimited fine (applicable to both individuals and entities).

EMMS International therefore takes its legal responsibilities very seriously.

3. Scope

3.1 Who is covered by the policy?

In this policy, third party means any individual or organisation that EMMS individuals come into contact with during the course of their work for EMMS International, and includes actual and potential partners, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

This policy applies to all individuals working at all levels and grades, including trustees, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with EMMS International, or any of our subsidiaries or their employees, wherever located (all collectively referred to as employees in this policy).

This policy covers:

- Fraud;
- Bribes;
- Gifts, hospitality and other offers of personal benefit;
- Facilitation payments;
- Political contributions;
- Charitable contributions;
- Money laundering.

3.2 Fraud

Employees must not engage in any form of fraud, either directly or through any third party (such as an agent or distributor).

3.3 Bribes

Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor).

3.4 Gifts, hospitality and other offers of personal gain

Employees must not offer or give any gift or hospitality:

- Which could be regarded as illegal or improper, or which violates the recipient's policies; or
- To any public employee or government officials or representatives, or politicians or political parties; or

- Which exceeds £20 in value for each individual gift or £100 in value for each hospitality event, and each event should be approved in advance by the Director of Finance.

The above does not apply to the payment of expenses for visiting partners. Separate arrangements for such payments are contained in the Human Resources Policy.

Employees may not solicit or accept any gift, hospitality, paid work or other personal gain from our business partners if:

- It exceeds £20 in value for each individual gift or £100 in value for each hospitality event, and each event should be approved in advance by the Director of Finance; or
- It is in cash; or
- There is any suggestion that a return favour will be expected or implied.

The EMMS International Employment Contract states that, “You may not be employed or engaged in any other paid business during your employment without the prior written agreement of EMMS International.” The above rules will influence whether a line manager may approve (or recommend approval of) an employee’s proposed paid business outside EMMS International.

If it is not appropriate to decline the offer of a gift or other personal gain, it may be accepted, provided the gift or income is then declared to the Director of Finance and donated to charity, recycling or other appropriate means of disposal. Where a gift is offered to the Director of Finance, they must declare it to the CEO and the gift must be donated to charity, recycling or other appropriate means of disposal.

EMMS International appreciates that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

Within these parameters, local management may define specific guidelines and policies to reflect local professional and industry standards. Where this policy requires written approval to be given, the Director of Finance shall maintain a register of all such approvals.

3.5 Facilitation payments and kickbacks

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low-level officials to obtain a level of service, which one would normally be entitled to.

Our strict policy is that facilitation payments must not be paid. EMMS International recognises, however, that our employees may be faced with situations where there is a risk to the personal security of an employee or their family and where a facilitation payment is unavoidable, in which case the following steps must be taken:

- Keep any amount to the minimum;
- Create a record concerning the payment; and
- Report it to the Director of Finance.

3.6 Political Contributions

EMMS International

- 3 -

EMMS International does not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

3.7. Charitable contributions

Charitable support and donations may be acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. EMMS International only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the Director of Finance and CEO.

3.8 Money laundering – EMMS International’s approach

In general the risks of money laundering in the third sector can be considered to be low. However, it is still a real risk, and if a charity were to be used without its knowledge for terrorist financing or money laundering purposes, it would have a disproportionate impact on the trust and confidence that the public has in the charity and, potentially, in the charity sector overall. EMMS International protects itself through strong governance, robust financial controls and knowledge of the background of our larger donors including an assessment of the likely sources of the wealth from which financial support is given to EMMS International. Should any doubts exist about the source of a donor’s wealth, financial dealings with that donor will not be undertaken.

3.9 Money laundering – employee obligations

In order to uphold its legal obligations EMMS has the following procedures in place:

- Employees must be vigilant for signs of money laundering (e.g. unsolicited contact from a previously unknown person wishing to make a large donation).
- An employee who suspects money laundering activity must report this promptly to the Director of Finance and the CEO. No further steps in any transaction relating to the suspected money laundering activity should be made without authorisation from the Director of Finance and the CEO. In particular, no discussions on the matter should take place with the donor or with other employees (to prevent tipping off).
- The Director of Finance will promptly evaluate any suspicious activity and will submit a Suspicious Activity Report to the National Crime Agency and any other regulators such as OSCR if there is evidence or suspicion that a person is engaged in money laundering or dealing in criminal property.

3.10 Examples of how charities can be abused by fraudsters posing as genuine donors:

- Money laundering – donors can make loans to charities as a means of laundering money, or they can make donations with specific restrictions as to which partner or project is to be funded as a means of transferring funds overseas and disguising the origin of the funds;
- Proceeds of crime – anonymous cash donations or donations through suspect third parties may be a means of disposing of the proceeds of crime;
- Tax avoidance/evasion – donors may seek tax relief on their donation while at the same time seeking private benefit as a result of their donation, for example, by insisting that the charity purchase services from an associated company as a condition of the donation.

4. Staff responsibilities

Staff must ensure that they read, understand and comply with this policy.

The prevention, detection and reporting of fraud, bribery, other forms of corruption and money laundering are the responsibility of all those working for EMMS International or under our control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the Director of Finance as soon as possible if you believe or suspect that a conflict with or breach of this policy has occurred, or may occur in the future.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. EMMS International reserves the right to terminate our contractual relationship with other workers if they breach this policy.

5. Record-keeping – gifts, hospitality and other offers of personal gain

You must declare and keep a written record of all hospitality, gifts or other personal gain accepted or offered, which will be subject to review by the Director of Finance or another member of the Leadership Team.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred for third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts or personal gain must be kept "off-book" to facilitate or conceal improper payments.

6. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes fraud, bribery, corruption or money laundering, or if you have any other queries or concerns, these should be raised with the Director of Finance.

7. What to do if you are a victim of bribery or corruption

It is important that you tell the Director of Finance as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

8. Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. EMMS International aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

EMMS International is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in fraud, bribery, corruption or money laundering, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Director of Finance immediately. If the matter is not remedied, you should raise it formally using the charity's Grievance Procedure.

9. Training and communication

Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. In addition, all employees will be asked to accept formally on an annual basis conformance to this policy.

Our zero-tolerance approach to fraud, bribery and money laundering must be communicated to all suppliers, contractors and business partners as appropriate.

10. Who is responsible for the policy?

The Board of Trustees has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Director of Finance has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

This policy does not form part of any employee's contract of employment and it may be amended at any time.