

Bringing people closer to Jesus Christ through His Church
Catholic Diocese of Portsmouth



Anti-Financial Crime Policy

"Whoever walks in integrity walks securely, but he who makes his ways crooked will be found out."

Proverbs 10:9

Issued by:

The Bishop of Portsmouth and the Catholic Diocese of Portsmouth
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Guernsey Registered Charity No. CH263



FOREWORD

God's Church here in the Diocese of Portsmouth is formed of many and varied communities, held together in the same Truth of Christ both in doctrine, life and worship. We need common operating procedures across the Diocese to ensure compliance with the needs of both canon and civil law. In addition, and especially in the light of the Church's call to the work of new evangelisation, we need to ensure harmonised collaboration. We are responsible for ensuring that people, buildings, and money are treated carefully, allowing us to perform our duties "with the diligence of a good householder" (Canon 1284§1).

The aim of our policies is to provide a framework of guidance for all who work within the Diocese: guidance to support and encourage us all in our work, to enable a working environment that is based on cooperation, respect for each other's gifts, tolerance and support for each other's limitations and above all, fairness and justice in our dealings with each other.

So, I present to you our Diocesan Anti-Financial Crime Policy. This has the status of particular law for the Diocese of Portsmouth. Policies must be understood and followed in the broad areas of human resources, schools, buildings, and finance.

I am very grateful to all who have compiled these procedures and ensure their regular review and updating.

In Corde Iesu

A handwritten signature in blue ink that reads "+ Philip". The plus sign is positioned to the left of the name "Philip".

Rt Rev Philip A. Egan

Bishop of Portsmouth

November 2022

TERMINOLOGY

For the purposes of this Anti-Financial Crime Policy, The **Diocese** refers to the Catholic Diocese of Portsmouth, registered charity number 1199568 and any of its trading subsidiaries or any special trusts of which it is a trustee. It comprises our parishes, groups, teams, school buildings, and the Curia.

Throughout this document, the expression **third-party** refers to any individual or organisation you come into contact with during the course of your work (whether paid or volunteer) with us. It may include actual and potential suppliers, parishioners, clients, business contracts, agents, advisers, donors, and government and public bodies, including their advisors, representatives, politicians, and political parties.

CONTENTS

FOREWORD.....	3
TERMINOLOGY.....	4
INTRODUCTION.....	6
1. BRIBERY.....	6
3. CORRUPTION.....	7
4. FACILITATION PAYMENTS AND KICKBACKS.....	8
5. MAKING DONATIONS.....	8
6. FRAUD.....	8
7. THEFT.....	9
8. MISUSE OF CHARITABLE RESOURCES.....	9
9. ANTI-MONEY LAUNDERING.....	9
10. FINANCIAL CONTROLS & RECORD KEEPING.....	10
11. RESPONSIBILITIES.....	11
12. RAISING CONCERNS.....	11
13. VICTIMS OF FINANCIAL CRIME.....	11
APPROVALS.....	12

INTRODUCTION

The Catholic Diocese of Portsmouth is a Charitable Incorporated Organisation which operates across three legal jurisdictions, England, and the Bailiwicks of Jersey and Guernsey. As such, it must adhere to the law of each jurisdiction and is overseen by the Charity Commission for England and Wales, the Office of the Jersey Charity Commissioner and the Guernsey Registry.

The Catholic Diocese of Portsmouth is committed to preventing financial crime. It will not tolerate fraud, bribery, corruption, theft or abuse of position for personal or institutional gain and is dedicated to preventing and detecting fraud, bribery, money laundering, financial irregularities or corruption within the organisation.

Our policy is to conduct all our activities honestly and ethically and to act fairly and with integrity in all our dealings and relationships.

The purpose of this policy is to:

- set out our responsibilities in observing and upholding our position on financial crime, bribery and corruption.
- provide information and guidance on recognising and dealing with these issues.

This policy applies to everyone involved in the Diocese, our parishes, schools and Curia, including clergy, employees, volunteers, contractors, beneficiaries and the Board of Trustees.

It is a criminal offence to offer, promise, give, request or accept a bribe, or assist in money laundering. For individuals, such offences are punishable by up to ten years imprisonment (in the UK). An organisation involved in corruption or money laundering can face an unlimited fine and significant reputational damage.

Everyone involved in the Diocese, whether paid or unpaid, has a duty to report any activity which they suspect is in breach of this policy to the COO, Director of Finance or Moderator of the Curia, and the relevant authorities.

1. BRIBERY

- 1.1. Bribery is the act of offering, promising, giving or accepting any financial or other advantage to induce the recipient or any other person to act improperly, in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
- 1.2. Bribery results in the individual involved committing a criminal offence and, in some cases, results in the organisation committing a criminal offence as well.
- 1.3. Bribery of any kind will not be tolerated under any circumstances.
- 1.4. Action will be taken against any individual found to be in breach of this policy.
- 1.5. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

2. GIFTS AND HOSPITALITY

- 2.1. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. The giving and receipt of gifts is not prohibited, providing that the following requirements are met:
 - 2.1.1. It is not made to influence a third party to obtain or retain an advantage, or to reward the provision or retention of an advantage, or in exchange, implicitly or explicitly, for favours or benefits.
 - 2.1.2. It complies with all relevant law.
 - 2.1.3. It complies with our gifts policy, and all other relevant policies.
 - 2.1.4. It is appropriate in the circumstances, for example, small gifts given at Christmas.
 - 2.1.5. Taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time.
 - 2.1.6. It is given openly, not secretly.
- 2.2. Gifts should not be offered to or accepted from government officials or representatives, politicians, or political parties without the prior approval of the Board of Trustees.
- 2.3. Hospitality or gifts offered on behalf of the parish or Diocese must be appropriate and of modest value. The expenditure must represent a responsible use of charitable funds.

3. CORRUPTION

- 3.1. Corruption is the abuse of entrusted power or position for private gain.
- 3.2. It is not acceptable for anyone involved in our organisation to:
 - 3.2.1. Give, promise to give or offer payments, gifts, or hospitality with the expectation or hope that an advantage will be received or to reward an advantage already given.
 - 3.2.2. Give, promise to give or offer payment, gifts or hospitality to a government official, agent, or representative to facilitate or expedite a procedure.
 - 3.2.3. Give or accept a gift or hospitality during any business negotiations or tender process.
 - 3.2.4. Accept payment from a third party when it is, or suspected to be, offered with the expectation that it will obtain an advantage for them.
 - 3.2.5. Accept a gift or hospitality from a third party when it is, or suspected to be, offered with the expectation that an advantage will be provided in return.
 - 3.2.6. Threaten or retaliate against another individual involved in our organisation who has refused to commit a bribery offence or who has raised concerns under this policy.

- 3.2.7. Engage in any activity that might lead to a breach of this policy.
- 3.3. Corruption of any kind will not be tolerated under any circumstances.
- 3.4. Action will be taken against any individual found to be in breach of this policy.
- 3.5. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

4. FACILITATION PAYMENTS AND KICKBACKS

- 4.1. The Diocese does not make, and will not accept, facilitation payments or kickbacks of any kind.
- 4.2. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK or the Channel Islands but are common in some other jurisdictions.
- 4.3. Kickbacks are typically payments made in return for a business favour or advantage.
- 4.4. Everyone involved in our organisation must avoid any activity that might lead to or suggest that facilitation payments or kickback payments will be made or accepted by us.
- 4.5. Anyone asked to make a payment on the Diocese's behalf must be mindful of what the payment is for and whether the amount requested is proportionate to the goods and services provided.
- 4.6. When making a payment, a receipt detailing the reason for the payment must be requested, retained and provided for inspection and audit purposes.

5. MAKING DONATIONS

- 5.1. The Diocese must not make contributions to political parties.
- 5.2. The Diocese may make charitable donations to other organisations whose charitable objectives are in line with those of the Diocese.
- 5.3. All charitable donations must be within approved expenditure limits and adhere to the Diocese grant-making policy.

6. FRAUD

- 6.1. Fraud is a deliberate intent to acquire funds or goods through the falsification of records or documents.
- 6.2. It is not acceptable for anyone involved in the Diocese to falsify or make deliberate amendments to financial statements, correspondence or other records.
- 6.3. Access to records should be limited appropriately.
- 6.4. Clear and accurate records must be kept, different versions of working documents should be clearly identified.

- 6.5. Fraud and attempted fraud, whether for personal or institutional gain, will not be tolerated under any circumstances.
- 6.6. Action will be taken against any individual found to be in breach of this policy.
- 6.7. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

7. THEFT

- 7.1. Theft is the act of dishonestly acquiring, using or disposing of physical or intellectual property belonging to the Diocese or to individuals involved in the organisation.
- 7.2. Theft will not be tolerated under any circumstances.
- 7.3. Action will be taken against any individual found to be in breach of this policy.
- 7.4. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

8. MISUSE OF CHARITABLE RESOURCES

- 8.1. All our charitable resources must be used within, and for the advancement of, our charitable purposes.
- 8.2. Deliberate misuse of funds, material or equipment belonging to the Diocese for personal financial, material or other benefit will not be tolerated under any circumstances.
- 8.3. Action will be taken against any individual found to be in breach of this policy.
- 8.4. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

9. ANTI-MONEY LAUNDERING

- 9.1. Money laundering is the process by which the proceeds of criminal activity or illegally obtained funds are processed and spent to create the appearance that they have come from a legal source.
- 9.2. The term "money laundering" covers several offences relating to the improper handling of funds that are the proceeds of criminal acts or terrorist acts. It relates to both the activities of organised crime and also to those who benefit financially from illegal activities such as tax evasion or receiving stolen goods.
- 9.3. The process of money laundering has three stages:
 - 9.3.1. Placement: through which the funds enter the financial system.
 - 9.3.2. Layering: by which the funds pass through a complex sequence of transactions designed to make it difficult for investigators to follow a trail of evidence back to the original source of the funds.

- 9.3.3. Integration: the point at which the funds emerge from the process back into the legitimate economy so that they are unrecognisable as the proceeds of crime.
- 9.4. Charities can be especially susceptible to the attention of potential money launderers for use as a stage in the layering process. Charities have a duty to manage charitable funds effectively, and a to know where funds are coming from.
- 9.5. The Diocese and everyone involved in it has a legal obligation to:
 - 9.5.1. Not assist in the money laundering process through acquiring, concealing, disguising, retaining or using the proceeds of crime.
 - 9.5.2. Not prejudice an investigation.
 - 9.5.3. Not contact any person who has been suspected of, and reported for, possible money laundering in such a way as to make them aware of the suspicion or report.
- 9.6. Breaches of this policy will not be tolerated under any circumstances.
- 9.7. Action will be taken against any individual found to be in breach of this policy.
- 9.8. Any breach, or suspected breach, in law will be reported to the relevant authorities, regulators and statutory agencies.

10. FINANCIAL CONTROLS & RECORD KEEPING

- 10.1. All payments must be made under a dual signature by two authorised signatories.
- 10.2. Any gifts or hospitality above £100 must be declared and kept on the Gift and Hospitality Register for 10 years.
- 10.3. Receipts and contracts relating to any expenditure must be kept for 6 years.
- 10.4. All accounts, invoices, memoranda and other documents or records relating to dealings with third parties must be accurate, complete and kept for 6 years.
- 10.5. Records of suspected or reported malpractice or of suspicious transactions must be kept for 6 years.
- 10.6. Accurate records of all regular donors and financial supporters must be kept.
- 10.7. Identity and anti-money laundering checks must be undertaken on any charitable donations over the value of £5,000, or on any repeated charitable donations over the total value of £5,000 over a three-month period, made by any individual or organisation. Supporting documentation for any such donations must be kept for 6 years.
- 10.8. It is recognised that our churches collect cash donations; any large collections which are out of the norm for a particular parish service must be treated as suspicious.

11. RESPONSIBILITIES

- 11.1. Everyone involved in the Diocese, including all parishes, schools, groups, teams and the Curia, has a responsibility to:
 - 11.1.1. Read, understand and comply with this policy.
 - 11.1.2. Prevent, detect and report bribery, corruption and financial crime.
 - 11.1.3. Avoid any activity that might lead to or suggest, a breach of this policy.
 - 11.1.4. Notify the COO, Director of Finance or Moderator of the Curia of any actual, potential or suspected breach of this policy.
- 11.2. Any breach of this policy by an employee may result in disciplinary action and possibly dismissal for gross misconduct.
- 11.3. Breaches of this policy by a member of the clergy will be subject to the appropriate canonical procedures.
- 11.4. Breaches of this policy by a volunteer, contractor or any other individual involved in our Diocese may result in us terminating our contractual relationship with them.
- 11.5. Anyone found or suspected of committing a crime will be reported to the relevant authorities.

12. RAISING CONCERNS

- 12.1. Everyone has a duty to raise concerns about any actual, potential or suspicion of malpractice at the earliest possible stage.
- 12.2. Concerns should be raised in accordance with our Whistle-Blowing Policy, a copy of which is available on the Diocese's intranet.
- 12.3. Anyone unsure whether a particular act constitutes bribery, corruption or financial crime should approach the COO, Director of Finance or Moderator of the Curia for clarification.

13. VICTIMS OF FINANCIAL CRIME

- 13.1. Victims of financial crime should report the incident to the police and inform the COO, Director of Finance or Moderator of the Curia as soon as possible.
- 13.2. Anyone who is offered a bribe by a third party asked to make one or suspects that this may happen in future should inform the COO, Director of Finance or Moderator of the Curia as soon as possible.