

Notice- Reporting Suspicious Activity – JUNE 2020

CIIPA meets regularly with the Financial Reporting Authority to consider the number and nature of suspicious activity reports received from the accounting profession and to identify areas where greater awareness or guidance is needed. This serves as a specific notice to firms as to when and what to report to the FRA.

1. CIIPA's [Guidance for the Accountancy Profession](#) includes detail on reporting of suspicious activity (section E) and readers are encouraged to review.
2. Firms should evaluate the effectiveness of their ongoing monitoring procedures since this is a significant and important trigger for identifying unusual activity. The provision of accounting or bookkeeping services can be very effective in ensuring all activity is monitored but firms should be cautious to accept engagements that entail a partial service that hinders monitoring, for example handling online banking transactions without conducting the bookkeeping.
3. Firms should be aware that there is a difference between reporting to the Financial Reporting Authority and reporting to the Police and firms should review its procedures to ensure the appropriate provision and that staff are aware of the difference.
4. Firms that decline business including where enquiries are made but no engagement results, should log the details and reasons for declining. Where the reason for declining is that the firm formed a suspicion, then it must file a SAR with the Financial Reporting Authority. There may be a fine line between declining because the business exceeds the firm's risk appetite and forming a suspicion based on early discussion, so firms need to consider carefully what is influencing their judgement. If the firm considers the ML, TF and PF risk to be high then it may be safest to also file a SAR.
5. The number of SARS from a Voluntary Liquidator may depend on the nature of the appointment i.e. in clean non contentious liquidation or where there was a previous relationship e.g. fund administrator prior to the liquidation, less SARS may be expected.
6. For Official Liquidators and Controllers there may be more likelihood of a need to file a SAR including where a SAR was not filed by personnel prior to the OL's appointment and OL's are reminded of the need to file a SAR despite the supervision of the court or CIMA which relates to different obligations.
7. It should be noted that the FRA welcomes multiple reports from different parties on the same matter.