PURPOSE

Adullam Homes Housing Association has a legal duty to ensure funds are only received from legitimate sources. This duty comes from the Proceeds of Crime Act 2002 (POCA). The purpose of this policy and procedure is to ensure compliance with legislation and ensure only money obtained through legitimate means is used to finance any transaction with Adullam. The policy applies to all staff, Board and Committee members at Adullam and to relief and agency staff who are responsible for the collection of funds.

1. Introduction

1.1 The majority of our funding comes from local authorities who are well known to the organisation and whose status can be easily verified.

1.2 The Money Laundering, Terrorist Financing and Transfer of Funds Regulation 2017, which transposed the 4th EU Money Laundering Directive into UK Law, commenced on 26th June 2017. Whilst these obligations are not directly imposed onto the Association, guidance provided from financial professions, including Chartered Institute of Public Finance and Accounting (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and have in place internal procedures to prevent the use of their services for money laundering.

1.3 Other sources of funding are:

- Rents and service charges paid by tenants
- Interest received
- Donations and grants received through fund raising
- Sale of assets (e.g. disposal of property)

2. What are the Money Laundering Offences Detailed under POCA?

The primary offences are:

- Concealing, disguising, converting, transferring or removing criminal property from the UK (s327 of the Proceeds of Crime Act 2002).
- Entering into or becoming concerned in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (s328).
- The acquisition use and/or possession of criminal property (s329).
- Staff in the regulated sector failing to disclose knowledge or suspicion of money laundering to the Nominated Officer/Money Laundering Reporting Officer (s330/s331).
- Alerting of any person that such a disclosure has been made (s333a).

For the purpose of the Act, the Business Assurance and Audit Manager/DPO of Adullam is the nominated Money Laundering Reporting Officer (MLRO) who will report any matter of concern to the Group Financial Controller and CEO.

Please be aware that s329 means that an offence is committed simply by accepting cash in the knowledge that this is from the proceeds of crime.

3. What do we Expect Staff to do?

3.1 The key to anti-money laundering legislation is that we know the person/body who is giving us money and can verify that it appears to be legitimate.

3.2 In order to know the person who is giving us the money we should verify their identity from:

- Passport
- Other photo ID, e.g. Driving Licence
- Birth Certificate

3.3 Where the money is coming from a corporate body rather than an individual, the Group Financial Controller will be responsible for establishing the relevant checks.

3.4 Most significant examples are:

3.4.1 Where we are offered cash for an expensive asset. All asset sales and details of the buyer must be notified to and approved by the CEO. It should be noted that the disposal of any property must be prior approved by the Board of Adullam.

3.4.2 Where a tenant/resident suddenly offers to pay off either a significant amount off arrears or to pay rent/service charges in advance.

3.4.3 In these cases, and any others where we are unexpectedly offered sums of money, the member of staff should report the transaction to the Group Financial Controller and the Quality Assurance Manager/DPO.

The Group Financial Controller will then take the appropriate action which will mean investigating the transaction and involving internal audit, if it is felt that their expertise can help to verify the transaction. Should suspicions be confirmed/continue to be aroused the Money Laundering Reporting Officer will report this at the earliest opportunity to the CEO, for consideration of reporting to the Finance, Audit and Risk Management Committee and relevant external bodies, e.g. the Financial Conduct Authority.

3.5 The Money Laundering Reporting Officer will log all such reported instances and report these to the next Finance, Audit and Risk Management Committee.

4. Training

4.1 In support of the policy and procedure, the Association will:

- Upload the Policy and Procedure to Policy Hub;
- Endeavour to make all staff aware of the requirement and obligation placed on the Association and on themselves as individuals by the anti-money laundering legislation; and

- Provide targeted training where it has been identified staff are most likely to encounter money laundering.

4.2 Breaches of this policy may be investigated and may result in the matter being treated as a disciplinary offence under Adullam Homes Housing Association's Disciplinary Procedure.

5. Review/Monitoring and Compliance

5.1 The effectiveness of this policy will be monitored by the reviewing Committee or Lead Director.

5.2 This policy will be reviewed where:

- There are significant changes to legislation or regulation;
- There are found to be deficiencies or failures in this policy, as a result of complaints or findings from any independent organisations.

5.3 At which point the Lead Officer will initiate an immediate review. In any event this policy will be reviewed no later than three years from the effective date of this version.