

Anti Money Laundering and Fraud Policy

1.0	SCOPE
	Purpose
1.1.	This Policy documents whg's approach to complying with anti-money laundering regulations, preventing fraud, whg's commitment to thoroughly investigating any cases of fraud identified and our zero tolerance approach towards money laundering, fraud, tax evasion and facilitation of tax evasion. This includes expectations of all whg colleagues, third party contractors and agents and other 'associated persons' in meeting the requirements of the Criminal Finances Act 2017 (Part 3). whg recognises that as well as the commission of any crime or fraud, any involvement in money laundering will also reflect adversely on whg's and the sectors image and reputation.
1.2.	This Policy sets out the risk to whg and to colleagues associated with money laundering, fraud and criminal finance, references the procedures in place to prevent offences being committed relating to money laundering and the procedures to be followed if colleagues identify or suspect that money laundering is attempted.
1.3.	whg is committed to reducing the risk of money laundering, fraud and criminal finance by ensuring appropriate resource and time is dedicated to managing the risks.
	Definition
1.4.	<p>Money laundering can take several forms:</p> <ul style="list-style-type: none"> • Handling the proceeds of crime; • Being directly involved with criminal or terrorist behaviour; • Entering arrangements to facilitate laundering of criminal or terrorist behaviour; • Investing the proceeds of crime into other (legitimate) financial products, property purchase or other assets.
1.5.	An offence could be committed by any colleague simply by accepting money from someone in the knowledge that the money is from the proceeds of crime.

1.6.	<p>whg will not accept any level of fraud, irregularity or corruption; any case will be thoroughly investigated and dealt with appropriately. Suspicion of criminal activity will be reported to the police. Colleagues have a responsibility to make every effort to minimise risk to whg's assets and interests from fraud, irregularity and corruption. Under UK Law, fraud is defined as:</p> <ul style="list-style-type: none"> • making a dishonest representation for your own advantage or to cause another a loss • dishonestly neglecting to disclose information when you had a duty to do so • abusing your position, if you have a duty to protect the financial interests of others and you fail in this for the purpose of your own gain or to cause another to make a loss • false accounting • using accounting documents which you know are misleading • conspiring with others to commit fraud by agreeing to do something which causes loss to a third party <p>An irregularity can be an intentional misstatement or omission of information, and corruption is a form of dishonesty or a criminal offence which is undertaken by a person or an organisation which is entrusted in a position of authority. Individuals may hide behind complex company structures to engage in money laundering, tax evasion or corruption.</p>
1.7.	Colleagues must be alert to the potential for fraud, irregularity and corruption and take appropriate action when they know or suspect that such activity is planned or taking place.
1.8.	Tax evasion involves the deliberate and dishonest use of illegal practices in order not to pay the right amount of tax. This could include not reporting all of your income, deliberately not filing an accurate tax return, hiding beneficial ownership and taxable assets from HMRC or diverting funds to hide income from local taxation authorities.
1.9.	A criminal offence will be committed by a Registered Provider if an "associated person" (colleague, supplier, adviser, sub-contractor, agent etc.) is involved in the facilitation of UK or overseas tax evasion and the association fails to prevent that facilitation.
	Legal and regulatory framework
1.10.	whg must comply with the regulatory requirements set by the Regulator of Social Housing's Governance and Financial Viability Standard. whg must manage resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk. whg must ensure that they safeguard taxpayers' interests and the reputation of the sector. One of the annual returns made to the Regulator includes details of all frauds. Any

	frauds that are considered material in nature, either due to their value or other impact on the business must be reported immediately.
1.11.	In UK law money laundering is defined in the Proceeds of Crimes Act 2002 (POCA) and includes all forms of handling or possessing criminal property. This includes possessing the proceeds of one's own crime, and facilitating any handling or possession of criminal property. Criminal property (defined in POCA) constitutes or represents a person's benefit from criminal conduct where the alleged offender knows or suspects that the property in question represents such a benefit. Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property.
1.12.	As a charity whg must also comply with Charity Commission regulation. Any actual or suspected serious incidents of fraud, theft, other financial crimes or other significant loss to the charity must be reported to the Charity Commission as part of the serious incident reporting regime. There is no minimum figure that should or must be reported. Trustees need to decide whether these incidents are serious or significant enough to report in the context of the charity and the circumstances of the incident, taking account of the actual harm and potential risks to whg posed by the incident.
	Money Laundering Offences
1.13.	<p>Under POCA, money laundering offences are committed when a person:</p> <ul style="list-style-type: none"> • Conceals criminal property (concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.) • Enters an arrangement regarding criminal property • Acquires, uses or possesses criminal property <p>These are serious offences that carry a maximum 14 year sentence.</p>
1.14.	<p>There are also two 'Third Party' offences:</p> <ul style="list-style-type: none"> • Failure to disclose one of the serious offences; and • Tipping off – where someone informs a person suspected of money laundering in such a way as to reduce the likelihood of them being investigated.
1.15.	<p>Examples of Tax Evasion</p> <p>The following are examples of breaches of the Criminal Finance Act 2017:</p> <ul style="list-style-type: none"> • Deliberate mis-categorisation of an individual as a self-employed contractor rather than employed. Falsely and deliberately manipulating employment status will result in HMRC collecting less National Insurance and potentially lower income tax.

	<ul style="list-style-type: none"> • Payment to one third party entity knowing that the goods/services have been provided by another entity with the primary purpose of evading tax. Payments to third parties who have not provided the service, other than factoring arrangements (the sale of receivables to a finance company). • Approving a VAT invoice for payment when it is known that the supplier is not VAT registered. If the supplier is not VAT registered, then whg should not be paying VAT on invoices. • Collusion with a third party to deliberately mis describe a supply of goods or services as a grant rather than a supply of goods or services. This would result in VAT not being charged on the supply resulting in lower VAT being remitted to HMRC. Care must be taken to ensure that grants are genuine and not supplies of goods and services.
2.0	POLICY STATEMENT
	Arrangements to comply with legislation and regulations
2.1.	<p>To ensure compliance with the legislation and regulations relating to money laundering, fraud and criminal finance whg must:</p> <ul style="list-style-type: none"> • Put in place checks, controls and procedures to anticipate and prevent money laundering or terrorist financing; • Have in place proper identifying, recording and reporting procedures; • Make colleagues aware of the Money Laundering Regulations 2017, the Terrorism Act 2000, Prevention of Social Housing Fraud Act 2013, Fraud Act 2006 and the Proceeds of Crime Act 2002 and the procedures for reporting suspicions or activity relating to money laundering or fraud. This is done through the annual training; • Confirm the identity of a customer before entering into a business relationship or occasional transaction with him/her and obtaining information on the purpose or nature of the business relationship; • Conduct ongoing monitoring of the business relationship as appropriate to ensure the business transactions are consistent with our knowledge of the customer and the customers business; • Keep records obtained in establishing our customers' identity and of business relationships for at least five years from the transaction or when the business relationship ends; • Provide adequate training for colleagues in procedures and law relating to money laundering, fraud, criminal finance and terrorist financing; • Appoint a Money Laundering Reporting Officer (MLRO). • Appoint a Fraud Prevention Officer (FPO)
	Estate agency activity
2.2.	<p>An area where whg may be susceptible to money laundering is in relation to Shared Ownership activity. whg must comply with HMRC regulation relating to estate agency activity, which requires whg to register with HMRC as whg</p>

	advertise a property for sale in which the company have a joint interest with a customer such as a Shared Ownership property, or if whg instruct an estate agent or lawyer to advertise such a property for sale. Anti Money Laundering checks are carried out by third party solicitors in relation to the sale of Shared Ownership homes and those sold through Right to Buy and Right to Acquire. For Shared Ownership, Anti Money Laundering checks are also carried out by third party financial advisors. These third party checks are audited quarterly by the Sales and Marketing Team.
	Money Laundering Reporting Officer
2.3.	<p>All suspicious activity must be reported immediately to the MLRO by using the Internal Suspicious Activity Report and following the procedure. The MLRO is responsible for:</p> <ul style="list-style-type: none"> • Reporting suspicious activity to the National Crime Agency; • Ensuring that any suspicious activities are recorded in a specific confidential register; • Ensuring that colleagues are appropriately trained.
	Money Laundering Reporting Register
2.4.	The Money Laundering Reporting Register will be maintained electronically by the MLRO. It will record all notified instances of suspected attempted and actual money laundering, noting whether they had been investigated, the final action taken and the outcome.
2.5.	All instances must be recorded at first notification, the entry being updated as investigations progress. The investigation will be led by the MLRO and escalated to the NCA if necessary. A more detailed process is available in the guidance note and procedure.
2.6.	Care will be taken over confidentiality, for example a report would be recorded in the Money Laundering Register without any detail that would allow identification, and with a reference to a confidential file, held by the MLRO, which contains more information.
2.7.	Third Party Contractors and Agents are required to contractually comply with the Policy, and any cases on non compliance will result in termination. The contract with these must make provision for the right of access to records and cooperation in investigations and similar matters.
	Fraud
2.8.	<p>Under UK Law, fraud is defined as:</p> <ul style="list-style-type: none"> • making a dishonest representation for your own advantage or to cause another a loss

	<ul style="list-style-type: none"> • dishonestly neglecting to disclose information when you had a duty to do so • abusing your position, if you have a duty to protect the financial interests of others and you fail in this for the purpose of your own gain or to cause another to make a loss • false accounting • using accounting documents which you know are misleading • conspiring with others to commit fraud by agreeing to do something which causes loss to a third party
2.9.	<p>For this Policy, 'fraud' is used to cover all types of theft, misuse of assets or access, misrepresentation or collusion for gain, which result in a loss or potential loss for whg. The perpetrator could be a colleague, customer, business partner or third party. The gain could be to a colleague, contractor or customer; or a family member of any of these. Examples could include:</p> <ul style="list-style-type: none"> • Diverting funds or assets from whg, its colleagues or partners, for instance by taking materials, diverting cash, misuse of whg's credit with suppliers or false expense claims. • Misrepresenting for gain, for instance by claiming qualifications not earned, excess charging, false grant or other claims, concealing information relating to conduct of a previous tenancy to obtain a home. • Collusion with suppliers for gain. • Corruption; misuse of position, influence or access to information to obtain benefits for oneself, family or friends.
	The Fraud Register
2.10.	<p>The Fraud Register will be maintained electronically by the Corporate Director of Governance and Compliance as the FPO and will be available to all Board and Committee Members to read. It will record all notified instances of suspected attempted and actual fraud, noting whether they had been investigated, the ultimate action taken and the outcome.</p>
2.11.	<p>All instances must be recorded at first notification, the entry being updated as investigations progress. The investigation will be led by the appointed colleague in accordance with the Fraud Response Plan.</p>
2.12.	<p>Care will be taken over confidentiality, for example, if an allegation is made against a colleague, it should be recorded in the Fraud Register without any detail that would allow identification, and with a reference to a confidential file, held by the FPO, which contains more information.</p>
2.13.	<p>Access to the Fraud Register will be reserved to appropriate senior colleagues at the discretion of the FPO.</p>
	Deterrence and Prevention

2.14.	To deter fraud, criminal finance and money laundering, this Policy will be publicised colleagues, Board and Committee Members and made available to third party agents and contractors . It will be clear that whg is intolerant of fraud, criminal finance and money laundering and colleagues will co-operate fully with relevant authorities where required.
2.15.	whg takes a risk-based approach to fraud prevention, identifying those areas where fraud is most likely to occur and directing efforts to higher risk processes.
2.16.	The best prevention relies on clarity of procedures, responsibilities and segregation of duties, controls and records.
	Detailed procedures, possible signs of money laundering, risk assessment requirements and due diligence
2.17.	Possible signs of money laundering, procedures for reporting and recording, risk assessment requirements and due diligence requirements are included in the Guidance Note and Procedure which is available on whoogle.
	Responsibilities
2.18.	The Corporate Director of Governance and Compliance , as the Fraud Prevention Officer and the Money Laundering Reporting Officer is responsible for ensuring policies and procedures are in place to minimise fraud risk and money laundering, promoting awareness of whg's values and policies in this area, overseeing the investigation of suspected or alleged fraud and money laundering (including those notified from outside whg) and ensuring any reports are provided as necessary, including the Fraud Register, reports to the Charity Commission and an annual report of any fraudulent activity to the regulator. The Chair of Audit and Assurance Committee (AAC) will be kept informed of any Frauds as they arise.
2.19.	Colleagues are responsible for keeping alert to the potential for fraud and money laundering, by notifying the FPO and the MLRO of any suspicions and taking steps to reduce the risk of fraud. Colleagues will be supported by managers, by a proactive fraud awareness programme and by clear operating instructions and controls. The Whistleblowing Policy provides protection for colleagues a reporting such issues in this and other matters. All colleagues are expected to comply with the arrangements set out in the Policy
2.20.	Managers , in addition to the above, are response for acting when suspected fraud is brought to their attention using the Fraud Response Guidance and the Anti-Money Laundering reporting guidance set out in the Guidance Note and Procedure.

2.21.	Compliance Officer is responsible for carrying out reviews to ensure that susceptibility to fraud returns are reviewed regularly and check that the controls listed are in place and working effectively. They also do an annual check of any escalated suspicions of money laundering.
2.22.	Internal Auditors are responsible for including within planned work consideration of fraud risk and advice to whg on best practice.
2.23.	The Audit and Assurance Committee is responsible for considering any issues relating to fraud, bribery, money laundering or whistleblowing, including approval of policies relating to these areas. All internal and external SAR's are reported to the Committee. The Committee is also responsible for reviewing the fraud register annually.
2.24.	The whg Board has overall responsibility for the arrangements for prevention and detection of fraud and has delegated the above tasks to the AAC. The Board is responsible for ensuring that any fraud, theft or significant loss which amounts to a serious incident is reported to both the RSH and the Charity Commission and is required to confirm annually to the Charity Commission that there are no such matters which have not been reported.
2.25.	Board and Committee Members are expected to comply with the arrangements set out in the Policy.
3.0	PERFORMANCE MEASURES
3.1.	We will monitor our performance in relation to: <ul style="list-style-type: none"> • Provision of training for colleagues to ensure they understand their role and responsibility in relation to this Policy; • Recording any suspicious activity; • Reporting suspicions to National Crime Agency.
4.0	EQUALITY AND DIVERSITY
4.1.	whg will ensure the Policy is applied fairly and there is no direct or indirect discrimination against any person or group of people because of their age, disability, gender reassignment, marital and civil partnership, religion or belief, race, pregnancy and maternity, sex, gender, or sexual orientation.
5.0	TRAINING AND DISSEMINATION
5.1.	Online training is mandatory for all colleagues for completion annually. Teams designated as high risk will complete a six month refresher course and an annual face to face fraud awareness session. There are quarterly fraud awareness briefings and quarterly poster campaigns available to all

	colleagues. All colleagues are responsible for being aware of the Anti-Money Laundering and Fraud Policy.
6.0	MONITOR AND REVIEW
6.1.	The Board has delegated to the Audit and Assurance Committee responsibility for reviewing and approving this Policy.
6.2.	This Policy will be monitored by the Corporate Director of Governance and Compliance and reviewed every three years, or sooner in the event of significant legal or regulatory developments, by the Audit and Assurance Committee.
6.3.	Compliance with the Policy will be monitored through whg's annual compliance reviews on Income Collection and Lettings.
6.4.	Adherence to the Policy will be included in the annual review of internal controls reported to the Audit and Assurance Committee.
6.5.	We have a Probity Policy and Codes of Conduct for colleagues and Board Members in place and arrangements for dealing with declarations of interest. Anthem Homes Limited is a subsidiary of whg, set up to undertake development for sale in a separate entity from our social housing assets and limit any potential liability.
7.0	ASSOCIATED DOCUMENTS, POLICIES AND PROCEDURES
7.1.	<p>Documents, policies and procedures associated with this Policy are:</p> <ul style="list-style-type: none"> • Money Laundering, Terrorist Finance and Transfer of Funds Regulations 2017 • EC Third Money Laundering Directive in the UK. • Estate Agents Act 1979 • Terrorism Act 2000 • Proceeds of Crime Act 2002 • whg Code of Conduct • Whistleblowing Policy • Protecting the Public Purse 2014 • The Criminal Finances Act 2017 • The Money Laundering and Transfer of Funds Regulations 2019 • The Anti Money Laundering and Fraud Guidance Note and Procedure

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Document owner	Dawn Hendon, Corporate Director of Governance and Compliance
Legal advice	Not required as no changes to legislation since the Policy was last reviewed
Consultation	N/A
Approved by	Audit and Assurance Committee April 2023
Review Date	April 2026
Corporate Plan aim	Deliver a strong business, fit for today and prepared for tomorrow
Equality analysis	N/A
Key changes made	<ul style="list-style-type: none"> • Full review of Policy, amalgamated the Fraud Prevention Policy, Money laundering and Criminal Finance • Reference to the Charity Commission • New EDI and Training and Dissemination section. • Reference to third party contractors and agents • Reference to how compliance with the Policy is monitored • Removal of appendices into separate guidance note and procedure document