

<b>Policy name:</b>	
<b>Anti-money laundering Policy</b>	
<b>Section:</b>	Finance and IT
<b>Exec responsible:</b>	CEO
<b>Review by:</b>	Director of Finance and Resources
<b>Tenant review:</b>	No
<b>Authority to amend:</b>	Board
<b>Frequency of review:</b>	Every three years
<b>Last review:</b>	October 2023
<b>Next review:</b>	October 2026
<b>Responsibility for delivery:</b>	Finance Director
<b>Strategy:</b>	
<b>Associated risk ID:</b>	2. Failure to meet legal and regulatory requirements
<b>Health &amp; safety:</b>	
<b>Equality &amp; diversity:</b>	
<b>Associated costs and value for money:</b>	Policy to prevent loss of resources.
<b>Associated documents:</b>	

<b>VERSION CONTROL</b>		
<b>Version number:</b>	<b>Sections amended:</b>	<b>Date of update:</b>
1.1	/	September 2016
1.2	Job titles updated	July 2019
1.3	Added Appendices – reporting form and risk assessment	October 2023

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### **1. POLICY STATEMENT**

- 1.1. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on Cornerstone Housing Limited and its employees to establish internal procedures to prevent the use of its services for money laundering. Cornerstone recognises its responsibility under the relevant legislation.
- 1.2. This policy aims to maintain the high standards of conduct which currently exist within the Association by preventing criminal activity through money laundering. The Policy is supported by procedures which must be followed to enable the Association to comply with its legal obligations

### **2. DEFINING MONEY LAUNDERING**

- 2.1. Money laundering can be defined as “The process of creating the appearance that large amounts of money obtained from serious crimes, such as drug trafficking or terrorist activity, originated from a legitimate source”.
- 2.2. Not all of the Association’s business is “relevant” for the purposes of the legislation. It is mainly accountancy and property transactions undertaken by Development Section. However, the safest way to ensure compliance with the law is to apply them to all areas of work undertaken by the Association. Therefore, all staff are required to comply with the reporting procedures.
- 2.3. Whilst the risk to the Association of contravening the legislation is low, it is important that all employees are familiar with their legal responsibilities. Serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer. (See Appendix A for reporting form).

### **3. WHAT ARE THE OBLIGATIONS ON THE ASSOCIATION?**

- 3.1. Under the relevant legislation Cornerstone must:
  - appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s);

- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures, specifically a Register of all potential money cases.

#### 4. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

4.1. The officer nominated to receive disclosures about money laundering activity within the Association is the Chief Executive. They can be contacted as follows:

Chief Executive  
 Cornerstone Housing Limited  
 Cornerstone House  
 Western Way  
 Exeter  
 EX1 1AL  
 e-mail: [tom.woodman@cornerstonehousing.net](mailto:tom.woodman@cornerstonehousing.net)  
 Telephone: 01392 273462

4.2. In the absence of the MLRO, the Finance Director acts on their behalf.

#### 5. Key Performance Areas

5.1. The Finance Director, in conjunction with the Executive Team:

- a) establishes the appropriate procedures and training requirements relating to Anti-Money Laundering for all those involved with property sales; and.
- b) assesses the risks relating to Anti-Money Laundering and includes, as necessary, details in the Risk Register (See Appendix B for Risk Assessment).

5.2. In addition, Cornerstone will:

- c) Follow the National Housing Federation guidance on Anti-Money Laundering - [Link to guidance](#).
- d) Consider regularly (and at least every three years) whether to register with the HMRC or the FCA.
- e) Put in place procedures to verify the identity of customers.
- f) Keep records on the customer's identity and the selling transaction for six years.
- g) Report serious offences to the National Crime Agency (NCA) or HMRC Hotline. The MLRO will determine which instances should be reported and will take Police advice on this as appropriate, and report all such instances to the Audit and Risk Committee. NCA consent may be required before proceeding with a suspicious transaction. (See Appendix B for reporting form)
- h) The MLRO will monitor adherence to the policy and ensure that the policy is regularly reviewed in accordance with best practice, legislation and corporate policies.

## Appendix A

### Cornerstone Housing Association Internal Suspicious Activity Report

To be completed by reporting member of staff	
Date	
Name and Job title of reporting member of staff	
Suspected Person(s):	
Name	
Address (personal / business)	
Telephone numbers	
Email	
<p>Nature of suspicious activity.</p> <p>Give full details of suspicion and date suspicion first aroused</p> <p>Include details of transactions and identity checks</p> <p>Attach any relevant documents</p> <p>Continue overleaf if necessary</p>	
To be completed by MLRO:	
Referral to National Crime Agency	Yes / No
Reason for decision	
Signature	
Name	

## Appendix B

### Risk Assessment

Activity	Risk	Mitigation	Risk Rating
Shared Ownership sales	<p>Sales receipts are from laundered sources.</p> <p>Sales are priced too low or awarded for some advantage.</p>	<p>Buyer identities are checked using passports and proof of address.</p> <p>Solicitors are used in the sale.</p> <p>All sales values fixed by external qualified valuers (RICS).</p> <p>All sales are advertised on South West Homes and policies determine the priority in which sales must proceed.</p> <p>Policy to comply with RSH guidance.</p> <p>CML disclosure notice (to lender) identifies sales price and incentives.</p> <p>Action required: Arrange anti-money laundering training for development staff</p>	Low
Rents	Credit balance is accumulated on rent account and then refund requested	<p>All refunds are approved by a manager</p> <p>Add reporting to Arrears reporting on credit balances over £1k</p>	Low