
Fraud Prevention Policy

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Fraud Prevention Policy

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Fraud Prevention Policy

1. Policy Purpose

- 1.1 It is paramount that Rykneld Homes Ltd (RHL) has a proactive and effective approach to the management of fraud and the associated risks in order to protect the Company from loss. This includes having robust policies and procedures, system controls, management oversight and checks and the use of internal and external audit.

2. The Company's Position

- 2.1 The Company will not tolerate fraud of any kind or in any circumstance, whether committed by employees of the Company, Board Members, customers or partners.
- 2.2 This Policy details RHL's approach to the prevention of fraud, money laundering, bribery and corruption. It sets out the responsibilities for the prevention of fraud and the procedures to be followed where fraud (actual or attempted) is detected or suspected. Implementation of this Policy will ensure that RHL is resilient to fraud, has proactive anti-fraud measures in place and is able to react promptly if irregularities are detected.

3. Fraud and Corruption

- 3.1 The Fraud Act 2006 defined the criminal offence of fraud into three classes: fraud by false representation, fraud by failing to disclose information and fraud by abuse of position.
- 3.2 For the offence of fraud to have been committed, a person must have acted dishonestly with the intent of making a gain for themselves or a third party or by inflicting a loss (or the risk of a loss) on a third party.
- 3.3 Corruption occurs where the integrity of a person, government or a company is manipulated and compromised for somebody's own personal gain. Often this involves entering into a secret agreement with another party to gain an advantage.
- 3.4 Fraud risk will present itself from both internal and external sources. Rykneld Homes has existing procedures in place to ensure that systems and processes are not vulnerable to fraudulent activity. These include the Financial Regulations and Contract Procedure Rules and regular and ongoing internal and external audit activity.
- 3.5 As a housing services provider and Registered Provider, we need to be aware of the risk from tenancy fraud. Tenancy fraud falls into these main categories:
- Sub-letting
 - Misrepresentation
 - Joint Tenancy Fraud
 - Succession Fraud
 - Right to Buy/Right to Acquire Fraud
 - Key Selling

- Abandonment
- Shared Ownership Fraud
- Housing by deception.

The Allocations Policy and application process has checks built in to mitigate tenancy fraud. If any query or issue is identified through these processes they are fully investigated, and the appropriate action taken.

The practice of thorough housing management supports the identification and investigation of any suspected tenancy fraud. If evidence is found, the appropriate legal action will commence against the tenancy. Referrals to any relevant authority will also be made to consider criminal proceedings, where necessary.

4. Money Laundering

- 4.1 Money laundering is a way of concealing the identity, source, and destination of money which has been illicitly obtained (via crime). It is a process by which funds derived from criminal activity are given the appearance of being legitimate.
- 4.2 The Proceeds of Crime Act 2002, Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, describe the crime of money laundering.
- 4.3 A summary of the relevant sections is included in **Appendix 1**. Registered Housing Providers are required to comply with the Money Laundering Regulations where they perform specific activities under the Consumer Credit License Legislation or conduct estate agency work.
- 4.4 To complement these Regulations, the National Housing Federation (NHF) in June 2018 produced guidance for Registered Providers on anti-money laundering, to ensure that member organisations are compliant with the legislation and protect members from the effects of money laundering. The link below refers:
http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/NHF255_Anti_Money_Laundering_2018.pdf
- 4.5 The most relevant areas where RHL could be targeted by people involved in money laundering include:
 - Shared ownership and open market sales
 - Misuse of property for criminal activity
 - Misuse of rental payments systems to launder money.

The Company also has a responsibility to protect North East Derbyshire District Council (NEDDC) in the following areas:

- Managing the Right to Buy sales process for NEDDC
 - Shared ownership sales
 - Misuse of rental payments systems to launder money.
- 4.6 Relevant checks on sources of funds are undertaken to gain assurance that there is no risk of money laundering activity. This happens even when there is an onus on another party to perform a check (for example, in a shared ownership sale, it is the responsibility of the purchaser's solicitor to check the source of fund; however, RHL also obtains their own assurance in this area).

- 4.7 Misuse of rental payments systems – this can involve a customer overpaying their rent through regular cash transactions and then seeking a refund via a BACS payment to a specified bank account – this may be money laundering so staff should be alert to this possibility.
- 4.8 Rykneld Homes employees should use the Fraud Response Plan in **Appendix 2** to record any transaction they believe to be suspicious and pass the details to the Money Laundering Reporting Officer (MLRO).

The Head of Finance is RHL's MLRO.

The Company Secretary and Head of Business Development is the deputy MLRO.

- 4.9 Any suspicious transactions should be reported to the MLRO. The MLRO will consult with the Managing Director and Director of Property Services and Development and consider whether it is necessary to contact the National Crime Agency (NCA) to discuss the transaction. Where there is a suspicion of money laundering, a report will be made to the NCA and Internal Audit.

5. Bribery

- 5.1 Bribery can be defined as the giving or receiving of something of value to influence a transaction. The Bribery Act 2010 is the criminal law relating to bribery. Rykneld Homes strives to carry out its business in an open and transparent manner and undertakes due diligence checks on all tendered suppliers/contractors wishing to supply goods and/or services to it.
- 5.2 Rykneld Homes will not tolerate bribery or corruption from employees or Board Members of the Company or anyone working on its behalf, including contractors, consultants and partners. Rykneld Homes is committed to carrying out its business transparently and fairly.
- 5.3 Any employee that has concerns around bribery should record the concern using the Fraud Response Plan in **Appendix 2**.
- 5.4 In all bribery allegations, the Managing Director, Director of Property Services and Development and Head of Finance will be consulted. A collective decision will be made on the appropriate response to the case and Internal Audit will be informed. Where relevant, the matter will be reported to the Police or Serious Fraud Office.

6. Criminal Finances Act 2017

- 6.1 This Act makes businesses liable for the actions of their employees and other associated persons who intentionally facilitate tax evasion. Businesses will be liable even in cases where senior management were uninvolved or even unaware of the acts. Those found guilty will potentially face unlimited fines, a criminal record, and will be barred from public sector procurement.

6.2 There are three elements required to be in place for the offence to apply:

- 1) Fraudulent tax evasion by a taxpayer (either an individual or legal entity) under existing law.
- 2) Criminal facilitation of the tax evasion by an associated person of the relevant body (could be an employee), who is acting in that capacity.
- 3) The relevant body (RHL) failed to prevent the associated person from committing the criminal facilitation act.

This is a complex area of legislation especially in understanding how it could apply to RHL. **Appendix 3** sets out some examples of where the Criminal Finances Act 2017 could apply.

6.3 Our responsibility under this legislation is to ensure we have adequate controls and procedures in place to prevent this happening.

6.4 The measures we have in place:

- Independent payroll service
- Minimise transactions put through petty cash
- Ensure all transactions are posted through our financial systems
- Regular system reconciliations
- Robust bank reconciliation process
- Awareness training of Finance staff
- New supplier controls
- Internal and external audit checks.

7. Prevention and Detection

7.1 The Company has a range of inter-related policies and procedures that provide a corporate framework to prevent and detect fraudulent activity, should it be attempted or actually committed:

- Codes of Conduct for Board Members and employees
- Financial Regulations and Contract Procedures
- Policies, procedures and processes (including segregation of duties)
- Budgetary control and reporting
- Internal controls
- Procurement Strategy
- Risk Management Strategy (Performance Management Framework)
- Internal and External Audit
- Recruitment and selection Policies and Procedures
- Disciplinary Procedures
- Fraud Response Plan (**Appendix 2**)
- Confidential Reporting (Whistleblowing) Policy
- Induction and training
- Money laundering guidance note (see **Appendix 4**)
- Vehicle tracker system.

- 7.2 The detection of actual or attempted fraud, corruption, bribery and/or money laundering would be detected in the following way:
- Having an open culture where staff feel comfortable raising concerns about unusual or suspicious activity (either direct to Management or via the Whistle Blowing Policy).
 - Management oversight of the fraud risks which exist and the controls which are in place which would identify irregularities (e.g. management authorisation of invoices or employee expenses).
 - Regular reporting and investigation of anomalies in performance.
 - Robust Finance and HR control processes which would identify irregularities to be investigated.
 - Customer feedback for customers to raise concerns (via ContactUs).
 - Use of internal audit to verify controls are working and perform random sample testing.
- 7.3 Where fraud, corruption, bribery and/or money laundering is reported, suspected or detected, the incident will be investigated in line with the Fraud Response Plan – see **Appendix 2**.
- 7.4 The incident will be reported to the Managing Director, Director of Property Services and Development, the Head of Finance and Internal Audit.
- 7.5 Once an investigation is complete, it may be necessary to instigate disciplinary action, civil or Court proceedings, including steps to recover any losses incurred. The Company Insurance Policy will only be used as a last resort once other attempts to recover losses have been exhausted. It may also be necessary to inform the Police/National Crime Agency, as appropriate.
- 7.6 By taking positive action against any fraudulent activity, RHL is reinforcing its strong anti-fraud approach and promoting a strong anti-fraud culture.

8. Roles and Responsibilities

- 8.1 In order to ensure there is an effective response to the risks posed by fraud, corruption, bribery and money laundering, RHL sets out clear roles and responsibilities for all Board Members, Managers and employees.
- 8.2 The prevention of fraud is a key objective of the Company and respective roles and responsibilities are outlined below.

1) Board Members

Board Members have a duty to protect RHL from any act of fraud or corruption. They discharge their duty by complying with the Code of Conduct for Board Members. This includes procedures to review any complaints received about Board Members conduct. Board Members play an active part in ensuring good corporate governance and a commitment to and support of the organisation's approach to anti-fraud and corruption. They provide a key link to the customers

and have a wider role in promoting the organisation's ethics and values within the community.

2) Finance and Audit Sub-Board

The Finance and Audit Sub-Board's Terms of Reference outlined in RHL's governance arrangements, include an obligation to review the Company's internal financial control system and risk management system – this would include the management of identified fraud risks. Members of the Finance and Audit Sub-Board receive updates on all Internal Audit reports and, where appropriate, details of any fraud cases and the action taken. Members of the Finance and Audit Sub-Board can challenge management where significant risks are identified in Internal Audit reports.

3) Company Secretary

The Company Secretary is responsible for ensuring proper governance of RHL, support for its Board and compliance with statutory requirements. The Company Secretary also has a key role in promoting and maintaining high standards of conduct amongst Board Members, through supporting Board Members to help them to follow the Code of Conduct for Board Members.

4) Senior Management Team (SMT)

The SMT is responsible for promoting and implementing this document. This includes a clear programme of actions to develop a stronger anti-fraud culture and training on fraud awareness for their areas.

All Managers should encourage employees to raise any concerns they may have about fraud or corruption in line with the Whistle Blowing Policy. Managers are responsible for the identification, analysis and prioritising of risk, including fraud risk, in their service areas. Managers must have adequate controls in place, including separation of duties, to safeguard assets and reduce losses through error or fraud and corruption. Managers should ensure that employees and other workers, e.g. agency staff and volunteers, are aware of and regularly reminded about the organisation's Anti-Fraud Policy.

5) Finance Team

The Finance Team play a key role in implementing this Policy and in maintaining an awareness of potential fraud in all the Company's daily financial activities. The Finance Team ensure that the Company's Financial Regulations are complied with and that reconciliations, internal controls and budget monitoring are completed in a timely basis. In particular, the requirements surrounding the Criminal Finance Act are all measures that are undertaken by the Finance Team; they are our gatekeepers and police in the prevention against fraud.

6) All Employees

All employees must operate the systems of internal control established by Management. Employees are governed in their work by the various policies, protocols, codes, rules and procedures, particularly regarding conduct issues and are responsible for ensuring that they follow any instructions given to them by Management, particularly in relation to the safekeeping of assets.

7) Internal Audit

The Internal Audit function in RHL independently monitors the existence, appropriateness and effectiveness of internal controls and thereby plays a vital preventative role. Internal Auditors are empowered to:

- Enter at all reasonable times any premises or land
- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary
- Have access to records belonging to third parties such as contractors when required (dependent on rights of access clauses within individual contracts/agreements)
- Require and receive such explanations as are regarded necessary concerning any matter under examination
- Require any employee to account for cash, stores or any other RHL property under their control or possession.

Internal Audit work results in a liaison/reporting process whereby changes in procedures are recommended/agreed with Management with a view to reducing risks and preventing losses. Internal Audit also follows up and informs Management as to the extent that such agreed action has been implemented. Internal Audit has reporting lines to the highest levels of authority within RHL, enabling any failure to implement agreed action to be appropriately challenged.

8) Human Resources (HR)

HR maintains and promotes the Employee Code of Conduct and related policies and procedures. They have a responsibility to ensure effective 'gateway' controls are in place for the recruitment of new employees, including pre-employment checks and relevant Disclosure and Barring Service (DBS) checks.

9) Procurement

Procurement are responsible for the maintenance and monitoring of compliance with the organisation's Contract Procedure Rules. They will ensure effective anti-fraud and corruption processes are in place for contracting. Any non-compliance of the Contract Procedure Rules can be reported through to SMT and Board.

10) External Audit

Independent external audit is an essential safeguard of the stewardship of the organisation. External Audit, as part of their annual audit, undertakes specific reviews that are designed to test (amongst other things) the adequacy of the organisation's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors' function to prevent fraud and irregularities, but external auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.

11) Customers

Whilst this Policy is primarily aimed at those within or directly associated with RHL, customers have a role to play in that they should be honest in their dealings with RHL and inform RHL if they feel that fraud, corruption or other wrongdoing may have occurred. Customers can “contact us” should they have any fraud concerns or allegations.

12) National Fraud Initiative (NFI)

Rykneld Homes, in conjunction with NEDDC, participates in the NFI, which the Government runs every two years. This is a computerised data matching exercise, designed to detect fraud in public bodies.

9. Detection and Investigation

- 9.1 It is the responsibility of all Board Members, Heads of Service and Managers to maintain robust control systems and to ensure full compliance with these controls by all their respective members of staff. Where work is undertaken or is proposed to be undertaken on the Company's behalf by others, the relevant Manager must ensure that they have robust and embedded anti-fraud procedures. This obligation also applies where it is proposed that the Company enter into a partnership arrangement where it does not lead on the production of the financial framework to be employed.
- 9.2 The Company's Internal Auditors will compile an annual plan that takes in to account the risk of fraud, bribery, corruption and money laundering. The internal controls of the areas examined will be assessed by Internal Audit to ensure that they are designed to detect fraudulent activity. They also liaise and assist the work of the Company's External Auditors.
- 9.3 Despite the maintenance and regular review of internal controls, it may well be that an instance of fraud is discovered by chance or by the alertness of a member of staff or the general public. The Company's Financial Regulations make specific reference to the actions required from staff, they must:
- In the case of Heads of Service, report actual or suspected instances of fraud to the Head of Finance or, instances where this approach is considered inappropriate, to the Managing Director.
 - Other members of staff should report to their line Manager and where they consider this to be inappropriate, use the Company's Confidential Reporting (Whistleblowing) Policy as a guide.
 - All cases should be reported to Internal Audit.
 - Staff may be advised to report their findings to the Police.
- 9.4 The Company's Managing Director and Director of Property Services and Development will determine who will undertake any fraud investigation. All substantiated allegations of fraud will be risk assessed. How to proceed in each instance will be subject to the decision of the Managing Director and the Director of Property Services and Development.

In ALL cases, the investigating officer must:

- Report allegations swiftly
- Record all evidence
- Ensure that evidence is sound and adequately supported
- Secure evidence collected.

9.5 Reporting suspected irregularities is essential to the success of the Anti-Fraud Policy and ensures:

- Consistent treatment of information
- Proper investigation by an independent and skilled officer
- The optimum protection of the Company's interest.

9.6 Depending on the nature and anticipated scale of the allegations, Investigators will, in most cases, work closely with:

- Heads of Service
- HR Services
- Legal Advisors
- Internal or External Auditors
- Other agencies.

This is to ensure that all allegations and evidence are treated properly so that, where appropriate, recoveries are made for the Company.

9.7 The Company's Confidential Reporting (Whistleblowing) Policy provides a clear path to follow for individuals wishing to raise concerns without fear of recrimination or victimisation. The Company will take appropriate action to protect any individual who has raised a concern in good faith. The code clearly sets out the reporting procedure for matters involving suspected fraud.

9.8 The Company's disciplinary procedures will be used to their fullest extent where fraudulent activity has been identified.

9.9 Where financial impropriety is discovered relating to an employee, a Board Member or in an organisation in receipt of funding from the Company either in cash or in kind, the matter may be referred to the Police. Such decisions are a matter for agreement between the Managing Director and the Director of Property Services and Development. Where they cannot reach agreement or where the complexity of the fraud requires further advice, the matter should be resolved in consultation with the appropriate legal advisors chosen by the Managing Director.

9.10 Should there be any reported issue involving the Managing Director or Director of Property Services and Development, then the matter should be reported through the Confidential Reporting Policy.

10. Training

10.1 The Company recognises that the success and credibility of its Anti-Fraud Policy is dependent upon it being understood and accepted by as many as possible inside and outside the organisation.

- 10.2 The Company has a programme of induction training in place, particularly for those who have responsibilities in the area of internal control procedures. The duties and responsibilities of existing staff are also regularly highlighted and reinforced. The possibility of disciplinary action against those employees who choose to ignore such guidance and training is clearly stated in the Company's Disciplinary procedures.
- 10.3 Those involved in the review of internal control systems and investigative work will receive regular training and advice.
- 10.4 It is the responsibility of the SMT to communicate the Anti-Fraud Policy to their staff and to promote awareness of the possibility of fraud in their Service Areas.

11. The Prevention of Further Loss

- 11.1 Where initial investigation provides reasonable grounds suspecting wrongdoing, a Director along with the HR Team will decide how to prevent further loss. Whilst a last resort, it may include the suspension of those suspected allowing for a full investigation in accordance with the Disciplinary Policy. Any decision should consider the possibility of the removal or destruction of evidence.
- 11.2 Proper consideration should be given to how those suspected are approached, their removal, denial of access to property and IT.
- 11.3 Where the suspected fraud indicates a possible weakness in systems, the Investigating Officer will investigate immediately.

12. Conclusions

- 12.1 The Company has in place a robust network of systems and procedures to assist in the fight against fraud and corruption. We are determined that these arrangements will be amended to reflect current best practice in both prevention and detection. These systems and procedures will, therefore, be subject to continuous review.
- 12.2 This Fraud Prevention Policy provides a comprehensive framework for tackling fraudulent and corrupt acts. The approval of this Policy by the Board demonstrates our commitment to protecting both the Company's and our partners' funds, and to minimising losses through fraud.

Money Laundering Legislation – Key Sections

Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR)

The MLR apply to those working in the regulated sector. This includes estate agency businesses: the Choice Move Lettings Team operates as an estate agency according to the Estate Agents Act 1971 s.1 and the sales of shared ownership properties and open market sales also fall into this category.

Although the majority of Rykneld Homes Ltd (RHL) work does not fall into what is considered as regulated services, it is good practice to adopt the MLR into working practices.

The MLR require businesses to have a nominated Money Laundering Reporting Officer (MLRO). The Head of Finance is RHL's MLRO. The Company Secretary and Head of Business Development is the deputy MLRO.

Under these Regulations, RHL's employees should use the Fraud Response Plan in **Appendix 2** to record any transaction they believe to be suspicious and pass the details to the MLRO.

Proceeds of Crime Act 2002 (POCA)

Under s.328 of this Act, any employee who knows or suspects that money laundering is taking place, but fails to report it, commits a criminal offence.

Under s.329, any employee who accepts money when they know or suspect that the money is the proceeds of crime, but fails to report it, commits an offence.

However, an offence will not be committed if the employee has a reasonable excuse for not reporting the information; is genuinely unaware of the money laundering; or has not received adequate training.

S.333 and s.342 of POCA refers to a 'tipping off' offence. This type of offence would be committed if an employee has reported somebody for suspected money laundering but then acts in a way that could interfere with an investigation. For example, telling the suspected individual about the investigation, or hiding or destroying any information which is needed for the investigation.

Terrorism Act 2000

Under s.18, an offence may be committed by any employee who becomes concerned in an arrangement which facilitates the retention or control of criminal property, which is destined for, or the proceeds of, terrorism.

Under s.19, an offence is committed if an employee fails to report any suspicions of activity relating to s.18, unless they have a reasonable excuse for not disclosing the information.

The maximum penalty for these offences is five years imprisonment and a fine.

Fraud Response Plan

Rykneld Homes Ltd (RHL), through the Managing Director and Director of Property Services and Development, will consider each case on its merits, inform Internal Audit and appoint an Investigating Officer. Following an investigation, the Managing Director and Director of Property Services and Development will consider undertaking legal proceedings and disciplinary action in consultation with the appropriate legal advisers.

It is proposed for Council Housing tenancy related frauds to be passed directly to North East Derbyshire District Council's (the Council) Internal Audit Team to undertake an initial examination. They will undertake the review, involving other agencies, as necessary, and report back to RHL on the findings. If no further action is to be pursued by the Council, RHL may still want to pursue any tenancy breaches that have been proven as part of the review.

For staff – If you have any suspicions whatsoever that a fraud is taking or has taken place, then the first step is to formally raise this concern. Try to keep notes of the relevant details including dates, times and names. Report your concerns to:

- Your line Manager; or
- Your Head of Service; or
- A member of the Senior Management Team; or
- The Head of Internal Audit
- Through the Whistleblowing Policy.

The Officer that you raised the issue with should ensure that the matter is reported to the Managing Director and Director of Property Services and Development, or confidentially to the Company Secretary (via the Whistleblowing Policy). They will advise you on the best course of action to take and consider whether to appoint an Officer to undertake an investigation.

Care should be taken, by both the Officer who suspects fraud, and the Officer to whom this suspicion is reported, to retain any evidence and make immediate note of the issues and concerns. All records relating to the issue under investigation should be secured as soon as suspicions arise to ensure they are not destroyed or amended.

You should not:

- Contact the person you suspect of committing fraud;
- Investigate the issue yourself;
- Discuss the case with anyone outside of RHL, unless specifically asked to by the Investigating Officer; or
- Discuss the case with anyone within RHL other than those persons listed above.

If you are a Manager and receive a report of suspected fraud you must:

- Listen to the concerns of your staff seriously and sensitively
 - Take their concerns seriously
 - Get as much information as you can from the member of staff and secure any notes they give you
 - Do not try to investigate the issue yourself
 - Report the matter immediately to the Managing Director and Director of Property Services and Development.
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Examples of where the Criminal Financing Act 2017 could be applied

Stage 1	Stage 2	Stage 3
Employees of an agency deliberately do not declare all of their income.	The agency is aware of this but does not put the payments through the payroll.	The Company using the agency cannot demonstrate reasonable procedures are in place to prevent the agency it uses from facilitating the offence in Stage 2.
A supplier falsifies the amount paid on an invoice and reduces its tax payable.	An employee of the Company using the suppliers' services deliberately conspires with the supplier to falsify the amount and reduce the tax payable.	The Company cannot demonstrate reasonable procedures are in place to prevent the employee facilitating the offence in Stage 2.
A supplier conceals the true source of goods to avoid paying Customs duties.	An employee of the Company deliberately collaborates with the supplier to conceal the true source of the goods, therefore avoiding Customs duties.	The Company cannot demonstrate reasonable procedures are in place to prevent the employee facilitating the offence in Stage 2.
A Sub-contractor asks to be paid via a company in the Cayman Islands and does not declare the income in the UK (or other countries where the Sub-contractor is resident).	The Contractor who uses the Sub-contractor is aware the Sub-contractor is not declaring all the income and is deliberately facilitating this by invoicing the company in the Cayman Islands.	The Company that contracts the Contractor cannot demonstrate reasonable procedures are in place to prevent the Contractor it uses from facilitating the offence in Stage 2.
An individual is treated as self-employed rather than an employee, however, given the true nature of the services, they should be an employee. Employment taxes are therefore not being paid.	The Company HR department deliberately falsifies information relating to the individual in HR records or to HMRC, so they are treated as a contractor rather than an employee in order to pay less tax.	The Company cannot demonstrate reasonable procedures are in place to prevent the HR department from facilitating the offence in Stage 2.

Identifying Money Laundering Activities

1. The prevention, detection and reporting of money laundering is the responsibility of all staff members.
2. In order to try and prevent money laundering, Rykneld Homes Ltd (RHL) will not accept any cash payments above £5,000. This level is set in conjunction with North East Derbyshire District Council's money laundering controls.
3. The most important aspect of complying with money laundering legislation is what is referred to as 'knowing your customer'.
4. Employees must satisfy themselves that no money laundering is taking place.
5. Officers should check the identification of customers when they are making cash payments above £2,000. Officers should consider if additional checks should be made for any irregular transactions, such as those involved in shared ownership, Choice Move social lettings; or customers paying lump sum rent payments of £2,000 or above. Similarly, additional identification/transaction checks should be made for any transactions which feel suspicious.
6. A money laundering transaction may have some of the following features:
 - If a customer asks to pay with a large sum of cash
 - An unnecessarily complex transaction involving more than one bank account
 - A change in the source and/or destination of any funding, or the involvement of any unconnected third party
 - Absence of any obvious legitimate source of funds
 - The size, nature and frequency of the transactions are out of line with normal expectations
 - Money comes in from or is paid to an unexpected source.
7. All transactions should be treated on a case by case basis, with the requirement of 'knowing your customer' at the heart of operations. This will enable staff to analyse or detect risks of possible money laundering.
8. An example of additional due diligence checks is found below. When taking large payments it is good practice to ask for:
 - Identification of the customer, name, address and telephone number
 - Any evidence to support the proposed transaction – invoice, letter etc
 - Customer bank account details

- Evidence customer lives at address reported (utility bill etc)
 - NOTE No cash is accepted above £5,000.
9. If an individual wishes to make a transaction using monies but cannot evidence their legitimacy, RHL may accept a statutory declaration, witnessed by an independent solicitor, confirming the legitimacy of the funds.
 10. These checks allow the employee responsible to be satisfied that they have conducted thorough checks and that they have no suspicions of money laundering before going ahead with a transaction.
 11. Similar checks should be conducted for any irregular or suspicious transactions across the organisation. In cases where solicitors are involved (e.g. shared ownership) standards of due diligence should not drop on the presumption that the solicitors will stringently check funds. Rykneld Homes' employees must still satisfy themselves that no money laundering is occurring.
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Version	Author	Date	Changes
	Anti-Fraud and Corruption Policy		
V1	Finance & IT Manager	November 2008	New Policy adopted
V2	Corporate Services Manager	September 2010	Amendments made
	Anti-Fraud, Bribery and Corruption Policy		
V3	Head of Finance	October 2016	Policy renamed, amendments made
	Fraud Prevention Policy		
V4	Head of Finance	June 2019	Policy renamed, amendments made
V5	Head of Finance	June 2023	Amendments made
V5	Project Assistant	August 2026	Version Control table added

NO ENGLISH? NO PROBLEM

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