

Anti-Fraud, Theft & Bribery Policy



Reference:	HS_POL_FIN_AFT_3.1		
Scope:	Housing Solutions	Approved by:	Board
Legislation: (if required)	Bribery Act 2010 Criminal Justice Act 1987 Fraud Act 2006 Proceeds of Crime Act 2002 Theft Act 1968 Police and Criminal Evidence Act 1984 Public Interest Disclosure Act 1998 Data Protection Act 2018	Date of approval:	18 May 2022
Regulatory/ Governance:	NHF Code of Governance	Date of next review:	18 May 2025
Related Policies:	Anti-Money Laundering Policy Data Protection Policy Disciplinary Policy Board Code of Conduct Employee Code of Conduct IT Acceptable Use Group Financial Regulations Probity Policy Group Standing Orders Tenancy Fraud Policy Whistle-blowing Policy	Author:	Director of Finance

1. Policy Statement

- 1.1. This policy complies with the Regulator's Governance and Financial Viability Standard on reporting of fraud. It endeavours to mitigate Housing Solutions' exposure to fraud, theft, bribery and corruption and criminal acts committed by Board members, staff (including agency staff), volunteers, contractors, suppliers, tenants and other third parties and to:
 - i. uphold the highest standards of probity, openness, and accountability across Housing Solutions;
 - ii. ensure that, as soon as they are identified, any incidents of malpractice or criminal activity are dealt with promptly and appropriate action is taken in order to prevent any loss or damage to the organisation;
 - iii. provide a safe and secure environment in which Board members, employees, others acting on behalf of the organisation, and tenants of Housing Solutions are encouraged to raise concerns about malpractice at an early stage.
- 1.2. Housing Solutions will seek to prosecute perpetrators of fraud, theft and bribery and will adopt a "zero tolerance" approach to any type of financial malpractice. Housing Solutions will post the policy on both its internal intranet for staff and Board members and on its website in order to draw it to the attention of its tenants and to all third party contractors entering into a commercial arrangement with Housing Solutions.

- 1.3. To demonstrate that Housing Solutions has in place sufficient and adequate procedures and to demonstrate openness and transparency, the Board is required to approve and comply with this policy. Board members are also referred to the Group Standing Orders and Terms of Reference, Board Code of Conduct, Probity Policy and Whistleblowing Policy for guidance in relation to upholding standards relative to this policy.
- 1.4. It is expected that all staff will lead by example in acting with the utmost integrity and ensuring adherence to all relevant regulations, policies, and procedures. Where employees have concerns relating to financial malpractice by other staff and, as defined by this policy, they should report any concerns or allegations to the appropriate person identified within the Whistleblowing Policy. The Whistleblowing Policy will offer protection to whistle-blowers making a report under its provisions.
- 1.5. Any staff employed by Housing Solutions (including agency staff and consultants) who are suspected of financial malpractice, as defined by this policy, will be immediately suspended and an investigation made under the Housing Solutions Disciplinary Policy. This will include but is not limited to cases of:
- theft from colleagues or tenants;
 - committing of fraud by falsification of financial records;
 - accepting, or implying that acceptance could be expected for, payments from tenants, contractors, suppliers and third parties in a commercial relationship;
 - seeking a commercial relationship with Housing Solutions.

Any proof of fraud, theft or bribery will result in dismissal/termination of contract and Housing Solutions will assist in the prosecution of parties involved where there is evidence of criminal activity.

- 1.6. Tenants of Housing Solutions who are found to have committed fraud, theft or bribery in relation to Housing Solutions staff, contractors, Board members, or the organisation as a whole will be investigated by a member of the Senior Management Group. If there is a strong likelihood that fraud is being committed, the case will be referred to the relevant local authority fraud investigation team to begin a criminal investigation. Any proof of financial malpractice as defined by this policy will result in appropriate enforcement action, including repossession of the property and/or criminal prosecution. *Refer to Tenancy Fraud Policy.*
- 1.7. Housing Solutions expects that all individuals and organisations, e.g. suppliers/contractors, with whom it comes into contact will act with integrity towards Housing Solutions and without fraudulent or corrupt intentions. Housing Solutions will require compliance with the Housing Solutions Group Standing Orders relating to procurement - including vetting and approval. Where any potential fraud, theft or bribery by a contractor or supplier is identified, Housing Solutions will take steps to suspend contractual relationships with the company or individual concerned. The incident will be investigated fully by the Procurement Manager. Where financial wrongdoing by a supplier or contractor is discovered no further commercial dealings will be entered into, and the contractor will be removed from the approved suppliers register. Consideration will also be given both to reporting findings to professional bodies and given to prosecution where criminal activity is established.

2. Definitions

- 2.1. **Fraud:** Fraud is committed where a person acts in a manner described below in order either to gain for themselves or another or to cause or expose another to a risk of loss:
- Making or intending to make a false representation
 - Failing to disclose information where there is a legal duty to do so
 - Dishonestly abusing their position.
- Refer to the “Fraud Act 2006” for further information and guidance.
(<https://www.legislation.gov.uk/ukpga/2006/35/contents>)
- 2.2. **Theft:** Theft is committed when taking something without the owner’s permission and assuming the right to property belonging to the owner.
- 2.3. **Bribery:** Bribery is inducement by an action which is illegal, unethical or a breach of trust. Inducements can take the form of offers of gifts, loans, fees, rewards or other privileges. Bribery is defined as giving or receiving a financial or other advantage in connection with the improper performance of a position of trust. Also included within this definition of bribery is seeking financial inducement and offering financial inducement
- 2.4. **Corruption:** Corruption is the offering of inducements, gifts or favours, payments or benefit in kind which may influence the improper action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly from their actions, however, they may be unreasonably using their position to give some advantage to another.
- 2.5. **Money Laundering:** Money Laundering is the process by which a person or persons attempt to conceal the identity, source and destination of money. Refer to Regulations published by HMRC The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
(<https://www.legislation.gov.uk/uksi/2017/692/schedule/3/made>)
- 2.6. **Financial Malpractice:** The collective description for fraud, theft, bribery or corruption.
- 2.7. **Cybercrime:** also called computer crime, involves the use of a computer as an instrument to further illegal ends, such as committing fraud, trafficking in child pornography and intellectual property, stealing identities, or violating privacy.

3. Roles & Responsibilities

NOTE: See also section 5 Reporting & Investigating

- 3.1. **The Board:** The Board has overall responsibility for ensuring that adequate systems of control are in place to enable allegations or actual instances of fraud, theft or bribery to be investigated properly and reported appropriately. The Chairman may, in certain circumstances, be directly involved in receiving and commissioning investigations ordinarily on the advice of the Chair of the Audit & Risk Committee.
- 3.2. **The Audit & Risk Committee:** On behalf of the Board, the Audit & Risk Committee will ensure, through reporting from the Senior Compliance Officer (3.4 below), that matters of financial malpractice as defined by this policy are investigated and dealt with appropriately. The Audit & Risk Committee is responsible for providing the Board with assurance on the arrangements for risk management, internal controls and governance including those in relation to fraud, theft and bribery – see 4.2, and for ensuring their investigation and resolution. The Chairman of the Audit & Risk Committee may, in certain circumstances, be directly involved in receiving and commissioning investigations.

- 3.3. **Executive Team Members:** The Executive Team is responsible through the departmental roles of its members for supporting the effective implementation of the Anti Fraud, Theft & Bribery Policy.
- 3.4. **Senior Compliance Officer:** The Chief Executive will appoint a Senior Compliance Officer , (SCO), usually the Director of Finance, one of whose responsibilities regarding this policy will be to act as the main point of contact for Board Members and staff regarding financial malpractice as defined in this policy. They will conduct investigations and provide reports into incidents concerning fraud, theft, bribery at the request of the Board or the Executive.
- 3.5. **Managers:** Where reports are received from employees, the responsible manger or any manger receiving the report must advise the responsible director (overseeing the department where fraud or theft is suspected) as soon as practicably possible. The director will then refer the matter to the Senior Compliance Officer ensuring all relevant details are provided in order that a thorough investigation can take place.
- 3.6. **Employees:** Employees at all levels are expected to act with integrity and lead by example in the prevention and reporting of fraud, theft, bribery, or other criminal activity. Employees have a vital role to play in the identification of incidents and reporting both through this policy and through the Whistleblowing Policy where appropriate.
- 3.7. **Other Persons & Parties:** Contractors, suppliers, partner organisations and others acting on behalf of Housing Solutions are required to maintain standards of probity and will be expected to comply with Housing Solutions policies. If found to have committed fraud, theft, or bribery they will be removed from the preferred suppliers list and legal action will be taken where evidence of criminal activity is identified.

4.0 Internal Controls

- 4.1. Internal controls are in place to prevent, detect and respond to incidents of fraud, theft, bribery and other criminal activity. These include but are not limited to:
- 4.2. **Risk Assessment & Management**

The Audit & Risk Committee will review a risk register of risks relating to fraud, theft, or bribery on an exception basis and report to the subsequent Board meeting in response to identified risks and incidents. The Committee will ensure prevention of fraud, theft, and bribery by ensuring reporting and resolution of any such activity, ensuring system reviews and periodic checks by the internal auditors. This review will include consideration as to how the risks and effectiveness of anti-fraud, theft and bribery procedures may change over time.

Unless this is inappropriate or the matter is sufficiently serious, the Senior Compliance Officer will complete or commission reports on the outcomes of any investigations into suspected incidents. Following receipt of these reports they will determine the actions to be taken as a result of any recommendations and report to the Audit & Risk Committee and Board.

Where a matter under the policy has been drawn directly to the attention of the Chair of the Board or to the Chair of Audit & Risk Committee, they may request the Senior Compliance Officer to obtain independent advice from the organisation's internal auditors and/or solicitors.
- 4.3. **Policies and Procedures**

Housing Solutions has a comprehensive framework of policies and procedures to prevent fraud, theft and bribery as well as to uphold the organisation's culture of probity, openness and accountability. These are listed under "Related Policies" at the beginning of this document.

4.4. **Register of Interests**

All Board members and employees, must declare any perceived, potential and actual conflicts of interest in their dealings on behalf of Housing Solutions. *Please refer to the Probity Policy.* The organisation will maintain an electronic form and a Register of Interests maintained which will be updated annually by requesting completion by all staff and Board members.

Where an interest has been declared that individual must abstain from any discussion or decision-making where the interest could be perceived to influence the outcome. This will include not only declared interests but any interest which arises from a meeting or formal discussion. Such interest must then be added by the individual concerned to the Register of Interests.

4.5. **Gifts & Hospitality**

The Probity Policy covers areas which might be a source of bribery. This includes donations or sponsorship made to Housing Solutions or outside Housing Solutions - to an organisation in which an Housing Solutions employee has an interest - whether charitable or not. All gifts over £25 or hospitality over the value of £50 must be declared with a process to deal with their receipt. If there is any uncertainty about the value of the gift it should be recorded on a Hospitality and Gifts Form – see Probity Policy and/ or refer to the Executive Assistant.

All gifts over £25, excluding hospitality, must be handed to the Company Secretary and these will be auctioned off to support a charity approved by Housing Solutions.

4.5.2. Any gifts over £25, or hospitality or entertainment over £50 that are offered, whether accepted or declined, must be declared by the recipient (or intended recipient) at the earliest opportunity and where accepted, recorded in the Gifts, Hospitality and Entertainment Register. Should guidance be required the recipient (or intended recipient) must, without delay, contact the Senior Compliance Officer (if they are a member of the Board) or their manager or the Senior Compliance Officer (if they are an employee). See the Probity Policy for further details.

4.5.3. Gifts, hospitality, and entertainment which are not proportionate or deemed as lavish or extravagant could be perceived as a form of bribery and must not be offered or accepted in any circumstance.

4.5.4. The gifts, hospitality and entertainment register will be reviewed annually by the Remuneration Committee, with regard to existing and potential contractors/third parties and associated persons, to ensure no conflicts have occurred or may occur.

4.6. **Background Checks**

Prior to recruitment, reference checks, including DBS checks where required by law, are carried out on prospective employees. This will also include Board members. Checks are also carried out on contractors or other persons acting on behalf of Housing Solutions. Where appropriate, HS may continually monitor these persons.

4.7. **Whistleblowing Policy**

Housing Solutions encourages employees, Board members, and other persons acting on behalf of the organisation, to come forward and report any suspected instances of malpractice. Where reports are made in good faith they will be handled confidentially and the person making the report will receive support and protection, as detailed in the Whistleblowing Policy.

4.8. **Partnership Working**

In suspected cases of fraud, theft, bribery or other criminal activity Housing Solutions will work with the police, regulatory bodies, and local partners to identify incidents and take action against perpetrators to recover any lost assets. They will act on advice regarding preventative actions from such bodies.

4.9 **Cybercrime**

Processes will be put in place to ensure segregation of duties of authorisation of electronic payments. As part of IT controls to prevent unauthorised access to Housing Solutions systems, sufficient security measures, including training of staff, will be put in place aimed at preventing cybercrime.

5.0 **Reporting & Investigating**

5.1 If Housing Solutions employees suspect an incident of fraud, theft or bribery they must report it immediately to their manager who will report it to their director and to the Senior Compliance Officer as soon as practicable.

5.2. All notifications must be made either in person or in writing. *Please also refer to the Whistleblowing Policy*

6.0 **Monitoring**

6.1 An annual programme of internal audits is carried out by the internal auditors who are independent of Housing Solutions. This is to ensure that the internal controls are effective and being adhered to. Any weaknesses that arise or are highlighted during the internal audit programme will be brought to the attention of the Audit Committee which will ensure that an appropriate action plan is in place.

6.2 The Audit & Risk Committee will present an Annual Report to the Board which will include report on the effectiveness of internal control systems for the organisation.

6.3 The Senior Compliance Officer will maintain a fraud and bribery register detailing any incidents of fraud or attempted fraud and any actions that were taken. New incidents will be reported to the Audit & Risk Committee.

7.0 **Equality & Diversity**

7.1. Housing Solutions recognises the needs of a diverse population and always acts within the scope of its own Equality and Diversity Policy, the Human Rights Act 1998, and Equalities Act 2010. Housing Solutions works closely with its partners to ensure it has a clear understanding of its resident community with clear regularly updated service user profiles. HS will record, analyse and monitor information on ethnicity, vulnerability and disability.

8.0. Confidentiality

- 8.1. Under the Data Protection Act 2018, UK General Data Protection Regulation (UKGDPR), all personal and sensitive organisational information, however received, is treated as confidential. This includes:
 - anything of a personal nature that is not a matter of public record about a resident, client, applicant, staff or board member
 - sensitive organisational information.
- 8.2. Housing Solutions employees will ensure that they only involve other agencies and share information where there is a legal basis for processing the information.

9.0. Review

- 9.1. This policy will be reviewed on a 3 yearly basis or more frequently in response to changes in legislation, regulatory guidance, good practice or changes in other relevant Housing Solutions' policy.
- 9.2. Our performance in relation to the delivery of the services and activities set out in this policy will be monitored on an ongoing basis through our established reporting mechanisms to our Senior Management Team, Executive Team, Board and associated committees.