

# Fraud Prevention Policy

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## 1.0 SCOPE

### 1.1 Purpose

- 1.1.1 This Policy sets out whg's approach to preventing fraud and our commitment to thoroughly investigating any cases of fraud identified.
- 1.1.2 whg will not accept any level of fraud, irregularity or corruption; any case will be thoroughly investigated and dealt with appropriately, which may include reporting any potential criminal activity 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.
- 1.1.3 Colleagues should 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.

### 1.2 Legal and Regulatory Framework

- 1.2.1 Under UK Law, fraud is defined as:
- 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
- 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:
- 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 in order 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.

1.2.2 The Regulator of Social Housing's Governance and Financial Viability Standard requires all registered providers to adhere to all relevant law. 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.

1.2.3 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.

## 2.0 POLICY STATEMENT

2.1 All colleagues will 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.

### 2.2 Responsibilities

2.2.1 **Colleagues** are responsible for keeping alert to the potential for fraud, notifying their manager or other appropriate colleague of suspicions and taking steps to reduce the risk of fraud. Further guidance on reporting concerns can be found in Appendix 1. 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 reporting such issues in this and other matters.

2.2.2 **Managers**, in addition to the above, are responsible for taking action when suspected fraud is brought to their attention, using the Fraud Response Guidance. Managers are also responsible for identifying areas of the business that are susceptible to fraud and regularly reviewing the controls in place to ensure they minimise the risk of fraud materialising.

2.2.3 **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 are working effectively.

2.2.4 **The Corporate Director of Governance and Compliance**, as Fraud Prevention Officer (FPO), is responsible for ensuring policies and procedures

are in place to minimise fraud risk, promoting awareness of whg's values and policies in this area, overseeing the investigation of suspected or alleged fraud (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.

- 2.2.5 **Internal Auditors** are responsible for including within planned work consideration of fraud risk and advice to whg on best practice.
- 2.2.6 **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. The Committee is also responsible for reviewing the fraud register annually.
- 2.2.7 **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.

## **2.3 The Fraud Register**

- 2.3.1 The Fraud Register will be maintained electronically by the Corporate Director of Governance and Compliance 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 final action taken and the outcome.
- 2.3.2 All instances must be recorded at first notification, the entry being updated as investigations progress. The investigation will be led by the FPO in accordance with the Fraud Response Plan.
- 2.3.3 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.
- 2.3.3 Access to the Fraud Register will be reserved to appropriate senior colleagues at the discretion of the FPO.

## **2.4 Deterrence and Prevention**

- 2.4.1 In order to deter fraud, this Policy will be publicised and colleagues, Board and Committee Members trained in the identification of potential fraud and

what to do about it. It will be clear that whg is intolerant of fraud and colleagues will co-operate fully with relevant authorities where required.

- 2.4.2 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 and sites.
- 2.4.3 The best prevention relies on clarity of procedures, responsibilities and segregation of duties, controls and records.
- 2.4.4 The Group's Whistleblowing Policy protects colleagues who report suspicions.

## **2.5 Money Laundering and Bribery**

- 2.5.1 whg has more detailed separate policies on our approach to preventing and managing money laundering and bribery. The Corporate Director of Governance and Compliance is the nominated Money Laundering Reporting Officer.

## **2.6 Other Types of Fraud**

- 2.6.1 Other types of fraud, such as tenancy fraud and fraud connected with cyber security are dealt with in more detail in separate specific policies.

## **3.0 PERFORMANCE MEASURES**

- 3.1 The Fraud Register will be presented to the AAC on an annual basis and a fraud update is provided to each AAC meeting.

## **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 new starters. Fraud awareness campaign annually. Face to face learning will be delivered to high risk Teams. Managers are responsible for ensuring their Teams are aware of the Fraud Prevention Policy.

## **6.0 MONITOR AND REVIEW**

- 6.1 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 AAC.

## **7.0 ASSOCIATED DOCUMENTS, POLICIES AND PROCEDURES**

- 7.1 Documents, policies and procedures associated with this Policy are:
- Prevention of Social Housing Fraud Act 2013
  - Fraud Act 2006
  - Proceeds of Crime Act 2002
  - RSH Governance and Financial Viability Standard
  - Code of Conduct
  - Fraud Register
  - Fraud Response Plan
  - Anti Money Laundering Policy
  - Anti Bribery Policy
  - Whistleblowing Policy
  - Fraud Risk Assessment
  - Procurement Policy
  - Susceptibility to Fraud – and Actions to Improve Controls
  - Charities Act 2022

## APPENDIX 1

### Reporting Suspected Fraud

These steps should be taken after considering the Fraud Prevention Policy.

#### **If you suspect fraud:**

Any instance of suspected fraud must be reported as soon as possible. Do not wait until you are sure, or hesitate for fear of appearing foolish. It is better to find out your concerns were misplaced than to allow fraud to go unchallenged.

Report suspected fraud to:

- The FPO, in whg's case the Corporate Director of Governance and Compliance; or
- Your line manager; or
- Your Corporate Director

BE PERSISTENT if you cannot find one of the above straight away.

CONTACT THE ABOVE even if you just want advice about a situation and are not sure how to proceed.

DO NOT report your suspicions to the police, without first consulting one of the above. This may be necessary but needs to be done at the right time and in the right way.

DO NOT confront the suspected fraudster without the agreement of the person to whom you have reported the suspected fraud. In the case of colleagues, HR advice will be needed before any steps are taken.

TAKE copies of any documentation that may be useful, unless it is extensive or may alert the suspected fraudster of your suspicions.

#### **Managers notified of suspected fraud:**

Line managers and directors who are approached regarding potential fraud should discuss it with the FPO to determine what action to take. Where suspicions concern the FPO, the correct course is to approach any Corporate Director or the Chair of the Board.

#### **The Fraud Prevention Officer:**

The FPO will advise on any steps that need taking to preserve evidence or reduce loss. They will alert the Group Chief Executive at once and agree whether to inform internal auditors, police and/or the Chairs of the Board. The suspected fraud should be entered in the Fraud Register at once, with further information added in due course. Consideration should be given to insurance claims. In serious cases, where significant control issues arise, the regulator should be informed.

Subject to the Group Chief Executive's oversight, the FPO will lead on the investigation following the process outlined in the Fraud Response Plan, prepare a report for the Group Chief Executive and AAC and update the Fraud Register, keeping relevant bodies informed.

During the course of the investigation, if colleagues are under suspicion, HR advice and ongoing support must be obtained from an early stage. Investigations will be conducted without regard to the suspected wrongdoer's length of service, position, title or relationship to the Group.

A 'Fraud Response Plan' has been prepared for the FPO to provide guidance in the often sensitive process of investigating and reporting suspected frauds with due regard to Data Protection Legislative requirements.

Where needed, external expert advice will be sought.

## Version control

<b>Version</b>	1.0
<b>Document author</b>	Dawn Hendon
<b>Document owner</b>	Corporate Director of Governance and Compliance
<b>Legal advice</b>	No significant changes made necessitating legal advice
<b>Consultation</b>	No significant changes made necessitating consultation
<b>Approved by</b>	Policy Group June 2022 Audit and Assurance Committee July 2022
<b>Review Date</b>	July 2025
<b>Corporate Plan aim</b>	<ul style="list-style-type: none"> <li>• Deliver a strong business, fit for today and prepared for tomorrow</li> </ul>
<b>Equality analysis</b>	Not applicable
<b>Key changes made</b>	Changes made: <ul style="list-style-type: none"> <li>• Fraud as defined under UK law and legislation</li> <li>• Equality and Diversity, and Training and Dissemination sections added</li> <li>• Job title changed for nominated Money Laundering Reporting Officer</li> </ul>