

Fraud Policy and Procedure

Version Control						
Version	Date drafted	Date approved	Approved by	Date reviewed	Next review date	Owner
Final	14/08/2020	24/08/2020	Board	N/A	14/08/2022	Finance Director
2022 review				15/07/2022	15/07/2024	Finance Director
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1. Purpose

- 1.1. Westmoreland Supported Housing Limited (WSHL) is committed to ensuring that principles of accountability, transparency and probity inform everything it does. Employees, contractors and Board members will conduct themselves with integrity, trust and fairness and will not gain inappropriate benefit from their connection with WSHL.
- 1.2. The Fraud Act 2006 defines fraud in three ways:
 - False representation
 - Failing to disclose information
 - Abuse of position
- 1.3. It may be defined as “any act of intentional deception to obtain benefit or gain an advantage”. WSHL accepts this definition of fraud in the management of its activities.
- 1.4. WSHL views fraud as unacceptable behaviour in all circumstances. It is listed in the Terms and Conditions of Employment as an example of gross misconduct. Acts of gross misconduct of this nature are likely to result in dismissal. WSHL will not tolerate fraud in any form and will take allegations of fraud very seriously.
- 1.5. The aim of WSHL’s Fraud Policy is to set out WSHL’s business practice and approach for countering Fraud.

2. Legal and Regulatory responsibilities (not exhaustive)

- Fraud Act 2006
- Public Interest Disclosure Act 1998 and 2013 Guidance
- Governance and Financial Viability Standard
- Theft Acts 1968 / 1978
- Bribery Act 2010 and 2012 Guidance
- NROSH+ Fraud Guidance for Registered Providers
- Misuse of Computer Act 1990

3. Awareness

- 3.1. All employees, potential employees, customers and suppliers are to be made aware of WSHL's stance on fraud. WSHL will make sure its business partners also understand WSHL's stance by publishing this policy and (where appropriate) by including clauses in its contracts to make this clear.

4. Scope

- 4.1. This policy applies to all Board members and employees (including contractors). All business activities and conduct are covered. The detection, prevention and reporting of fraud, corruption and bribery is the responsibility of all Board members and employees.

5. Objectives

- 5.1. WSHL takes fraud and corruption very seriously. Complaints will be investigated and - where substantiated - action will be taken against those found to have committed fraud.
- 5.2. Board members and employees at all levels will lead by example in demonstrating good conduct and ensuring compliance with legal requirements, rules, and procedures.
- 5.3. In carrying out its duties and responsibilities, WSHL is determined to do everything it reasonably can to deter fraud and corruption, and is committed to an effective Fraud Policy which is designed to:
 - Encourage prevention
 - Promote detection
 - Identify clear routes for investigation.

6. Responsibilities

- 6.1. WSHL will:
 - Make all employees aware of their responsibilities to adhere strictly to this policy at all times;
 - Encourage workers to be vigilant and to report any suspicions of fraud, corruption or bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
 - Rigorously investigate instances of alleged fraud, corruption or bribery and assist Police and other appropriate authorities in any resultant prosecution;
 - Take firm and vigorous disciplinary action against any employees involved;
 - Provide information to all employees on how to report breaches and suspected breaches of this policy;
 - Include appropriate clauses in contracts to prevent fraud, corruption and bribery;

- Support and protect anyone who refuses to take part in bribery, fraud or corruption, or who reports a concern in good faith

6.2. Board members and employees will:

- Act with integrity at all times
- Adhere to the approved Code of Conduct
- Comply with Standing Orders and Financial Regulations
- Raise concerns as soon as any impropriety is suspected
- Establish and maintain a sound system of internal control that supports the achievement of WSHL's policies, aims and objectives. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.
- Ensure the Fraud Policy and associated procedures are adequate and comply with WSHL's legal and ethical obligations;
- Ensure that all those under WSHL's control comply with the Fraud Policy;
- Ensure that the effectiveness of the Fraud Policy is monitored by Board; and
- Periodically review the Policy

6.3. The CEO will:

- Have overall responsibility for managing the risk of fraud. The day to day responsibility has been delegated to the Finance Director to act on behalf of the CEO
- Undertake a regular review of the fraud risks associated with each of the key organisational objectives
- Establish an effective anti-fraud response plan, in proportion to the level of fraud risk identified
- Design an effective control environment to prevent fraud.
- Establish appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud or attempted fraud to the Board of Directors
- Liaise with WSHL's appointed Auditors
- Make sure that all Directors and employees are aware of WSHL's Fraud Policy and know what their responsibilities are in relation to combating fraud
- Ensuring that appropriate anti-fraud training is made available to Directors and employees as required, and
- Ensure that appropriate action is taken to minimise the risk of previous frauds occurring in future.

6.4. The Executive Team is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively
- Preventing and detecting fraud as far as possible
- Assessing the types of risk involved in the operations for which they are responsible
- Reviewing the control systems for which they are responsible regularly
- Ensuring that controls are being complied with and their systems continue to operate effectively
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

6.5. Every member of staff is responsible for:

- Acting with propriety in the use of WSHL's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- Being alert to the possibility that unusual events or transactions could be indicators of fraud
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events, and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

7. Definitions

7.1. Fraud is committed by any person internal or external to the organisation who- by any deception or dishonestly - obtains property, payment or a pecuniary advantage for themselves or another. All instances of suspected fraud are investigated and where appropriate reported to the relevant authorities including internal audit, external audit and the police.

8. Raising concerns

8.1. Board members, employees and the general public are an important element in WSHL's defence from fraud and corruption. They are encouraged to raise any concerns they may have in respect of fraud, bribery or corruption. A number of different channels for communication are available, including managers, auditors, senior officers, Board members and the Whistleblowing Policy.

8.2. Members of the public may also use WSHL's Complaints procedure for this purpose where appropriate. All allegations of irregularity will be followed up.

9. Prevention

9.1. WSHL has a series of inter-related policies and procedures to ensure proper conduct of its affairs, which include:

- Standing Orders
- Financial Regulations
- Employee & Board Member Code of Conduct
- Conflicts of interest register
- Probity and Anti-Bribery Policy
- Complaints Procedure
- Whistleblowing Policy
- Disciplinary Procedure

10. Counter fraud response plan

10.1. In the first instance, any suspicion of fraud or bribery or other irregularity should be reported, as a matter of urgency, to one or more of:

- The line manager
- A senior member of staff
- The CEO
- A member of the Board

10.2. When so notified, the designated officer, auditor or other advisor will:

- Deal promptly with the matter
- Record evidence received
- Ensure the security and confidentiality of evidence
- Work closely with senior managers of the service concerned and other agencies, such as the Police and Courts to ensure that all issues are properly investigated and reported upon
- Ensure maximum recoveries are made on behalf of WSHL
- Make a report to the Regulator where required
- Implement WSHL disciplinary procedures where considered appropriate

10.3. Any action or investigation taken under the policy will be recorded in a Fraud Register which will be reviewed quarterly by the Board.

10.4. The Board will also be kept abreast of the progress of any investigation, including the outcome and any lessons learnt. Depending on the nature and size of the fraud, the Board may make recommendations to the Executive to immediately remediate identified weaknesses.

11. Monitoring the policy

- 11.1. This policy will be reviewed every two years.
- 11.2. An annual return will be completed for the Regulator of Social Housing where applicable, according to the size of the organisation at the time.
- 11.3. The Board will conduct an annual fraud risk assessment using appropriate checklists, which as a minimum should consider overall fraud risk, operational fraud risk and cyber security risks, as well as whether the counter fraud response plan remains sufficient and fit for purpose.