

## **FRAUD POLICY**

### **NCHA Policy on Business Ethics and Fraud**

<b>RESPONSIBLE DIRECTOR :</b>	<b>DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE OFFICER :</b>	<b>FINANCE MANAGER - SYSTEMS</b>
<b>LAST UPDATE :</b>	<b>SEPTEMBER 2019</b>
<b>NEXT UPDATE :</b>	<b>SEPTEMBER 2021</b>

#### **1. PURPOSE**

- 1.1 NCHA has a Fraud Response Plan in place which sets out the steps which will be taken in the event that fraud is suspected. For reasons of internal security most of this is confidential and is not published; it has been approved by the Audit and Risk Committee.
- 1.2 One Part of the Fraud Response Plan which should be publicly available is the Policy Statement, which sets out NCHA's Policy in respect of fraud.

#### **2. GLOSSARY**

- 2.1 Fraud - any act which deprives or attempts to deprive NCHA, its Subsidiaries, tenants, colleagues or Board Members of assets, (money, property, goods, services, reputation or the granting of tenancies) or the use of assets.

#### **3. RISKS**

- 3.1 One of the major risks facing the Group is that NCHA faces loss, financial or non financial, through fraudulent activity by Board Members, colleagues, customers, contractors or a combination of two or more of these groups.
- 3.2 A further risk is that our customers could face financial loss through fraud by any of the above groups.

## **4. REFERENCES**

- 4.1 Contract Standing Orders
- 4.2 Financial Regulations
- 4.3 Authority Levels Procedure
- 4.4 Speak Out Policy (Part of NCHA's Handbook)
- 4.5 Fraud Response Plan
- 4.6 Regulator of Social Housing Regulatory Framework

## **FRAUD POLICY STATEMENT**

### **5. ETHICS**

- 5.1 NCHA will operate a zero tolerance approach to any act or attempted act of dishonesty, fraud or theft perpetrated by a colleague, member of NCHA or Subsidiary Boards or any person or body carrying out work for NCHA against itself, its Subsidiaries, tenants, colleagues or Board Members or against third parties.
- 5.2 Colleagues should always act with integrity at all times and should not engage in fraudulent activity of any kind, even that which may benefit the company.
- 5.3 All Board members and colleagues are required to sign a declaration of interest form annually.

### **6. CONTROL**

- 6.1 NCHA is committed to ensuring that cost-effective controls and procedures are installed to prevent, deter and deal with fraud. These controls are subject to regular review and update.
- 6.2 NCHA will ensure that all colleagues are informed of the business conduct and fraud policy as part of the induction procedures.

### **7. WHAT SHOULD BE DONE IF FRAUD OR THEFT ARE SUSPECTED**

- 7.1 All colleagues should report any suspected fraud or potentially damaging events initially to their line manager or one of the NCHA Officers detailed in 7.3.

- 7.2 No colleague or tenant or committee member will be penalised or discriminated against for reporting a fraud or suspected fraud providing such reports are made in good faith and are not malicious. NCHA has adopted a policy on Confidential Reporting (Speak Out) which provides more detail on how to raise issues of concern.
- 7.3 If a colleague is not sure whether or not to raise a concern, they should discuss the issue with their line manager unless they believe the line manager to be involved, or for any reason does not wish to approach the line manager, then they should approach the People department. The line manager or People Officer who receives the initial report will if a fraud or theft is suspected report to:
- a. The Chief Executive or
  - b. The Director of Resources or
  - c. The Finance Manager - Systems or
  - d. The Head of People

In the event that the Chief Executive is implicated or suspected of being implicated the report should be made to the Chair of the NCHA Board or the Chair of the Audit and Risk Committee.

If the colleague wishes to report the issue under the speak out procedure then the process detailed under stages 1 – 4 of that procedure should be adhered to.

## **8. INVESTIGATION AND PROSECUTION**

- 8.1 All reported and suspected acts of fraud or theft will be investigated with reference to NCHA's disciplinary procedure and reported to the Police if appropriate. In all cases a robust approach will be taken by NCHA into the investigation of fraud or theft and for the recovery of assets.
- 8.2 If initial investigations indicate that a colleague is involved in an act or attempted act of fraud or theft they will be subject to the NCHA disciplinary procedure, which may include suspension from duty.
- 8.3 If investigations prove conclusively that the suspicions were not founded the colleague will continue in post and no reports will be retained on the personnel file.
- 8.4 If investigations are proved or show sufficient grounds for referral to the Police, once the allegation is proven, the colleague will be dismissed immediately in accordance with disciplinary procedures without notice.
- 8.5 In the event of an act which is not deemed to be fraud or theft but which damages the reputation of NCHA, Subsidiaries, Board or colleagues the case will be reviewed under NCHA's disciplinary procedures and the appropriate action taken which may include suspension from duty.

- 8.6 If any member of any of NCHA's Boards or Committees is proved conclusively to have been involved in acts covered by this policy they will be required to resign all posts held.
- 8.7 All colleagues are required to assist with any investigation when required.
- 8.8 If any colleague, member of NCHA's Boards or Committees is proved conclusively to have been involved in acts covered by this policy, financial recovery will be sought through civil proceedings.
- 8.9 The details of any actual or suspected fraud will be recorded in the Register of Actual and suspected Fraud by the Finance Manager - Systems and will also be reported to the RSH annually before 30th September. If there are no suspected or actual frauds reported, the Finance Manager - Systems will provide a nil return to the RSH. A copy of the return to the RSH together with a report on any suspected or actual Frauds will normally be reported to the May Audit and Risk Committee.

## **9. REGULATOR OF SOCIAL HOUSING**

- 9.1 NCHA is required to report annually all actual frauds with a value of over £5,000 or equivalent in value to the RSH. Any fraud perpetrated by a senior official, Board member or colleague must be reported to the RSH.

## **10. WHO DOES THIS RELATE TO**

- 10.1 The policy relates to Board Members and all colleagues, irrespective of seniority, length of service or contract type.

Craig Jones  
Director of Resources  
6<sup>th</sup> September 2019