



ANTI- FRAUD POLICY

Policy on Business Ethics, Fraud & Corruption

APPROVED BY:	AUDIT & RISK COMMITTEE
RESPONSIBLE DIRECTOR:	DIRECTOR OF FINANCE & RESOURCES
RESPONSIBLE OFFICER:	FINANCE MANAGER (SYSTEMS)
LAST UPDATE:	OCTOBER 2025
NEXT UPDATE:	OCTOBER 2027

1. NCHA'S LEGAL DUTIES

- 1.1 The Economic Crime and Corporate Transparency Act 2023 came into force on 1st September 2025. NCHA has a legal duty to comply with the 2023 Act, which applies to NCHA as a large company. It introduces a new corporate criminal offence of 'failure to prevent fraud' where this benefits the organisation. Individuals who commit fraud may be prosecuted individually. In addition, the organisation can be prosecuted for failing to prevent the fraud.
- 1.2 This updated Policy broadens the definition of fraud, to also include frauds which benefit the organisation, in response to the changes under the 2023 Act. Additionally, the updated Policy describes the procedures NCHA will adopt to ensure that reasonable action is being taken to prevent fraud.
- 1.3 The 2023 Act sits alongside existing UK Fraud legislation, notably the UK Fraud Act 2006. The 2006 Act introduced a single modern offence of fraud, defined by three main ways in which fraud can be committed. The definition of fraud in this Policy takes account of the 2006 Act. NCHA will support and pursue prosecutions under the Act, where relevant.
- 1.4 NCHA has a responsibility as a Registered Provider to comply with the Regulator of Social Housing (RSH) Standards. This Policy ensures that the requirements of the Standards, particularly the Governance & Financial Viability Standard, are met.
- 1.5 NCHA has charitable purpose and is formally described as an 'exempt charity'. As a matter of good practice, NCHA also follows the guidance of the Charity

Commission regarding internal financial controls and protecting charities from fraud and loss. The guidance has been taken into account in the drafting of this Policy.

2. PURPOSE, SCOPE AND GLOSSARY

- 2.1 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.
- 2.2 Part of the Fraud Response Plan which shall be publicly available is the Anti-Fraud Policy Statement, which sets out NCHA's Policy in respect of the prevention and detection of fraud.
- 2.3 This Anti-Fraud Policy applies to all employees, volunteers, Board and Committee members. These groups of people will be referred to as 'colleagues' for the purposes of this Policy. It also applies to 'Associated Persons'. These two groups are defined further below:
 - a) 'Colleagues' includes NCHA employees and workers, regardless of contract type, agency workers, volunteers
 - b) 'Associated Persons' are defined as agents, contractors, associates, consultants, third party representatives and suppliers to NCHA
- 2.4 Fraud – NCHA defines Fraud broadly to include both Victim Fraud and Corporate Fraud, which is designed to include fraud offences under the new 2023 Act.
 - a) Victim Fraud is any dishonest act designed to enable the perpetrator to make an unfair gain from, or cause a loss to, the Victim. This Policy is primarily designed to prevent NCHA from being the victim of fraud. However, in addition it is also designed to protect NCHA's colleagues (in a broad sense including employees, workers and volunteers) from being the victims of frauds within in the workplace, and to protect NCHA's customers and service users from being the victims of fraud due to actions by NCHA or NCHA colleagues.
 - b) Corporate Fraud is any dishonest act carried out by an employee, colleague, agent, subsidiary or 'associated person' of NCHA which is designed to *enable NCHA to benefit* corporately.

Examples of fraud under the 2023 Act, where dishonest acts are designed to enable corporations to benefit, could include:

- c) Dishonestly and intentionally over-reporting Key Performance Indicators to show that contractual targets have been met to enable the company to claim payments under a contract. The benefit for the company here is a direct financial benefit.
- d) Dishonestly reporting compliance with a regulatory framework such as the RSH or the CQC to protect the reputation of the

organisation. The benefit here may be indirect, such as access to funding, access to grants or eligibility for future contracts.

- 2.5 Corruption – dishonest or fraudulent conduct by those in power, typically involving bribery.
- 2.6 Assets - money, property, goods, services, reputation or the granting of tenancies.

3. FRAUD RISK ASSESSMENT

- 3.1 NCHA will ensure a comprehensive Fraud Risk Assessment is undertaken to identify the risk of fraud across our broad range of activities. Suitable preventions must be in place for all significant fraud risks. These must be effectively maintained and assured through the risk management framework.
- 3.2 The Fraud Risk Assessment will be prepared by the Senior Leadership Team (SLT) and approved by the Executive Team (ET), kept under regular review and monitored.

4. REFERENCES

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

FRAUD POLICY STATEMENT

5. ETHICS

- 5.1 NCHA operates a zero tolerance approach to any act or attempted act of dishonesty, fraud or theft perpetrated by an employee, 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 must act with integrity at all times and shall not engage in fraudulent activity of any kind, even that which may benefit the company.

- 5.3 All colleagues are required to sign a declaration of interest form annually.
- 5.4 NCHA has a top-level commitment to this Anti-fraud Policy and a culture of zero-tolerance. This is demonstrated by:
- a) the role of the Audit & Risk Committee in approving this Policy;
 - b) the responsibilities of the ET and SLT to keep the Fraud Risk Assessment under review;
 - c) maintenance of a comprehensive controls framework of policies and procedures;
 - d) induction of all new colleagues including Code of Conduct, Anti-fraud and Whistleblowing duties;
 - e) routine compliance training for all existing colleagues on our anti-fraud approach, to be completed at least every 3 years.

6. ANTI FRAUD PROCEDURES AND CONTROLS

- 6.1 NCHA is committed to ensuring that effective controls and procedures are installed to prevent, deter and deal with fraud. These controls are subject to regular review and update. Our Anti-fraud procedures consist of six key activities, as follows:
- a) Top -level commitment on anti-fraud which sets the culture for NCHA. Through our training and induction we seek to foster a culture of fraud prevention, compliance with procedures and awareness of the importance of whistleblowing.
 - b) Effective fraud risk-assessment. Through our comprehensive approach to risk assessment, owned by the Leadership Teams at NCHA, we will ensure that material fraud risks are identified and kept under review.
 - c) Proportionate risk-based prevention. We will use our risk assessment as the basis for our Fraud Prevention Plan to manage and mitigate fraud through the controls framework with first, second and third line assurance in place for material areas.
 - d) Due diligence on colleagues, volunteers and 'associated persons' as part of our HR procedures and contractor management.
 - e) Communication of our approach including induction and regular training.
 - f) Monitoring and review of this Policy and the Fraud Risk Assessment.
- 6.2 NCHA will ensure that all colleagues are informed of the business conduct and Anti-Fraud policy as part of the induction procedures.

7. WHAT MUST BE DONE IF FRAUD OR THEFT ARE SUSPECTED

- 7.1 All employees shall 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, 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 (Whistleblowing) which provides more detail on how to raise issues of concern.
- 7.3 If an employee 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 HR department.
- 7.4 Line managers and HR Officers who receive reports of suspected fraud or theft, shall keep these matters confidential and not discuss with officers other than those highlighted in paragraphs 7.5, **Error! Reference source not found.** or 7.6.
- 7.5 The line manager or HR Officer who receives the initial report shall, if a fraud or theft is suspected to have occurred, report this to both:
- a. The Assistant Director of Finance; and
 - b. The Finance Manager (Systems).
- 7.6 The Assistant Director of Finance and Finance Manager (Systems) will escalate and report matters to the Director of Finance & Resources and Executive Team as required.
- 7.7 In the event that any of the above senior officers are implicated or suspected of being implicated the report shall be made to their line manager. If the Chief Executive is implicated or suspected of being implicated the report shall be made to the Chair of the NCHA Board and the Chair of the Audit and Risk Committee.
- 7.8 If the employee wishes to report the issue under the Whistleblowing procedure then the process detailed under stages 1 – 4 of that procedure must be adhered to.

8. INVESTIGATION AND PROSECUTION

- 8.1 All reported and suspected acts of fraud or theft will be notified to the Finance Manager – Systems and 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 employee 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 Fraud Register of actual and suspected fraud by the Finance Manager (Systems). The Fraud Register shall be reported to the Audit and Risk Committee on an annual basis.

9. REGULATOR OF SOCIAL HOUSING (RSH)

- 9.1 The details of any actual or suspected fraud will be recorded in the Fraud Register will be reported to the RSH annually in line with their requirements and in advance of their deadlines (currently 30th September).
- 9.2 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 annual RSH return will be reported to the Audit and Risk Committee in accompaniment to the Fraud Register.
- 9.3 There is a general expectation of transparency and timely communication from the RSH, particularly surrounding potential material non-compliance with the Standards. Therefore, in the case of material non-compliance which is related to fraud, it should be considered whether the matter should be referred to the RSH more quickly and before the annual routine fraud reporting deadline set out above.