



FRAUD POLICY

Policy on Business Ethics, Fraud & Corruption

RESPONSIBLE DIRECTOR:	DIRECTOR OF FINANCE & RESOURCES
APPROVING OFFICER:	ASSISTANT DIRECTOR OF FINANCE
RESPONSIBLE OFFICER :	FINANCE MANAGER (SYSTEMS)
LAST UPDATE :	OCTOBER 2023
NEXT UPDATE :	OCTOBER 2025

1. PURPOSE & SCOPE

- 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 Part of the Fraud Response Plan which shall be publicly available is the Policy Statement, which sets out NCHA's Policy in respect of fraud.
- 1.3 The Policy relates to Board Members and all members of staff, irrespective of seniority, length of service or contract type.

2. GLOSSARY

- 2.1 Fraud - any act which deprives or attempts to deprive NCHA, its Subsidiaries, tenants, staff or Board Members of assets or the use of assets. Fraud may also be an act that results in or transfers a liability to NCHA e.g. failure to pass on a payment on behalf of NCHA.
- 2.2 Corruption – dishonest or fraudulent conduct by those in power, typically involving bribery.
- 2.3 Assets - money, property, goods, services, reputation or the granting of tenancies.

2.4 Major Fraud - a fraud or theft resulting in a significant loss, over £5,000, to the Group.

3. RISKS

3.1 The main and most major risk facing the Group is that NCHA faces loss, financial or non-financial, through fraudulent activity by Board Members, staff, customers, contractors or any other stakeholder.

3.2 Further risks are that our customers face financial loss through fraud and/or the Group incurs reputational damage.

4. REFERENCES

4.1 Contract Standing Orders

4.2 Financial Regulations

4.3 Authority Levels Procedure

4.4 Whistleblowing Policy (Part of NCHA's Staff 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 an employee, member of NCHA or Subsidiary Boards or any person or body carrying out work for NCHA against itself, its Subsidiaries, tenants, staff or Board Members or against third parties.

5.2 Employees 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 employees 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 staff are informed of the business conduct and 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 member of staff or tenants or committee members 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, 7.6 or 7.7.
- 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. All reports which potentially involve major fraud shall be reported to the Chief Executive.
- 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 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 member of staff 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 member of staff 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 staff 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 Employees are required to assist with any investigation when required.
- 8.8 If any employee, 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 NCHA is required to report annually all actual frauds with a value of over £5,000, or equivalent value, and any fraud perpetrated by a senior official, Board member or staff to the RSH.

9.3 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.