

Plus Dane Housing

Anti-Fraud Policy

1	Policy Statement	1
2	Policy Aims	1
3	Links to corporate plan	3
4	Our Approach	3
4.1	Background	3
4.2	Principles	3
4.3	Approach	4
4.4	Roles & Responsibilities	5
5	Assurance	8
6	Performance Management	8
7	Policy Development Framework	8
7.1	Appendix 1 – Fraud Response Plan	9
7.2	Appendix 2 – Fraud Register	12

1 Policy Statement

Plus Dane is committed to preventing fraud from occurring and to developing an anti-fraud culture. Plus Dane requires staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible; fraud is an ever-present threat and therefore must be a concern to all members of staff.

2 Policy Aims

To minimise the threat of fraud by setting out Plus Dane’s approach to preventing fraud, detailing responsibilities of key stakeholders and referencing the fraud

response plan which outlines the actions to be taken if a fraud is discovered or suspected.

3 Links to Corporate Plan

This policy supports our objective of being ambitious with a keen focus on delivering excellent services to tenants and customers alongside ensuring that value for money and efficiency is pursued at all times.

4 Our Approach

4.1 Background

The term fraud can be used to describe a whole range of activities such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Generally, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.

Occupational fraud and abuses fall into four main categories

- Theft, misappropriation or misuse of assets for personal benefit
- Bribery and corruption
- False accounting and/or making fraudulent statements with a view to personal gain or gain for another; for example, falsely claiming overtime, travel and subsistence, sick leave or special leave (with or without pay)
- Externally perpetrated fraud against an organisation

4.2 Principles

The following principles are critical to the success of Plus Dane's approach to fraud prevention:

- All staff must demonstrate the highest standards of honesty, probity and integrity in the exercise of their duties
- Plus Dane will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety or dishonest conduct by its employees or external organisations (contractor or client)

- Plus Dane staff must not defraud Plus Dane, other Plus Dane staff, Plus Dane tenants or customers or contractor/partner organisations in any way
- Plus Dane will take action including dismissal and/or criminal prosecution against any member of staff defrauding (or attempting to defraud) the organisation, other Plus Dane staff, Plus Dane customers or contractors/partner organisations
- Plus Dane will take action including criminal prosecution against external organisations defrauding or attempting to defraud the organisation, Plus Dane staff in the course of their work, Plus Dane customers or contractors/partner organisations
- Plus Dane will cooperate fully with any external investigating body
- Plus Dane will always seek to recover funds lost through fraud
- All suspected or proven frauds will be reported to Internal Audit.

4.3 Approach

To achieve the aims of this policy, Plus Dane will adopt best practice as detailed by the Fraud Advisory Panel* by:

- Developing and maintaining effective controls to prevent fraud
- Ensuring that if fraud occurs a vigorous and prompt investigation takes place
- Taking appropriate disciplinary and legal action in all cases, where justified
- Reviewing systems and procedures to prevent similar frauds
- Investigating whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occur
- Record and report all discovered cases of fraud.

* An independent voice of the anti-fraud community which champions best practice in fraud prevention, detection and prosecution

Concerns which should be reported include, but not limited to:

- Staff committing or attempting to commit any dishonest or fraudulent act; forgery or alteration of documents or accounts; misappropriation of funds, supplies or

other assets; impropriety in the handling or reporting of money or financial transactions; profiting from an official position; disclosure of official activities or information for advantage; accepting

or seeking value from third parties by virtue of official position or duties; and theft or misuse of property, facilities or services.

- External organisations being offered a bribe or inducement by a supplier; receiving fraudulent (rather than erroneous) invoices from a supplier; and reported allegations of corruption or deception by a supplier.

In the event of discovery or suspicion of fraud Plus Dane has established and maintains a Fraud Response Plan (appendix 1) which sets out guidance to senior staff in the event of a fraud being discovered or suspected. Under the Plan:

- Incidents will be reported to the Company Secretary and logged in a Fraud Register (example at appendix 2), which contains details of allegations, investigations and conclusions
- Fraud and allegations of fraud will be investigated and investigations reviewed by an appointed, suitably qualified senior member of staff independent of the area under suspicion
- Progress on investigations will be reported to Executive Management Team and Audit and Risk Committee (ARC) as a standing item on the agenda.
- All known and suspected criminal activity will be reported to the Police for investigation by them. The timing of Police involvement will be at the discretion of the Executive Director of Corporate Resources, in conjunction with the Chief Executive, appropriate other Executive Directors and Chair of ARC.
- Similarly breaches discovered in the course of investigations will be reported to the relevant authority including HM Revenue and Customs, Financial Conduct Authority, the Regulator of Social Housing and other authorities. The timing of such involvement will be at the discretion of the Executive Director of Corporate Resources, in conjunction with the Chief Executive, appropriate other Executive Directors and Chair of ARC.

4.4 Roles & Responsibilities

Chief Executive

The creation of an anti-fraud culture underpins all work to counter fraud; all Plus Dane staff should understand the risk of fraud faced by the organisation, that fraud is serious and diverts resources away from our primary goals. The Chief Executive with the support of Leadership Team is responsible for setting the cultural tone about fraud prevention.

Executive Director of Corporate Resources and ARC

The Executive Director of Corporate Resources owns the policy and is responsible for overseeing the maintenance of the fraud register and the governance that surrounds this, including a quarterly report to ARC.

The Executive Director of Corporate Resources and ARC are responsible for establishing the internal control system designed to counter the risks faced by the organisation. Together they are accountable for the adequacy and effectiveness of these arrangements. Managing fraud risk should be seen in the context of the wider range of risks.

The Executive Director of Corporate Resources is responsible for making arrangements to investigate allegations of fraud. Such arrangements will be approved by the Chair of ARC. Such arrangements include the appointment of a suitable qualified member of staff to lead the investigation.

The Chair of ARC will be responsible for receiving the report of the investigation and considering the appropriate response.

Director of People

The Director of People will be responsible for overseeing the organisation's anti-fraud policies as they relate to staff, including: providing support to managers who instigate disciplinary and legal action (both civil and criminal) against the perpetrators of fraud; taking disciplinary action in respect of management failures that have contributed to the commission of fraud; and providing confidential advice to staff who suspect a member of staff of fraud. The Director of People will also ensure that any

people policies that link to any policies within the probity suite will enable managers to take appropriate action.

NB Plus Dane has established arrangements for staff to report any concerns they may have without fear of prejudice or harassment, via its whistleblowing procedure.

Appointed Investigator

The appointed senior member of staff will be responsible for investigating allegations of fraud including: carrying out a thorough investigation if fraud is suspected with the support of Internal Audit where necessary; gathering evidence, taking statements and writing reports on suspected frauds; liaising with Executive Director of Corporate Resources and Chair (ARC) where investigations conclude that fraud has taken place; identifying any weaknesses which contributed to the fraud and making recommendations for remedial action as necessary.

The appointed member of staff undertaking the investigation will have unrestricted access to the Chair of ARC, Executive Director of Corporate Resources, Director of People, ARC, and Plus Dane's internal and external auditors as needed to carry out a thorough investigation.

Executive Team, Leadership Team and Managers

Managers are the first line of defence against fraud. They should be alert to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to attention by a third party. They are responsible for:

- Being aware of the potential for fraud;
- Ensuring that an adequate system of internal control exists within their area of responsibility, appropriate to the risk involved and those controls are properly operated and complied with;
- Reviewing and testing control systems to satisfy themselves the systems continue to operate effectively;
- Reporting any suspicion of fraud.

Managers should inform their Directors if there are indications that an external organisation (such as a contractor or customer) may be trying to defraud (or has defrauded) the organisation or its staff carrying out their duties.

They should also inform their Director if they suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct. Failure to report a suspicion of fraud could be deemed as a serious matter which in itself could lead to a disciplinary sanction up to and including summary dismissal.

On being alerted to suspicions, Directors should inform immediately the Executive Director of Corporate Resources who will appraise the Chair of ARC and Internal Audit. Timing is of the essence in reporting suspicions; Directors should therefore inform their Executive Director or the Chief Executive, if the Executive Director of Corporate Resources is absent.

Managers, Directors and Executive Directors should take care to avoid doing anything which might prejudice the case against the suspected fraudster. Separate advice on dealing with fraud is contained in a fraud response plan circulated to designated staff involved in reporting or investigating individual allegations of fraud.

Plus Dane Staff

Plus Dane staff must have the highest standards of honesty, propriety and integrity in the exercise of their duties. Plus Dane staff are responsible for:

- Acting with propriety in the use of official resources and in the handling and use of public funds whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers;
- Reporting details of any suspected fraud, impropriety or other dishonest activity immediately to their line manager or the responsible manager (or using the complaints procedures).
- Assisting in the investigation of any suspected fraud.

Staff reporting or investigating suspected fraud should take care to avoid doing anything which might prejudice the case against the suspected fraudster. If a member of staff suspects fraud they are responsible for reporting this and may if they wish do this confidentially or via The Whistleblowing Procedure, if appropriate.

Separate advice on dealing with fraud is contained in a fraud response plan circulated to designated staff involved in reporting or investigating individual allegations of fraud.

Further advice and guidance

The Executive Director of Corporate Resources (also Company Secretary) will provide advice where line managers are unavailable or unable to give advice.

5 Assurance

This policy and the approach outlined in the Fraud response plan are a key facet of Plus Dane's internal controls framework. The primary risks that this policy attempts to mitigate are financial loss and reputational damage.

The suite of Probity policies (including this policy) will be provided to all staff during their induction to ensure that colleagues are aware of Plus Dane's approach to dealing with these issues. There is Anti-Fraud training available to all staff through the e-learning portal, however, this is not mandatory.

6 Performance Management

For this policy the following performance measures are in place

- Standard item on the agenda for Audit & Risk Committee
- Robust fraud register maintained
- Capturing of improvements made to improve internal controls.

7 Policy Development Framework

This policy has been developed in line with our Policy Development Framework.

Appendix 1 – Fraud Response Plan

Plus Dane Housing Ltd Fraud Response Plan - Purpose and scope

Management and staff may have little experience in dealing with fraud and, when suspected cases arise, may be unsure of the appropriate action to take. The purpose of the Fraud Response plan is to document the procedures in the event of reported or suspected fraud or irregularity, together with defining authority levels, responsibilities for action, and reporting lines. The objective is to safeguard the proper use of the Plus Dane's finances and resources, including all Plus Dane members and to protect the organisation's reputation.

The purpose for establishing this plan is so that Plus Dane is able to respond appropriately if the need arises; it is not a reflection on the probity on any member of staff.

The use of the plan should enable Plus Dane to:

- Prevent further loss;
- Establish and secure evidence necessary for disciplinary and criminal action;
- Assign responsibility for investigating the incident;
- Establish circumstances in which external specialists should be involved;
- Establish lines of communication with the police;
- Keep all staff with a need to know suitably informed about the incident and the organisation's response;
- Recover losses;
- Deal with requests for references for employees disciplined, dismissed or prosecuted for fraud;
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

Initiating action

Suspicion of fraud or irregularity may be captured through a number of means, including the following:

- The operation of proper procedures;
- Whistle blowing
- Planned audit work
- Policies on conflict of interests

All actual or suspected incidents should be reported without delay to the Executive Director of Corporate Resources. Within 24 hours the Executive Director of Corporate Resources and Chair of ARC will decide on the initial response.

For incidents up to £50,000 the investigation will be led by an independent officer in Plus Dane. For incidents over £50,000 the investigation will be led by Plus Dane's internal auditors.

At all times the Chief Executive, Chair and Chair of ARC should be informed of any actions taken regarding fraudulent behaviour. The decision to initiate a special investigation involving internal audit shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

If the actual or suspected incident concerns or implicates the Executive Director, of Corporate Resources it should be reported without delay to the Chair, Chair of ARC, Chief Executive and Director of People.

Prevention of further loss

Where initial investigation provides reasonable grounds for suspecting a member of staff of fraud, the Executive Director of Corporate Resources will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspected staff member. In such a case the advice of the Director of People should be sought. It may be necessary to plan the timing of the suspension to prevent the suspected staff member from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspected member of staff should be approached unannounced. They should be supervised at all times before leaving Plus Dane's premises. They should be allowed to collect personal belongings under supervision, but should not be able to remove any property belonging to the organisation. Any security passes, keys to premises and equipment should be returned. Similarly, access permissions to Plus Dane's computer systems should be withdrawn immediately.

Where applicable, internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspected staff member may have had opportunities to misappropriate the organisation's assets.

Establishing and securing evidence

The investigating officer or internal audit will:

- Establish familiarity with the organisation's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation;
- Establish and maintain contact with the police where appropriate;
- Where applicable, establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act; and
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Recovery of losses

Recovering losses is a major objective of any fraud investigation. The investigating officer or internal audit will ensure that the amount of any loss can be quantified. Repayment of losses shall be sought in all cases.

Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspected staff members' assets through the court, pending conclusion of the investigation.

Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses payment. Plus Dane would normally expect to recover costs in addition to losses.

Employees disciplined or prosecuted for fraud and subsequent request for references

A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. Plus Dane will follow disciplinary procedures against any member of staff who has committed fraud. Plus Dane will normally pursue the prosecution of any such individual if a criminal offence is suspected of having been committed.

Any request for a reference for a member of staff who has been disciplined, prosecuted for fraud or where a case has been proven, i.e. where a member of staff resigns with immediate effect, shall be referred to the Director of People. The Director of People shall prepare any answer to a request for a reference having regard to employment law. Reporting to Board Members

Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chair of ARC.

On completion of the investigation a written report shall be submitted to ARC (and Board as deemed appropriate) containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud;
- The measures taken to prevent a recurrence;
- And any action to strengthen future responses to fraud, with a follow up report on whether or not the actions have been take,

Media relations

In order to minimise the possibility of adverse media coverage of suspected or alleged fraud, the Head of Communications and Chief Executive must be informed of events as they arise. Any media enquiries should be directed to the Head of Communications.

Reporting Lines

For all incidents, the Executive Director of Corporate Resources shall provide a confidential report to the Executive Management Team, the Chair of ARC, the Chair, the internal and external auditors at least monthly, unless the report recipients request a lesser frequency. The report shall include:

- Quantification of losses
- Progress with recovery action
- Progress with disciplinary action
- Progress with criminal action
- Estimates of resources required to conclude the investigation
- And, actions taken to prevent and detect similar incidents

Review of fraud response plan

This plan will be reviewed annually for fitness of purpose at least annually or after each use. Any need for change will be reported to ARC for approval.

