Anti-Fraud Policy

Policy Implementation Checklist:	
Policy Guardian:	Chief Executive Officer
Policy Author:	Corporate Services Manager
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1. Introduction

1.1 Linthouse Housing Association (LHA) is committed to operating to the highest ethical standards and sound governance arrangements and adopts zero tolerance to fraud and bribery.

1.2 This Policy outlines the broad principles that the Association will adopt in order to protect the organisation and the public funds it receives, its assets and its services against fraud. In particular, it emphasises the Association's commitment to deterring fraud and the specific responsibilities of all staff to identify and report any suspicion of fraudulent activity.

1.3 The Policy also sets out the responsibilities of all staff and Management Committee members regarding the prevention of fraud and the action to be taken where fraud is suspected or detected.

2. Scope

2.1 This policy applies to:

- all employees
- all Management Committee Members
- any other 'associated persons' who perform services for, or on behalf of LHA, including temporary workers, agents, consultants, suppliers, contractors or volunteers

2.2 Every employee, Management Committee member and other associated persons are responsible for maintaining the highest standards of personal, ethical, and business conduct

Definition of Fraud

In law, there is no specific offence of fraud. For the purposes of this Policy, it is defined as "*the use of deception with the intention of gaining an advantage, avoiding an obligation or causing loss to another party*".

Fraud may include acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion. The criminal act is the attempt to deceive; attempted fraud is therefore treated as seriously as accomplished fraud.

Legal Framework

- The Fraud Act 2006
- The Bribery Act 2010
- The Theft Acts 1968 & 1978
- Section 72 of the Housing (Scotland) Act 2010

3. Examples of Fraud

3.1 The following list contains some examples of fraudulent acts which should set alarm bells ringing and which should be reported to the Chief Executive Officer or Chairperson of the Management Committee. These are to give you examples of the sort of behaviour which is unacceptable, and which could have serious consequences.

3.1.1 *Misappropriation of Assets:*

- Breach of bank mandates, theft of cash and cheques, use of 'dummy' bank accounts
- Collusion with customers/suppliers
- Sale of assets at artificially deflated or inflated prices
- Knowingly submitting false expenses, mileage, or other claims
- Knowingly, or negligently, authorising false expenses, mileage, or other claims
- Misuse of any assets, including Information and Communication Technology (ICT); *and/or*
- Breach of ICT security (see the relevant ICT policies)

3.1.2 *Corruption*:

- Conflicts of interest (e.g. external directorships; engaging in personal transactions which might affect the business).
- Theft or unauthorised circulation/reproduction of confidential organisation documents or information, including financial information.
- Acceptance/payment of inducements/gifts/entertainment outside the relevant Association policy.

3.1.3 *Fraudulent Statements:*

- Manipulation of information to improve apparent performance.
- Interference with debtors, creditors, ledgers, or other financial information.

3.1.4 *Third Parties:*

This policy extends to include fraud committed by third parties such as tenants and residents, and contractors and suppliers against other third parties such as local authorities, contractors, and suppliers.

3.1.5 *Money Laundering:*

Money laundering involves concealing, converting, disguising, and transferring criminal property. Criminal Property is money or other property that represents a person's benefit from a criminal activity that you know, or suspect, represents such a benefit. Money laundering should be considered as an activity to which this Anti-fraud Policy and associated procedures should apply.

4. Strategy and Principles

4.1 LHA recognises the potential for fraudulent activity taking place within or targeting any area of its business. At a strategic level, the key elements of tackling this risk involve:

- developing and maintaining an anti-fraud culture
- creating a strong deterrent effect
- preventing fraud by designing weaknesses out of processes and systems
- detecting fraud, where it is not prevented
- investigating suspicions of fraud in an expert, fair and objective manner
- seeking to apply a range of sanctions where fraud is believed to be present
- seeking redress and recovery of any losses that are incurred

4.2 Central to this anti-fraud 'strategy' is a range of operational policies, systems and procedures that are designed to deter, and enable detection and reporting of fraud. In particular, this includes:

- Financial Regulations, Treasury Management, and Delegated Authority policies and the controls detailed therein
- Standing Orders and other governance related policies, covering matters including Whistleblowing, Payments and Benefits and Conflict of Interest; and the associated management systems
- Service-based policies, guidance and operating procedures covering tenancy-related matters; repairs, maintenance, and development activities; staff recruitment and procurement

4.3 Established Internal Audit arrangements further support the detection of fraud, through testing the appropriateness, adequacy, effectiveness and robustness of relevant policies and systems. Similarly, through the annual examination of the financial statements, the External Auditor identifies any audit and accounting issues and assesses the effectiveness of internal control.

5. Policy Review

5.1 This policy will be reviewed every 3 years or earlier if legislation requires it.

6. Equalities Impact Assessment

Anti-Fraud Policy	
What is the purpose of this policy?	To provide a clear framework for defining, reporting, and dealing with any suspected fraud activity.
Protected characteristic groups affected by this policy:	In the application of this policy, no one will be treated differently or less favourably than others because of any of the protected characteristics as listed in the Equality Act 2010.
Who is the target audience of this policy?	All employees, committee members, or others working on behalf of LHA.
List any existing documentation used to complete this assessment:	N/A
Has any consultation taken place with protected characteristics groups identified?	No
What is the likely impact?	Potential legal, financial or reputational damage caused by staff or MC.
Have you, or will you, put the policy into practice? Who is responsible for delivery of the policy?	Yes, the policy is in place and implemented.
Do you have a set budget for this work?	No set budget.

7. Version Control

Version Number	Name	Author	Notes
1.0	Anti-Fraud	CSM	Appr. June 23
2.0	Anti-Fraud	CSM	Revised draft to PWG 15 Sept 26