

Anti-Fraud Policy

Document Ref:	CHG14
Revision No.	2.1
Date approved:	10 September 2024
Related documents:	AML Policy, Anti-Bribery & Corruption Policy

1 Purpose

- 1.1 This policy outlines the broad principles adopted in order to protect the organisation, public funds, assets, residents and services against fraud. The policy shall emphasise the importance of deterring fraud, and the specific responsibilities for identifying and reporting suspicious or fraudulent activity.

2 Policy Statement

- 2.1 Fraud may be defined as "wrongful or criminal deception intended to result in financial or personal gain". The potential for fraudulent activity taking place within CHG is a real and present danger. To mitigate the risk of fraud, and the impact of fraud, the organisation shall adopt the following measures:

- 2.1.1 maintaining anti-fraud culture and leadership;
- 2.1.2 designing out the opportunity to commit fraud from systems and processes;
- 2.1.3 having means to detect fraud, and thoroughly investigate it; and
- 2.1.4 recovering the cost of fraud wherever possible.

- 2.2 Because the threat of organisational fraud is wide reaching, the following documents may also contain provisions for mitigating the risk of, and dealing with suspicious activity:

- 2.2.1 Financial Regulations and internal control processes;
- 2.2.2 Code of conduct, and policies relating to probity and corporate governance;
- 2.2.3 Due diligence in respect of procurement of service providers and contractors.

- 2.3 Not all anti-fraud measures are contained within this policy document.

3 Culture and Leadership

- 3.1 The board takes its responsibility seriously to protect the organisation, both directly and indirectly, from the ability of others to perpetrate fraud and other criminal activities. The Finance Director is responsible for ensuring the boards anti-fraud approach is reflected in dealings with its third parties. He will do this by:

- 3.1.1 Affirming the organisations zero tolerance towards fraudulent activity;
- 3.1.2 Seeking assurance that third parties have anti-fraud policies and procedures in place;

3.1.3 Encouraging and supporting change, when anti-fraud assurance is limited; and

3.1.4 Reporting either to the third-party, or the relevant authority, a suspicion of fraudulent activity.

4 Prevention and detection

- 4.1 Systems and data used to manage the affairs are regarded as being owned by the organisation, regardless of who is the appointed managing agent. To this end the Finance Director shall have control over those systems and be permitted to influence processes and operating protocols. He shall be satisfied that the necessary security features are enabled, and general good practice is adopted in managing transactions.
- 4.2 The board shall periodically consider the appointment of an independent internal auditor to assess the robustness of internal controls and data. An element of the internal audit will be to risk assess the susceptibility of the organisation to fraudulent activity.

5 Investigation and Recovery

- 5.1 Occurrences of fraud that implicate the organisation will be acted as soon as they come to its attention. The Finance Director shall put the incident on notice to conduct an investigation.
- 5.2 It is possible that a fraud may implicate one or more of the organisations third party partners. This being the case, the Finance Director shall seek to influence the scope of an investigation and nominate an investigator. CHG shall expect to be party to draft findings of the investigation and have management comment input. The Finance Director shall request a copy of the final investigation report if a third-party.
- 5.3 Should the fraud lead to either a loss of funds to the organisations, then the Finance Director shall instruct recovery of those funds direct from the third party partner. Should the fraud be perpetrated by an employee or resident, then recovery will be sought through the courts, and reporting the matter as criminal activity shall be considered.

6 Monitoring and Reporting

- 6.1 The Finance Director shall report material frauds to the board as they arise. Frauds implicating the organisation shall be reported to the board as an annual report, which may coincide with a similar obligation to report to the Regulator of Social Housing.

7 Responsibilities

- 7.1 The Finance Director shall be responsible for applying and monitoring this policy.

8 Performance, Monitoring and Evaluation

- 8.1 All instances of fraud shall be reported to the board and actions taken to investigate the matter discussed. There shall be an annual report to the board
- 8.2 This policy will be subject to review no later than three years from the date of approval, or sooner if a substantial change in circumstances requires.