



TAI CANOLBARTH CYMRU MID-WALES HOUSING

Yn barod **amdani** **Equal to the challenge**

Fraud, Bribery, Corruption or Misappropriation Policy

Strategic Aim:	To support the key business plan objective of “Embedding Processes and continuing to effect culture change”.
Reference No:	Fraud, Bribery, Corruption and Misappropriation Policy v1.1 August 2015
Date Of Issue:	September 2015
Previous issue dates	December 2012 July 2011 January 2011 October 2009
Next Review Date:	August 2018
Departments Affected:	All Departments
Approved By/Date:	Finance & Audit Committee August 2015, Board November 2015
Lead Officer:	Charles Brotherton, Director of Finance
Statutory Compliance:	<ul style="list-style-type: none"> • Requirement of Welsh Government, Housing Directorate. • The Computer Misuse Act of 1990; Money Laundering Regulations 2003 & 2007; Proceeds of Crime Act 2002; Theft Acts 1968 & 1978; Fraud Act 2006; Bribery Act 2010 • Social Housing Fraud Act 2013 (Commencement)(Wales) Order 2013

Title: FRAUD, BRIBERY, CORRUPTION OR MISAPPROPRIATION POLICY

1. Introduction:

The Welsh Government, Housing Directorate, states in its circular on Internal Control (Circular 028/09):

- 1.1 The responsibility for good internal control systems rests with the Board who have a fiduciary role of safeguarding the assets of the Association.
- 1.2 The Board is responsible for avoiding loss through mis-management and for the prevention of fraud and corruption. Associations must therefore make appropriate arrangements to ensure that the systems and operation of internal control are effective.

The Bribery Act 2010 makes it a criminal offense to give, promise or offer a bribe. It is also a criminal offence to request, agree to receive or accept a bribe. It is also a corporate offence to fail to prevent bribery for persons working on behalf of but not necessarily employed by a business.

Notwithstanding the requirements of the regulator or the law, the Association is committed to high, legal, ethical and moral standards and expects all staff and Board Members to share this commitment.

This document, together with disclosures in the public interest (Whistle-Blowing Procedure) and staff handbook are intended to provide direction and help to staff and directors who find themselves having to deal with suspected cases or fraud, bribery, corruption or misappropriation.

2. Policy Statement:

To minimise risks of fraud, bribery, corruption or misappropriation through a suitable system of controls which control and manage the level of risk such that the residual risk after any mitigating actions can be borne without serious permanent damage to the Association.

Mid-Wales Housing Association is committed to maintaining the highest standards of probity, openness, and accountability. The Association has a zero tolerance on fraud (including cyber-crime), and bribery. It will:

- Take firm and forceful action where appropriate against any individual or group committing a fraud against the organisation;
- Take firm and forceful action where appropriate against any individual or group offering or receiving a bribe or failing to prevent a bribe being paid on an organisations behalf by an associated person;
- Encourage employees to be watchful and to report any suspicion of fraud or bribery;
- Thoroughly investigate instances of alleged fraud or bribery and pursue those committing fraud or bribery;

- It will seek restitution of any asset fraudulently obtained together with recovery of costs;
- Assist the police and other appropriate authorities in the investigation and prosecution of those suspected of fraud or bribery.

The Association has in place procedures covering prevention, detection and reporting of fraud or bribery, that are designed to reduce the likelihood of fraud or bribery. The Association also has in place procedures that will facilitate dealing with fraud, including the preservation and recovery of assets.

This Policy is intended to help prevent and detect fraud (including cyber-crime), or bribery and to provide direction and guidance to Members, Directors, Managers, Team Leaders and staff when dealing with suspected fraud or bribery.

The Policy is supported by a number of other key documents including the Association's Governance arrangements; the Code of Governance (particularly in respect of Board Members' conduct, acceptance of gifts and conflict of interest), the Financial Regulations, the Scheme of Delegations, the Schedule of Delegated Authority, the Procurement Strategy, Terms and Conditions of Employment, Electronic Communications & IT Security Policy and other guidance notably in respect of whistle-blowing (including all relevant legislation) and Code of Conduct, and other internal controls.

The Association will ensure that all concerns are properly investigated and Members and staff (particularly those reporting their suspicions) are protected from reprisal and/or victimization in line with its Whistle-blowing policy. Following proper investigation, it may be necessary to instigate disciplinary action, civil or court proceedings including steps to recover any losses incurred.

All instances of actual or suspected fraud or bribery will be reported in detail to the Scrutiny Committee and to the Board. Irrespective of any actual occurrence or not, Fraud, Bribery, Corruption and Misappropriation will be a standing agenda for the Scrutiny Committee item at least annually.

This policy and the associated procedures are designed to be consistent with the Association's human resources strategy, in particular all elements of the disciplinary procedures. In case of any inconsistency, the disciplinary procedures will be deemed to take precedence, unless advised to the contrary by the police or other external investigating body (e.g. the Housing Directorate).

3. Definitions:

There is no precise legal definition of fraud. Fraud can be used to describe a deliberate act to acquire, or attempt to acquire, the assets or property of others by deception, trickery or dishonesty and many of the offences are covered by the Theft Acts of 1968 and 1978. Also, in addition to the existing common law offence of conspiracy to defraud, the Fraud Act 2006 provides for a general offence of fraud and three ways of committing it: false representation; failing to disclose information; abuse of position.

For the purpose of this policy, fraud (which will include bribery and/or corruption) will include but will not be limited to:

3.1 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) and cyber crime;
- Non-return of duplicate payments or overpayments.

3.2 Bribery

A bribe is a gift given to influence the recipient’s conduct. It may be money, goods, property, privilege, object of value, advantage or any or other inducement. The key element being that this inducement is designed to influence the actions of an official in the organisation.

The rules are not designed to stop hospitality, business, entertainment, or promotional schemes designed to increase sales. Rather, they are designed to make a criminal offence the payment of an inducement to an individual in the organisation to influence their behaviour. Great care is therefore needed over the receipt of hospitality. However, the existing rules on hospitality, and adherence to the requirements of Schedule 1 of the 1996 Housing Act should ensure any benefits received by staff and Board Members do not breach the Bribery Act conditions.

3.3 Corruption

- Conflicts of interest (e.g. external directorships; engaging in personal transactions which might affect the business, excluding items disclosed and accepted under Schedule 1 disclosure – see the Governance documents for further guidance);
- 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.

3.4 Fraudulent Statements

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

3.5 Money Laundering

Money laundering involves the concealment, conversion, disguise and transfer of 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.

3.6 Cyber Crime

The Computer Misuse Act of 1990 is a law in the UK that makes illegal certain activities, such as hacking into other people's systems, misusing software, helping a person to gain access to protected files of someone else's computer or introducing malware into computer systems (viruses, trojans, spyware, etc.). The Act (1990) recognised the following new offences and penalties:

- Unauthorised access to computer material (up to six months in prison and/or a hefty fine);
- Unauthorised access with intent to commit or facilitate a crime (up to a five year prison sentence and/or a hefty fine);
- Unauthorised modification of computer material (up to a five year prison sentence and/or a hefty fine);
- Making, supplying or obtaining anything which can be used in computer misuse offences (up to a five year prison sentence and/or an unlimited fine).

4. Third Parties

This policy also 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.

The potential fraudulent actions by tenants could include the following:

- Right to Buy (RTB) and Right to Acquire (RTA) applications where no entitlement;
- Money laundering through property purchase by tenants;
- False statements on property application forms;
- Bogus succession;
- Illegal sub-letting of property.

Other potential fraudulent actions by third parties could include:

- Changing supplier bank details;
- Issuing duplicate invoices;
- Charging for work not done.

5. Review

5.1 The Association's Fraud, Bribery, Corruption and Misappropriation policy will be **reviewed every three years** to ensure its on-going relevance.

SCREENING EQUALITY IMPACT ASSESSMENT

Name of project, policy, function, service or proposal being assessed	Fraud, Bribery, Corruption and Misappropriation Policy
Names and roles of officer(s) completing this assessment	Charles Brotherton, Director of Finance
Section	Finance
Contact details of lead officer for this assessment	cbrotherton@mid-walesha.co.uk
Date SEIA completed	28 July 2015

1. Aims and objectives of the project, policy, function, service or proposal being assessed

	Existing Policy	Action Points
Is this an existing project, policy, function or service, a review or a new proposal?		
What are the aims and objectives of the service?	To minimise risks of fraud, bribery, corruption or misappropriation through a suitable system of controls which control and manage the level of risk such that the residual risk after any mitigating actions can be borne without serious permanent damage to the Association.	
What are the main activities of the service?	Reviewing and 'double checking' of details to ensure they are not fraudulent.	
Will the service be contracted out or commissioned?	N/A	
Will it be delivered in partnership?	Not directly. However, any cases of fraud would be referred to the Police and reported to Welsh Government.	
Which staff members will carry out the function?	Potentially all. However, the key staff will be the Customer Services Officers, concerning lettings, Community Housing Officers, with regard to illegal sub-letting, Development concerning RTB and RTA and Finance concerning creditor payments and bank details.	Training to ensure all members of staff are aware of the fraud risks, how to recognise the warning signs and how to respond.
Who is responsible for the service?	Director of Finance	

Whose needs is this service designed to meet? How does it fit in with the wider aims of the organisation?	Designed to support good governance of the Association.	
Are there any aspects of the service which will be governed by the service provider's judgement? If so, is there clear guidance for staff to prevent any bias?	A fraud response plan has been issued to help provide guidance to staff on how to respond where fraud is suspected.	
At this stage is there anything about the service that you think could disadvantage or discriminate against people with protected characteristics or Welsh speakers?		
<ul style="list-style-type: none"> • Sex/Gender 	<p>The protection against fraud should not disadvantage nor discriminate against those with protected characteristics. Unfortunately there have been instances of disabled individuals dishonestly claiming rights and benefits. Therefore, the same level of diligence needs to be applied to all applications and checking.</p>	
<ul style="list-style-type: none"> • Gender Identity 		
<ul style="list-style-type: none"> • Disability <p>The Equality Act 2010 defines disability as 'a physical or mental impairment which has a substantial and long-term adverse effect on your ability to carry out normal day-to-day activities'. This includes people with sensory and mobility problems, people with learning difficulties, people with mental health needs and people living with a serious health condition.</p>		
<ul style="list-style-type: none"> • Ethnicity 		
<ul style="list-style-type: none"> • Religion and belief 		
<ul style="list-style-type: none"> • Sexuality 		
<ul style="list-style-type: none"> • Age 		
<ul style="list-style-type: none"> • Pregnancy/Maternity 		

• Marriage/Civil Partnership		
• Welsh Language		

2. Equalities monitoring data and any other evidence

What does your equalities monitoring data tell you about this service? Consider data for access to the service (who is using and not using it), outcomes and satisfaction levels. Consider complaints and grievance data (by group).	There have been no recorded instances of fraud and therefore, there is no data to review or analyse.	
Where are your data gaps and how do you intend to fill them in the future?	<u>N/A</u>	
Do you have any other evidence? E.g. national research, regional data.	<u>No</u>	

3. Level of Impact

Based on your evidence and your initial thoughts you will now need to make a judgement as to the potential overall level of impact this service could have on people with protected characteristics/Welsh speakers. At this point you will need to bear in mind your legal obligations under the relevant equalities legislation and Welsh Language Measure. In order to rate this service as low you will need to have strong evidence that there is or will be no differential impact on people with protected characteristics.

HIGH		FEIA required – refer to Equality Review Group
MEDIUM		FEIA required – refer to Equality Review Group
LOW	/	Provide Summary of SEIA within Board/Committee Report Implement agreed action points above.

4. Completion of assessment

Please list all staff, board members and representatives involved in the Assessment.

Name	Position	Signature
Charles Brotherton	Director of Finance	