SP16 Anti Bribery & Anti-Fraud Policy

1. Scope

1.1 This policy sets out Soha's approach to its management of fraud or the potential for fraud, and to safeguard the funds and assets of the organisation, as well as Soha's approach to preventing bribery.

1.2 In law, fraud is defined by the Fraud Act 2006, that came into force in January 2006. It replaces the eight deceptive offences in by the Theft Acts of 1968 and 1978. The term fraud is usually employed to describe acts such as corruption, forgery, extortion, conspiracy, theft, embezzlement, misappropriation, false representation, abuse of position, and failure to disclose information.

1.3 The Anti-Bribery Act 2010 sets out a corporate offence for failing to prevent bribery. For all practical purposes fraud may be defined as 'the use of deception with the intention of obtaining an advantage, avoiding a loss, or causing loss to another party'.

1.4 Soha can be affected by frauds committed by persons either inside or outside of the organisation. Internal fraud could include:

- Misappropriation of equipment or other stocks.
- Diversion of Soha's funds.
- Improper or unauthorised use of Soha's equipment, facilities or property.
- Theft of cash or equipment.
- Improper manipulation of computer data.
- Falsification of claims for expenses or overtime.

1.5 External fraud could include:

- Offers of bribes or inducements.
- Submission of false invoices.
- Demands for payments for unsolicited goods or services.
- Contractor related frauds including overcharging, sub-standard work or collusion in competition for services.
- Failure to disclose information to another party.

2. Aim

2.1 Soha aims to foster a culture of honesty and integrity throughout Board, staff, and involved residents. The highest standards of probity are expected at all times.

2.2 It is Soha's responsibility to ensure there are adequate controls to safeguard its funds and other assets. Whilst it is not possible to guard fully against any loss arising through fraud or other irregularity, controls must be sufficient to ensure that:

- Any risk of loss arising through fraud or other irregularity is minimised; and
- Loss or potential loss is detected as early as possible, and necessary steps are taken to review the control systems and implement required changes.

2.3 Soha staff should understand fraud and bribery will not be tolerated and any suspected fraud, bribery, or irregularity can be raised and investigated without fear of reprisal.

3. Policy Statement

3.1 Fraud, including bribery, could be perpetrated by Board members, management, staff at any level of the organisation, or by organisations or individuals with whom Soha does business, including residents. Soha takes a zero tolerance approach to bribery, fraud and dishonesty, and these acts are strictly prohibited and seen as gross misconduct.

3.2 All officers and staff should always act with honesty and integrity to protect the resources for which we are responsible. All members of Soha's staff must remain alert to the risk that a fraud, bribe, or other irregularity could occur in their area of responsibility. Particular attention must be paid to those areas where there are limited segregations of duty, which could be at senior executive level or any other level of the organisation.

3.3 Soha will comply with its duty under the Fraud Act 2006 to notify other statutory authorities if it suspects fraud may be committed against them (e.g. housing benefit fraud). Soha understands it may be liable under the Act if it fails to disclose such information. Soha will also comply with its duty under the Anti-Bribery Act 2010.

3.4 Officers and staff will at all times comply with the requirements of Soha's Code of Conduct and the NHF Code of Conduct.

4. Implementation

4.1 Zero tolerance

Soha's Board and Management are committed to preventing fraud and bribery. They take responsibility for establishing a culture within the organisation by which fraud and bribery are never acceptable. This stance will be communicated regularly to Board members, staff, involved residents, and others working on Soha's behalf. Training will be provided to all new staff and Board members. This will have regard to SP09 Soha's policy on Gifts, Hospitality and Register of Interests.

4.2 System controls

Soha's management and financial systems have been designed to incorporate appropriate controls for preventing fraud and bribery. These controls include:

- Standing orders, financial regulations and procedure guides
- Internal audit and external audit
- Supervisory and management checks
- Segregation of duties
- Register of Interests

- Computerised control procedures
- Physical security of assets and equipment
- Clearly defined written responsibilities and lines of reporting
- Robust contractor and procurement arrangements
- Due diligence checks when dealing with external agencies, contractors and suppliers.

4.3 Reporting and Action to be taken

4.3.1 Guidance for staff will set out the actions that should be taken if a member of staff, involved resident or Board member suspects that an act of fraud or bribery has taken place. Staff should refer to SP15 Confidential Reporting (Whistleblowing) Policy for details. Any potential bribery attempts should be reported to the Director of Finance & Resources, who will maintain a record which will be reported as standing agenda item to the Audit & Risk Committee.

4.3.2 A report of fraud or bribery will usually result in informing the Chief Executive (unless they are suspected of fraud or bribery). Where the Chief Executive believes there is adequate evidence a fraud has occurred, has been attempted, or is likely to occur, they must report the matter to Soha's internal auditors who will be instructed to carry out a full investigation. During any investigation an appropriate approach will be taken to collect and preserve evidence (without alerting the suspect), maintain detailed and accurate records of all investigatory actions; and ensure that all investigations meet current relevant legislation. The matter must also be reported within 7 days to:

- The Chair of the Board of the Association
- The Chair of the Audit & Risk Committee
- Soha's main regulatory contact (where the fraud is in excess of £5,000 or equivalent in value, or where a senior official of Soha is implicated regardless of monetary value)

4.3.3 The Chief Executive will also decide on the appropriate course of action for reporting incidents to other senior members of staff, and for and seeking the advice from other third parties (e.g. police, insurers, or the regulator) and handling potential reputational damage.

4.3.4 Under Soha's disciplinary procedures committing a fraudulent act constitutes gross misconduct, which may result in the individual concerned being summarily dismissed. Soha will take appropriate action against staff or Board Members who perpetrate fraud and any person whose conduct allows fraud to be committed. Soha will also take all reasonable action to recover any assets which have been lost, and immediately inform the police and the external auditors.

5. Responsibility

5.1 Every member of the Board, management and staff has responsibility for internal control. The Board has ultimate responsibility for the zero tolerance approach, encouraging a culture of honesty and integrity, and ensuring adequate systems of internal control exist. Executive-level responsibility for this lies with the Director of Finance & Resources; however responsibility for specific areas are delegated to managers to ensure that the controls operate effectively, though all employees will remain alert to fraud and bribery.

5.2 All managers must assess the risk associated with their area of responsibility, and review and test the control systems regularly. They must ensure all staff under their supervision clearly understand the risks of fraud, bribery, or other irregularities, comply with the necessary control procedures, and are vigilant to the possibility of fraud and bribery.

5.3 Soha's Director of Finance & Resources, Head of Finance, and Internal Auditors can offer advice and assistance on control issues; however, in establishing effective internal controls, managers should be aware of the following principles of good practice:

- Regular supervision of staff in key functions
- Wherever possible, segregation of duties so that control of all aspects on a key function does not rest with one person
- Not allowing processing backlogs to develop
- Thorough consideration of the controls whenever a new system is introduced

6. Monitoring and Review

6.1 The Director of Finance & Resources will be responsible for maintaining a record of fraud or attempted fraud, detailing its nature and extent, and any implications for Soha's system of controls, as well as a record of any potential bribes. This is sent to the Regulator of Social Housing as part of the Annual Accounts (FVA) submission, is , reviewed by the Audit & Risk Committee at each meeting, and reported to the Board as part of the annual review of effectiveness of the control systems.

6.2 The Director of Finance & Resources will be responsible for submitting a full report on the facts of the case to the Board following a meeting of the Audit & Risk Committee, which will detail the response to the fraud and outline steps taken to improve controls within Soha, so as to prevent any reoccurrence.

7. Resident Involvement

Resident involvement is not required as this is an internal policy.

8. Context

Soha's Code of Conduct

Soha's Financial Regulations

SP15 Confidential Reporting Policy

Anti-Bribery Act 2010

Procurement Arrangements

Theft Acts of 1968 and 1978

Fraud Act 2006

SP09 Gifts, Hospitality and Declaration of Interests Policy

Members' Forum Approved	N/A	Board Approved	29 February 2024
EIA Completed	N/A as this is not a service based policy.	Review Date	By February 2028

Anti-Fraud / Anti-Bribery procedures

If you suspect fraud or bribery

If you come across an apparent irregularity, approach line manager first (unless the suspicions would fall on them, in which case you should speak to the Chief Executive or another Director or a member of the senior leadership team).

If a member of staff, involved resident, or Board member suspects a case of fraud or bribery, they should refer to Soha's Confidential Reporting (Whistleblowing) Policy and the attached guidance. Failure to report suspicions could lead to disciplinary action against that individual.

If a member of staff or Board believes someone has attempted to bribe them, they must report this to the Director of Finance and Resources who will maintain a register.

Staff should be assured that there will be no recriminations against any member of staff who reports reasonably held suspicions in this way, where they have acted in good faith. Equally, however, abuse of the process by raising malicious allegations is likely to be regarded as a serious disciplinary offence. Staff should refer to the Confidential Reporting ("Whistleblowing") Policy for guidance.

Action to be taken where fraud or bribery is suspected

Once informed of an irregularity, a manager must ascertain the full facts of the case, insofar as they are available. If he/she considers a fraud or irregularity occurred, may have occurred, or is likely to occur, they should report this immediately to the Chief Executive, Director of Finance and Resources, and relevant line Director, supported by a formal written report.

If it is possible the suspected irregularities involve the Chief Executive or the Director of Finance and Resources, the matter should be referred to another Director. The Director made aware of the potential irregularity should consult the Chairs of the Board and the Audit & Risk Committee in accordance with the Financial Regulations. They will take appropriate action.

On being told of the suspected fraud, the Chief Executive must establish the facts of the case and decide on what further action, if any, is required, consulting as appropriate with their fellow Directors as set out in Soha's Financial Regulations. The action to be taken will follow the Soha's disciplinary procedures. This may include the removal of books or records relating to the case, and the suspension of the individual concerned, or denial of access to relevant records or equipment.

Where the Chief Executive believes that there is adequate evidence that a fraud has occurred, has been attempted, or is likely to occur, they must report the matter to Soha's internal auditors who will be instructed to carry out a full investigation. During any investigation, an appropriate approach will be taken to the collection and preservation of evidence (without alerting the suspect), maintaining detailed and accurate records of all investigatory actions; and ensuring that all investigations meet current relevant legislation. The matter must also be reported within 7 days to:

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The Chief Executive will also decide on the appropriate course of action for:

- Reporting incidents to other senior members of staff; and
- other third parties (e.g. police, insurers) and handling potential reputational damage;

Under Soha's disciplinary procedures committing a fraudulent act constitutes gross misconduct, which may result in the individual concerned being summarily dismissed. Soha will take appropriate action against staff or Board Members who perpetrate fraud and any person whose conduct allows fraud to be committed. Soha will also take all reasonable action to recover any assets which have been lost, and immediately to inform the police and the external auditors.