



WILLIAMSBURGH
HOUSING ASSOCIATION LTD

Fraud Policy

Revision History

Policy	Fraud Policy
Reviewer(s)	Corporate Services
Committee Name	Management Committee
Number and Date of Meeting	549 – 25 th September 2024
New Policy or Description of Revision	Review and amalgamation of existing Fraud Policy and Anti-Bribery Policy
Equality Impact Assessment Complete	N/A
Data Protection Impact Assessment Complete	N/A
Health and Safety Risk Assessment Complete	N/A
Consultation Complete	N/A
Next Review Date	September 2027

Introduction

Williamsburgh Housing Association (WHA) is committed to conducting our affairs with honesty and integrity. We endeavour to promote and maintain the highest level of ethical standards, in relation to all our business activities. The Association has a zero-tolerance approach towards fraud, bribery and corruption and is committed to acting fairly and with integrity, in all of its business dealings and relationships.

This policy should be considered alongside, and in conjunction with, policies relating to Financial Regulations, Whistleblowing and Entitlements and Benefits.

Aim and Objectives

We will maintain a register of all incidents of actual or attempted fraud.

The register will be reviewed regularly by the governing body and be open to inspection by the Scottish Housing Regulator (SHR) at all times.

Our external auditors will review the register as part of their normal work.

To adhere to anti-bribery laws, we will:

- Set out the responsibilities of WHA and its staff, in observing the statutory prohibition on bribery, and
- Provide information and guidance on how to identify and deal appropriately with bribery.

This Policy applies to all permanent and temporary employees of the Association (including any of its intermediaries, subsidiaries or associated companies). It also applies to any individual or corporate entity associated with the Association or who performs functions, in relation to, or for and on behalf of, the Association, including, but not limited to, Committee members, agency workers, casual workers, contractors, consultants, seconded staff, agents, suppliers and sponsors (“associated persons”). All employees and associated persons are expected to adhere to the principles set out in this Policy.

Purpose and Scope of the policy

This policy sets out the Association’s position on any form of bribery and corruption and provides guidelines aimed at:

- ensuring compliance with anti-bribery laws, rules and regulations, not just within the UK but in any other country to which its business may be connected,
- enabling employees and persons associated with the Association to understand the risks associated with bribery and to encourage them to be vigilant and effectively recognise, prevent and report any wrongdoing, whether by themselves or others,
- providing suitable and secure reporting and communication channels and ensuring that any information that is reported is properly and effectively dealt with, and
- creating and maintaining a rigorous and effective framework for dealing with any suspected instances of bribery or corruption.

It is an offence in the UK to:

- offer, promise or give a financial or other advantage to another person (i.e. bribe a person), whether within the UK or abroad, with the intention of inducing or rewarding improper conduct,
- request, agree to receive or accept a financial or other advantage (i.e. receive a bribe) for or, in relation to improper conduct, and
- bribe a foreign public official.

Individuals can be held personally liable for any such offence.

Procedures

All employees and associated people are required to:

- comply with all anti-bribery and anti-corruption legislation that applies in any jurisdiction in any part of the world in which they might be expected to conduct business,
- act honestly, responsibly and with integrity, and
- safeguard and uphold the Association's core values by operating in an ethical, professional and lawful manner at all times.

The Association's rules and procedures, in relation to the receipt of business gifts from third parties and corporate hospitality offered to or received from third parties are contained within our Gifts and Hospitality Policy. This forms part of the Association's zero tolerance policy towards bribery and it should be read in conjunction with this Policy.

Any staff or Committee member who becomes aware of, or is suspicious of actual or attempted fraud, must immediately notify the Chief Executive or Head of Finance, who will ensure that:

- the Management Committee are advised at the earliest opportunity,
- the details of the incident are recorded in the Register of Fraud,
- the Association's auditors are invited to investigate the matter. All staff and Committee members will afford every assistance in this investigation,
- if appropriate, the matter is reported to the police to make enquiries, and
- action taken is recorded in the fraud register.

The Association's internal control procedures will be considered, on an annual basis, but any specific recommendations, in response to a particular incident, will be discussed by the Association's Management Committee, in reviewing such a situation.

Any fraudulent activity will be dealt with in the severest fashion. Should it involve a member of staff, the Association's disciplinary procedures will be invoked. Fraud will be regarded as gross misconduct and, as such, may lead to dismissal.

The Association acknowledges that fraud is becoming an increasing problem and, as the environment in which we operate changes, the types of fraud are becoming more sophisticated.

The Association will take cognisance of the SHR's Regulatory Advice Notes which identify incidents of fraud against RSLs.

The Scottish Housing Regulator expects us to ensure that the Association has effective procedures in place, to mitigate the risk of fraud occurring. The Regulator has also provided examples of some of the different types of fraud notified to them:

- Impersonation.
- Mandate Fraud.
- Fraudulent Cheques.
- Overcharging or Double Billing by a contractor.
- Fraudulent Claiming of Expenses.
- Online banking.

In terms of their requirements, the Regulator quotes Regulatory Standard 3.1:

“The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and controls costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times”.

and Regulatory Standard 4.3:

“The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit”.

SHR expects RSLs to have robust procedures in place, to minimise the risks of any attempts at fraud being successful and that any attempted fraudulent activity is reported through the notifiable events process.

They also require that our governing body (the Management Committee) and staff are aware of Regulatory Advice Note: Incidents of Fraud Against RSLs in Scotland, December 2019 (Appendix No.1).

Record keeping

All accounts, receipts, invoices and other documents and records relating to dealings with third parties must be prepared, in accordance with the Association's Financial Regulations Policy and be maintained with strict accuracy and completeness. No accounts must be kept "off the record" to facilitate or conceal improper payments.

Evaluation and Monitoring

It is fundamental to Williamsburgh Housing Association's operation that we conduct ourselves with honesty and integrity. To maintain standards of conduct and probity, we must have procedures in place to manage incidents involving actual or attempted fraud.

This paper identifies how we will seek to achieve the highest standards of integrity in the management of Williamsburgh Housing Association.

The Register of Fraud will be presented for the Committee's consideration, on an annual basis, for monitoring purposes. On an ongoing basis, the arrangements will be monitored, with individual incidents being dealt with as they arise.

The register will always be available to the Scottish Housing Regulator.

The external auditors will review the register as part of their normal audit work.

Review

The Management Committee will have regard to this policy each year, in order that it can be brought to the attention of new Committee members.

Any revisions deemed necessary can be considered at that time, otherwise the policy will be reviewed by the Management Committee annually, to ensure that it responds to any changing circumstances.

Appendix No. 1 - Regulatory Advice Note: Incidents of Fraud Against RSLs in Scotland, December 2019 (Appendix No.1).



Scottish Housing
Regulator

To: The Chair and Senior Officer of Registered Social Landlords

11 December 2019

Dear colleague

Incidents of Fraud against RSLs in Scotland

I am writing to you to alert you to a matter that has recently come to our attention.

A small number of RSLs have told us they have been the subject of fraud and/or attempted fraud. Fraud remains a problem for RSLs and as the operational environment changes, many traditional types of fraud still exist but others are becoming more sophisticated. The annex to this letter provides examples of some of the different types of fraud that have been notified to us.

Regulatory Standard 3 requires each RSL to ensure security of assets.

Regulatory Standard 4 requires each RSL to ensure they identify risks that might prevent it from achieving the RSL's purpose and have effective strategies and systems for risk management and mitigation, internal control and audit.

Many RSLs have effective risk management arrangements, however given the targeting of the sector, it is appropriate for RSLs to review the adequacy of the procedures in place to minimise the risks of any attempts at fraud from being successful.

Ensuring that there is senior-level focus on managing these risks, and devoting appropriate time and resource to doing so, will help to safeguard the interests of tenants and service users and maintain effective internal controls in this area.

If you uncover any activities that you believe to be fraudulent, you should continue to advise us through our [notifiable events](#) process.

I should be grateful if you would draw this advice to the attention of the appropriate staff within your organisation.

If you have any questions on this matter please get in touch with the lead regulator for your organisation or [contact us](#).

Yours Sincerely



Ian Brennan
Director of Regulation

Annex to Regulatory advice note

Impersonation

In this type of fraud, the fraudster will impersonate a member of staff from within the organisation, generally the senior officer. The fraudster will send an email requesting a payment be made that will appear to be a genuine request from that member of staff. The email or a subsequent email will provide the bank details that would see a transfer of funds being made to the fraudster's account.

Mandate Fraud

For this type of fraud, the fraudster will make contact and request that payment details for one of your supplier or contractor organisations be updated. A failure to have sufficient checks in place to ensure that the request is genuine will see the payment being forwarded to the fraudster's bank account.

Fraudulent Cheques

This will see a false cheque drawn on the RSL's bank account being presented at a high street clearing bank. The false cheque could either have been created by the fraudster, be as a result of a cheque book that was issued by the bank to the RSL being intercepted, or it could be a genuine cheque but with a signatory who lacks the authority to sign cheques.

Overcharging or Double Billing by a Contractor

These frauds occur when a contractor issues an invoice for work that has not yet been completed or where a customer is charged twice for the same product or service. There is a greater risk of this occurring where milestone agreements are in place that determine when payments should be made.

Fraudulent Claiming of Expenses

This is a fraud perpetuated by a member of staff, which will see the fraudulent claiming of expenses not permitted by the organisation's policy. The risk of this is increased where there is insufficient segregation of duties.

Online Banking

Internet Banking Fraud is a fraud or theft committed using online technology to illegally remove money from a bank account and/or transfer money to an account in a different bank. Internet Banking Fraud is a form of identity theft and is usually made possible through techniques such as phishing