



POLICY

Anti- Fraud

1. Introduction and Policy statement

Citizen is committed to the prevention, detection, rigorous investigation, and elimination of fraud within the organisation. All employees, Board and Committee Members have a responsibility to act honestly, with integrity and to safeguard the assets and reputation of the organisation.

The Board and Executive Leadership Team will ensure that fraud awareness is maintained across the organisation, through the regular review of risk and internal controls, and that employees are properly trained to detect or deal with any irregular activities or suspicions.

This policy is designed to ensure compliance with:

- The Fraud Act 2006 and the Bribery Act 2010
- The Regulator of Social Housing's Governance and Financial Viability Standards;
- The Group's insurance policies; and
- The Groups Standing Orders and Financial Regulations.

2. Scope and definition

This policy covers any fraud or suspected fraudulent activity involving Board and committee members, employees¹, contractors, consultants, suppliers, partners, customers and other service users.

'Fraud' describes acts such as deception, bribery, forgery, extortion, corruption, theft, embezzlement, misappropriation, false representation, concealment of material facts, collusion and money laundering.

Fraudulent acts are those where the perpetrator uses:

- deception to gain an advantage,
- avoids an obligation or
- causes loss to another party.

Any attempt to deceive is committing fraud, so attempted fraud is as serious as actual fraud.

The Fraud Act 2006 is main legislation that we must adhere to and this is split into three principal categories:

¹ Employees includes relief workers, students on placement and volunteers



- fraud by false representation;
- fraud by failure to disclose information; and
- fraud by abuse of position.

The Group must also demonstrate compliance with the Bribery Act 2010. This has four principal bribery offences:

- bribing someone to encourage or reward 'improper performance' of a function or activity - this includes offering, promising or giving a bribe;
- being bribed resulting in an activity or function being 'improperly performed' or resulting from an activity or function being 'improperly performed' – this includes requesting, agreeing to receive or receiving a bribe;
- bribing a foreign public official; and
- the corporate offence - where someone associated with an organisation commits an act of bribery to obtain or retain business or a business advantage.

A bribe is 'a gift or reward given, offered or received to gain any business, commercial or personal advantage.'

This policy should be used where there is suspicion or evidence of any fraudulent activity that falls within the definitions above. All employees, Board and Committee Members have a duty to report any incidence of suspected or actual fraudulent activities.

3. Policy Principles

Identifying and preventing

Citizen expects all of those who work for us, with us or on our behalf to demonstrate the highest legal, ethical and moral standards. Individuals, including staff members, Board and Committee Members are expected to be alert and remain vigilant and assist the organisation in the identification and prevention of fraud.

Types of fraud that can occur include:

- Lettings, allocations and rent - unlawful subletting, rent set below permitted values, tenancy fraud, bribes accepted for offering cheaper rent, properties setup at zero rent but cash collected;
- Asset management - inflated costs for works through variation orders, bribes for contract awards, use of unapproved contractors;
- Development - site finder fees, payment made to non-approved contractors, inflated pricing, unapproved variations to agreed pricing, undetected contracts, false grant claims;
- Support and care schemes - interception of residents' mail, theft from residents' bank accounts and cash funds, petty cash misappropriation;
- Procurement fraud - collusion, bribery for contract awards;



- Misappropriation of assets - theft before entry in accounting records, cheque tampering schemes, fictitious invoice schemes, payroll fraud, sale of confidential information, e.g. customer databases;
- Financial statement fraud - overstating assets or revenues, understating liabilities or costs;
- Supplier fraud - change of supplier/bank details, false invoicing, and collusion with purchasing staff to supply goods for their personal use paid for by the organisation.

The organisation may participate in any anti-fraud initiative, in conjunction with other parties including Local Authorities, Regulators, and other agencies to assist in the prevention and detection of fraud. The organisation expects all staff, Board and Committee members to support these initiatives as reasonably requested.

Reporting

Citizen expects all individuals and organisations associated with the organisation to act with integrity and that Board Members and employees at all levels lead by example.

All employees, Board and Committee members must report any fraud or suspicion of fraudulent activity as soon as possible. This should be reported to either:

- a member of the Executive Leadership Team or the Company Secretary,
- the Chair of the Audit and Risk Committee or,
- Board or internal audit partner if it involves a member of the Executive Leadership Team.

As soon as any fraud or suspicion of fraud is reported they will follow the actions set out in Citizen's Fraud Response Plan.

In addition, fraudulent acts or suspected fraudulent acts can be reported on a confidential basis in accordance with the Whistle Blowing Policy.

Citizen encourages anyone to report suspicions of fraudulent activity, and it will ensure that no employee will suffer because of reporting reasonable suspicions². All employees can be confident that they will not suffer in any way if they act in accordance with this policy.

Investigation and remediation

The Board is committed to maintaining an honest, open and well-intentioned culture within the organisation and is committed to the elimination of any fraud or falsified reporting within the organisation, and to the rigorous investigation of any suspected cases. All reports of suspected fraud will be taken seriously and investigated as appropriate. Any investigation will be conducted with complete impartiality to the position of the person accused of the fraud.

² 'Reasonable suspicions' will mean any suspicions which are not raised maliciously and found to be groundless



Citizen expects all staff, Board and Committee members to cooperate with any reasonable request for information and assistance during an investigation and expects individuals to act in accordance with any confidentiality requirements.

If fraud is found, disciplinary action will be taken, and an appropriate sanction applied. Where there are sufficient grounds, the organisation will seek recovery of losses through civil proceedings and/or assist the police in the investigation and criminal prosecution of perpetrators.

The organisation also expects its tenants and service users to be honest in their dealings. This means action will be taken against tenants or other service users, contractors, consultants, partners, or suppliers, where there is suspicion of fraudulent activity in the claiming of services and grants

4. Roles, responsibility and authority

The effective implementation of this Policy is the responsibility of the Chief Financial Officer. The Chief Financial Officer or Audit and Risk Committee can appoint an investigating officer to carry out any investigation into fraudulent activity. This can be an employee of Citizen or a third party.

5. Policy Management and Delivery

We will provide relevant training, capacity building and support across all levels of the organisation (including employees, Boards and Partners). The level of training they receive will be considered in proportion to the role within the organisation, clients they work with and risk they are potentially dealing with.

6. Policy monitoring and review

This policy will be reviewed every three years unless there is a change in statute or regulation.

7. Equality analysis

An equality analysis has been carried out and shows that this policy has or has the potential to have a positive impact on all individuals regardless of their protected characteristic as per the Equality Act 2010.

In framing this policy, our staff are committed to not discriminate adversely against any group and will respect the diversity of the communities we are working within.

Useful Contacts

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VERSION CONTROL

VERSION	DATE	AMENDMENTS	APPROVED AT/BY	REVIEW
V 2.0	18 Jul 2019	Procedure in new Citizen brand format	Abbie Kilcline	Feb 2022
[VERSION]	[DATE]	[AMEND MADE]	[NAME]	[DATE]
[VERSION]	[DATE]	[AMEND MADE]	[NAME]	[DATE]