



**ANTI FRAUD &  
CORRUPTION POLICY  
2022-2024**

## Anti-Fraud and Corruption Policy

Adopted / Date Reviewed:	Adopted 30 April 2019 / Reviewed April 2022
Review Period: Next Review:	3 Years April 2024
Contact Officer:	Assistant Director of Governance and Regulation
Policy Version:	Second Version
Version Reviewed by: Version Approved by:	ELT 23 March 2022 ARC 12 April 2022
Policy Links:	<a href="#">Code of Conduct</a> <a href="#">Financial Regulations</a> <a href="#">Standing Orders/Delegations</a> <a href="#">Procurement Rules</a> <a href="#">Whistleblowing Policy</a> <a href="#">Probity Policy</a> <a href="#">Mobile Device Policy</a> <a href="#">Information Systems Security Policy</a> <a href="#">Anti-Bribery Policy</a> <a href="#">Anti-Money Laundering Policy</a> <a href="#">Disciplinary Policy and Procedures</a>

### Brief Policy Summary:

LHP is committed to the highest possible standards of openness, probity, and accountability in all its affairs. This policy sets out LHP's approach to preventing and mitigating the risks of fraud and corruption.

This policy is designed to:

- encourage prevention through a culture of openness and honesty.
- promote detection and reporting.
- ensure effective investigation where suspected fraud or corruption has occurred; and
- prosecute offenders where appropriate.

## Contents

1. Introduction .....	4
2. Scope .....	4
3. Definitions.....	5
4. Detecting Fraud and Corruption.....	6
5. Responsibilities.....	7
6. Safeguards .....	8
7. Investigating Fraud and Corruption Concerns .....	10
8. Alternative methods for taking a concern forward.....	8
9. Reporting Fraud and Corruption .....	10

## **1. Introduction**

- 1.1 The prevention and elimination of fraud and corruption including its detection and effective action in response to incidents is a priority for Lincolnshire Housing Partnership (LHP). We are committed to the rigorous investigation of any such allegations and to taking appropriate action against those found guilty of committing such offences, including possible criminal prosecution, as well as undertaking steps to recover any loss as a result of fraud.
- 1.2 Bribery is a specific type of fraud and usually involves corruption of some description. The LHP's Anti-Bribery Policy sets out LHP's detailed position and measures to comply with the Bribery Act 2010.
- 1.3 Fraud is dishonestly making a false representation to make a gain for yourself or another or dishonestly failing to disclose to another person, information which you are under a legal duty to disclose, or committing fraud by abuse of position, including any offence as defined in the Fraud Act, 2006.
- 1.4 Corruption is 'the offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.
- 1.5 Other legislation which is relevant to this policy is the Theft Acts, 1968 and 1978 and the Police and Criminal Evidence Act, 1984.
- 1.6 There is an expectation and requirement that all colleagues be fair and honest, and if able to do so, provide help, information, and support to assist the investigation of fraud and corruption.
- 1.7 Colleagues have a duty to protect LHP's assets including information, goodwill, and reputation, as well as property. Committing fraud will normally, dependent upon the circumstances of the case, be regarded as gross misconduct thus warranting summary dismissal without previous warnings. However, no such action will be taken before a proper investigation and a disciplinary hearing has taken place. Such actions may be in addition to the possibility of criminal prosecution.

## **2. Scope**

- 2.1 This policy applies to all current and former LHP employees, Board and Committee Members, Board Trainees and all agency staff, consultants, contractors, and volunteers – collectively referred to as colleagues in this policy.
- 2.2 The policy applies to any fraud or attempted fraud perpetrated against LHP and all associated companies, joint ventures, or partnership arrangements, which includes:
  - Employee fraud where benefit is obtained directly from LHP.
  - Theft of cash or other assets e.g., building materials which involves false accounting to conceal the loss.

- Where LHP equipment is used for personal use e.g., unauthorised private use of LHP vehicles. Undertaking personal tasks in 'works time' – e.g., shopping, unauthorised use of IT facilities such as the Internet, and any other such activities that could reasonably fall under this classification.
- Employee Fraud against a third party - Where an employee abuses a position of trust to defraud a third party e.g., a warden who has access to the cash and property of an elderly person.
- External Fraud - Where individuals or companies fraudulently obtain money from LHP, e.g., invalid invoices/work not done.
- Money Laundering – “the process by which criminal proceeds are sanitised to disguise their illicit origins.” Further detail can be found in the LHP Anti-Money Laundering policy. This policy ensures compliance with relevant legislative requirements e.g. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003.
- Benefit fraud - false declarations of income or statements of residency.

2.3 Examples of corruption and bribery areas exposed to risk include:

- Tendering and award of contracts.
- Settlement of contractors' final accounts and claims.
- Appointment and reward of consultants.
- Acceptance of hospitality and other benefits e.g., free holidays.
- Awarding of permissions and licences.

2.4 Other activities of LHP colleagues which are unlawful, fail to comply with LHP procedure, rules, or policies or which fall below established standards or practices may be investigated under this plan following consideration by management and on advice from Human Resources and Internal Audit. Concerns or allegations which fall within the scope of other, existing, procedures (e.g., child protection or discrimination issues) will normally be dealt with under those procedures.

### 3. Definitions

3.1 **Fraud by false representation** - by dishonestly making a false representation intending by making the representation to make a gain for yourself or another, or to cause loss to another or expose another to risk of loss. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading. An example of this would be a colleague submitting a false expense claim form for payment.

3.2 **Fraud by failing to disclose information** - by dishonestly failing to disclose personal information which you are under a legal duty to disclose and intend, by failing to disclose the information, to make a gain for yourself or another, or to cause loss to another or expose another to the risk of loss. An example of this

would be an employee failing to disclose a criminal conviction that would affect their working practices.

- 3.3 **Fraud by abuse of position** - by occupying a position in which you are expected to safeguard, or not to act against, the financial interests of another person, and dishonestly abusing that position, intending, by means of the abuse of that position, to make a gain for yourself or another, or to cause loss to another or to expose another to a risk of loss. An example of this would be a colleague diverting company monies from an LHP's bank account into their own personal bank account.
- 3.4 The Fraud Act includes the three offenses above and covers offences of obtaining services dishonestly and possessing, making, and supplying articles for use in fraud, as well as containing an act of fraudulent trading applicable to non-corporate traders.
- 3.5 **Bribery** – Giving (or offering) or receiving (or requesting) a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010). Including:
- Bribery of another person.
  - Accepting a bribe; Bribing a foreign official; and
  - Failing to prevent bribery.

#### **4. Detecting Fraud and Corruption**

##### **Systems of Internal Control**

- 4.1 Internal controls such as budgetary controls, segregation of duties, internal checks and employee supervision are designed to minimise the incidence of fraud, limit its impact, and assure its prompt detection.
- 4.2 Prevention and detection of fraud is only possible where strong internal controls are present and constantly applied. Routine checks and monitoring by management are therefore essential.
- 4.3 A culture of strong management control will have a deterrent effect when it is known that management are actively involved in ensuring that procedures are followed.
- 4.4 The Corporate Head of Risk & Assurance assists management in preventing fraud by examining and evaluating the adequacy and effectiveness of internal control systems and by making recommendations for improvement.

##### **Recruitment**

- 4.5 The recruitment of suitable colleagues is the LHP's first defence in preventing fraud and the adoption of best practice processes must be strictly adhered to.

- 4.6 All employees where appropriate will be subject to a Disclosure and Barring Service (DBS) check or an enhanced DBS check prior to appointment. DBS checks will be refreshed every three years.

### **Culture and Awareness**

- 4.7 Colleagues are often the first to realise that there is something seriously wrong within LHP. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to LHP. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. Therefore, it is important we have a culture within which colleagues feel safe to raise concerns.
- 4.8 Colleagues need to be aware of this policy and how to identify fraud and corruption. This will be addressed as part of induction, formal training, and regular notices regarding changes to financial procedures.

## **5. Responsibilities**

- 5.1 **The Board** - has a duty to ensure that there is a secure environment in which to work, and one where colleagues are confident to raise concerns without worrying that it will reflect badly on them. It has a duty to ensure that concerns raised are listened to and addressed and colleagues feel protected when carrying out their official duties and are not placed in a vulnerable position. The Board has a duty to ensure colleagues receive adequate training and support to carry out their responsibilities.
- 5.2 **Colleagues** - All colleagues should be aware of LHP's Anti-Fraud and Corruption policy and have a personal responsibility to identify and report suspicions of fraud and corruption. All colleagues should take the necessary steps to minimise the risk to LHP and where appropriate report details of detected, suspected, or attempted fraud.
- 5.3 **Managers** – are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. The prime responsibility for the prevention and detection of fraud rests with managers through the implementation and operation of internal controls and the fostering of an anti-fraud culture but requires the co-operation of all colleagues. Managers also have a responsibility to take seriously any concerns raised with them and engage in the investigation process as required.
- 5.4 LHP encourages members of the public who suspect fraud and corruption to report this to LHP, either by post or email to [Fraud@lincolnshirehp.com](mailto:Fraud@lincolnshirehp.com)
- 5.5 **The Assistant Director of Governance and Regulation** - is responsible for receiving any allegations of fraud or corruption, maintaining the Fraud and Corruption Register, overseeing the investigation of any suspected fraud and corruption and onward reporting regarding fraud or corruption to the Chair of the

Board, the Chair of Audit and Risk Committee and other external bodies such as the Police or other agency, as appropriate.

- 5.6 **The Chief Executive** - is responsible for informing the RSH about actual or suspected frauds.
- 5.7 **The Executive Director of Strategy, Culture & Digital** - is responsible for answering requests for references for employees who have been disciplined or prosecuted for fraud.

## 6. Safeguards

- 6.1 **Confidentiality** – All concerns will be treated in confidence and every effort will be made not to reveal the identity of colleagues if they so wish. At the appropriate time, however, colleagues may need to come forward as witnesses.
- 6.2 **Anonymous allegations** – This policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much more difficult to act upon, but they will be considered at the discretion of the LHP. In exercising this discretion, the factors taken into account include:
- the seriousness of the issues raised.
  - the credibility of the concern; and
  - the likelihood of confirming the allegation from attributable sources.
- 6.3 **Untrue Allegations** – If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious or vexatious allegations, disciplinary action may be considered against the individual making the allegation.

## 7. Raising a concern

- 7.1 Before raising a concern, this policy should be read in conjunction with other relevant policies and procedures published by LHP, in particular those listed at the front of this policy. Fraud and corruption concerns fall within the definition of Whistleblowing and so the Whistleblowing policy will be followed in investigating these concerns.
- 7.2 Raising a concern about fraud and corruption is often difficult, and colleagues may feel unsure whether to raise a concern and uncertain about how to do it. Support is available internally – colleagues can discuss the issue before raising a concern with their line manager, the Human Resources team, the Chief Executive, another member of the Executive Leadership Team, the Governance Team, their union representative, or the LHP's Whistleblowing Champion (the Chair of the Audit & Risk Committee). Colleagues can also call the LHP's external whistleblowing hotline Safecall or seek external support from the charity Protect (formerly Public Concern at Work).
- 7.3 When colleagues raise a concern, they should provide as much detail as possible. Colleagues may be asked to confirm the details in writing including



supporting evidence if this is available. So, it is helpful to start making a record of the concerns as soon as any worries emerge, even if the colleague is unsure at that stage whether they should raise their concerns. When raising a concern colleagues should try to provide the following information:

- the background and reason behind the concern.
- whether you they have already raised a concern with anyone and the response.
- whether you they have a personal interest in the concern; and
- any relevant dates.

7.4 Colleagues should raise concerns either verbally or in writing at the earliest available opportunity with their line manager. If this is not appropriate, or the concerns are not addressed, colleagues can raise a concern:

- through the confidential reporting form on Basecamp. This area is only accessed and monitored by the Assistant Director of Governance and Regulation (ADGR) and the Governance Manager.
- by emailing [Fraud@lincolnshirehp.com](mailto:Fraud@lincolnshirehp.com) which is sent to the ADGR and the Governance Manager.
- with the Human Resources team, the Chief Executive, another member of the Executive Leadership Team, the Governance Team, a union representative, or the LHP's Whistleblowing Champion (the Chair of the Audit & Risk Committee); or
- to the LHP's Whistleblowing hotline: <https://www.safecall.co.uk/>

7.5 If the concern relates to suspected wrongdoing by a member Executive Leadership Team, colleagues can raise it directly with the Assistant Director of Governance and Regulation or the LHP's Whistleblowing Champion (the Chair of the Audit & Risk Committee).

7.6 If the concern has been raised in line with the Whistleblowing policy, an internal investigation has been concluded, and the worker reasonably believes that the appropriate action has not been taken and the concerns have not been adequately addressed, they should report the matter to the Regulator of Social Housing who is the prescribed person under the PIDA for Housing Associations.

Tel: 0300 124 5225

[enquiries@rsh.gov.uk](mailto:enquiries@rsh.gov.uk)

[www.gov.uk/government/organisations/regulator-of-social-housing](http://www.gov.uk/government/organisations/regulator-of-social-housing)

7.7 Raising a concern outside the prescribed routes listed in the Whistleblowing policy, for example, with the media, campaign groups, on social media or with political parties, is only protected by PIDA in very limited circumstances and could, if it amounts to an unauthorised disclosure, result in disciplinary action. If employees take matters outside of LHP, they will need to ensure that they do not

disclose confidential or legally privileged information. As such, it is advisable that employees take appropriate advice before proceeding.

## **8. Investigating Fraud and Corruption Concerns**

- 8.1 Having proper and consistently applied procedures for reporting and investigating fraud has an important part to play in preventing further fraud.
- 8.2 Any matter raised under this policy will be investigated thoroughly, fairly, consistently, promptly, and professionally in line with the Whistleblowing Policy. The person who raised the concern will be informed of how the concern will be investigated, the progress of the investigation, and the outcome of the investigation, if appropriate.
- 8.3 LHP investigations on all suspected fraudulent activity will remain confidential but the lessons to be learned from each incident will be shared as appropriate.

## **9. Reporting Fraud and Corruption**

- 9.1 All cases of potential or actual fraud and corruption will be recorded in the Fraud Register. Incidents of fraud will be reported to the Audit and Risk Committee within the quarterly Probity and Compliance report.
- 9.2 Any instances of suspected fraud involving Board/Committee Members or Executive Directors, irrespective of the value involved, and for other colleagues where the estimated loss exceeds £5,000 will be reported to the Regulator of Social Housing (RSH).
- 9.3 LHP completes an annual return to the RSH detailing instances of fraud.

## EQUALITY IMPACT ASSESSMENT

<i>Insert Name of Policy</i>			
Provide a brief summary of the aims and main activities of the initiative (bullet points):			
This policy sets out LHP's approach to preventing and mitigating the risks of fraud and corruption, and where instances occur to investigate, manage, and report.			
Completed By:	Assistant Director of Governance and Regulation	Date:	17 March 2022

### Guidelines: Things to consider

- Where a negative (i.e., adverse) impact is identified, it may be appropriate to make a full EIA (see Stage 2), or, as important, take early action to redress this – e.g., by abandoning or modifying the initiative. NB If the initiative contravenes equality legislation, it must be abandoned or modified.
- Where an initiative has a positive impact on groups/community relations, the EIA should make this explicit, to enable the outcomes to be monitored over its lifespan.
- Where there is a positive impact on particular groups, does this mean there could be an adverse impact on others, and if so, can this be justified? - e.g. Are there other existing or planned initiatives which redress this?
- It may not be possible to provide detailed answers to some of these questions at the start of the initiative. The EIA may identify a lack of relevant data, and that data-gathering is a specific action required to inform the initiative as it develops, and to form part of a continuing evaluation and review process.
- It is envisaged that it will be rare for full impact assessments to be required. Usually, where there are particular problems identified in the screening stage, it is envisaged that changing the approach at this stage, and/or setting up a monitoring/evaluation system to review a policy's impact over time will tackle the problem.

## EQUALITY IMPACT ASSESSMENT

### STAGE 1: SCREENING

This stage establishes whether a proposed initiative will have an impact from an equality perspective on any particular group of people or community – i.e., on the grounds of race, religion/faith/belief, gender (including transgender), sexual orientation, age, disability, or whether it is “equality neutral” (i.e., have no effect either positive or negative).

Q 1. Who will benefit from this initiative? Is there likely to be a positive impact on specific groups/communities (whether or not they are the intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality ‘neutral’ i.e., will have no particular effect on any group? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

It is expected that this policy will be equality neutral – as applies equally to all employees, Board and Committee Members.

Q 2. Is there likely to be an adverse impact on one or more minority/under-represented or community group as a result of this initiative? If so, who may be affected and why: Or is it clear at this stage that it will be equality ‘neutral’? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

It is expected that this policy will be equality neutral.

Q 3. Is there sufficient data on the target beneficiary groups/communities? Are any of these groups under or overrepresented? Do they have access to the same resources? What are your sources of data and are there any gaps? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

LHP collects diversity data on its employees, Board and Committee members and compares the diversity profile to the profile of the communities within which LHP serves (ONS data).

## EQUALITY IMPACT ASSESSMENT

Q 4. Outsourced services – if the initiative is partly or wholly provided by external organisations / agencies, please list any arrangements you plan to ensure that they promote equality and diversity. *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

NA

Q 5. Is the impact of the initiative (whether positive or negative) significant enough to warrant a full impact assessment – see guidance? If not, will there be monitoring and review to assess the level of impact over a period of time? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

No

Q 6. To be completed at six monthly review Detail actions taken to assess the level of impact over a period of time, or to address any gaps in data. *Please consider all aspect of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*