**GREENGATE HOUSING COOPERATIVE ANTI FRAUD POLICY**

1.1 GHC will operate a zero tolerance policy towards Fraud by its employees, board members, contractors, agents and other associated persons. Breaches of this policy are likely to constitute a serious disciplinary, contractual and/or criminal action for the individual(s) concerned.

2. **APPLICATION OF THE POLICY**

2.1 GHC will apply the principles set out this Policy fairly, openly and transparently

2.2 The Policy applies to all employees and board members of GHC and will also apply the provisions of the Policy to all individuals and organisations having a relationship with GHC, including contractors, agents and consultants.

2.3 All the parties listed above are required to familiarise themselves with this Policy and the processes and procedures contained with it and to make sure they follow it at all times throughout their relationship with GHC.

3. **DEFINITION OF FRAUD**

3.1 In law there is no specific offence of fraud. For the purposes of this Policy, it is defined as “the use of deception with the intention of gaining an advantage, avoiding an obligation or causing loss to another party”.

3.2 For practical purposes, fraud may include such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. The criminal act is the attempt to deceive; attempted fraud is therefore treated as seriously as accomplished fraud.

4. **EXAMPLES OF FRAUD**

4.1 The following list contains some examples of fraudulent acts which should set alarm bells ringing and which should be reported to the Chief Officer or Chairperson of the board. These are to give you examples of the sort of behaviour which is unacceptable and which could have serious consequences:

4.2 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);

4.3 Corruption

• Conflicts of interest (e.g. external directorships; engaging in personal transactions which might affect the business);

• 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.

4.4 Fraudulent Statements

• Manipulation of information to improve apparent performance;

• Interference with debtors, creditors, ledgers or other financial information.

4.5 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.

4.6 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.

5. **STRATEGY AND PRINCIPLES**

5.1 GHC recognises the potential for fraudulent activity taking place within or targeting any area of its business. At a strategic level, the key elements of tackling this risk involve:

• developing and maintaining an anti-fraud culture;

• creating a strong deterrent effect;

• preventing fraud by designing weaknesses out of processes and systems;

• detecting fraud, where it is not prevented;

• investigating suspicions of fraud in an expert, fair and objective manner;

• seeking to apply a range of sanctions where fraud is believed to be present;

• seeking redress and recovery of any losses that are incurred.

5.2 Central to this anti-fraud ‘strategy’ is a range of operational policies, systems and procedures that are designed to deter, and enable detection and reporting of fraud. In particular, this includes:

• the Financial Regulations, Treasury Management, and Delegated Authority policies and the controls detailed therein;

• the Standing Orders and other governance related policies, covering matters including Whistleblowing, Payments and Benefits and Conflict of Interest; and the associated management systems;

• service based policies, guidance and operating procedures covering tenancy related matters; repairs, maintenance and development activities; staff recruitment and procurement.

5.3 Established Internal Audit arrangements further support the detection of fraud, through testing the appropriateness, adequacy, effectiveness and robustness of relevant policies and systems. Similarly, through the annual examination of the financial statements, the External Auditor identifies any audit and accounting issues and assesses the effectiveness of internal control.

6. **ROLES AND RESPONSIBILITIES**

6.1 The Chief Officer is responsible for ensuring GHC:

• operates an anti-fraud culture;

• maintains effective risk management and internal control systems;

• has relevant policies and systems in place to deter, detect and report suspected fraudulent activity;

• Maintains appropriate procedures that ensure reported incidents of suspected fraud are promptly and vigorously investigated; and effective sanctions and redress are applied in instances where fraud is detected.

6.2 Staff Members

6.3 In most situations, employees will be the first to see or suspect serious misconduct and are responsible for

• being vigilant to possible indicators of fraud or attempted fraud, within their respective areas of work;

• reporting any suspicions of fraud or attempted fraud they encounter; and otherwise,

• acting with integrity and propriety, within the law, and in accordance with relevant policies, systems and procedures.

6.4 Similarly, staff members should report to their line manager any areas of weakness they identify in procedures or systems; or suggested ways of reducing the possibility of fraud.

7. **REPORTING FRAUD**

7.1 If you believe or suspect that a breach of this Policy has taken place, or may occur in the future – for example if a contractor offers you something in return for business – you must notify the Chief Officer or Chairperson immediately

7.2 You must tell the Chief Officer or Chairperson if someone tries to involve you in fraud, suspect that this may happen in the future or if you think you are a victim of another form of unlawful activity.

7.3 You must tell the Chief Officer or Chairperson if you have any concerns or suspicions that any of your colleagues may be involved in fraud or corruption at the earliest opportunity.

7.4 In the event that you make such reports and find that they are not being properly investigated or considered, you should bring your evidence to the officer of Salix Homes responsible for monitoring GHC.

8. **INVESTIGATION OF FRAUD**

8.1 GHC is committed to the rigorous investigation of any suspected fraud.

8.2 A breach of the Policy by an employee will be treated as a disciplinary matter under the contract of employment and appropriate sanctions applied, which may include instant dismissal. An investigation into any allegation of such a breach made against an employee will be conducted in accordance with the disciplinary procedures contained in the conditions of employment.

8.3 A breach of the Policy by a board member will be treated as a breach of the duties and obligations to GHC. An investigation into any allegation of such a breach made against a board member will be conducted in accordance with GHC's relevant policies for such investigations and an appropriate sanction may be applied in accordance with GHC's Code of Conduct, Standing Orders and the constitution of Greengate Housing Co op. This may lead to the removal of the Member from the board.

8.4 Where GHC discovers fraud has taken place, it will make a full disclosure of this to the Serious Fraud Office or GMP and the landlord (Salix Homes) and co-operate fully in any investigation carried out by these agencies. GHC acknowledges that the decision to initiate criminal prosecution rests with the police. GHC may however bring civil proceedings

9. **MONITORING AND REPORTING**

9.1 GHC will use appeals, complaints, comments or suggestions from users of this policy to monitor its effectiveness. These will also be used to prompt a review of the policy where necessary.

10. **REVIEW**

10.1 This Policy will be approved by the board. It will be reviewed every three years unless amendment is prompted by a change in legislation, or monitoring and reporting reveals that a change in Policy is required sooner.

DW 24/11/14