

Bromford.

Anti-Fraud Policy

Policy Statement & Purpose

Bromford is committed to the prevention of fraud and the promotion of an anti-fraud culture. Bromford operates a zero-tolerance attitude to fraud and requires colleagues to act honestly and with integrity at all times, and to report all suspicions of fraud.

The purpose of this policy is to set out Bromford's stance on fraud, and its approach to preventing, detecting, reporting, and investigating fraud.

The term 'fraud' can be broadly defined as the deliberate use of deception or dishonesty to disadvantage or cause loss (usually financial) to another person or party.

Fraud is a serious criminal offence punishable by fine or imprisonment and perpetrators will be subject to disciplinary and/or legal action.

Scope

The principles and terms within this document apply to all colleagues within Bromford Housing Group (Bromford) and all related subsidiaries and consultants, suppliers and other third parties.

Bromford will investigate all instances of actual, attempted, and suspected fraud and will seek to recover funds and assets lost through fraud.

The following is a non-exhaustive list of examples of fraud:

- Fraudulent application for employment;
 - Theft of Bromford property and assets, including intellectual property;
 - Forgery or alteration of Bromford documents;
 - Wilful destruction or removal of Bromford records;
 - Unauthorised disclosure of confidential information to third parties;
 - Misappropriation or use of Bromford assets for personal gain;
 - Undertaking or assisting in illegal activity;
 - Acceptance of bribes or gifts to favour third parties;
 - Knowingly generating or paying false claims or invoices;
 - Falsified expense claims, or other claims for reimbursement; and
 - Diversion of monies.
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Reference Documents

This policy is published on the Hub and should be read in conjunction with the following guidance, related policies, and procedures:

List of Reference Documents

[Tenancy Fraud Policy](#) (link to be added once agreed)
[AML Procedure](#)
[AML Policy](#)
[Anti-Fraud - Preventing Detecting and Reporting How to](#)
[Code of Conduct Framework Policy](#)
[Disciplinary Procedure](#)
[Gifts and Hospitality Procedure](#)
[Probity and Bribery Policy](#)
[Procurement and Commercial Policy](#)
[Risk Management Guidance](#)
[Risk Management Policy](#)
[Tax Evasion Policy](#)
[Whistleblowing Policy](#)
[Whistleblowing Procedure](#)

Legislative Requirements

Bromford's policy is to comply with the following applicable laws and legislation:

- [Fraud Act 2006](#)
- [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)
- [Proceeds of Crime Act 2002](#)
- [Bribery Act 2010](#)
- [Criminal Finances Act 2017](#)
- [Public Interest Disclosure Act 1998](#)

In addition, Bromford will comply with the specific expectations of the Regulator of Social Housing (RSH's) Governance & Financial Viability Standard which require registered providers to "provide accurate and timely returns to the regulator, including an annual report on any losses from fraudulent activity, in a form determined by the regulator".

Responsibilities

For any enquiries about this Policy please contact the **Fraud & Financial Crime Specialist**, within the Governance, Risk and Assurance (GRA) Team.

Board has overall responsibility for this policy and is responsible for making sure that:

- An anti-fraud culture is established and promoted.
- Effective controls are in place to prevent and detect fraud.

- All instances of fraud and suspected fraud are investigated promptly and thoroughly.
- Further action is taken with the appropriate authorities when necessary.

Board **delegate** responsibility for this to the Audit & Risk Committee.

The Audit & Risk Committee:

- Approve the Anti-Fraud Policy and review this document every three years.
- Allocate sufficient and appropriate resources to implement this policy effectively.
- Lead on risk management, internal control, probity, and whistleblowing, including making sure there are appropriate and effective systems in place to prevent, detect and report instances of fraud.
- Receive and consider a bi-annual report from the Chief Risk Officer on how internal controls have operated, including those in relation to fraud.
- Approve an annual report to our regulator, the RSH, on losses from fraudulent activity. The report includes the register of cases of fraud investigated by the Fraud and Financial Crime Specialist.

The Risk and Compliance Forum are responsible for:

- Reviewing periodic reports, fraud management information and progress against the financial crime framework as provided by the Fraud and Financial Crime Specialist.

The Fraud and Financial Crime Specialist is responsible for:

- Responding to and having overall responsibility for the comprehensive investigation of fraud at Bromford.
- The delivery of and communication of fraud prevention, detection, deterrence, and investigation activities across Bromford in accordance with the Anti-Financial Crime Framework.
- Provision of periodic reports, fraud management information and progress against the financial crime framework to the Chief Risk Officer and for dissemination to the RCF and ARC (where required).

The Chief Risk Officer and the GRA Team are responsible for:

- The preparation and recommendation of this policy to Audit & Risk Committee.
- The maintenance and management of supporting frameworks.
- Testing adherence with this policy as part of their annual programme of activities.
- Providing periodic reports to the Audit & Risk Committee on financial crime frameworks and investigations, at least annually.

Chief Officers and Executive Directors are responsible for:

- Promoting a culture of openness and transparency.
- Making sure operational risk registers in their areas of the business consider fraud risk and that effective internal controls are put in place to manage these risks in line with the Risk Management Policy and Risk Management Procedures.
- Encouraging colleagues to report legitimate concerns regarding fraud promptly.

Functional Directors are responsible for:

- Completing half yearly Directors Assurance Statements which ask them to confirm that internal controls in their area of the business have operated effectively, and that any instances of fraud or suspected fraud in their business area have been reported.

Leaders are responsible for engaging with their team to:

- Promote a culture of openness, transparency, and honesty.
- Communicating the importance of fraud prevention & detection to colleagues.
- Encouraging colleagues to report legitimate concerns regarding fraud or suspected fraud promptly.
- Responding promptly to allegations of fraud and reporting these directly to the Fraud and Financial Crime Specialist, GRA Team, or they may also be received via Whistleblowing or Probity and Bribery processes.
- Implement and maintain the processes and procedures.
- Ensure that their colleagues are aware of their responsibilities and receive appropriate training.
- Engage via the GRA team; in cross-sector initiatives (including the National Anti-Fraud Network and National Fraud Initiative) to identify fraudulent behaviour and activities.
- Maintain effective working relationships with relevant external organisations (e.g. the police, specialist legal firms, the National Anti-Fraud Network, etc.).

All colleagues are responsible for:

- Carrying out their work in line with this policy and associated procedures;
- Applying our values and behaviours in everything they do;
- Reporting immediately if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud has been committed; and
- Acting with propriety in the use of the Bromford's resources, in the handling and use of funds or dealing with contractors, suppliers or customers.

Policy Principles

Our approach

We expect colleagues to any suspicious activities directly with the **Fraud and Financial Crime Specialist** at the earliest opportunity. Legitimate concerns will be taken seriously and treated in the strictest of confidence. Further detail is provided within the Anti-Fraud Procedures.

Bromford is committed to **preventing, deterring, detecting, and investigating** fraud and we will:

- **adopt a risk-based approach** by:
 - maintaining an ongoing review of the financial crime framework to ensure existing, new, and emerging risk is identified across Bromford;
 - supporting colleagues with the identification of fraud risks;

- undertaking ongoing risk-based strategic and operational fraud risk assessments;
 - identifying where fraud risk areas within Bromford are increased; and
 - implementing proportionate internal controls and procedures to reduce the risk of fraud being committed.
- **provide information to colleagues**, so they know:
 - what fraud is and how it takes place;
 - the kinds of activity that should raise suspicion; and
 - when and how to report suspicions.
 - **give targeted training to colleagues** who:
 - are at higher risk of fraud, so they know:
 - how fraud may present itself in their areas of expertise; and
 - when and how to report suspicions.

The **Fraud and Financial Crime Specialist** is responsible for all aspects of fraud and financial crime activities.

Reporting

Reports about suspicious activity must be sent to the **Fraud and Financial Crime Specialist** and will be investigated thoroughly. Further guidance is provided in the **Anti-Fraud Procedures**.

If necessary, we will involve the appropriate authorities to assist in an investigation and recover any losses we have suffered.

All instances of identified fraud will be reported to the Audit & Risk Committee, and our internal and external auditors.

The Regulator of Social Housing (RSH) does not provide a de-minimis in respect of the requirement to report fraud to them, however they state, 'significant fraud may impact on the ability to meet the governance and financial viability standard for example where it reveals weaknesses in internal control systems.'

Where 'significant fraud', as defined by the RSH is identified, this will be reported to the Board.

At the discretion of the **Chief Risk Officer**, where the materiality, volume, or the quantum of the identified fraud may not be significant, but is systematic, this may be reported to the Board.

In addition to the requirement to provide the RSH with an annual fraud report, where 'significant fraud' is identified, this will be reported to RSH at the earliest opportunity.

Risks

This policy assists with mitigating the risk identified in our operational risk register, namely “our fraud policies and procedures are not fit for purpose”.

Our policies, the financial crime framework, and training is in place to mitigate against fraud and other financial crime. Procedures exist to allow colleagues to report any fraud or financial crime suspicions in an anonymous way.

If we fail to identify and mitigate fraudulent activity due to inadequate policies and procedures, where colleagues have a lack of understanding and training provision, our fraud risk will increase. Increased exposure to the fraud could result in potential legal action, regulatory intervention/fines, and financial and reputational impact on the business.

Assurance Framework

Bromford has adopted the “three lines of defence” model and assurance over our fraud frameworks is obtained through the following:

- Bromford Business Areas, and teams within them, are our **First Line of Defence** and own and manage fraud risks on behalf of the business. Assurance is provided by the first line through its managerial and supervisory activities, fraud risk and control assurances as well as six monthly Directors Assurance Statements which cover fraud and other supporting group policies.
- The GRA team is our **Second Line of Defence** and sets the policies, processes, and procedures to manage fraud risk, and provides guidance and challenge to the first line through a business partnering model. Assurance is provided through risk and compliance reviews, which assess business controls and assess the application of fraud frameworks in the business.
- Internal Audit is the **Third Line of Defence**, providing independent, objective assurance to management and board over the effectiveness of first and second lines and is independent of our executive management.

This includes an agreed programme of reviews undertaken by Internal Auditors and reported to the Audit & Risk Committee, which test the adequacy and effectiveness of controls. In addition, the fraud frameworks are included in the Audit Universe for our Internal Auditors and will be assessed periodically, in line with the programme agreed by Audit & Risk Committee.

Document Details

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