



<b>Policy on :</b>	<b>Policy on dealing with Fraud, Theft or Loss</b>
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<b>Compliant with Regulatory Framework/charter:</b>	<b>Policy formulation part of good overall governance; mitigate against risks</b>
<b>Compliant with Tenant Participation Strategy :</b>	<b>n/a</b>
<b>Compliant with Equal Opportunities :</b>	<b>n/a</b>
<b>Compliant with Internal Business Plan :</b>	<b>Policy Review timetable</b>

<b>Date for approval :</b>	<b>12<sup>th</sup> Sept, 2013</b>
<b>Date for review :</b>	<b>September 2016</b>

<b>Responsible Officer :</b>	<b>Chief Executive, Shirley Robison</b>
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DIRECTOR/G&APOL.12/SAR/PB/01.06.10

## **1. Introduction**

All incidents of fraud, theft or loss involving the Association's assets shall be recorded in a register maintained by the Chief Executive, on behalf of the Management Committee. The register will record details of any actual, or suspected fraud and action taken to address the matters reported.

The Association's financial regulations set-down a robust framework of controls for ensuring that the Association's finances are properly managed, monitored and controlled. All control systems, especially within smaller organisations, rely to a degree on trust. It is however, recognised that there is always a potential for fraud and the Association shall take all reasonable steps to limit the possibilities of fraud. This shall include the segregation of duties where practical and the implementation of appropriate checking systems. It should also be noted that as part of the Recruitment process all staff are required to have a satisfactory Basic Disclosure Scotland certificate before commencing employment with the Association.

This policy sets out the responsibilities for Committee and staff and provides further guidance on internal procedures to be followed by staff discovering, or suspecting fraud, theft or loss of any kind.

## **2. Responsibilities**

The primary responsibility for the prevention and detection of fraud rests with the Management Committee. To assist in discharging its responsibilities for the detection of fraud, theft or loss, the Management Committee must ensure that an adequate system of internal controls is instituted and maintained.

In addition, the internal audit process will assist the organisation to identify weaknesses within financial controls and this may alert the Committee to irregularities.

It is the external auditor's responsibility to plan properly, perform and evaluate the audit work, in order to have a reasonable expectation of detecting material mis-statements in the Association's financial statements, irrespective if caused by fraud and/or errors.

It is the responsibility of individual Committee and staff members to inform the Management Committee of any incident where fraud, theft or loss has or is suspected of having occurred. Members of staff are expected to inform the Management Committee through the Chief Executive of any such incident.

This Policy will be explained to all new Committee members and members of staff as part of their induction when elected or appointed.

Existing Committee members and members of staff will be provided with a copy of this policy, and any subsequent amendments thereof.

### **3. Reporting on Fraud, Loss or Theft**

Whenever a matter arises which involves, or may involve irregularities concerning cash, records, or any other property of the Association, or any suspected irregularity in the exercise of the functions of the Association, the Association's Chairperson will be immediately informed. The Chairperson, Chief Executive and Director of Corporate Services will take such steps considered necessary to investigate the irregularities, which may include contacting the police for further investigation.

The Management Committee, either at the annual review, or if the incident is of a serious nature at a specially convened meeting, will receive a report on all cases of actual, or attempted fraud, theft or loss in order to determine, where appropriate, any necessary follow-up action to be taken. Committee will also be advised of any corrective action or reviews required in terms of internal controls where this is deemed necessary.

All members of staff have a responsibility for ensuring that any incident (either actual or suspected) of fraud, theft or loss of any kind involving the Association's assets is reported immediately to the Chief Executive. The following information should be submitted in writing to the Chief Executive in relation to any incident:

- Date of incident
- Nature of fraud
- Name/names of individuals allegedly involved
- Background (eg how the fraud was identified, witnessed, etc)
- Supporting evidence/documentation
- Value of actual or potential loss

### **4. Notifiable Event**

It is likely that any suspected or actual fraud will be considered a Notifiable event to the Scottish Housing Register. All staff or Committee members have a responsibility to highlight any irregularities concerning fraud, loss or theft to the Chief Executive. The Chief Executive will follow the Notifiable event policy in relation to reporting to the Management Committee and contacting the Scottish Housing Regulator of the incident, and the response. The Chief Executive will liaise with external and internal auditors as required should such an issue occur

and discuss the Association's response with them for reporting to Committee and the Regulator.

## **5. Fraud Register**

The Association maintains a public register of all incidents of actual or attempted fraud, theft or loss of any kind.

The Register will be updated as any incident occurs and will be reviewed by the Finance and Performance Sub-Committee. The Management Committee will receive an annual report on the details recorded in the Association's register.

All entries in the register will be made by the Chief Executive and must be signed and dated by the Association's Secretary. The Register is held in the Association's safe.

## **5. Equal Opportunities**

The Association is committed to ensuring that there is equality of opportunity in all aspects of its business as both a landlord and an employer. It is acknowledged that in society certain groups and individuals are unfairly discriminated against. Race, ethnic origin, nationality, colour, sex, marital status, civil partnership status, sexual orientation, religion or belief, age and disability are all seen as factors that should have no effect on access to fair and equal treatment.

The Association is strongly opposed to any form of discrimination.

## **6. Policy Reviews**

This policy is subject to review by the Management Committee every three years, or earlier should changing practices or legislation dictate such.