



ANTI-FRAUD POLICY

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1. Policy Statement

- 1.1** This Anti-Fraud Policy outlines Eastlight Community Homes' (hereafter 'Eastlight') commitment to prevent, detect and redress incidents of fraud, whether that be from within or outside the organisation.
- 1.2** The aim of this Policy is to send a clear message that Eastlight takes a zero-tolerance approach to fraudulent acts and will seek to correct all identified incidents of fraud.
- 1.3** Where appropriate, Eastlight will take action, including dismissal and/or pursuance of a criminal conviction against any member of staff, individuals or organisations defrauding or attempting to defraud Eastlight.
- 1.4** This Policy provides a consistent framework for staff which enables effective governance, acknowledgement, prevention and investigation of fraud.
- 1.5** This Policy should be read in conjunction with the following related policies and procedures (selected policies are available via our website, and all policies are made available via our intranet):
 - Whistleblowing Policy
 - Probity Policy
 - Code of Conduct
 - Gifts & Hospitality Policy
 - Complaints & Resolutions Policy
 - Disciplinary Policy & Procedure
 - Board Conduct Procedure
 - Anti-Bribery & Corruption Policy
 - Anti-Money Laundering Policy.
- 1.6** Eastlight employees and customers/tenants have a key role in maintaining an anti-fraud culture.
- 1.7** This Policy will detail the responsibilities of employees, reinforced through staff fraud awareness training and implemented through an effective Whistleblowing Policy.
- 1.8** Tenants are encouraged to report all reasonable beliefs where they suspect incidents of fraud are occurring. We believe that this will create a culture of openness and honesty with all staff and tenants.

2. Statutory & Regulatory Requirements

2.1 In relation to Tenancy Fraud, this Policy is designed to ensure Eastlight meets its obligations under the following statutory and regulatory requirements:

- The Prevention of Social Housing Fraud Act 2013
- Fraud Act 2006
- Theft Act 1968 and 1978
- Forgery & Counterfeiting Act 1981
- Proceeds of Crime Act 2002
- Housing Acts
- Criminal Finances Act 2017
- Proceeds of Crime Act 2002
- Money Laundering Regulations.

3. Scope & Definitions

- 3.1** This Policy applies to Board and Committee Members, employees, contractors, sub-contractors and any other person who is acting on behalf of Eastlight or representing Eastlight in any way. All of whom have responsibility for reporting details of any suspected, attempted or actual fraud. Eastlight will make sure that all these groups have a full understanding of their responsibilities and obligations.
- 3.2** This Policy forms part of our mandatory training suite and is subject to regular awareness raising campaigns. We will also actively encourage residents and staff to report suspicions of fraud.
- 3.3** Eastlight will comply with all relevant legislation as detailed in Section 2. It also includes the Police & Criminal Evidence Act 1984 (PACE) and the Criminal Procedure & Investigations Act 1996 (CPIA) by ensuring that any potential criminal actions are investigated by suitably trained personnel.
- 3.4** The Governance & Financial Viability Standard requires that effective control and procedures are in place to ensure the security of assets and the proper use of public funds. It also requires an annual report of any losses from fraudulent activity.
- 3.5** The Tenancy Standard states that we must “publish clear and accessible policies which outline [our] approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary eviction, and tackling tenancy fraud.” Read more here: <https://www.gov.uk/guidance/regulatory-standards>.

3.6 Fraud

3.6.1 For the purpose of this Policy, the Chartered Institute of Public Finance’s (CIPFA) definition of fraud is adopted: *“Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”.*

3.6.2 This definition incorporates criminal offence in the Fraud Act 2006:

- **Fraud by false representation** – For a representation to be false, the representation being made must be wrong or misleading, and the person making it must know that it is, or might be, wrong or misleading
- **Fraud by failing to disclose** – Facts knowingly omitted or failures to update circumstances with intent to make a gain or cause a loss
- **Fraud by abuse of position** – A person occupies a position in which he/she/they are expected to safeguard, or not to act against, the financial interests of another person. This includes an omission to act.

3.7 Tenancy Fraud

3.7.1 Tenancy Fraud is when someone is not legally entitled to be living in a property. It can include (but is not limited to) the following:

- **Unlawful subletting** – Unlawfully renting the whole or part of the property to another person who is not authorised to occupy the property. Offences of subletting are defined in the Prevention of Social Housing Fraud Act 2013
- **Abandonment** – Not occupying the property as their main and principal home. The tenant must be shown to have no intent to return to the property
- **Wrongly claimed succession** – Taking over someone’s tenancy when you are not entitled to
- **Obtaining housing by false representation** – As defined by the Housing Act 1988 and the Fraud Act 2006, making a false representation to rent a social housing property when you are not entitled to
- **A fraudulent Right to Buy application**
- **Key selling**
- **Failing to report a change in circumstances.**

3.8 Tax Evasion

3.8.1 Tax evasion is fraudulently evading or cheating HMRC of tax that is lawfully owed. It does not include making a mistake about the tax that is owed; it requires dishonesty. Tax evasion is a criminal offence. It can be committed by an individual (e.g. in relation to income tax or VAT) or by a legal entity (e.g. in relation to corporation tax).

3.8.2 For facilitation of tax evasion to be a criminal act, a person must have deliberately and dishonestly helped another person to evade tax. Eastlight takes a zero-tolerance

approach towards the criminal facilitation of tax evasion. We are committed to rejecting the facilitation of tax evasion, and not recommending the services of others who do not have reasonable prevention procedures in place.

4. Policy Details

- 4.1** Eastlight takes a zero-tolerance approach to any form of fraud from within the organisation or from external actors. We recognise the impacts to include:
- Financial, both for Eastlight and local councils
 - Reputational damage
 - Reduce the level of resources and service delivery, which has a direct impact on the quality of life to Eastlight tenants and those on the housing register
 - Negative impact on the public's confidence in Eastlight.
- 4.2** Eastlight expects all employees, Board and Committee Members, contractors, sub-contractors, volunteers and anyone acting on our behalf, or representing Eastlight, to act in the best interest of our organisation and to make sure that their actions and/or failure to act do not bring Eastlight into disrepute.
- 4.3** The Board has overall responsibility for establishing and maintaining an adequate system of internal control and for reviewing its effectiveness. The system of internal control is designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives, including the prevention and detection of fraud. The systems will be designed to provide reasonable, but not absolute, assurance against material misstatement or loss.
- 4.4** The Board is committed to investigating and taking the necessary and appropriate corrective action in connection with suspected, attempted or detected instances of fraud.
- 4.5** Identifying actual and potential fraud is everyone's responsibility. Dealing with fraudulent activity is the responsibility of the Leadership Team. Reporting the fraud register to the Audit & Risk Committee (ARC) is the responsibility of the Senior Risk & Assurance Manager.
- 4.6** Eastlight is a responsible Housing Provider with a duty to make best use of public resources and to ensure its homes are properly managed and occupied by people legally entitled to live there. Tenancy Fraud is not a victimless crime, and it can reduce the quality of life for neighbours, those trying to access social housing and at the expense to the taxpayer.

- 4.7** We have clear controls in place that are managed and reviewed as part of our bi-monthly strategic risk reviews. The list of controls in place are included within the Strategic Risk Fraud/Financial Regularity. There are Tenancy Fraud procedures in place, and these are held by the Head of Housing Management.

5. Managing the Risk of Fraud

- 5.1** The risk of fraud that Eastlight faces is not isolated to Tenancy Fraud. All business areas have the potential for fraud. Some key vulnerable areas include:
- Recruitment Fraud
 - Internal Fraud
 - Procurement Fraud.
- 5.2** Eastlight will investigate all allegations of fraud. The investigation will be proportionate to the quality of intelligence and access to third party data that supports the allegation.
- 5.3** Eastlight works in partnership with other agencies and suppliers to detect and prevent Tenancy Fraud. This is not an exhaustive list but may include:
- Local Authorities
 - Police
 - DWP
 - Credit Reference Agency
 - External Investigation Providers
 - Specialist Anti-Fraud Providers.
- 5.4** Eastlight's Housing Team will undertake robust checks for new applicants and changes of tenancy/applications to buy (upon receipt of such applications). Those checks may include:
- Verification of documents to support the application
 - Online Government database checks
 - Credit Reference Agency.
- 5.5** Any tenant found committing Tenancy Fraud is liable to civil and/or criminal action.
- 5.6** In serious cases, Eastlight will consider working with the Local Authority and Police for a criminal prosecution and/or an Unlawful Property Order.
- 5.7** Supporting Victims and Witnesses is important to us, and we can ensure they are not in fear from the alleged perpetrator. We will follow our Anti-Social Behaviour Policy, which is available on Eastlight's website and intranet.

5.8 Tax Evasion

5.8.1 Eastlight will establish adequate procedures as set out within the Criminal Finances Act 2017 to provide reasonable protection against instances of tax evasion by its employees or agents, including the following:

- **Risk Assessment** – Risk assessments will be carried out to identify areas of the business where the facilitation of tax evasion could occur and assess the likelihood of this. The assessment will be reviewed periodically
- **Proportionality** – Eastlight will consider the risk of criminal facilitation of tax evasion and adopt procedures and control measures which are proportionate to the risk presented to the organisation
- **Top-Level Commitment** – The Board and Executive Management Team are committed to taking action to minimise the risk of criminal tax evasion and dealing with potential or suspected incidents quickly and effectively
- **Due Diligence** – Eastlight will take reasonable steps to understand the objectives and operating principles of organisations and individuals that it deals with
- **Communication** – Eastlight will take steps to make sure that all staff are aware of required procedures to mitigate the risk of criminal tax evasion
- **Monitoring & Review** – The risk assessment, procedures, training and guidance will be reviewed and refreshed periodically.

6. Raising Concerns

6.1 Please refer to Eastlight’s Whistleblowing Policy, which can be accessed on the website and intranet.

7. Investigations

7.1 Investigations of suspected fraud should be carried out in line with the Fraud Response Plan.

7.2 Professional standards will be strictly observed when gathering and recording evidence in order to comply with the Police & Criminal Evidence Act 1994 and Criminal Procedure & Investigation Act 1996.

7.3 Eastlight may refer allegations to the Police for investigation and possible prosecution.

7.4 Eastlight will work with partners to share data, complying with the UK GDPR and the Data Protection Act 2018, to enable a risk-based approach to investigations.

- 7.5** Details of any investigation are strictly confidential and will not be discussed with anyone other than the relevant management representatives.
- 7.6** If the media becomes aware of an investigation and attempts to contact employees, no disclosure of the alleged fraud and investigation can be made. All matters relating to statements to the media will be dealt with through our Communications Team.

8. Reporting

- 8.1** Reporting of suspected/actual fraud should be made to the Senior Risk & Assurance Manager in the first instance, in accordance with Eastlight's Reporting of Fraud Procedure. This can be via the Customer Service Centre, by telephone or email, or via the online form. All suspected/actual fraud will be reported to the Audit & Risk Committee (ARC) at each meeting via the Fraud Register.
- 8.2** The Chief Executive will report all cases of suspected material fraud (i.e. of significant impact, having a negative financial, reputational and/or operational effect that is substantial) to the Chair of the Board and/or the Chair of the Audit & Risk Committee at the earliest opportunity.
- 8.3** The Chief Executive will present a report, as a confidential item, to the Board or Audit & Risk Committee following confirmation of a detected or attempted material fraud (i.e. of significant impact, having a negative financial and/or operational effect that is substantial) at the earliest opportunity, setting out the information below.
- 8.4** The report should enable the Board or Committee to assess whether appropriate action has been taken and whether or not internal controls are satisfactory.
- 8.5** The report will provide the Board or Committee with information on:
- The specific circumstances of the case
 - Any loss sustained by Eastlight
 - The action(s) taken
 - The adequacy of internal controls, systems and procedures, including any independent assessment or validation of controls that has been undertaken
 - Recommendations on further action to be taken, as appropriate, including changes in systems and procedures.
- 8.6** The details of the detected, attempted or suspected fraud will be recorded in the Fraud Register by the Senior Risk & Assurance Manager, who is responsible for maintaining the Register.

- 8.7** The Fraud Register will be:
- Presented for inspection at the Audit & Risk Committee at every meeting
 - Presented to the Board annually via the Audit & Risk Committee
 - Open to inspection by the Regulator and any Board Member at any time.
- 8.8** All actual incidences of fraud are reported in the Annual Fraud Return to the Regulator. The Chief Executive may advise the Regulator sooner if they consider the circumstances warrant this.

9. Recovery of Losses

- 9.1** Eastlight will seek to recover losses incurred as a result of fraud. Any money offered towards the recovery of a loss will be accepted without prejudice to any other action Eastlight may wish to take. Acceptance will only be in respect of losses to date and Eastlight reserves the right to seek recovery of any further losses in the future.
- 9.2** Eastlight may make a claim under its insurance arrangements in fraud cases. Whilst an insurance claim may be lodged, it is anticipated that this would only be pursued once all other avenues of recovery have been fully explored.
- 9.3** There is a Commercial Crime Protection Policy for insurance against crime in place. The Policy excludes 'a past knowledge of fraud' and, in order for claims to be accepted under the policy, written notice of a crime must be given as soon as reasonably possible after discovery and in no event later than 60 days after discovery.

10. Equality Impact Assessment

- 10.1** An Equality Impact Assessment (EIA) for this Policy was conducted, and no impacts have been identified.

11. Review

- 11.1** The Policy Owner will review this Policy annually every three years or as legislation changes. Approval for revisions to the Policy will be sought from the Audit & Risk Committee, prior to submission to the Board.
- 11.2** This Policy, including the Fraud Response Plan, will be reviewed following each event of fraud or related activity to ensure effectiveness and test whether appropriate processes have been followed.

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