Fraud Policy (G20)

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1.0 ARKs Values

Our organisational values are the basis for everything that we do, from providing housing, care and support to tenants and service users to ensuring that staff have clear standards of performance set. ARK believes that everyone should have the opportunity to lead a happy, healthy and safe life. We value:

- The worth of each person
- Trusting relationships
- Understanding difference
- Challenging oppression
- Personal and organisational accountability
- Caring for our physical environment
- Enjoyment

2.0 Purpose

This policy aims to ensure the protection of ARK funds and property from fraudulent activity, and the protection of ARK employees, Board members, customers and contractors.

3.0 Policy Statement

3.1 ARK's Commitment and Implementation of Measures

ARK is committed to the highest standards of corporate governance. ARK will implement measures to prevent, detect, report, and, where appropriate, investigate suspected fraud.

3.2 Board Of Management Responsibility

ARK's Board of Management acknowledges that it has ultimate responsibility for ensuring that ARK has in place a system of financial controls that is appropriate for the various business environments in which it operates. These controls are designed to give reasonable assurance about:

- The reliability of any financial information that is published, or is used within ARK
- The maintenance of proper accounting records
- The protection of ARK's assets against their unauthorised use or disposition

3.3 System of Financial Controls

The key elements of ARK's system of financial controls include ensuring that:

- There are formal policies and procedures (including the documenting of key systems and rules relating to the delegation of authorities) which allow the monitoring of controls and which seek to prevent the unauthorised use of ARK's assets
- Experienced staff, suitably qualified, are responsible for important business functions, and annual appraisal procedures have been set up to maintain high standards of performance
- Forecasts and budgets are prepared so that the Board of Management and officers can monitor both the key business risks and financial objectives, and also progress towards financial plans set for the year and the medium term
- Regular management accounts are prepared which provide relevant, reliable and up to date financial information, and significant variances from budget are investigated as appropriate
- All significant initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant committees which are controlled by the Board of Management
- The Board of Management reviews reports (from management, from the internal auditors and from the external auditors) in order to provide reasonable assurance that the control procedures are in place and are being followed: this includes a review of the major risks facing ARK through review of ARK's Strategic Risk Register, and Exceptions reporting tool
- Formal procedures have been established for instituting action needed to correct weaknesses identified in the above reports
- All employees and Board Members understand there is a culture of high priority and strong internal financial control with a zero tolerance of non-compliance with these systems
- All Board Members sign the Board Members' Code of Conduct and employees sign the Staff Code of Conduct

3.4 Investigation

ARK will investigate all suspected fraud. In the first instance any such investigation will seek only to establish that there is sufficient evidence to report the suspected fraud to the Police. Thereafter, any further proposed investigation by ARK will be agreed in advance by the Police. ARK's Fraud Procedure will set out ARK's framework for investigating suspected fraud.

3.5 Disciplinary Action and Recovery

ARK will ensure:

- That appropriate legal and disciplinary action is taken against the perpetrators of fraud, including wherever possible and practicable the recovery of defrauded funds
- That appropriate disciplinary action is taken where supervisory failures have contributed to the commission of the fraud

3.6 Reporting

As well as reporting to the Police, ARK will report suspected fraud, as necessary and required, to regulators such as the Care Inspectorate and Scottish Housing Regulator, and to others such as auditors and insurers.

4.0 Scope

All Board of Management Members and employees are required to abide by this policy.

5.0 Legal/Regulatory Framework

This policy complies with the SHR's Regulatory Standard 5 of Governance and Financial Management on conducting affairs with honesty and integrity. In drawing up this policy, and the procedure which supports it, ARK has adopted best practice principles from the SFHA, Scottish Social Services Council (SSSC) and the National Housing Federation Code of Governance, as well as the Scottish Housing Regulator's Regulatory Advice Note on Fraud dated September 2012.

6.0 Responsibilities

6.1 Board of Management

ARK's Board of Management is responsible for consideration and approval of this policy, and for ensuring that ARK has in place the system of financial controls referred to in section 3.2 above.

6.2 Executive Team

ARK's Executive Team is responsible for ensuring that this policy is reviewed in accordance with ARK's schedule for review of policies, or sooner if required. The Executive Team is responsible for ensuring that the terms of this policy are implemented in ARK.

6.3 Senior Leadership Team

ARK's Senior Leadership Team is responsible for review of the policy, and for ensuring that the necessary systems and processes to support implementation of this policy are in place, and are operating effectively. Members of the Senior Leadership Team are also responsible for ensuring that this policy is communicated effectively with all relevant members of their teams, and that relevant information, training and guidance is provided as necessary.

6.4 ARK Staff

All relevant ARK employees are required to familiarise themselves with this policy and the procedure which supports it, and to comply with their provisions.

7.0 Related Policies & Procedures

7.1 Related Policies and Procedures

This policy should be read in conjunction with the following:

- Financial Regulations (F01)
- Entitlements, Payments, and Benefits Policy (G11)
- Expenses and Allowances Policy (HR32)
- Whistleblowing Policy (HR15)
- Disciplinary Policy (HR18)
- Personal Relationships at Work Policy (HR14)
- Approved List of Contractors Procedure (M22)
- Procurement of Goods and Services Policy (F02)
- Computer System Security, Email and Internet Policy (G15)
- Cashbook completion Procedure (CS20)
- Supporting Service Users in Managing Money Policy (CS05)
- Appointeeship, Access to Funds and Accounts in Trust Procedure (CS16)
- Board Members Code of Governance (G01)
- Board Members Code of Conduct (G02)

- Staff Code of Conduct (G03)
- Scottish Social Services Council Code of Practice

7.2 Fraud Procedure

In order to discharge its duties in relation to this policy area, ARK will implement a Fraud Procedure (G53), which will set out relevant operational guidance. ARK's Fraud Procedure summarises the measures in place to mitigate the risks associated with the following:

- Recruitment
- Induction
- Work practices
- Petty Cash
- Approval of Expenses
- Personal Relationships at Work
- Finance
- Consultants, Suppliers and Contractors
- Computer Fraud
- Procurement Fraud

7.3 Fraud Detection Measures and Investigation Measures (or Procedures)

ARK's Fraud Procedure will set out the measures that ARK will implement for the detection and investigation of fraud.

8.0 Equality Impact Assessment (EIA)

No potential equalities issues have been identified in relation to the development of this policy, and consequently an EIA has not been completed.

9.0 Data Protection Impact Assessment (DPIA)

No data protection implications have been identified in relation to the development of this policy, and consequently a DPIA has not been completed.

10.0 Stakeholder Consultation

In developing this policy the following groups were consulted:

- ARK Board of Management

- ARK Executive Team
- ARK Senior Leadership Team

11.0 Monitoring and Review

11.1 Monitoring

ARK's Executive and Senior Leadership Teams will monitor implementation of this policy, and its supporting procedure, on an ongoing basis, particularly in relation to cases of fraud or suspected fraud occurring.

11.2 Review

This policy will be reviewed within 3 years from the date of approval by our Board of Management, in accordance with ARK's policy review framework.