

Anti-Fraud Policy

Approved by SMT	3 April 2025
Approved by Committee/Board	Audit and Risk Committee 30 April 2025
Effective date	1 May 2025
Review date	30 April 2028
Policy developed by	Interim Head of Governance and Company Secretary
Consultations	Senior Management Team
Associated policies/procedures	NHF Code of Conduct, Probity Policy, Raising Concerns Policy, Fraud Response Procedure, Disciplinary Policy

Version Control

Version	Author	Date Published	Next Review	Comments
1.0	Head of Governance and Company Secretary	01 May 25	30 Apr 28	A revised standalone policy the Anti-Tenancy Fraud Policy and the new failure to prevent fraud offence.

Introduction

1. Purpose

- 1.1 The purpose of this policy is to set out Connexus's zero tolerance to all forms of fraud and its approach to preventing, detecting and responding to fraud or attempted fraud.

What is fraud?

- 1.2 Fraud can be summarised as 'an act of deception, by intent or omission, made for personal gain and/or to damage another person'. There must be a deliberate intent to acquire money, property or services through the falsification of records or documents. Fraud can be carried out by making a false or misleading representation, failing to disclose information or abusing a position of trust.

Scope

- 1.3 The policy applies to the whole of the Group. This means Connexus Homes Limited, (ultimate parent) and all its subsidiaries.
- 1.3 This policy applies to all colleagues, contractors, board and committee members (including co-optees) and to any individual or organisation doing business with Connexus.
- 1.4 This policy applies to
- frauds committed against Connexus, either by a colleague or third party, resulting in financial loss to Connexus.
 - tenancy frauds, when someone wrongfully stays in one of our properties; and
 - frauds committed by or on behalf of Connexus for the benefit of Connexus.

2. Problem to Solve

- 2.1 There are no official estimates at present for fraud against businesses, but it is the most common crime against individuals in England and Wales, accounting for an estimated 41%. As a registered provider of social housing and a charity we have a duty to make best use of our own and the public resources we receive.
- 2.3 Where fraud occurs, it is reputationally damaging and can have significant implications for our financial viability and delivery of strategic objectives, disrupting the services we provide and eroding customer and stakeholder confidence.

- 2.4 Fraud in the social housing sector involves illegal activities perpetrated by employees, contractors, or third-party contractors / suppliers with the intent to obtain financial or material benefits unlawfully. This can include embezzlement, falsely claiming overtime, procurement fraud and false invoicing.
- 2.5 We also need to guard against tenancy fraud and ensure our homes are occupied by people legally entitled to live there. Tenancy fraud can present itself in various forms and can occur at any stage of a tenancy. Types of tenancy fraud include fraudulently obtaining a tenancy (e.g. through misrepresentation of identity or circumstances), unlawful subletting or assignments, 'Key selling' (where the tenant leaves the property and passes on the keys in return for a lump sum payment or favour) or not notifying the landlord when the tenant moves out or passes away.
- 2.6 Cyber fraud is an increasing area of risk and one where there may be no direct relationship between Connexus and the fraudster. In many cases cyber fraud is being carried out by serious organised crime.
- 2.7 In addition to the impact of fraud on Connexus where we are the victim, a new law comes into effect on 1 September 2025 including a crime of "failure to prevent fraud". If a fraud is committed by someone connected to Connexus (for example a colleague) which benefits Connexus, unless Connexus can demonstrate that it had adequate procedures to prevent that fraud, it will be guilty of a criminal offence, leaving Connexus exposed to unlimited fines as well as other consequences.
- 2.8 An example might include a colleague misrepresenting our finances in an application to obtain a grant we wouldn't otherwise be eligible for. In those circumstances, the colleague would commit fraud (by misrepresentation) and be liable to prosecution personally, but without adequate procedures in place, Connexus may be found guilty of failure to prevent fraud.
- 2.9 The offence is intended to encourage organisations to build an anti-fraud culture, in the same way that failure to prevent bribery legislation has helped reshape corporate culture since its introduction in 2010.
- 2.10 Connexus values its reputation for ethical behaviour and for financial probity and reliability. It is committed to providing the highest standard of openness, probity and accountability and operates a zero tolerance to all forms of fraud whether it is attempted from within or outside of Connexus. This policy makes it clear to colleagues, board members, partner organisations, contractors and potential contractors, customers and other service users as well as our regulators that Connexus takes fraud seriously and will take action against individuals where actual or attempted fraud is detected.

3. Methods

3.1 Statement of intent

- 3.1.1 Connexus has zero tolerance for fraud. We will continually strive to ensure that all our financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably.

- 3.1.2 We require colleagues and others working on our behalf to always act with honesty, integrity, propriety and due care in all matters, but particularly in the protection of Connexus, its resources and its reputation. We will not condone any behaviour that falls short of these principles.
- 3.1.3 We will promote an open, honest and questioning culture which encourages propriety and vigilance amongst all colleagues.
- 3.1.4 We expect colleagues to report any suspected fraud, and we encourage our partners and customers to do likewise.
- 3.1.5 We will rigorously investigate instances of alleged fraud and where necessary assist the Police and other authorities in any resultant investigation
- 3.1.6 We will take firm and robust action against anyone involved in any fraudulent activity which may ultimately lead to dismissal under Connexus' Disciplinary Policy and Procedure or the termination of other contracts / relationship with Connexus and/or be subject to the involvement of the Police and judicial system in the event of criminal activity. We reserve the right to recover losses associated with breach of this Policy.

3.2 Roles and Responsibilities

- 3.2.1 The **Connexus Board** is responsible for establishing and maintaining a sound system of internal control that supports the achievement of Connexus' purpose, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks that Connexus faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

- 3.2.2 The **Audit and Risk Committee** has delegated responsibility from the Board to provide assurance to the Board that the internal control framework is effective. The committee reviews the Fraud Register on a quarterly basis, receives reports on fraud or attempted fraud, ensures it is appropriately investigated and any identified weaknesses in internal controls are addressed.
- 3.2.3 The **Executive Leadership Team** is responsible for the day-to-day management of fraud as part of the internal control framework. This includes:
- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
 - Establishing an effective anti-fraud response procedure, in proportion to the level of fraud risk identified.
 - The design of an effective control environment to prevent fraud.
 - Establishing appropriate mechanisms for reporting fraud risk issues, incidents of fraud or attempted fraud.
 - Making sure that all colleagues are aware of Connexus' Anti-Fraud Policy.
 - Ensuring that appropriate anti-fraud training is made available to colleagues as required.

- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

3.2.4 The **Finance Director** is responsible for delivering the policy and will be accountable for its implementation.

3.2.5 The **Financial Control & Compliance Manager** is responsible as the first point of contact for fraud reporting, maintaining the fraud register and making the annual fraud report to the Regulator.

3.2.6 **Senior Management Team** is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively.
- Preventing and detecting fraud as far as possible
- Assessing the types of risk involved in the operations for which they are responsible.
- Documenting and reviewing the control systems for which they are responsible regularly.
- Ensuring that controls are being complied with, and their systems continue to operate effectively.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

3.2.7 **Every colleague** is responsible for:

- Acting with honesty and integrity in the use of Connexus' resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with customers, suppliers or contractors.
- Conducting themselves in accordance with the values and expectations of Connexus.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud.
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight.
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events.
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

3.2.8 All **contractors, consultants and partner organisations** are responsible for operating in accordance with this policy when delivering services to or on behalf of Connexus.

3.3 **Fraud Prevention**

3.3.1 *Risk Assessment*

- a) Connexus will identify areas of fraud risk through an annual fraud risk assessment undertaken by the Senior Management Team and co-ordinated by the Financial Control and Compliance Manager / Finance Director.
- b) The assessment will be subject to partial review between annual reviews in the event of a fraud report, change in process or the identification of a control weakness.

3.3.2 *Training and Awareness*

- a) Connexus will provide fraud awareness training to all colleagues so that they can recognise and avoid fraud.
- b) Connexus will promote awareness of the Anti-Fraud Policy and Fraud Response Procedure and, for new colleagues, ensure that this forms part of induction training.
- c) Connexus will encourage colleagues to be vigilant and remain alert to the risk of fraud and other irregularities both within Connexus and in organisations with whom we work and report any matters of potential concern.
- d) Connexus will ensure that colleagues are aware of our Raising Concerns Policy, which encourages them to raise genuine concerns about financial or other malpractice without fear of recrimination.

3.3.3 *Internal controls*

- a) Connexus's internal control framework is set out in the Standing Orders and Financial Regulations and provides general, organisational procedures which will assist in the prevention of fraud.
- b) Where the fraud risk assessment identifies risks which are specific to a particular area of the business, the relevant Head of Service is responsible for the development of proportionate fraud prevention procedures and ensuring they are implemented.
- c) We expect all colleagues to follow the procedures laid down for internal control, which will help to minimise opportunities for fraud.
- d) We require all suppliers and contractors of Connexus to sign up to the principles of this policy, comply with our procedures and to similarly report any suspicions of fraud to us.

3.4 **Fraud Detection**

- a) Colleagues are strongly encouraged to report suspected fraud as soon as possible and in the knowledge that their concerns will be taken seriously and investigated appropriately. Their confidentiality will be respected if there are concerns about repercussions.
- b) Any suspected fraud must be reported immediately to the Financial Control and Compliance Manager, failing whom the Finance Director. Further details are set out in the Fraud Response Procedure.
- c) Where it becomes apparent during an investigation that a colleague was aware of fraudulent activity but did not report it, the non-reporting may be treated as a breach of this policy.

3.5 **Fraud Investigation**

Connexus will investigate all reports of suspected fraud. External investigations may be undertaken. Where there is evidence of criminal activity the matter will, in

all cases, be referred to the Police. Further details are set out in the Fraud Response Procedure.

3.6 Fraud Reporting

Connexus will maintain a fraud register and report all fraud or suspected fraud to the next Audit and Risk Committee meeting. Further details are set out in the Fraud Response Procedure.

4. Measurement

- 4.1 The effectiveness of this policy will be assessed by reference to the number of suspected frauds reported and the total losses sustained.
- 4.2 The Financial Control and Compliance Manager maintains the fraud register which records all incidents of fraud, suspected or attempted fraud and/or corruption and bribery. This is used to complete the annual fraud return to the Regulator.
- 4.3 The effectiveness of the design and implementation of this policy will be subject to independent assessment through the internal audit programme as directed by the Audit and Risk Committee.

5. Review

- 5.1 Connexus will review this policy at least every 3 years to ensure the policy reflects changes in regulatory guidance and good practice. A review will be carried out sooner should there be any changes to legal requirements.

Appendix 1 – Equality Impact Assessment Form



Equality Impact Assessment Form

Strategy / policy / procedure / service / function / project being assessed	Anti-Fraud Policy
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Stage 1 Lead officer	Interim Governance Consultant and Company Secretary	
Date of assessment	25 March 2025	
Date for next review	April 2028	
Reason for assessment	Revised policy – first EIA	
Agreed and signed off by lead officer's line manager	Manager's signature	Date

Stage 2 Aims of the service / function / policy/project under assessment	To set the tone for zero tolerance for fraud and the approach to prevent and detect fraud.	
Main stakeholders / beneficiaries	All stakeholders benefit from Connexus avoiding the risk of fraud. But colleagues, volunteers, service users and third parties are also all potential threat actors.	
Who is likely to be affected by the service/ function/ policy/project?	Primarily colleagues as our first line of defence against fraud. But policy provides for termination of contract / relationship where fraud is found.	
What are the arrangements for monitoring and reviewing the actual impact of the service/function/policy/project?	Maintenance of fraud register and reporting to ARC.	



Stage 3 Collect and evaluate the evidence				
Key questions	Positive impact	Negative impact	No specific impact on any one group	Evidence
Does the policy or service have a positive or negative impact on any racial groups? Describe how and which.	No	No	Yes	
Does the policy or service have a positive or negative impact on individuals where English is not their first language? Describe how and which.	No	Potential		The policy, like all Connexus policies, is written in English. Where a colleague does not speak English as their first language, there will need to be a means of ensuring they understand the policy. The same applies to all Connexus documents (policies, risk assessments etc)
Does the policy or service have a positive or negative impact on women or men? This includes Transgender people / Trans people. Describe how and which.	No	No	Yes	
Does the policy or service have a positive or negative impact on people with disabilities? Describe how and which.	No	Potential		Colleagues who suffer from dyslexia or other conditions affecting their ability to read / comprehend the written word may need reasonable adjustments to ensure the policy is brought to their attention and they can apply it. In particular, the method of raising concerns is via email which potentially some colleagues with disabilities may find difficult.
Does the policy or service have a positive or negative impact on people of a particular age? (e.g. children, young people, older people). Describe how and which.	No	No	Yes	

Key questions	Positive impact	Negative impact	No specific impact on any one group	Evidence
Does the policy or service have a positive or negative impact on people of a particular age? (e.g. children, young people, older people). Describe how and which	No	No	Yes	
Does the policy or service have a positive or negative impact on people with particular sexuality / sexual orientation? Describe how and which	No	No	Yes	
Does the policy or service have a positive or negative impact on people in terms of marriage/civil partnership status? Describe how and which	No	No	Yes	
Does the policy or service have a positive or negative impact on people with a particular religion or belief? Describe how and which	No	No	Yes	
Does the policy or service have a positive or negative impact on people in terms of pregnancy/maternity? Describe how and which	No	No	Yes	
Is it possible that the service/function/policy could discriminate or unfairly disadvantage those that do not have access to digital equipment?	No	No	Yes	
Is it possible that the service/function/policy could discriminate or unfairly disadvantage or cause an individual/community financial hardship?	No	Potential	No	The policy provides for all suspected frauds to be investigated. Investigation should be carried out fairly and objectively but potential for unfounded allegations to be made due to discriminatory behaviour. The Fraud Response Plan accompanying the policy clearly states the need for an objective and impartial investigation, recognizing that nothing is proven at that stage.

Outsourced services	
If delivery of your strategy, policy, project or service is partly or wholly provided by external organisations / agencies, please list any arrangements you plan, to ensure that they promote equality and diversity.	N/A
Relations between different equality groups	
Does your assessment show that a policy, project or service may have a differential impact between any discrete groups? If yes, please explain how this issue is going to be tackled.	No

Stage 4 – Summary of replies from individuals and stakeholders consulted, including any previous complaints on equality and diversity issues about the policy or service
No consultation undertaken.
Stage 5 – Options resulting from this equality impact assessment, including measures necessary to minimise or remove any adverse impact and better promotion of equality and diversity. Consider any alternative solutions
None required.
Stage 6 – Arrangements for regular monitoring of the impact of the policy, project or service
See Stage 2
Stage 8 – Any actions and outcomes, including how these are to be communicated both internally and externally as required
Policy to be communicated in standard way.