



LGL-POL-07-01

Torus Anti-Fraud Policy

November 2018

Contents	Page
1. Introduction	4
2. Scope of the Policy	4
3. Aims & Objectives of the Policy	4
4. Definition of Fraud	4
5. Culture and Stance against Fraud	4
6. Policy Detail	5
7. Responsibilities	6
8. Policy Consultation	8
9. Policy Implementation & Monitoring/Reporting	8

1. Introduction

- 1.1 The environment within which Torus62 Limited (hereinafter “Torus”) operates has changed significantly particularly in light of welfare reforms and spending cuts. There are challenges around financial inclusion, affordable housing supply and regulatory reform. It is paramount to ensure that in the current operating environment, Torus maximises its resilience to fraud.
- 1.2 This Policy and the Fraud Response Plan outline the approach to minimising the risk of fraud and Torus’ response to fraud identification. Torus, and its subsidiaries, wish to embed an anti-fraud culture.

2. Scope of the Policy

This policy applies to all employees and members of the Group. It is also applicable to customers who may commit offences of social housing fraud under the relevant legislation.

3. Aims & Objectives of the Policy

The Group is committed to a zero tolerance of employee or customer fraud, ensuring that fraudulent activity is minimised and ensuring that staff and members are clear about the consequences of fraud. This policy sets out the framework to ensure a fast and appropriate response to instances of alleged fraud. Torus’ overall objective is to limit its exposure to fraud, to minimise financial loss and the potential adverse effects on its image and reputation in the event of its occurrence.

4. Definition of Fraud

Torus considers that any act which attempts to defraud the Group of material, time or monies by way of theft, deceit, bribery, false representation, corruption, conspiracy, forgery, exhortation, embezzlement, misappropriation, concealment of material facts or collusion, as fraud. Fraud is usually used to describe depriving someone of something by deceit which might either be straight theft, misuse of funds or other resources or more complicated crimes like misuse of computer records and the supply of false information. The Group’s definition of fraud takes account of the definitions given in the Fraud Act 2006.

5. Culture and Stance Against Fraud

- 5.1 Torus’ culture is intended to foster honesty and integrity, and to support the seven principles of public life. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership and form part of the induction process for the Group. Both Members and

employees are expected to lead by example in adhering to regulations, procedures and practices.

- 5.2 Equally, members of the public, clients and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the organisation in any dealings they may have with any of the companies within the Group. As part of the culture Torus provides clear routes by which concerns can be raised by both Members and employees, and by those outside the organisation. Whistle-Blowing and Anti-Bribery policies are in place. The availability of these policies to staff, suppliers and other third parties has been communicated.
- 5.3 Senior managers are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice. The Group's stance in relation to employee fraud is zero tolerance and cases will normally be reported to the Police. Each case will be considered individually taking all the relevant facts into account guided by professional advice, as appropriate.

6. Policy Detail

- 6.1 Torus will:-
- 6.1.1 Institute and maintain cost effective measures and procedures to deter fraud.
 - 6.1.2 Take firm and vigorous action where appropriate against any individual or group perpetrating fraud against Group members, with reference to the Fraud Act 2006, Computer Misuse Act 1990, and Prevention of Social Housing Fraud Act 2013, as appropriate.
 - 6.1.3 Encourage employees to be vigilant and to report any suspicion of fraud, and provide suitable channels of communication and ensure sensitive information is treated appropriately e.g. Whistleblowing policy
 - 6.1.4 Rigorously investigate instances of alleged fraud and pursue perpetrators to seek restitution of any asset fraudulently obtained together with the recovery of costs.
 - 6.1.5 Assist the police and all other appropriate authorities in the investigation and prosecution of those suspected of fraud.
 - 6.1.6 Require external contractors to be able to demonstrate that they are aware of the risks of fraud and where appropriate, have their own fraud policies and procedures in place.
- 6.2 The detection, prevention and reporting of fraud is the responsibility of all Members and employees within the Group. The following is expected of all Members and employees:
- 6.2.1 To act with integrity at all times;
 - 6.2.1 To comply with the seven principles of public life; these are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;

- 6.2.3 To adhere to the Group's Code of Conduct;
 - 6.2.4 To comply with Standing Orders for Contracts and Financial Regulations;
 - 6.2.5 To raise concerns as soon as any impropriety is suspected
 - 6.2.7 To participate in relevant induction, training and awareness raising sessions
- 6.3 Managers and team leaders will:
- 6.3.1 ensure that any potential fraudulent activity is minimised, by making new starters aware of the policy and re-briefing existing staff from time to time
 - 6.3.2 ensure compliance with all the company's relevant policies, codes of conduct and standing orders
 - 6.3.3 attend relevant fraud training and awareness activities in order that they are able to detect fraud.

7. Responsibilities

- 7.1 Board Members and employees should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will operate, and the promotion of an anti-fraud culture across the whole organisation. This should provide a sound defence against internal and external abuse of funds/assets.
- 7.2 It is believed that by developing a robust approach and ensuring it is widely publicised and embedded in the culture of Torus that the organisation will reduce the risk to incidents of fraud. Fraud is included in the Corporate Risk Registers and will be reviewed regularly.
- 7.3 All Directors, Managers, Assistant Managers and Team Leaders will:
- 7.3.1 Ensure that any potential fraudulent activity is minimised, by making new starters aware of the policy and re-briefing existing staff from time to time;
 - 7.3.2 ensure compliance with all the Group's relevant policies, codes of conduct and standing orders;
 - 7.3.3 play a role in populating fraud risk assessments including identification of fraud risks, implementing controls to reduce or mitigate the risk of fraud and carry out regular quality checks of the controls to ensure their effectiveness;
 - 7.3.4 attend relevant training and awareness activities in order that they are able to detect fraud;
 - 7.3.5 complete an annual assurance statement advising that it is their belief that local systems and processes minimise opportunities for fraud by ensuring systems and processes have appropriate controls, breaks and delegated/split and shared authorisation.

- 7.4 Employees are required to operate within the following guidelines:
- 7.4.1 A key measure in the prevention of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. Written references for potential employees are obtained as part of the recruitment process and offers are subject to the receipt of satisfactory references.
 - 7.4.2 For identified roles within Torus, it is a pre-employment requirement to undergo a Disclosure and Barring Service check. The purpose of these checks is to give confidence to Torus and its customers that an employee can perform reliably in a position of trust e.g. working in a customer's home, or with vulnerable people Torus, requires sight of an employees' qualifications and verification of employment history which will sit alongside a robust approach during recruitment. For this reason, all recruitment across Torus and its subsidiaries is co-ordinated by the Organisational Development team.
 - 7.4.3 Employees, once recruited, are expected to adhere to Torus' Code of Conduct and to follow standards of conduct issued by their personal professional institute and Torus' Probity Policy where applicable.
 - 7.4.4 It is expected that employees will remain vigilant and raise any suspected issues in relation to fraud with their manager.
 - 7.4.5 Disciplinary Procedures for all categories of employee will be applied to deal with improper conduct.
 - 7.4.6 All employees are required upon joining Torus and on an annual basis to declare any conflicts of interest that could impact upon their role within Torus or its subsidiaries. All employees are also required to seek permission/ declare their intent to purchase goods or services from a key supplier or contractor in advance.
 - 7.4.7 On a monthly basis Torus asks staff to declare whether they have been offered gifts or hospitality and whether these have been accepted. A register of declarations is maintained by the Board & Governance Officer.
 - 7.4.7 Annual declarations of interest including those that pertain to immediate family.
- 7.5 The following internal control measures are also in force:
- 7.5.1 The Company Secretary has a duty to report to Torus where it appears to them that any proposal, decision or omission by Torus, a committee, a sub-committee or officer has given rise to, (or is likely to give rise to), a contravention of any enactment, rule of law or statutory code of practice.
 - 7.5.2 The Chief Executive has the responsibility to ensure the proper administration of Torus' financial affairs.
 - 7.5.3 Torus maintains a register of all fraudulent activity including details of management response and outcomes. The register is maintained by the Board and Governance Officer and signed off by the Audit & Risk Committee on a quarterly basis. The register is submitted to the HCA on an annual basis

- 7.5.4 Managers will complete an annual fraud risk assessment and ensure appropriate controls are implemented and effective to reduce the risk of fraud.
- 7.5.5 Operational systems and procedures will incorporate efficient and effective internal controls, both financial and non-financial. Directors are required to ensure that such controls, including those in a computerised environment, are properly maintained and documented. The existence and appropriateness of controls is independently monitored by Internal Audit and the Audit & Risk Committee.

8. Policy Consultation

- 8.1 This is an amended version of previous policy documents held by the former LMH and Torus Groups.

9. Policy Implementation & Monitoring/Reporting

- 9.1 The implementation of this policy will be within the scope and control of the Director of Business Assurance.