



**WILLIAMSBURGH**  
HOUSING ASSOCIATION LTD

**Fraud Policy**

**Revision History**

<b>Creation Date</b>	<b>Reviewer(s)</b>	<b>Review Date</b>
July 2023	Corporate	July 2024

## Introduction

Williamsburgh Housing Association (WHA) is committed to conducting our affairs with honesty and integrity. We will make every endeavour to maintain high standards of conduct and probity in the management of the Association.

## Aim and Objectives

We will maintain a register of all incidents of actual or attempted fraud.

The register will be reviewed regularly by the governing body and be open to inspection by the Scottish Housing Regulator (SHR) at all times.

Our external auditors will review the register as part of their normal work.

## Procedures

Any staff or committee member who becomes aware of, or is suspicious of actual or attempted fraud, must immediately notify the Chief Executive or Head of Finance, who will ensure that:

- the Management Committee are advised at the earliest opportunity;
- the details of the incident are recorded in the register of fraud;
- the Association's auditors are invited to investigate the matter. All staff and committee members will afford every assistance in this investigation;
- if appropriate, the matter is reported to the police to make enquiries;
- action taken is recorded in the fraud register.

The Association's internal control procedures will be considered on an annual basis but any specific recommendations, in response to a particular incident, will be discussed by the Association's Management Committee, in reviewing such a situation.

Any fraudulent activity will be dealt with in the severest fashion. Should it involve a member of staff, the Association's disciplinary procedures will be invoked. Fraud will be regarded as gross misconduct and, as such, may lead to dismissal.

The Association acknowledges that fraud is becoming an increasing problem and, as the environment in which we operate changes, the types of fraud are becoming more sophisticated.

The Association will take cognisance of the SHRs Regulatory Advice Notes which identify incidents of fraud against RSLs.

The Scottish Housing Regulator expects us to ensure that the Association has effective procedures in place, to mitigate the risk of fraud occurring. The Regulator has also provided examples of some of the different types of fraud notified to them:

- Impersonation
- Mandate Fraud
- Fraudulent Cheques
- Overcharging or Double Billing by a contractor

- Fraudulent Claiming of Expenses
- Online banking

In terms of their requirements, the Regulator quotes Regulatory Standard 3.1:

*“The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and controls costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times”.*

and Regulatory Standard 4.3:

*“The governing body identifies risks that might prevent it from achieving the RSL’s purpose and has effective strategies and systems for risk management and mitigation, internal control and audit”.*

SHR expects RSLs to have robust procedures in place, to minimise the risks of any attempts at fraud being successful and that any attempted fraudulent activity is reported through the notifiable events process.

They also require that our governing body (the Management Committee) and staff are aware of Regulatory Advice Note: Incidents of Fraud Against RSLs in Scotland, December 2019 (Appendix No.1).

## **Evaluation and Monitoring**

It is fundamental to Williamsburgh Housing Association’s operation that we conduct ourselves with honesty and integrity. In order to maintain standards of conduct and probity, we must have procedures in place to manage incidents involving actual or attempted fraud.

This paper identifies how we will seek to achieve the highest standards of integrity in the management of Williamsburgh Housing Association.

The Register of Fraud will be presented for the Committee’s consideration on an annual basis for monitoring purposes. On an ongoing basis, the arrangements will be monitored, with individual incidents being dealt with as they arise.

The register will be available to the Scottish Housing Regulator at all times.

The external auditors will review the register as part of their normal audit work.

## **Review**

The Management Committee will have regard to this policy each year, in order that it can be brought to the attention of new committee members.

Any revisions deemed necessary can be considered at that time, otherwise the policy will be reviewed by the Management Committee annually, to ensure that it responds to any changing circumstances.

## Appendix No. 1 - Regulatory Advice Note: Incidents of Fraud Against RSLs in Scotland, December 2019 (Appendix No.1).



Scottish Housing  
Regulator

**To:** The Chair and Senior Officer of Registered Social Landlords

11 December 2019

Dear colleague

Incidents of Fraud against RSLs in Scotland

I am writing to you to alert you to a matter that has recently come to our attention.

A small number of RSLs have told us they have been the subject of fraud and/or attempted fraud. Fraud remains a problem for RSLs and as the operational environment changes, many traditional types of fraud still exist but others are becoming more sophisticated. The annex to this letter provides examples of some of the different types of fraud that have been notified to us.

Regulatory Standard 3 requires each RSL to ensure security of assets.

Regulatory Standard 4 requires each RSL to ensure they identify risks that might prevent it from achieving the RSL's purpose and have effective strategies and systems for risk management and mitigation, internal control and audit.

Many RSLs have effective risk management arrangements, however given the targeting of the sector, it is appropriate for RSLs to review the adequacy of the procedures in place to minimise the risks of any attempts at fraud from being successful.

Ensuring that there is senior-level focus on managing these risks, and devoting appropriate time and resource to doing so, will help to safeguard the interests of tenants and service users and maintain effective internal controls in this area.

If you uncover any activities that you believe to be fraudulent, you should continue to advise us through our [notifiable events](#) process.

I should be grateful if you would draw this advice to the attention of the appropriate staff within your organisation.

If you have any questions on this matter please get in touch with the lead regulator for your organisation or [contact us](#).

Yours Sincerely



Ian Brennan  
Director of Regulation

## Annex to Regulatory advice note

### Impersonation

In this type of fraud, the fraudster will impersonate a member of staff from within the organisation, generally the senior officer. The fraudster will send an email requesting a payment be made that will appear to be a genuine request from that member of staff. The email or a subsequent email will provide the bank details that would see a transfer of funds being made to the fraudster's account.

### Mandate Fraud

For this type of fraud, the fraudster will make contact and request that payment details for one of your supplier or contractor organisations be updated. A failure to have sufficient checks in place to ensure that the request is genuine will see the payment being forwarded to the fraudster's bank account.

### Fraudulent Cheques

This will see a false cheque drawn on the RSL's bank account being presented at a high street clearing bank. The false cheque could either have been created by the fraudster, be as a result of a cheque book that was issued by the bank to the RSL being intercepted, or it could be a genuine cheque but with a signatory who lacks the authority to sign cheques.

### Overcharging or Double Billing by a Contractor

These frauds occur when a contractor issues an invoice for work that has not yet been completed or where a customer is charged twice for the same product or service. There is a greater risk of this occurring where milestone agreements are in place that determine when payments should be made.

### Fraudulent Claiming of Expenses

This is a fraud perpetuated by a member of staff, which will see the fraudulent claiming of expenses not permitted by the organisation's policy. The risk of this is increased where there is insufficient segregation of duties.

### Online Banking

Internet Banking Fraud is a fraud or theft committed using online technology to illegally remove money from a bank account and/or transfer money to an account in a different bank. Internet Banking Fraud is a form of identity theft and is usually made possible through techniques such as phishing