

HOMES FOR LIFE HOUSING PARTNERSHIP

FRAUD POLICY

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| Date Issued: | January 2016 (Version 1) |
| Due Review Date: | January 2021 |
| No of Pages: | 5 (including noting sheet) |
| Objective | To describe the Company's arrangements for dealing with fraud |
| Responsible: | Business Manager |

1.0 Introduction

Management is responsible for detecting defalcation, misappropriation, and other fiscal irregularities. Directors and staff should be familiar with the types of improprieties that might occur within their areas of responsibility and be alert for any indication of irregularity.

Any irregularity detected or suspected must be reported immediately to the Business Manager, or where that is not appropriate then to the Chairperson, or Chair of the Audit & Risk Committee, and where none of these are appropriate then to the External Auditor - for coordination of necessary investigations, (whether internal or if required external).

(See also the relevant provisions of the Company's Policies on Whistle Blowing; Codes of Conduct; Fraud; and Entitlements, Payments & Benefits).

2.0 Scope of Policy

The conditions of this policy apply to any irregularity, or suspected irregularity, involving - staff; directors; members; tenants; other purchasers of services; consultants; contractors; suppliers; other outside agencies doing business with the Company; and any unknown parties.

Any investigative activity will be conducted without regard to the suspect's length of service, position/title, or relationship.

3.0 Actions Constituting Fraud

The terms irregularity, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act ;
- Forgery or alteration of any document or account;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of the Company and its operations, including but not restricted to private and confidential financial or contractual information and activity - whether current , previous , or contemplated;
- Disclosing to other persons private and confidential information on the Company and its operations, including but not restricted to financial or contractual information and activity - whether current, previous, or contemplated;
- Accepting or seeking anything of [material] value from individuals or organisations providing or seeking to provide services or materials to the company. (The exception will be gifts and hospitality of de-minimus value, as outlined under the Company’s Entitlements, Payments & Benefits Policy and Codes of Conduct).
- Destruction or disappearance of records, furniture, fixtures, or equipment

4.0 Non-Fraud Irregularities

Identification or allegations of personal improprieties or irregularities whether moral, ethical, or behavioural, should be resolved under the relevant Disciplinary Procedures for staff or the Policy on Breaches of Code of Conduct for directors. If you require any guidance on whether an action constitutes fraud you should contact the Business Manager, Chair, Chair of Audit & Risk Committee, or External Auditor as appropriate?

5.0 Investigation & Action

If an investigation reveals that fraudulent activities have occurred, this will be reported in the first instance, as appropriate, to the Office Bearers outlined above, or External Auditor, but will be considered by the Audit & Risk Committee and reported to the Board of Directors.

Where circumstances require due to the committee cycle and the seriousness of the issue, then reporting may be direct to the Board of Directors.

Decisions to prosecute or turn matters over to appropriate law enforcement and/or regulatory agencies for independent investigation, or to subsequently terminate any action will be made by the Board, and must be informed by advice from the Company’s solicitors and Business Manager (except where subject to such investigation).

Approaches with relevant information from anyone who suspects dishonest or fraudulent activity will be treated on a confidential basis. Individuals should

immediately contact the Business Manager, Chairperson, Chair of the Audit & Risk Committee, or External Auditor as appropriate, and should not attempt personally to conduct investigations or interviews/interrogations related to suspected frauds (see Reporting Procedure section below).

Except for legal enforcement or notification required under statutory regulation, the results of investigations will not be disclosed or discussed with anyone other than those persons associated with the Company, or with relevant legal enforcement or statutory regulation and who have a legitimate need to know in order to perform their duties and responsibilities. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect the Company from legal action.

6.0 Authorization

In those instances in which the Business Manager, Chair, Chair of Audit & Risk Committee, or External Auditor (as appropriate) believes it to be in the necessary for implementation of this policy, they will have the authority and duty, after appropriate consultation, to:

- Take control of, and/or gain full access to, all company premises, whether owner or rented:
- Examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, other storage facilities and equipment, including any Information Technology equipment, without prior knowledge or consent of any individual who may use or have custody of any such items or facilities.

7.0 Reporting Procedure

Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

All inquiries from suspects and their representatives should be directed to the Business Manager, Chair, Chair of Audit & Risk Committee or External Auditor as appropriate. The proper response to such an inquiry is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to specifics of the allegations.

The reporting individual must adhere to the following restrictions:

- The suspect must not be contacted in an effort to determine facts or demand restitution.
- The case, facts, suspicions, or allegations must not be discussed with anyone outside the Company unless specifically asked to do so by the Company's

Solicitors or Business Manager (the Chair, Chair of Audit & Risk Committee or External Auditor as appropriate).

- The case must not be discussed with anyone within the Company other than those who have a legitimate need to know. Guidance on this should be sought from the Company's solicitor as necessary.

8.0 Termination

If an investigation results in a recommendation to terminate appointment as a director, a contract of employment, or any other contract of appointment or service or of employment, this recommendation will be considered by Board before any decision is taken, and consideration must be informed by advice from the company's solicitors and Business Manager (except where subject to such investigation).

9.0 Review

This policy will be reviewed as necessary, but not less than once every 5 years.