



Fraud & Theft Policy

Approved: 4 February 2025

FRAUD & THEFT POLICY STATEMENT

1. Introduction

- 1.1** Bield is committed to the highest standards of corporate governance and continually monitors its internal controls to ensure they remain effective. This process is facilitated by the Audit Performance & Risk Committee in its role of reviewing the key risks inherent in the affairs of Bield and the systems of control necessary to manage such risks. Bield has in place a Code of Conduct for Board and Committee members which deals with Governance issues and the conduct of individual members. A Code of Conduct for staff is also in place which sets out the standards of conduct expected of all staff in relation to their work within Bield.
- 1.2** Bield recognises that it is essential to minimise the potential for fraud and theft to take place within the organisation and a robust system of internal financial controls has been implemented to minimise that risk.

2. Internal Financial Control

- 2.1** It is ultimately the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable (and not absolute) assurance against material financial misstatement or loss. The key elements of these systems include ensuring that:
- (a) there are formal policies and procedures in place (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 Bield's assets
 - (b) experienced staff, suitably qualified, are responsible for important business functions, and annual appraisal procedures have been set up to maintain high standards of performance
 - (c) forecasts and budgets are prepared so that the Board and management can monitor both the key business risks and financial objectives and also progress towards financial plans set for the year and the longer term
 - (d) regular management accounts are prepared which provide relevant, reliable and up to date financial information, and significant variances from budget are investigated as appropriate
 - (e) all significant initiatives, major commitments and investment projects are subject to formal authorisation procedures
 - (f) the Executive Management Team, Board and Committees review 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 general review of the major risks facing Bield

- (g) formal procedures have been established for instituting action needed to correct weaknesses identified in the above reports.

3. Definition of Fraud and Theft

- 3.1** Whilst no precise legal definition of fraud exists, for the purposes of this policy, it may be defined as the intentional use of deception to obtain an unjust or illegal financial advantage. It may be used to describe acts such as deception, bribery, forgery, extortion, corruption, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
- 3.2** Theft may be defined as the dishonest appropriation of property or value.

4. Application of Policy

- 4.1** This policy applies to proven or admitted cases of fraud and theft perpetrated either:
- against Bield; or
 - against a third party with a connection to Bield such as a resident, service user or supplier by someone over whom the organisation can exercise control such as an employee, volunteer, Board or Committee member or supplier,

and to instances where there is evidence which can reasonably be interpreted as a suspected case of fraud or theft.

- 4.2** In all cases, an investigation will be conducted to determine, in relation to each incident, whether the loss to Bield or a third party as defined in 4.1 has been caused by error or fraud or theft.
- 4.3** In the event of a legal conviction against an employee for fraud or theft perpetrated whilst employed by Bield but not connected to their employment with the organisation, then the matter will be considered in accordance with Bield's disciplinary procedures.

5. Guiding Principles on Fraud & Theft

- 5.1** Bield will not tolerate fraud or theft carried out by its suppliers, staff or volunteers. In all cases, allegations of fraud or theft will be investigated thoroughly and appropriate action taken if an allegation is substantiated.
- 5.2** The form of action that is taken will depend on the level of fraud or theft and the circumstances in each case. In most instances, however, the action considered will involve disciplinary action (against staff members), prosecution and/or recovery of the missing assets and funds.
- 5.3** Any person whose conduct is negligent to the extent that it allows fraud or theft to be committed will be reported to the Departmental Director. Bield's disciplinary procedures will be applied as appropriate.
- 5.4** Fraud and theft by employees constitutes gross misconduct. Bield's Terms and Conditions of Employment state that gross misconduct will normally result in instant dismissal.

- 5.5** Bield expects the highest standards of integrity and conduct from its Board members. Each Board member is issued with a copy of the Code of Conduct for Board and Committee Members which details the standards of behaviour that are expected.
- 5.6** Bield expects the highest standards of integrity and conduct from its staff. Each member of staff is issued with a copy of the staff Code of Conduct which details the standards of behaviour that are expected. Where there is a requirement placed upon Bield, staff should also be made aware of and comply with 3rd party codes of conduct i.e. CCPS.

6. Responsibilities of the Board of Management

- 6.1** The Board of Management is ultimately responsible for:
- (a) developing and maintaining effective controls to prevent fraud and theft;
 - (b) carrying out vigorous and prompt investigations if fraud or theft occurs;
 - (c) ensuring appropriate legal and/or disciplinary action is taken against the perpetrators of fraud and theft;
 - (d) ensuring appropriate disciplinary action is taken where supervisory failures have contributed to the commission of the fraud or theft.

7. Responsibilities of the Executive Management Team

- 7.1** Each Departmental Director is responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that such controls operate effectively.
- 7.2** Directors should assess the types of risk involved in the operations for which they are responsible and should review the control systems for those areas on an on-going basis in order to satisfy themselves that their systems continue to operate effectively.
- 7.3** Bield's internal and external auditors are available to offer advice and assistance on control issues as necessary.
- 7.4** In terms of establishing and maintaining effective controls it is generally desirable that:
- (a) wherever possible, there is a separation of duties so that control of a key function is not vested in one individual
 - (b) backlogs e.g. processing rent payments etc are not allowed to accumulate, and
 - (c) in designing any new system, consideration is given to building in safeguards against internal and external fraud
- 7.5** Line Managers should be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Fraud or theft may also be highlighted as a result of specific management checks or be brought to management's attention by a third party.

8. Responsibilities of Employees

- 8.1** Each employee of Bield has a duty to ensure that the organisation's, and, where relevant, tenants, service users' funds and assets are safeguarded. Staff should alert their line manager (or the next most senior person) where they believe the opportunity for fraud or theft exists because of poor procedures or lack of effective oversight.
- 8.2** In addition, it is the responsibility of each employee to report details immediately to their Line Manager (or the next most senior person) if they suspect that a fraud or theft has been committed or see any suspicious acts or events.
- 8.3** Employees should also assist in any investigations by making available all relevant information and by co-operating in interviews.
- 8.4** It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. Bield's policy on 'Whistleblowing' provides further guidance to staff on how to report any concerns in areas of possible malpractice such as fraud or theft.

9. Investigation and Response to Fraud or Theft

- 9.1** In the event of a suspected fraud or theft being detected, Bield's Procedure on Fraud & Theft will be followed (Appendix 1).

10. Gifts and Hospitality

- 10.1** The principle of integrity requires that employees of Bield should not place themselves under any obligation that might influence, or be perceived to influence, the conduct of their duties. This means that the receipt of hospitality and gifts must be subject to clear restrictions, and that any that are accepted must be declared and recorded. (See Bield's Entitlement, Payments & Benefits Policy).
- 10.2** Bield has a Code of Conduct for staff and for Board and Committee Members which provides detailed guidance on the policy regarding the acceptance of gifts and hospitality and the declaration of interests in general. (See Bield's Entitlement, Payments & Benefits Policy).

11. Reporting

- 11.1** All cases of fraud and theft, both actual and suspected, will be reported to the Audit Performance & Risk Committee after all stages of investigation and disciplinary action have been concluded. The relevant Departmental Director (or Chief Executive where appropriate) will prepare a full report detailing the incident, the action taken and the appropriateness of the internal controls.
- 11.2** Bield's internal auditors will be notified as soon as there is reasonable evidence of a suspected act of fraud or theft.

- 11.3** Bield shall notify the police and the organisation's insurers whenever an internal investigation concludes that a suspected theft or fraud has been perpetrated. Police may be informed earlier as appropriate.
- 11.4** The Company Secretary shall maintain a Fraud Register. Once a suspected fraud or theft has been investigated and reported to the Audit, Performance & Risk Committee, the incident will be recorded in the Fraud Register which will be open to inspection by the Bield's regulators and the organisation's internal and external auditors at any time. The Register will contain records of both suspected and detected fraud and theft and the actions taken. Where an investigation does not result in a criminal prosecution, the entry will be made but with no named individuals or schemes recorded. An Annual Report on this register will be prepared by the Audit, Performance & Risk Committee for consideration by the Board. The Fraud Register shall be signed by the Chair of Bield annually, normally in December.

12. Implementation

- 12.1** The Board and Executive Management Team are responsible for ensuring that this policy is communicated and implemented.
- 12.2** It is the responsibility of all employees to ensure that their work is carried out in line with this policy and the procedures attached to it.
- 12.3** Bield will ensure that all of its employees are made aware of this policy and the procedures attached to it.
- 12.4** The Audit, Performance & Risk Committee and the Chief Executive are responsible for monitoring this policy to ensure that it is correctly applied.

13. Equality & Diversity

- 13.1** In operating this Fraud & Theft Policy, Bield will, at all times, adhere to the principles of its Equality & Diversity Strategy and Policy where everyone can participate fully and be treated equally and fairly without disadvantage arising from their gender, disability, race or any other personal characteristic.

14. Policy Review

- 14.1** The Fraud & Theft Policy will be reviewed every five years by the Audit, Performance & Risk Committee for approval by the Board of Management. The next review of the Fraud & Theft Policy is scheduled for February 2030.
- 14.2** Bield will undertake a review of this policy whenever there are relevant changes to legislation, case law or good practice that may impact on it.
- 14.3** Steps should be taken to attempt to recover any losses resulting from the fraud or theft in liaison with Bield's Insurance Brokers and the organisation's Solicitors.

Fraud & Theft Policy

Appendix 1

Procedure on Investigating Fraud & Theft

1. Any suspected or perpetrated act of fraud or theft by a member of staff should be reported to the relevant line manager who will in turn immediately report the matter to the Departmental Director; if the act is allegedly committed by a Departmental Director, it should be reported to the Chief Executive; if the act is allegedly committed by the Chief Executive or a Board member or Committee member, it should be reported to the Chair of Bield; if the act is allegedly committed by the Chair of Bield, it should be reported to the Chair of the Audit, Performance & Risk Committee.

The reporting requirements of 3rd parties should also be adhered to i.e. Scottish Housing Regulator (>£1,000), CCPS, Local Authorities and lenders.

2. Any suspected or perpetrated fraud act against Bield committed by a supplier of goods or services or any other third party over whom the organisation can exercise control should be reported by the staff member who identifies the alleged fraud or theft to their line manager who will in turn report the matter to the Departmental Director.
3. Irrespective of the source of the suspicion, the relevant Departmental Director, in liaison with the Department of Human Resources, shall appoint an Investigating Officer to undertake an initial enquiry to ascertain the facts. This enquiry should be carried out as soon as practical after suspicion has been aroused since prompt action is essential. The Executive Management Team shall not be informed at this stage unless the value of the loss is in excess of £500.
4. The purpose of the initial investigation is to confirm or repudiate the suspicions which have arisen so that, if necessary, further investigation may be instigated.
5. The Investigating Officer should determine the factors which gave rise to the suspicion to ascertain whether a genuine mistake has been made or an irregularity has occurred. Preliminary examination may involve discreet enquiries with staff or a review of documents.
6. If the Investigating Officer confirms the suspicion that a fraud or theft has been perpetrated, then to prevent the loss of evidence which may be essential for subsequent disciplinary action or prosecution, the Investigating Officer should take steps to ensure that all original documentation is preserved in a safe place for further investigation.
7. The Investigating Officer will prepare a written report outlining the findings of the initial investigation and present it to the line manager, a copy of which shall be supplied to the Departmental Director. In consultation with the Departmental Director, a decision should be taken as to whether to call the Police or to await the outcome of a further, more comprehensive internal investigation.
8. Based on the particular circumstances of the case, the Departmental Director will determine whether a further investigation is required and may involve the use of

external agencies such as internal audit. If no further investigation is deemed necessary, the matter will be dropped.

9. Following the second investigation and where there is clear prima facie evidence of fraud or theft, Bield will advise the Police. Under those circumstances, and where they have not already been advised, the Chief Operating Officer will advise Bield's internal and external auditors and the insurers.
10. Bield will normally suspend on full pay any employee involved, pending the outcome of the investigation. A Board or Committee member will be suspended from the Board or relevant Committee, pending the outcome of the investigation. Once the investigation has been concluded and if there is sufficient evidence to suggest that fraud or theft has been committed by a Board or Committee member, the Chief Executive will prepare a report for the next meeting of the Board. Any supplier suspected of committing fraud or theft against Bield will be suspended from the organisation's list of approved suppliers pending the outcome of the investigation. Any suspension is a neutral act and does not in itself imply guilt. It is another safeguard to prevent the removal or destruction of evidence.
11. Any suspension of an employee will be done in consultation with the Department of Human Resources.
12. In the event that the full investigation determines that a fraud or theft may have taken place, Bield will invoke its disciplinary procedures and will seek to recover any assets that have been lost.
13. A full report will be prepared by the Departmental Director and presented to the next meeting of the Executive Management Team and subsequently of the Audit, Performance & Risk Committee.
14. The Company Secretary shall maintain Bield's Fraud Register. Once a fraud or theft has been investigated and reported to the Audit, Performance & Risk Committee, the incident will be recorded in the Fraud Register which will be open to inspection by the organisation's regulators and the organisation's internal and external auditors at any time. The Register will contain records of both attempted and detected fraud and theft and the actions taken. Where the outcome of an investigation is inconclusive, the Fraud Register will only record that an investigation has taken place and no conclusions reached. No individuals or schemes will be named although reference will be made to supporting documentation held by the Departmental Director for further information.
15. An Annual Report on this register will be prepared by the Audit, Performance & Risk Committee for consideration by the Board. The Fraud Register shall be signed by the Chair of Bield annually.
16. All supporting documentation relating to a fraud or theft investigation will be held securely by the Departmental Director concerned.



Speaking your language - we are happy to translate our policies on request.

يمكن ترجمة سياساتنا عند الطلب
إذا كنت بحاجة إلى مساعدة ، فيمكننا توفير مترجم

**Nasze zasady mogą być przetłumaczone na żądanie.
Jeśli potrzebujesz pomocy, możemy zapewnić tłumacza**

**我们的政策可以应要求翻译。
如果您需要帮助，我们可以提供翻译**

ہماری پالیسی کا درخواست پر ترجمہ کیا جاسکتا ہے۔
اگر آپ کو مدد کی ضرورت ہو تو ہم ایک ترجمان فراہم
کرسکتے ہیں