

# Fraud & Bribery Response Plan

<b>Department:</b>	<b>Hopstead</b>
<b>Policy Owner:</b>	<b>Chief Executive Hopstead</b>
<b>Approved:</b>	<b>May 2022</b>
<b>Date for renewal:</b>	<b>May 2025</b>
<b>Version:</b>	<b>Version 1</b>

This policy makes reference to “Flagship Group” as Flagship Housing Group is the sole corporate member of Hopstead and, in addition, the Trustees may, from time to time, and so long as it is in the best interest of Hopstead, share resource with Flagship Group by delegating some of its functions to a team within Flagship Group. The Trustees have decided that it is in the best interest of Hopstead to delegate some functions in relation to this Policy to the Flagship Group Director (Legal & Governance), Flagship Group Governance Team and the Flagship Group Governance Audit and Risk Committee.

## 1. Definition and examples

1.1. Hopstead has a zero tolerance approach to fraud and bribery.

- Fraud is defined as making a personal gain or causing a loss to another by dishonestly making false representation, dishonestly failing to disclose information or abuse of position.
- Bribery is defined as offering, promising, giving or accepting any financial or other advantage as an inducement to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage or to create or influence an outcome which is favourable to another party.

1.2. This Fraud & Bribery Response Plan sets out how suspicions of fraud or bribery will be managed. This document should be read in conjunction with the Anti-Fraud & Bribery Policy.

1.3. All policies and procedures referred to in this document are available on bob or on request.

## 2. Reporting and recording incidents of identified or suspected fraud or bribery

2.1. Employees and volunteers must report all incidents of identified or suspected fraud or bribery as soon as possible using the online reporting forms on the Hopstead website and bob or to their Line Manager. If this is inappropriate, the report may be made to

the Hopestead Chief Executive ([marie-claire.delbrouque@hopestead.org](mailto:marie-claire.delbrouque@hopestead.org)), the Flagship Group Director (Legal and Governance) Ed Marcus ([edward.marcus@flagship-group.co.uk](mailto:edward.marcus@flagship-group.co.uk)) or Lisa Collen, Flagship Group Director People and Workplaces ([lisa.collen@flagship-group.co.uk](mailto:lisa.collen@flagship-group.co.uk))

- 2.2. Flagship Group's Internal Auditors - KPMG (Neil Hewitson, Gavin Egmore or Melita Fearnley – [neil.hewitson@KPMG.co.uk](mailto:neil.hewitson@KPMG.co.uk) or [gavin.egmore@KPMG.co.uk](mailto:gavin.egmore@KPMG.co.uk) or [melita.fearnley@KPMG.co.uk](mailto:melita.fearnley@KPMG.co.uk)), the Chair of the Hopestead Board ([Philip.Burton@flagship-group.co.uk](mailto:Philip.Burton@flagship-group.co.uk)) or the Chair of the Flagship Group Governance, Audit & Risk Committee, Rob Bennett ([rob.bennett@flagship-group.co.uk](mailto:rob.bennett@flagship-group.co.uk)) may be contacted if this is proportionate to the identified fraud or bribery incident.
- 2.3. Trustees must report all incidents of identified or suspected fraud or bribery to the Hopestead Chief Executive or the Flagship Group Director (Legal and Governance) or if this is inappropriate, to the Chair of Hopestead Board ([Philip.Burton@flagship-group.co.uk](mailto:Philip.Burton@flagship-group.co.uk)) or the Chair of the Flagship Group Governance, Audit & Risk Committee ([Rob.Bennett@flagship-group.co.uk](mailto:Rob.Bennett@flagship-group.co.uk)).
- 2.4. Agents, consultants, contractors and all other associated persons of Hopestead must follow the guidelines for employees, with the Hopestead manager commissioning the agents, consultants, contractors or other associated persons work being regarded as the Line Manager.
- 2.5. Reporting can be verbal or in writing dependent upon the circumstances. All reporting made in good faith will be treated with confidentiality. However, malicious allegations by employees will be dealt with under the Disciplinary Procedure.
- 2.6. The responsibility for the maintenance of a Fraud Register has been delegated by Hopestead, for the time being, to the Flagship Group Governance Team. This register is used to capture all reported suspected frauds and is updated throughout the process to provide an accurate record of the status of each reported case.
- 2.7. **Initial Enquiries**
  - 2.7.1. Where it is appropriate to do so, discreet initial enquiries may be made promptly by the manager receiving the report to determine if there actually does appear to be an irregularity. However, it is imperative that:
    - a this can be done without alerting the perpetrator to the investigation;
    - b the manager or senior member of staff has sufficient experience to do so.
    - c the manager or senior member of staff has contacted Flagship Group Director (Legal and Governance) for advice before proceeding; and
    - d Fraud register is updated.
  - 2.7.2. During the initial enquiry, the manager or senior member of staff should:
    - a determine the factors that gave rise to the suspicion;

- b examine the factors to determine whether a genuine mistake has been made or whether an irregularity has occurred;
- c secure any relevant documentation or records (if this can be done without alerting the perpetrator); and
- d ensure that the Fraud Register is updated regularly.

**IMPORTANT: At this point, the manager or senior member of staff should not be interviewing any employees, Trustees, any other parties or the suspected perpetrator.**

- 2.7.3. Hopestead, for the time being, has delegated the responsibility for the investigation of any reports of Fraud or Bribery to Flagship Group Director (Legal and Governance). As soon as there is evidence of irregularity, managers or the senior member of staff must inform the Flagship Group Director (Legal and Governance), or, if this is not appropriate, the Flagship Group Governance Team. The Flagship Group Director (Legal and Governance), in consultation as appropriate, with the Hopestead Chief Executive, the Flagship Group Chief Executive, Flagship Group Directors or professional advisors (e.g. Internal Auditors), as appropriate, will decide how to investigate each reported incident. Any threats of further frauds or losses will be removed immediately (e.g. by changing procedures or suspending payments). The Fraud Register must be updated with the current status.

### 3. Investigation

- 3.1. Where an investigation is required, the following general principles will apply;
- 3.1.1. A nominated investigating officer will be identified. This may be the Line Manager, a Flagship Group HR colleague, the Flagship Group Director (Legal and Governance), the Flagship Group Governance Team, Hopestead Chief Executive or another third party, as agreed by either the Flagship Group Director (Legal and Governance) and Hopestead Chief Executive in association with the Flagship Group Director (People and Workplaces) for employee related investigations.
  - 3.1.2. The investigation will be conducted promptly, with due regard to compliance with legislation around interviewing and surveillance;
  - 3.1.3. All evidence will be recorded, and written records maintained of all fact-finding meetings;
  - 3.1.4. Email correspondence relating to the investigation will be discreet and an agreed 'case name' will be used. All sensitive documents will be password protected;
  - 3.1.5. All evidence will be held securely with appropriate restriction to access;
  - 3.1.6. Where appropriate, external agencies (e.g. Police, Local Authorities, HMRC) may be contacted. If circumstances dictate, this may occur prior to any step above;

- 3.1.7. Hopestead's insurers will be contacted at the earliest appropriate opportunity (**IMPORTANT: failure to do so could jeopardise any future claim for losses incurred**); and
- 3.1.8. Investigators must not accept any offer of repayment or resignation during the investigation, as this would prejudice the investigation. Any such offers should, however, be recorded in interview notes.
- 3.2. The results of the investigation must be reported to the Hopestead Chief Executive and Flagship Group Director (Legal and Governance) and Flagship Group Director (People & Workplaces), if an employee is under suspicion. Further action will be agreed as proportionate and necessary.
- 3.3. Hopestead has the right to suspend any individual involved pending the outcome of an investigation. Suspension does not imply guilt, but suspension can prevent the removal or destruction of vital evidence. Suspension also protects the investigation, employees under suspicion and the business. When suspects are not suspended, supervision will usually need to be increased. Any suspensions or any subsequent disciplinary action must be undertaken under advice from Hopestead Chief Executive, who may delegate responsibility to Flagship Group HR, providing that this consultation will not compromise the investigation and action taken is done in accordance with the Disciplinary Policy.
- 3.4. Hopestead Chief Executive will be consulted when dealing with employees under suspicion of fraud or bribery (or the Flagship Group Director (Legal and Governance) or where this is not appropriate). The Chair of the Hopestead Board will be consulted when dealing with any Trustee under suspicion of fraud or bribery (or the Flagship Group Director (Legal and Governance) where this is not appropriate).

#### 4. Further actions

- 4.1. The Flagship Group Governance, Audit & Risk Committee will recommend to the Hopestead Board what action to take to recover any money, resources or assets lost in accordance with regulatory and legal requirements.
- 4.2. All Press enquiries must be referred in accordance with Hopestead's Media Policy.
- 4.3. Learnings will be identified for all relevant fraud reports. Where necessary following an incident, the Flagship Group Director (Legal and Governance) will prepare a report for the Flagship Group Governance, Audit & Risk Committee and Hopestead Board detailing the lessons to be learned from the case and the need, if any, for wider dissemination of the lessons.
- 4.4. Where appropriate and lawful, cases of attempted or proven fraud or bribery will be publicised on Hopestead's website to raise awareness and act as a deterrent.
- 4.5. The Flagship Group Director (Legal and Governance) will ensure that the Fraud Register is updated on behalf of Hopestead to keep an accurate record of each case.

### Version Control

Note: minor updates increase version number by 0.1; major updates increase version number by 1.0.

Version	Detail	Approved by	Date
1.0	First issue	Hopestead Board	May 2022