Trident Group

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Fraud and Bribery Prevention, Detection and Response

Department: Governance

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1. Group Board Statement

1.1 Trident Group is committed to the highest standards of probity and corporate governance and strives to strengthen its internal controls and procedures with the support of the Audit & Risk Committee, to establish and maintain effective systems of financial control.

1.2 The Group Board acknowledges it has ultimate responsibility for ensuring that the organisation has in place appropriate systems of controls to detect and prevent improper conduct or fraud. The organisation seeks to ensure openness and transparency in their financial activities and to enable stakeholders to have confidence in its integrity.

2. Purpose

2.1 The purpose of the policy is to ensure the organisation complies with the statutory and regulatory requirements with respect to probity and conduct by raising awareness of possible fraud and corruption at all levels of the organisation.

2.2 The purpose of this document – the Fraud & Bribery Prevention, Detection and Response Policy ("the policy") is to set out individual responsibilities with regard to the prevention of, detection of and response to fraud and bribery, including what to do in the event of a suspected fraud or instance of bribery, and what action will be taken by the organisation in the event that an offence has been committed.

2.3 It is the responsibility of the organisation to establish controls and procedures to prevent and detect fraud and bribery and, therefore, safeguard the assets of the organisation. This responsibility is delegated to management to apply and enforce on a day-to-day basis.

3. Scope

3.1 The policy applies to all Board and Committee members, shareholders, employees as well as external consultants and contractors directly involved in delivering the business activities of the subsidiaries within the organisation at any time. All named groups of persons are required to familiarise themselves with this policy and the documents to which it relates.

3.2 This policy should be read in conjunction with Trident Group's Probity Policy which provides oversight for all aspects of probity and conduct across the organisation and should be read alongside this policy. In cases of conflict, the Probity Policy will prevail.

3.3 This policy is meant to supplement good judgment and therefore all persons to whom it applies should respect its spirit as well as its wording.

4. Definitions

4.1 Fraud is a term used to describe acts such as deception, bribery, forgery, extortion, corruption, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. The Fraud Act 2006 became law in January 2007. For this policy, fraud also includes theft.

4.2 The criminal act of fraud is the attempt to deceive and therefore attempted fraud is treated as seriously as accomplished fraud. In law the act requires the presence of the following three things:

- An asset which is of value to someone.
- The motivation to acquire the asset by fraud.
- The opportunity to do so.

4.3 Examples of the above acts include but are not limited to the following:

- False accounting.
- Making fraudulent statements with a view to personal gain or gain for another.
- Unauthorised disclosure of confidential information to outside parties for advantage.
- Accepting or seeking value from third parties by virtue of official position or duties.
- Wilful destruction or removal of company records.
- Falsification of expense claims.

4.3 For the purposes of the policy, fraud may be considered to be the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

4.4 The Bribery Act 2010 came into force on 1 July 2011, repealing and replacing the old laws on bribery with a new comprehensive anti-bribery code. There are four offences:

- Active bribery - offering, promising or giving bribes.
- Passive bribery - requesting, agreeing to receive or accepting bribes.
- Bribery of a foreign public official.
- Failure of a commercial organisation to prevent bribery.

4.5 Examples of the above acts include but are not limited to the following:

- Allocation of property without following approved Allocation Policy and Procedure, in return for a reward.
- Offering employment without following approved Recruitment Policy and Procedure, in return for a reward.
- Acceptance of goods and services as an inducement to giving work to any supplier.
- Disclosing confidential information to outside parties without authority for personal gain.

4.6 Tenancy Fraud is the use of social housing by someone who is not entitled to occupy that home. It can take the form of making a false housing application, sub-letting the property without permission, or succession fraud (occupying a property after the death of the legitimate tenant). See also Tenancy Fraud Policy.

5. Responsibilities

5.1 The Group Board with the support of the Audit & Risk Committee is responsible for the following:

- Reviewing effective controls to prevent fraud, including policy development and contingency planning.
- Ensuring appropriate legal and/or disciplinary action is taken against the perpetrators of fraud.
- Ensuring appropriate disciplinary action is taken where supervisory failures have contributed to the commission of the fraud.

5.2 The Executive and management are responsible for the following:

- Implementing, effectively communicating and monitoring of the Fraud and related Probity Policy and procedures to ensure compliance.
- Overseeing the implementation of effective controls, including staff recruitment and awareness training.
- Ensuring that an adequate system of internal control exists within their areas of responsibility and that such controls operate effectively.
- Ensuring vigorous and prompt investigations if fraud occurs.
- Reviewing and communicating best practice from across the sector, assessing the types of risk involved in the operations for which they are responsible.
- Allocating sufficient resources to undertake and improve internal controls.
- Reporting of fraudulent acts to the Group Board, the RSH and parties of legitimate interest.

5.3 The Group Finance Director with the support of, external auditors, internal auditors and the Senior Management Team is responsible for the following:

- Developing and maintaining effective controls to prevent and detect fraud.
- Investigating allegations of fraud including:
  - gathering evidence, including taking statements.
  - writing reports on suspected or actual fraud.
  - making recommendations for remedial action.
- Identifying the risks to which systems and procedures are exposed.
- Reviewing internal controls, identifying weaknesses which contributed to the fraud.
- Providing advice and assistance on risk and control issues.

5.4 The Group Finance Director is responsible for:

- Receiving reports of suspicious activity from any employee in the organisation
- Considering all reports and evaluating whether there is - or seems to be - any evidence of fraud.
- Reporting any suspicious activity or transaction to the police or relevant agency.
- Record keeping.
- Training employees in preventing fraud.

5.5 Employees are responsible for the following:

- Acting with propriety in the use of official resources and in the handling and use of corporate funds.
- Reporting details immediately to (their line manager or next most senior manager) if they suspect that a fraud has been committed or see any suspicious acts or events.

5.6 The Company Secretary is responsible for:

- Providing or arranging training for all Group Board and Sub-Committee members.
- Ensuring that all Group Board and Sub-Committee members understand and are fully compliant with the Act.
- Ensuring that a fraud register is kept and is open to inspection by the RSH at any time. It is reported to the RSH annually (even if a nil return) and that it is any entries to the fraud register are reviewed by the Audit & Risk Committee.

6. Risk Based Approach – managing the risk of Fraud and Bribery

6.1 Fraud and bribery should be considered as a set of risks to be managed alongside other business risks and, therefore, needs to be embedded into the organisation's risk management process.

6.2 Managing the risk of fraud or bribery involves:

- Assessing the organisation's overall vulnerability to fraud or bribery.
- Identifying the key risk areas most vulnerable to the risk of fraud or bribery.
- Considering the likely Impact of fraud or bribery occurring in these key risk areas.
- Assessing the scale / likelihood of fraud or bribery occurring in the key risk areas.
- Identifying and evaluating existing controls to prevent fraud or bribery.
- Developing an action plan and assigning ownership (i.e. allocating responsibility for fraud and bribery).
- Implementing revised controls to improve the organisation's approach to fraud and bribery.
- Reviewing, monitoring and evaluating the impact of revised controls.
- Measuring the effectiveness of the fraud and bribery-risk approach.

6.3 Managers should establish the areas most vulnerable to fraud and bribery risk, through the responsible managers undertaking an overall review of their local areas of activity to identify those areas most vulnerable to fraud or bribery, for example: cash handling,

procurement, accounts payable, allocations, recruitment, asset protection and sensitive information.

6.4 Managers should identify patterns of loss, if applicable, and areas of potential loss so that vulnerable areas can be pinpointed.

6.5 Managers should evaluate the adequacy of existing controls and establish what further controls or enhancements to existing controls are required to mitigate the risk. An element of proportionality will need to be used when considering the extent and cost of suggested improvements to control measures. General local controls expected at operational level will include as a minimum:

- Adequate segregation of duties between key control areas.
- Employee resources that are sufficient to provide adequate control and are organised in a structured manner.
- Published local schemes of delegation identifying levels of responsibility and authority.
- Regular reconciliation of budgets that are subject to independent review.
- IT security arrangements (including security systems and codes of conduct for IT usage).
- Asset control register (cash, fixed assets), inventories, asset marking, etc.
- Documented policies and procedures that are subject to regular review.
- Maintenance of adequate records of risk assessment procedures.

7. Detecting and Preventing Fraud and Bribery

7.1 The organisation has in place a framework of preventative measures, including internal controls, designed to prevent fraud and bribery occurring in the first instance. These consist of rules, regulations, policies and procedures within which employees, Group Board/committee members, agency staff, consultants and contractors are expected to operate and include:

- A Code of Conduct.
- A Register of Interests for all staff and board/committee members
- Registers of gifts and hospitality.
- Disciplinary procedures for employees.
- Delegated authorities.
- External Audit.
- A Whistleblowing Policy.
- Financial Regulations and Standing Orders.
- Internal audit function.

7.2 It is the responsibility of managers to actively deter, prevent and detect fraud and bribery by maintaining good control systems and ensuring that their staff are familiar with them.

7.3 The most common control weaknesses that management should be aware of include:

- Too much trust being placed in employees.
- Lack of proper procedures for authorisation.
- Lack of adequate segregation of duties.
- Lack of independent checks on employee activities.
- Lack of clear line of authority.
- Infrequent reviews of departmental authority.
- Inadequate documents and records (leading to a loss of a 'management trail').

7.4 Prevention is preferable to detection and, therefore, preventative controls should be applied as appropriate, bearing in mind, the risk of fraud and bribery and the potential for loss to the organisation. However, preventative controls may not be sufficient to guard against determined individuals and detective controls are therefore important. Detective controls are established to detect errors, omissions and fraud or bribery after the event has taken place.

7.5 Preventative and detective controls include but are not restricted to:

- Physical security.
- Logical (computer) access security.
- Organisational.
- Supervision and checking of outputs.
- Management trail.
- Monitoring.
- Asset accounting.
- Budgetary and other financial controls.
- Systems development.
- Staffing.

7.6 Management should be alert to the factors which might indicate that fraud or bribery is taking place. These include:

- Opportunity (e.g. where there is a lack of segregation of duties so that one person has control over all aspects of a transaction, for example, over a purchase order purchase invoice and purchase payment authorisation).
- Over-ride (e.g. where a manager over-rides the normal control system/ procedure. In practice this may be necessary however, if done frequently it may be indicative of non-compliance).
- Situational pressure (e.g. personal factors, which may be indicative of a tendency/ temptation to fraud/bribery).

8. Reporting Fraud

8.1 Should there be a suspicion of any fraudulent activity Group Board, Sub-Committees and staff members are directed to closely follow the Fraud and Bribery Response Plan.

It is the responsibility of all Group Board, Sub-Committees and staff members to report details immediately to the Group Finance Director or an appropriate senior person, either in person or in writing, if they suspect that fraud has been committed or see any suspicious acts or events in accordance with the organisation's Whistle Blowing Policy. All Group Board, Sub-Committees and staff members are also required to assist in any investigations by making available all relevant information and by co-operating in interviews.

8.2 A Fraud Register should be accurately maintained by the Company Secretary outlining the details of any allegations, attempted or detected fraud, investigations and conclusions. The Register should also indicate the systems involved to assist the prevention or recurrences. The Register will be subject to formal review on a quarterly basis by the Group Chair or the Group Chief Executive and will be signed off at the end of each financial year by the Chair of Audit & Assurance Committee. The Register will at any time be open to inspection by the RSH.

8.3 The Audit & Risk Committee and the RSH must be advised immediately of all frauds in excess of five thousand pounds (£5,000) or equivalent in value, immediately upon discovery. Any fraud or corrupt act undertaken or attempted by a senior officer of the organisation, the Group Board and the RSH must be notified immediately, irrespective of how low the value may be. All fraud or attempted fraud is reported annually to the RSH.

8.4 All known criminal activity will be reported to the Police for investigation by them. The timing of Police involvement will be at the discretion of the Group Finance Director, in conjunction with the Audit & Assurance Committee. Progress on investigations should be made regularly to the Audit & Assurance Committee until conclusion. A formal report should be provided to the Group Board outlining the full details of the investigation.

8.5 Similarly, the organisation will report other breaches discovered in the course of investigations to the relevant authorities, including HM Customs & Excise, Inland Revenue, FSA, and the appropriate authorities overseas. Again, the timing of such involvement will be at the discretion of the Group Finance Director, in conjunction with the Audit & Assurance Committee.

9. Investigating and Monitoring

9.1 Following a report of actual, attempted or suspected fraud or bribery to the Group Finance Director or an appropriate senior person, an internal investigation will be undertaken by the appointed investigator in line with the Fraud and Bribery Response Plan. The response plan will act as a checklist of actions and should cover:

- Actions to be taken in the first forty-eight (48) hours.
- Persons to be involved in the investigation with appropriate line of reporting.
- How to secure the evidence.
- How to prevent losses.
- At what time the police should be notified and by whom.

- At what point stakeholders should be notified.
- How to deal with external enquiries.

9.2 The appointed investigator is entitled to investigate the matter thoroughly using recognised and legitimate investigative techniques and may employ third-party investigators in order to gather sufficient evidence to hand the case over to the proper authorities. The appointed investigator is authorised to enter any of the organisation's premises, be given access to any information requested, and have access to all employees, provided reasonable notice is given.

9.3 The investigation will involve taking action against individuals and companies perpetrating fraud against the organisation and seeking restitution of any asset fraudulently obtained and the recovery of costs. This will also require co-operation with the Police and other appropriate authorities in the investigation and prosecution of those suspected of fraud. In the normal course of events the investigation will be handed over to the Police, or other authorities, as soon as practical once there is clear prima facie evidence of fraud.

9.4 The rights of individuals will be respected at all times in line with the organisation's Confidentiality Policy and Equality and Diversity Policy. All investigations will be carried out objectively and confidentially, and independently of the line management for the area in which the fraud has occurred or is suspected. The appointed investigator is under obligation to take steps to ensure the investigation is conducted in an appropriate manner.

9.5 Where Group Board, Sub-Committees and staff members are involved in a fraud against the organisation, whether actual or attempted, they will be subject to the organisation's disciplinary procedures, which may result in dismissal from employment or removal from Group Board membership. The organisation will seek to prosecute anyone who commits fraud and will seek to recover its assets through legal means.

9.6 Lessons learnt from the investigation will be shared across the organisation as soon as possible after an investigation is concluded.

10. Monitoring and Review

10.1 The Group Chief Executive will be responsible for monitoring the organisation's compliance with this policy and for maintaining general awareness across the organisation.

10.2 All policies should be reviewed by the Audit & Risk Committee but may include consultation with other person(s) or Committees as appropriate.

10.3 This policy is to be amended by the Company Secretary in line with the recommendations made by the Audit & Risk Committee.

11. Fraud & Bribery Response Plan - Introduction

11.1 It is important that management and employees know what to do in the event of fraud or bribery being discovered so that they can act without delay and, therefore, ensure that timely and effective action is taken. This objective can be achieved by the adoption of an organisation-wide fraud and bribery response plan. Consequently, in the event of fraud or bribery being detected, timely and effective action can be taken to:

- Prevent further losses of funds or assets where fraud or bribery has occurred and to maximise the recovery of losses.
- Minimise the occurrence of fraud and bribery by taking rapid action at the first signs of a problem.
- Identify the perpetrators and maximise the success of any disciplinary/legal action taken.
- Minimise any adverse publicity for the organisation, suffered as a result of fraud or bribery.
- Identify any lessons which need to be acted upon in managing fraud and bribery in the future.
- Protect honest employees from adverse implication / suspicion.

12. Roles and Responsibilities

Group Finance Director

Responsibility for investigating fraud has been delegated to the Group Finance Director. Where appropriate/necessary, he/she is also responsible for informing third parties such as the external auditors, the RSH, insurance brokers and the Police about the investigations. The Group Finance Director will inform and consult with the Group Chief Executive in cases where the loss is potentially significant or where the incident may lead to adverse publicity.

The Group Finance Director will maintain a register of all reported suspicions, including those dismissed as minor or otherwise not investigated. The register will contain details of actions taken and conclusions reached and will be presented to the Audit & Assurance Committee for inspection annually. Significant matters will be reported to the Audit & Assurance Committee immediately, who will determine the frequency of reporting required until a case is concluded.

The Group Finance Director will normally inform the internal auditor at the first opportunity. The Group Finance Director will retain overall responsibility, but responsibility for leading any investigation may be delegated to other officers.

Investigating Officer

The investigating officer will:

- Initiate a diary of events to record the progress of the investigation throughout.
- Determine the objectives, scope and timescale of the investigation and resources required at the outset of the investigation.

- Ensure that proper records of the investigation are kept from the outset, including accurate notes of when, where and from whom evidence was obtained, and by whom.

Executive Director of Data and Information (Manages HR)

Where a member of staff is to be interviewed or disciplined, the Group Finance Director and/or investigating officer will consult with and take advice from the Executive Director Data and Information.

The Executive Lead of People and Resources will advise those involved in the investigation in matters of employment law, association policy and other procedural matters (such as disciplinary or complaints procedures) as necessary.

Line and Other Managers

If, in accordance with the organisation's Whistleblowing policy, a member of staff raises a concern with their line manager, head of department or the Executive Director, the details must be immediately passed to the Group Finance Director for investigation.

Employees

All employees have a responsibility to protect the assets of the organisation, including information and goodwill as well as property.

Audit & Risk Committee

The Audit & Risk Committee will be advised of the details of each case of fraud that is investigated by the organisation. The Audit & Risk Committee will be convened at short notice if there is evidence of a significant fraud or of fraud involving a member of the senior management team and may direct that the investigating officer be appointed by themselves and report directly to the Audit & Risk Committee.

Public Relations

The Group Finance Director will ensure that the Audit & Risk Committee and/or the senior management team agree the details of any communications (about a fraud or alleged fraud) with employees or the press.

The RSH

The Group Finance Director is responsible for keeping the RSH informed as is necessary in the circumstances of the case.

13. Objectives with Respect to Fraud and Bribery

Investigations will try to establish at an early stage whether it appears that a criminal act has taken place. This will shape the way that the investigation is handled and determine the likely outcome and course of action.

If it appears that a criminal act has not taken place, an internal investigation will be undertaken to:

- Determine the facts.

- Consider what, if any, action should be taken against those involved.
- Consider what may be done to recover any loss incurred.
- Identify any system weakness and look at how internal controls could be improved to prevent a recurrence.

The Group Finance Director, in conjunction with the investigating officer, will make the necessary decisions and maintain a record of the subsequent actions in relation to closing the case. Once concluded, details of each case will be reported to the Audit & Risk Committee.

Where an investigation involves an employee and it is determined that no criminal act has taken place, the Group Finance Director will liaise with the Executive Lead of People and Resources and appropriate line manager to determine which of the following has occurred and therefore whether, under the circumstances, disciplinary action is appropriate:

Gross misconduct (i.e. acting dishonestly but without criminal intent).

Negligence or error of judgement was seen to be exercised.

Nothing untoward occurred and therefore there is no case to answer.

The disciplinary procedures of the organisation will be followed in any disciplinary action taken towards an employee. This will usually involve a disciplinary hearing at which the results of the investigation will be considered.

Where, after having sought legal advice, the Group Finance Director believes it cost effective to do so, the organisation will normally pursue civil action in order to recover any losses. The Group Finance Director will refer the case to the organisation's legal advisors for action.

Where initial investigations point to the likelihood of a criminal act having taken place, the Group Finance Director will contact the Police and the organisation's legal advisors at once. The advice of the Police will be followed in taking forward the investigation.

Where there are sufficient grounds, the organisation will, in addition to seeking recovery of losses through civil proceeding, also seek a criminal prosecution. The Group Finance Director will be guided by the Police in arriving at his decision on whether a criminal prosecution is to be pursued.

Where appropriate, the Group Finance Director will consider the possibility of recovering losses from the organisation's insurers.

14. The Response

The investigating officer will normally be responsible for managing investigations, including interviewing witnesses and gathering any necessary evidence. However, each case will be treated according to the particular circumstances and professional advice will be sought where necessary. Where there are reasonable grounds for

suspicion, the Police will be involved at an early stage but the investigating officer may still undertake part or all of the investigations on their behalf, as agreed between the Group Finance Director, investigating officer and the Police.

Witness statements

If a witness is prepared to give a written statement, the Executive Lead of People and Resources or investigating officer will take a chronological record using the witness's own words. The witness will be asked to sign the document as a true record.

Physical evidence

The investigating officer will take control of any physical evidence and maintain a record of where, when and from whom it was taken. Where the evidence consists of several items these will be tagged with a reference number which corresponds with the written record of the investigation. He should also ensure that electronic evidence is appropriately handled.

Before interviewing any suspect(s), the Group Finance Director may consult others, e.g., the Executive Lead of People and Resources, the Group Chief Executive and the Police, before reaching a decision on how to proceed.

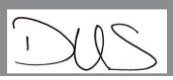
Interviewing suspects

If the Group Finance Director decides to proceed with interviewing a suspect, and where the suspect is an employee of the organisation, the interview will usually be carried out by the line manager and the Executive Lead of People and Resources. The individual(s) being interviewed should be informed of the reason for the interview and a contemporaneous record will be made of all that is said. They should also be advised that they are not under arrest and are free to leave at any time. The individual(s) being interviewed will also be given the opportunity to be supported by a member of Employee Forum, a work colleague or a Trade Union Official. This type of interview will not take place under caution. If the need for caution arises during the course of an interview, the interview will be terminated immediately after the caution is given and the individual concerned advised to seek legal advice. The Group Finance Director will be notified and Police advice sought at this point. Once the interview is over, the suspect will be given the opportunity to read the written record and sign each page in acknowledgement of its accuracy. All other persons present will also be asked to sign to acknowledge accuracy.

Where external organisations/individuals are involved, interviews will generally be undertaken by the Police unless the Group Finance Director is able to gain the co-operation of the organisation's management or auditors.

15. This policy is to be reviewed and updated by the Group Finance Director and Company Secretary at least every three years. Minor amendments to the Policy will be approved by the Company Secretary. Significant amendments to the Policy will be approved by the Audit and Assurance Committee.

Signed by the Company Secretary in line with paragraph 15 of this Policy:



Print Name: DAVID HARRIS **Date:** 10 February 2025

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1	Original Policy drafted	Tracey Clarke	01	August 2012

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4	Policy review	Irvine Lauder/Martyn Ruscoe	04	November 2015
5	Policy review	Andrew Cooke	05	January 2018
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7	Review and update	Jana Zacheva (tgf)	07	May 2020
8	Review and update	Debbie Hanley	08	May 2022
9	Review and Update	Company Secretary	09	January 2025

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Reference Documents:

Data Protection Policy
Disciplinary Policy and Procedures
Equality and Diversity Policy
Whistle Blowing Policy
Tenancy Fraud Policy

Legal Framework:

Bribery Act 2010
Fraud Act 2006
Money Laundering Regulations (2017)
National Housing Federation Code of Conduct (2022)
National Housing Federation Code (2022)
Economic Crime and Corporate Transparency Act (2023)