

Anti-Fraud, Corruption and Bribery Policy

Lead Director: Director of Governance and Assurance

Reference: POL 02

SMT Approval: 11/09/26

Review Date: 11/09/29

1. Introduction and Aim

- 1.1 Cobalt Housing is committed to preventing, detecting and responding to fraud, corruption and bribery. This Policy forms part of the Governance Framework and outlines the principles, expectations and controls required to manage fraud and financial malpractice effectively. It reflects the requirements of the Fraud Act 2006, Bribery Act 2010, Criminal Finances Act 2017 and the Economic Crime and Corporate Transparency Act 2023, including the corporate offence of failing to prevent fraud.
- 1.2 Effective implementation supports strong governance, integrity and risk management across the organisation.

2. Policy Statement

- 2.1 Cobalt operates a zero tolerance approach to fraud, corruption, bribery and financial malpractice. Everyone working for, or on behalf of, Cobalt is expected to act with honesty, integrity and accountability. Where fraud or bribery is suspected or confirmed, Cobalt will take proportionate and robust action, which may include disciplinary measures, civil recovery and criminal prosecution.

3. Policy Principles

- 3.1 Cobalt does not make or accept facilitation payments or kickbacks. Any payment made on Cobalt's behalf must be transparent, proportionate and supported by a receipt that clearly states the purpose. Any concerns must be raised with a line manager or the Company Secretary.
- 3.2 Charitable donations may only be made where they are legal, ethical and approved by the Company Secretary or a member of the Senior Management Team (SMT), unless specific delegated authority exists.

- 3.3 Cobalt has a zero tolerance approach to tax evasion and will take reasonable steps to ensure that partners and agents do not engage in such practices. Any suspicions must be reported immediately.
- 3.4 Cobalt is committed to preventing and addressing tenancy fraud, including unlawful subletting, abandonment, absconding, false succession claims and obtaining housing by false representation. Prevention measures include tenancy audits, information checks and verification of identity and household composition.
- 3.5 Cobalt also complies with the Modern Slavery Act 2015 by publishing an annual statement, undertaking supply chain due diligence, investigating concerns, ensuring ethical recruitment and providing training to help employees identify and report exploitation.

4. Roles and Responsibilities

- 4.1 The Board has overall responsibility for ensuring compliance with legal and ethical obligations and for maintaining effective internal control systems. The Audit and Risk Committee (ARC) oversees the implementation of this Policy, reviews investigations and the Fraud Register, and ensures that regulatory reporting requirements are met.
- 4.2 The Chief Executive holds ultimate responsibility for fraud prevention and may be held accountable by the Board and the Regulator. SMT members are responsible for identifying fraud risks, maintaining internal controls, promoting compliance and ensuring that investigations are carried out promptly and thoroughly. They also play a key role in fostering an anti-fraud culture and ensuring appropriate training is provided.

Line managers must ensure that employees understand this Policy and any related procedures, and that concerns are reported promptly. All employees must read, understand and comply with the Policy and avoid any activity that could lead to, or appear to lead to, a breach.

- 4.4 The Company Secretary (acting as the Anti-Fraud Coordinator) maintains the Fraud Register, oversees investigations, advises on escalation and liaises with the Regulator and Police where required.

Reporting Concerns

- 4.5 Any suspicion of fraud, bribery or financial malpractice must be reported to the Company Secretary. Concerns may also be raised with the Chief Executive, SMT, Internal Audit, the Chair of the Board or the Chair of ARC, who must pass them immediately to the Anti-Fraud Coordinator.
- 4.6 Where allegations involve senior roles, specific reporting routes apply. Allegations about a Director should be reported to the Chief Executive and the Chair of the Board. Allegations about the Chief Executive should be reported to the Chair of the Board. Allegations concerning a Board Member, Committee Chair or Deputy Chair should be reported to both the Chair of the Board and the Chief Executive. Allegations about the Chair of the Board should be reported to the Chair of ARC and the Chief Executive.
- 4.7 Suppliers and contractors may raise concerns with the Company Secretary or the Chief Executive. Customers may do so through the Complaints Process or directly with the Company Secretary or Chief Executive. Members of the public and Board Members are encouraged to use the Whistleblowing Policy.

Investigation Process

- 4.8 The Company Secretary will assess each allegation, determine the initial steps required and decide whether a full investigation is necessary. This assessment will be recorded in the Fraud Register and shared with the Chief Executive, the Chair of ARC and, where appropriate, the Chair of the Board.
- 4.9 Where a full investigation is required, the Company Secretary will appoint an appropriate investigator, ensure impartiality and avoiding conflicts of interest. Reasonable adjustments will be considered in line with the Equality Act 2011. The need to involve the Police will be assessed in consultation with the Company Secretary.
- 4.10 Investigations will be conducted thoroughly, with all relevant parties contacted and evidence examined. Where cases are referred to the Police, the Crown Prosecution Service will determine whether a prosecution proceeds. Cobalt may also pursue civil recovery or private prosecution.
- 4.11 All investigation records will be securely stored and retained in accordance with data protection legislation.

Outcomes and Regulatory Reporting

- 4.12 The outcome of each investigation will be recorded in the Fraud Register, including the nature and extent of the case and any implications for internal controls. The Anti-Fraud

Coordinator will determine whether the Regulator must be notified. Fraud involving more than £5,000, or any confirmed fraud or bribery involving SMT or Board Members, must be reported.

- 4.13 Cobalt will take reasonable steps to recover losses, including legal action. Any exceptions will be discussed with the Regulator. Decisions on civil or criminal proceedings will be made by the Chief Executive in consultation with the Chair of the Board. The Chief Executive will also determine, with the Chair of the Board where appropriate, whether and how incidents will be publicised.

Risk Management

- 5.1 Cobalt maintains an operational fraud risk register to assess exposure to internal and external fraud risks. Risk assessments must be evidence-based and regularly updated. Key indicators, including the number and nature of allegations, investigation outcomes and Internal Audit findings, will be reported to ARC as part of the assurance framework. The key risks associated with non-delivery of this Policy are outlined below.

Risk Register Ref:	Risk Description:
GOV 16 – Fraud, Corruption and Bribery Prevention	People are unaware of Cobalt’s approach to allegations of fraud, corruption and bribery resulting in failure to prevent such activity.
Risk Consequences:	Management and Mitigation:
Failure to implement this Policy may result in: • Inability to prevent or detect fraud, bribery or theft • Financial loss to Cobalt and ultimately its tenants • Significant reputational damage and loss of stakeholder confidence • Potential governance downgrade by the Regulator	• Robust internal control systems, including segregation of duties and clear delegated authorities • Financial planning and monitoring, including annual budgets, long-term business planning, and regular variances reporting • Secure ICT supporting financial, property and maintenance operations • Governance oversight, including Board approval of investment decisions • Risk management processes, including a dedicated fraud and bribery risk register • Independent assurance through a risk-based Internal Audit programme • Clear regulatory frameworks, including Financial Regulations, Code of Governance, and Code of Conduct • Effective conflict of interest management supported by a Register of Interests • Strong people management, with defined responsibilities and appropriate HR controls. • Training and induction to ensure new employees and Board Members understand their responsibilities and expected standards of behaviour.

6. Training and Communication

- 6.1 Mandatory induction training is provided for all new employees, Board Members, Customer Committee Members, Trainees and Co-optees. Annual e-learning covers Fraud Awareness and Anti-Money Laundering, with enhanced training for those with additional responsibilities. Policy updates will be communicated through Cobalt Connect.

7. Regulatory and Legislative Compliance

- 7.1 Cobalt will comply with all relevant legislation, including the Fraud Act 2006, Bribery Act 2010, Prevention of Social Housing Fraud Act 2013, Criminal Finances Act 2017 and the Economic Crime and Corporate Transparency Act 2023. As a Registered Provider, Cobalt will also meet the requirements of the

Regulator of Social Housing's Fraud Reporting Guidance and the Governance and Financial Viability Standard.

8. Monitoring and Review

- 8.1 This Policy will be reviewed every three years or sooner if required. Its effectiveness will be monitored through Internal Audit activity, lessons learned from investigations, stakeholder feedback and updates to the fraud risk register.

9. Links to Other Key Documents

- Whistleblowing Policy
- Disciplinary and Grievance Process and Procedures
- Code of Conduct
- Code of Governance
- Register of Interests
- Non-Financial Scheme of Delegation
- Financial Regulations
- Procurement Policy
- Safeguarding Policy

10. Governance of this Policy

Equality Diversity and Inclusion (EDI)	An Equality Impact Assessment (EQIA) was completed on 18 March 2026
Financial and Links to VFM	Non-delivery of this Policy carries the risk of financial losses to Cobalt through fraud, bribery or financial malpractice and ultimately to its customers.
Privacy and Data Protection	The Policy does not involve the collection / use of personal data from employees / customers nor involves data processing.
Health and Safety	Not applicable to this Policy.
Development and Consultation	Reviewed by Involved Customers and the staff forum.

11. Definitions

Fraud – deception used to obtain an advantage, avoid an obligation or cause loss. Includes false representation, concealment, collusion, theft, embezzlement and money laundering. Attempted fraud is treated as seriously as actual fraud.

Bribery – offering, giving, requesting or accepting an inducement intended to influence improper performance of duties.

Corruption – dishonest or improper behaviour by individuals in positions of trust, acting against the interests of the organisation.

Tax Evasion – deliberate attempts to avoid paying taxes owed, including providing false information or facilitating evasion by others.

