



## Heritage Estates Property Owners Association (HEPOA) Fraud Prevention Policy

### POLICY OBJECTIVES

The "Fraud Prevention Policy" has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud. The policy will ensure and provide for the following:

- To ensure that the Board of Directors is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs.
- To provide clear guidance to Board members and other members forbidding them from involvement in any fraudulent activity and define action to be taken by them if they suspect any fraudulent activity.
- To provide assurances that any and all suspected fraudulent activity will be fully investigated.

### SCOPE OF POLICY

The policy applies to any fraud, or suspected fraud, involving members of HEPOA Board of Directors as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency doing any type of business with HEPOA.

### DEFINITION OF FRAUD

"Fraud" includes but is not limited to:

- a willful act intentionally committed by an individual(s) - by deception, suppression, cheating or any other fraudulent or any other illegal means, thereby, causing wrongful gain(s) to self or any other individual(s) and wrongful loss to other(s).
- any act undertaken with the purpose to deceive or mislead other Board members causing them to make decisions that are not based on material facts.
- knowingly providing false information to Board members, even if not personally benefiting financially from doing so.

## ACTIONS CONSTITUTING FRAUD

While fraudulent activity could have a very wide range of coverage, the following are some of the act(s) which constitute fraud.

The list given below is only illustrative and not exhaustive:

- Forgery or alteration of any document or account belonging to the HEPOA
- Forgery or alteration of check, bank draft, or any other financial instrument etc.
- Misappropriation of funds, securities, supplies or other assets by fraudulent means, etc.
- Falsifying records, income tax returns, invoices, contracts, or any other financial documents provided to an auditor or anyone reviewing the financial documents.
- Removing the documents from files and/or replacing it by a fraudulent note etc.
- Willful suppression of facts and deception in matters of appointment, placements, submission of reports, or committee recommendations, etc.
- Using HEPOA funds for personal purposes.
- Authorizing or receiving payments for goods not supplied or services not rendered.
- Destruction, disposal, or removal of records or any other assets of HEPOA with an ulterior motive to manipulate and misrepresent the facts so as to create a situation wherein an objective assessment/decision would not be arrived at.
- Any other act that falls under the gamut of fraudulent activity.

## REPORTING OF FRAUD

Any HEPOA Board member, representative of vendors, suppliers, contractors, consultants, service providers or any other agency doing any type of business with HEPOA as soon as they come to know of any fraud or suspected fraud, or any other fraudulent activity, must report such incident(s). Details should be reported in writing as narrated by the reporter and also provide the details about the identity of the person reporting such incident. Reports can be made in confidence and the person to whom the fraud or suspected fraud has been reported must maintain the confidentiality with respect to the reporter and such matter should under no circumstances be discussed with any unauthorized person.

Any HEPOA officer receiving input about any suspected fraud officer(s) shall ensure that all relevant documents and other evidence is immediately taken into custody and protected from being tampered with, destroyed or removed.

## RESPONSIBILITY FOR FRAUD PREVENTION

Every HEPOA Board member is expected and shall be responsible to ensure that there is no fraudulent act by other Board members. As soon as it is learned that fraud or suspected fraud has taken or is likely to take place there should be an immediate report to a Board member.

All Board members shall share the responsibility of prevention and detection of fraud and for implementing the Fraud Prevention Policy. It is the responsibility of all Board members to ensure that there are mechanisms in place to detect fraud.

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Create a culture whereby members and Board members are encouraged to report any fraud or suspected fraud which comes to their knowledge, without any fear of victimization.

#### ADMINISTRATION AND REVIEW OF THE POLICY :

The Executive Directors shall be responsible for the administration, interpretation, application, and revision of this policy. The policy will be reviewed and revised as and when needed.

#### Consequences

Any Board member found guilty of committing a fraudulent act shall be immediately removed from office and is no longer eligible to serve on the HEPOA Board. The Board will decide whether legal action is warranted.