



ANTI FRAUD BRIBERY AND CORRUPTION POLICY

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Author	Interim Director

POLICY SUMMARY

Purpose:	<p>The purpose of this policy is to set out how we manage and mitigate risks relating to fraud, bribery and corruption.</p>
Guidance:	<p>The Association is a company under the Co-operative and Community Benefit Societies Act 2014, and a company regulated by the Financial Conduct Authority (FCA).</p> <p>The policy links to our:</p> <ul style="list-style-type: none"> • Financial Regulations and Procedures; • Standing orders • Code of Conduct for Management Committee Members • Code of Conduct for Staff • Entitlements, Payments and Benefits Policy
Regulatory Compliance	<ul style="list-style-type: none"> • Standard 2 The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. • Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. • Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. <p>Standard 5 - The RSL conducts its affairs with honesty and integrity.</p>
Financial Impact	<p>Purpose of the Policy is to protect the organisation from fraud and therefore the impact positive and low.</p>
Risk Assessment	<p>Purpose of the Policy is to reduce risk and therefore the risk level is positive and low</p>
Date Reviewed:	<p>October 2022</p>
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1. INTRODUCTION

- 1.1 Reidvale Housing Association (RHA) is committed to ensuring that our business should be conducted in an open, honest and transparent manner. These attributes are also hallmarks of good corporate governance.
- 1.2 Every employee and member has a role to play in maintaining the standards which the customers and stakeholders are entitled to expect of the Association. Consequently, RHA expects all Committee members and employees to maintain the highest standards of probity and integrity including compliance with all relevant regulations and policies of the Association. The Codes of Conduct which apply to both committee members and staff set out RHA's expectations. Non-compliance will be regarded as a serious issue and may result in disciplinary action.
- 1.3 This policy aims to raise awareness of the risks and the need to manage, monitor and control processes, mitigate risks and prevent fraud and bribery.
- 1.4 Fraud and bribery is a hugely damaging practice that presents a very serious risk to the organisation. Risks may be financial and / or reputational. Fraud could result in financial loss to the association as well as reputational damage. Corruption can also lead to financial loss (directly and in-directly (e.g. through compromising competition), as well as significant reputational damage
- 1.5 In adopting this policy, RHA is demonstrating our commitment to acting with integrity and upholding the interests of our tenants and service users, as well as maintaining the reputation of our sector. We will develop and implement effective systems and procedures to counter attempted fraud and bribery as part of our risk management strategy. This policy has been created with reference to the relevant legislation and associated guidance.
- 1.6 An act of fraud, bribery or corruption undertaken by a Committee member or an employee of the Association is likely to result in disciplinary action and will be treated extremely seriously. We also require that all contractors instructed by our organisation demonstrate a commitment to prevention in order to do business with us.

1.7 As part of our commitment to prevent bribery and fraud a number of prevention procedures have been implemented which include but are not limited to:

- Internal and External Audit
- The creation of this Anti-Fraud, Bribery and Corruption Policy
- A policy and procedures in relation to Payments, Entitlements and Benefits
- Codes of Conduct for Committee Members and Staff
- Financial Regulations
- Whistleblowing Policy

2. AIMS AND OBJECTIVES

2.1 RHA is committed to achieving the highest standards of integrity and ethical practice across all of its activities. We have a zero tolerance policy to all forms of fraud, bribery and corruption.

2.2 Our Management Committee and staff undertake to comply fully at all times with our legal obligations to prevent bribery and corruption. Staff have a duty to familiarise themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert to any indications of impropriety. Committee members are provided with regular training about their responsibilities and about RHA's approach to risk management.

2.3 The aims of this policy are to:

- Ensure we undertake all our functions in a transparent and accountable manner and ensure fairness throughout the business.
- Ensure there are appropriate internal and financial controls in place to make sure all funds are accounted for.
- Reduce the risk relating to fraud, bribery and corruption occurring within the Association

3. LEGAL AND REGULATORY REQUIREMENTS

3.1 This policy applies to the Staff, Management Committee and any close relatives of members of these groups. It also applies to any persons, companies or organisations in relation to their dealings with RHA.

3.2 The Management Committee has ultimate responsibility for directing the affairs of RHA. They have responsibility to ensure RHA is solvent, is well run and that it delivers

the outcomes for which it has been set up. They also have a legal duty to safeguard the charity's money and assets and to act prudently.

3.3 The Management Committee is responsible for ensuring that all of the Association's assets are protected.

3.4 **Fraud**

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.

3.5 **Bribery**

The Bribery Act 2010 came into effect on 1st July 2011 and creates several offences; those which are most relevant to RHA are:

- The offence of bribing another person – this can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity. It is not an issue whether the person given the bribe is the same person who will perform the function or activity concerned.
- The offence of being bribed – this is where a person receives or accepts a financial or other advantage to perform a function or activity improperly. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate benefit or not.
- A corporate offence of failure to prevent bribery – RHA could be guilty of bribery where a person associated with the organisation – an employee, agent or sub-contractor – bribes another part to obtain or retain business for RHA or to obtain or retain an advantage in the conduct of business for RHA.

4. **ANTI FRAUD BRIBERY AND CORRUPTION POLICY**

Management Principles

4.1 The primary risk management tool against acts of or attempts at bribery and/or corruption is the establishment of sound practices, procedures and systems. These

should incorporate effective controls which are subject to monitoring, management and supervision.

- 4.2 There is a defence to the **corporate offence** of bribery if the Association can show it had “adequate procedures” in place which were designed to prevent bribery.
- 4.3 The Ministry of Justice has issued guidance which sets out broad management principles to assist organisations to put in place proper anti-bribery procedures. RHA will follow these principles to show that it is committed to eliminating the risk of bribery. These principles are:

Proportionality – Anti-bribery policies and procedures should be proportionate to the activities and size of RHA and the sector in which it operates and the risks it faces. This policy seeks to reflect this principle.

Top level commitment – Establishing a clear culture within RHA which reinforces that bribery is unacceptable. RHA’s adoption of Codes of Conduct for staff and committee members, the provision of regular training, internal audit, implementation of effective financial procedures, promotion of our Whistleblowing Policy and periodic reporting to the Finance sub-committee and Management Committee reflect this principle.

Risk Assessment – Understanding the bribery risks RHA faces by carrying out regular risk assessments. The development of a realistic risk matrix, routine monitoring and regular reporting to the Finance sub-committee and Management Committee reflect this principle.

Due Diligence – RHA needs to know details about who it does business with, who it’s paying money to and why. RHA must also make sure those it works with also have reciprocal anti-bribery arrangements in place. In entering into contracts, RHA will seek the necessary assurances to satisfy this principle and will include statements reflecting its zero-tolerance of bribery and corruption on all procurement and contractual documentation. RHA’s maintenance of Registers of Interest for both staff and committee members, annual updating and regular reporting to the Management Committee also reflect this principle, RHA’s Terms and Conditions of Employment specify restrictions and obligations on staff which reflect its policy, as do RHA’s Codes of Conduct for Committee Members and Staff.

Communication – All RHA staff, Management Committee Members and associated persons must know the procedures to follow in situations which may be sensitive to bribery. RHA must ensure that its anti-bribery policies are embedded in the

organisation's culture. Provision of regular training for committee members and staff reflect this principle.

- 4.4 Overall responsibility for maintaining effective systems, procedures and controls rests with RHA's Director.

Risk Areas

- 4.5 Vulnerable and High Risks Areas within RHA include:

- Cash collection: this includes misappropriation; failure to account; borrowing by delaying paying monies in; falsifying of receipts and not issuing receipts.
- Credit income: this includes deliberately issuing invoices for wrong amounts and the unauthorised write-off of debts.
- Payroll: this includes falsification of records (time sheets, overtime claims, etc.).
- Creditor payments: including deliberate payment for goods or services not received; payments to fictitious suppliers; invoices deliberately paid twice.
- Contract payments: including payments for work not completed or not in accordance with specification.
- Expenses claims: specifically over claiming expenses.
- Cheques and Electronic Payments: including the interception and alteration of payee or amounts; the unauthorised use of cheques and unauthorised financial instructions.
- Grants: making false claims.
- Awarding of tenancies and unauthorised permission for subletting.
- Procurement: not in accordance with guidelines and procedures.
- Diversion of funds: either deliberately or inadvertently in response to fraudulent requests / instructions by third parties

The Association has policies and procedures in place to ensure the effectiveness of anti-fraud and anti-bribery controls.

The prevention, detection and prohibition of fraud and corruption will be included in our annual risk assessment to help identify employees or officers who are in positions where they may be exposed to fraud and corruption and to raise awareness of this policy.

We will seek to reduce or eliminate wherever possible the risk of an employee, Management Committee member or associated person responding to an inducement or fraud and corruption (financial or otherwise) in managing, reviewing and introducing systems, processes and procedures. This includes, but is not restricted to, activities such as housing allocation, procurement and recruitment and promotion.

Roles and Responsibilities

4.6 The Management Committee will:

- Ensure that there are effective arrangements in place to prevent and detect Fraud, Bribery and Corruption within RHA.
- Periodically review the effectiveness of this policy and ensure that any necessary changes are made by the Director.

4.7 The Director will:

- Be responsible on behalf of RHA for ensuring that the policy is complied with at all times.
- Be responsible for ensuring that all staff are made aware of the policy and of any amendments which are made to it.
- Be responsible for monitoring the effectiveness of the procedures and for amending any procedures as necessary.
- Be responsible for reporting instances of fraud to the Scottish Housing Regulator in accordance with their requirements.

4.8 The Director and staff will:

- Be directly responsible for the establishment and operation of the Association's Anti-Fraud, Bribery and Corruption Policy within RHA.
- Ensure that the above policy is understood at all levels within RHA by incorporating the details in all induction training.
- Give details of the policy to all employees.

4.9 All RHA staff will:

- Make themselves familiar with and comply with the Anti-Fraud, Bribery and Corruption Policy and with RHA's Whistleblowing Policy.
- Be vigilant at all times to minimise the risk of inadvertent loss or damage to RHA caused by attempted or actual fraud by third parties

Prohibited Actions and Activities

4.10 Employees, Management Committee members and associated persons are prohibited from offering, promising, giving, soliciting or accepting any bribe.

The bribe could be cash, a gift or any other inducement to, or from, any private person, local authority or government official or representative, political party or private company.

The bribe might be made to ensure that a person, company or body improperly

performs duties or functions to gain any commercial, contractual, or regulatory advantage (such as obtaining or maintaining business), or to gain any personal financial or other advantage for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, joint-venture partners, advisors, customers, suppliers or other third parties.

Offers of Corporate Gifts and Hospitality

- 4.11 Employees, Management Committee members and associated persons, are required to take particular care to ensure that records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Due diligence must be undertaken by employees, Management Committee members and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative and any such contract, arrangement or relationship must be entered into in accordance with our procurement procedures.

The giving or receiving of certain gifts or payments may be permissible in certain circumstances provided they are recorded and have no substantive value or material consequence. Further guidance is available in our Staff Code of Conduct and Management Committee Member Code of Conduct and our Entitlement, Payments and Benefits policy.

Employees, Management Committee members and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered and to register these in accordance with the provisions of the Entitlements, Payments and Benefits Policy, and the Staff and Management Committee Member Codes of Conduct.

Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to the Corporate Services Officer.

A register of gifts, rewards or entertainment received or offered will be kept by the Senior Corporate Services Officer and will be reviewed quarterly by the Director.

In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment. Employees, Management Committee members and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. In other cases, the individual may be asked to donate the gift for the

purposes of charity fundraising.

In all cases, the individual employee, Management Committee member or associated person must ensure that:

- the potential and real conflicts of interest are pro-actively recognised and managed; and
- there is a fair and open approach to any event or activity.

Reporting suspected bribery

4.11 We depend on our employees, Management Committee members and associated persons to ensure that the highest standards of ethical conduct are maintained in all our business dealings. Employees, Management Committee members and associated persons are expected to remain vigilant in preventing, detecting and reporting bribery.

Employees, Management Committee members and associated persons are encouraged to report any concerns or suspicions that they may have as soon as possible. For further guidance see our Whistleblowing Policy.

Issues that should be reported include, but are not restricted to:

- any suspected or actual attempts at bribery;
- concerns that other employees, Management Committee members or associated persons may be being bribed; or
- concerns that other employees, Management Committee members or associated persons may be bribing third parties.

Any such reports will be thoroughly and promptly investigated by an appointed investigating officer in the strictest confidence. Employees, Management Committee members and associated persons will be required to assist in any investigation into possible or suspected bribery.

Employees, Management Committee members or associated persons who report instances of bribery in good faith will receive appropriate support.

The individual will not be subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary matter.

An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees, Management Committee members and associated persons should not agree to remain silent and must report the matter.

An annual report on any alleged or detected bribery will be provided to the Finance, Audit and Risk Sub Committee. This will include the date and description of any such incident, the outcome of the investigation and subsequent action taken.

Action to be taken

- 4.12 Any instances of alleged or suspected bribery will be fully investigated. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out.

Disciplinary procedures will be invoked where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. Similarly, Management Committee members could face appropriate sanctions including removal from the Management Committee.

The contracts of any associated persons, including consultants or other workers who act for, or on our behalf and who are found to have breached this policy may be terminated.

Any matter will also be reported as appropriate to the relevant authorities, including the Procurator Fiscal Service, Serious Fraud Office, Revenue and Customs Prosecutions Office and the Police. We will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

All cases will be notified to the Scottish Housing Regulator without delay and in accordance with regulatory guidance regarding Notifiable Events.

5. STAFF TRAINING

- 5.1 RHA will ensure that all staff who are required to undertake work in relation to this Policy receive appropriate and regular training.

6. EQUALITY AND DIVERSITY

- 6.1 Reidvale Housing Association is an equal opportunities organisation. We are committed to providing an environment of respect, understanding, encouraging diversity and eliminating discrimination. No person or group of persons will be treated less favourably than any other persons or groups of persons because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

7. COMPLAINTS

Although we are committed to providing high levels of service, we accept that there may be occasions where a service user may not be satisfied with the service received from the Association. We value all complaints and use this information to help us improve our service. Any service user, complying with the procedure, but remaining dissatisfied with any aspect of the service they have received have the right to submit a complaint to the Association in accordance with the Complaints Handling Procedure.

8. GDPR

Reidvale Housing Association will treat your personal data in line with our obligations under the current General Data Protection Regulation and our Privacy Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Fair Processing Notice.

9. POLICY REVISION

The Association undertakes to carry out a comprehensive review of all aspects of this policy at least every three years. The review will take account of legislative changes, new policy guidance, best practice advice and the views of service users.