



## REIDVALE HOUSING ASSOCIATION

### Anti-Fraud, Bribery and Corruption

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Author	

## 1. INTRODUCTION

- 1.1 Reidvale Housing Association (RHA) are 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. SCOPE OF THE POLICY**

### **2.1 Purpose of this Policy**

- 2.1.1 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.
- 2.1.2 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.
- 2.1.3 We will undertake all our functions in a transparent and accountable manner and will ensure fairness throughout the business.

### **2.2 Scope**

- 2.2.1 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.
- 2.2.2 The Management Committee have 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.
- 2.2.3 The Management Committee is responsible for ensuring that all of the Association's assets are protected.
- 2.2.4 To demonstrate accountability, the Management Committee and RHA management will therefore:
- Ensure there are appropriate internal and financial controls in place to make sure all funds are accounted for,
  - Keep proper and adequate financial records,
  - Take appropriate actions to protect funds,
  - Act responsibly

## **3. PRINCIPLES**

### **3.1 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.

## 3.2 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.

## 3.3 Management Principles

3.3.1 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.

3.3.2 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.

3.3.3 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.

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

## **4. RISK MANAGEMENT**

### **4.1 Risk Areas**

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

## **4.2 Framework**

The Association has policies and procedures in place to ensure the effectiveness of anti-fraud and anti-bribery controls. This will be monitored regularly by the Finance sub-committee and Management Committee.

## **5. ROLES AND RESPONSIBILITIES**

5.1 The organisation and management of the Policy involves an element of responsibility for everyone from Committee members to individual staff.

5.2 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.

5.3 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.

5.4 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.

5.5 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

## **6. REPORTING AND RECORDING**

Any attempts and/or instances of fraud, bribery or corruption will be reported to the Finance Sub Committee and Management Committee, normally by the Director and recorded in RHA's Fraud Register. This information will also be provided to the Scottish Housing Regulator as a Notifiable Event. This will include the date and description of any such incident, the outcome of the investigation and subsequent action taken.

## **7. REVIEW OF POLICY**

- 7.1** This policy will be reviewed and amended as necessary every five years.
- 7.2** The review process will take account of legislative changes, good practice guidance and views of all stakeholders.
- 7.3** This policy was approved by the Management Committee on 29.05.19.