



# Anti-Bribery & Corruption Policy

Board Approved: 16 June 2021

Next Review: June 2024

## 1. Introduction

Homes for Life Housing Partnership (Homes for Life) condemn bribery in all its forms and fully support the aims of the Bribery Act 2010 introduced 1 July 2011 in seeking to prevent this activity.

We will not offer or accept bribes. We will ensure that appropriate procedures are in place to discourage and prevent bribery, and the perception of bribery by any persons associated with the organisation.

## 2. Policy Statement

The purpose of this policy is to:

- Set out Homes for Life's responsibilities, and the responsibilities of those working for us or associated with us, in observing and upholding our position on bribery and corruption
- Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues

We are committed to the prevention, deterrence and detection of bribery and corruption and maintaining a culture in which this is never acceptable.

Our Principles are:

- To conduct all our business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate
- To expect everyone that we do business with take a similar zero-tolerance approach to bribery and corruption
- To comply with all laws relevant to countering bribery and corruption
- To be clear that bribery and corruption are criminal offences and are punishable for individuals by up to ten years' imprisonment and an unlimited fine. If Homes for Life is found to have taken part in corruption, we could face an unlimited fine, be excluded from tendering for contracts and face damage to our reputation and to that of the sector. We therefore take our legal responsibilities very seriously and expect staff to do the same

Compliance with Homes for Life's policy in relation to bribery and corruption is relevant to all contracts and relationships with us. If employees fail for any reason to follow the rules set out in this document this may result in disciplinary action being taken which could result in dismissal.

This policy is not meant to prohibit the practice of providing normal and appropriate hospitality that is proportionate and properly recorded in the gifts & hospitality register and adheres to the Entitlements, Payments & Benefit Policy.

### 3. What is bribery, corruption & fraud

#### 3.1 Bribery

This is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. This could cover seeking to influence a decision maker by giving some kind of extra benefit to that decision maker rather than by what can legitimately be offered as part of a tender process.

#### 3.2 Corruption

The misuse of entrusted power for personal gain, Corruption includes bribery and other forms of abuse of authority. Corruption is often 'off-book', meaning that there is little or no documentary evidence of it. This makes it difficult to detect as the corrupt employee/board member does not necessarily have to falsify records to remain undetected.

#### 3.3 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. Wrongful or criminal deception intended to result in financial or personal gain. The gain achieved by the fraudster may not be a criminal offence.

### 4. Responsibility

#### 4.1 Overview

Oversight is important in the effective prevention of fraud. This can take many forms both inside and outside the organisation, under the overall responsibility of the governing body.

The Scottish Housing Regulator has issued three Regulatory Advice Notes on the subject of incidents of fraud, the advice note also draws attention to three Regulatory standards.

**Regulatory Standard 3.1:** The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes.

**Regulatory Standard 3.2:** The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.

**Regulatory Standard 4.3:** The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigations, internal control and audit.

There is therefore a regulatory expectation that each RSL will have suitable controls in place for the effective prevention of fraud.

#### 4.2 The Governing Body

The Governing Body, in Homes for Life's case, the Board of Directors (the Board) has the ultimate responsibility to ensure that there is an effective system of internal control in place. The organisation is required to produce a 'Statement of Financial Control' in their audited financial statements and it acknowledges the Board's responsibility for the organisation's system of financial control including ensuring that there is reasonable assurance that this system safeguards the assets from unauthorised use of disposition.

With specific regard to fraud it is the responsibility of the Board to evaluate senior management identification of fraud risks, implementation of anti-fraud measures and to project the correct tone, through good governance, so that management and staff are aware of the Board's attitude to fraud prevention.

The Board will, as well as ensuring proper financial controls are in place, ensure that policies that assist in preventing fraud are in place (Code of Conduct, Procurement Policy, and Financial Regulations etc).

#### 4.3 The Audit Committee

The Audit & Risk Committee has the responsibility for overseeing the system of internal control and gaining reasonable assurance that it mitigates fraud risk which is under their remit. This would cover liaising & working with the internal auditor.

#### 4.4 Senior Management

Senior staff are responsible for the design and implementation of controls and for overseeing the activities of staff. In addition to this management are responsible for identifying areas of vulnerability and to take appropriate action. Management will also take the lead on fraud risk assessments.

#### 4.5 Staff

All staff are responsible for the prevention and detection of fraud within their role. Staff should be made aware of the fraud risk within their role and are responsible for communication to management incidences of fraud, attempted fraud and new or changing fraud risks.

#### 4.6 Internal Auditors

Internal auditors will plan and perform their work in such a way that there is a reasonable chance that a fraud will be detected. Internal auditors assist in the prevention of fraud by their presence and by the fact that they evaluate the adequacy and effectiveness of existing systems of fraud prevention. They may also assist management in the design of controls. Internal auditors can also be involved in fraud investigations.

#### 4.7 External Auditors

External auditors have a responsibility to plan and perform their audit of the financial statements in such a way that they gain reasonable assurance that the accounts are free from material misstatement either caused by fraud or error. External auditors also have a duty of 'professional scepticism' – essentially, an auditor should doubt the information that they are given until they test it or it is corroborated.

Auditing standards require that the external auditor considers certain risks to be significant in all audits. These risks are the risk of management override controls and the risk of fraud and error in the revenue recognition. Auditing standards also require the audit team to discuss the risk of fraud and its impact on the accounts. However, it should be noted that the external auditor's responsibility with regard to fraud is framed by their overall responsibility to gain reasonable assurance that the financial statements are not material misstated. In other

words, they are ultimately concerned with frauds that have a significant impact on the financial statements.

## 5. Fraud Prevention

Fraud prevention involves trying to discourage the commission of fraud and limit fraud exposure.

### 5.1. Key Elements of Fraud Prevention

#### 5.1.1 Strong Ethical Culture:

Which is supported by Codes of Conduct, Whistleblowing Policies and Ethical Standards.

#### 5.1.2 Effective and efficient internal controls:

Which include good quality policies and procedures for business processes including appropriate authorisation limits, segregation of duties and regular changes of passwords and other security

#### 5.1.3 Strong Control Environment:

The overall attitude to rules and regulations and the culture of the association. A strong control environment is essential in prevention of fraud. The organisation's overall attitude, controls, risk management and regulation is heavily influenced by the Board and senior management.

Elements of a strong control environment include:

- Code of Conduct for staff and governing body
- Whistleblowing Policy
- Good quality staffing policies
- Internal Audit process
- Oversight by Audit Committee
- Risk Register

## 5.2 Training

Another element of fraud prevention is staff training. New fraud schemes, particularly cyber frauds, develop every day. To ensure staff are aware of new fraud and existing frauds regular training sessions are required on an ongoing basis it is important that information regarding new fraud schemes is passed to all relevant staff so that they are aware of the risks.

Also the importance of testing all the systems and the importance when opening emails that have links within emails (phishing emails).

## 6. Fraud Detection

Fraud detection controls are designed to provide warnings or evidence that fraud may be occurring.

#### 6.1 Key Elements of Fraud Detection:

- Providing ways for stakeholders to raise concerns – whistleblowing processes, background controls
- Financial Controls (rent and bank reconciliations)
- Review of journal entry adjustments to account
- Confidential surveys of staff, suppliers
- Exit interview can also be used to gather information on suspicions, perceived integrity Issues
- Performance appraisals

The principal detection control is the whistleblowing policy and procedure that ordinarily allows employees and others to raise concerns confidentially.

#### 7. Fraud Response Plan

Even a small fraud can be significant in terms of reputations, managerial and governing body time and staff morale. Therefore, it is important that when fraud does occur that it is dealt with in a way that minimises the impact on the organisation.

Each fraud is different, so it is difficult to plan for every eventuality, however the approach is to have a series of checklist that sets out the initial actions that will be required and who is responsible for them.

The Fraud Response Plan covers:

- a. Preventing further loss
- b. Ensuring that evidence is gathered quickly and not destroyed
- c. Consider what can be learned
- d. Implementing new controls
- e. Investigation
- f. Ensuring insurers, regulators and police are informed
- g. Dealing with the perpetrators (if known)
- h. Managing the media (if appropriate)

This will ensure that the fraud is dealt with as quickly as is practical and that no important tasks are omitted.

#### 8. Risk Register

Homes for Life has a detailed Risk Register which includes:

- Area of risk
- Likelihood of that risk occurring
- Impact of that risk
- Control needed to minimise that risk

This assists with the identifying areas of fraud risk.

## 9. Equality & Diversity

As a service provider and employer we recognise the requirements of the Equality Act 2010, oppose any form of discrimination, and will treat all customers, internal and external, with dignity and respect. We recognise diversity and will ensure that all of our actions ensure accessibility and reduce barriers to employment and the services we provide.

## 10. Review

This policy, related documents and supporting procedures will be reviewed in line with relevant legislation and best practice