

Governance and Financial Viability Policy

7

ANTI-FRAUD AND CORRUPTION POLICY

**This document forms section seven of Victory Housing Trust's
Governance and Financial Viability Policy**

Last Reviewed April 2015



If you would like this policy in Large, Print, Audio, Braille another language or an alternative format please contact our customer services team on 0845 300 6648 and we will do our best to help

7. ANTI-FRAUD AND CORRUPTION POLICY

7.1 Policy Statement

7.1.1 Victory Housing Trust is committed to reducing avoidable losses and eliminating fraud and corruption amongst our workforce and our activities. Our approach is to operate in a transparent and honest way with a high degree of integrity. Corrupt practices are not acceptable to the way Victory operates.

7.1.2 We define fraud and corruption as covering:

- Fraud is when a person dishonestly makes a false representation or fails to disclose to another person information which they are under a legal duty to disclose or abuses their position and intends, by making the representation to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.
- Corruption covers the area of bribery. Bribing is the offer, promise or giving of a financial or other advantage. Being bribed is the request, agreeing to receive or acceptance of a financial or other advantage. In both cases the bribe is intended to influence the actions of the person to gain an improper advantage. Within this we recognise the separate corporate offence of failing to prevent bribery.
- Money laundering is the process by which the proceeds of crime are sanitised to disguise their illicit origins.

7.1.3 Theft (the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it) is excluded from this policy. Other policies cover theft, for instance - employees (disciplinary policy); non-executive director (Standing Orders) and tenants (Tenancy Fraud policy).

7.1.4 In order to positively address and counter fraud and corruption we will:

- Instil a culture of ethical behaviour throughout Victory.
- Set a zero tolerance stance toward fraud and bribery.
- Promote and provide briefings to all managers setting out their responsibilities and the expectations of them with regard to this policy.
- Investigate all instances rigorously and promptly and take appropriate action to make sure it does not happen again by dealing swiftly and firmly with those who defraud Victory or offer and/or accept bribes.
- Maintain a register of gifts and hospitality to ensure that only modest and transparent corporate hospitality is accepted.
- Maintain a register of employee and non-executive director' interests to monitor conflicts and approve mitigating actions.

- Maintain and regularly review a risk register of the areas of operation prone to fraud, bribery and money laundering. Assess, implement and monitor controls that reduce these risks to an acceptable level.
- Consider the introduction of anti-bribery provisions in all key partner contracts.
- Maintain and promote Whistleblowing procedures for employees and ensure that concerns raised are treated in confidence and investigated fairly and properly.
- Enable residents and members of the public to report their concerns.
- Safeguard employees against malicious or unfounded allegations and operate fair procedures. We may take disciplinary action against employees who deliberately make false accusations.
- Report all new allegations and findings of fraud, bribery and money laundering as a standing agenda item at each board meeting.
- Report all findings of actual fraud and bribery in excess of £5,000 to the Police, the regulator and the Charity Commission.

7.2 Introduction

- 7.2.1 Victory recognises that tackling fraud and corruption is vital to the delivery of a good service. We will work to eliminate such practices and will use the strength of the organisation to influence and actively challenge fraudulent and corrupt behaviour.
- 7.2.2 By seeking to reduce avoidable losses and reduce the risk of negative public perception this policy links to Victory's Governance and Financial Viability policy.

7.3 Purpose

- 7.3.1 This policy defines Victory's overall corporate stance towards countering fraud and corruption.

7.4 Scope

- 7.4.1 This is a corporate wide policy and covers all aspects of Victory's work:

- as a provider of housing;
- as an employer; and
- as a purchaser of goods and services.

- 7.4.2 This Policy applies to:

- All permanent and temporary employees and agency staff.
- All board and committee members.

- All consultants and contractors working for Victory.
- Tenants are covered by the Tenancy Fraud Policy.

7.5 Roles and Responsibilities

- 7.5.1 The Board has overall responsibility for this policy.
- 7.5.2 The Executive Team is responsible for overseeing the implementation of the policy.
- 7.5.3 Heads of Service and Managers are responsible for ensuring that all aspects of their services comply with the policy.
- 7.5.4 Employees are required to ensure that they act in accordance with the policy in carrying out their duties.
- 7.5.5 The Board has overall responsibility for establishing and maintaining an adequate system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than to eliminate, the risk of failure to achieve business objectives including the prevention and detection of fraud and corruption. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.
- 7.5.6 All employees, agency staff, board and committee members, consultants and contractors have a responsibility to tackle fraud and corruption, for example by acting with integrity and reporting any suspicions.
- 7.5.7 Any breach or alleged breach of the policy will be taken seriously, investigated fully and may result in action under one or more of the organisation's harassment, disciplinary, grievance procedures or contract terms. In serious cases such behaviour may constitute gross misconduct and may result in dismissal.

7.6 Implementation and Monitoring

- 7.6.1 The Chief Executive and Finance Director will monitor and review the effectiveness of this policy and associated procedures by:
- At least an annual review of the fraud, bribery and money laundering risk register and assessment of associated controls;
 - Quarterly review of the register of fraud, bribery and money laundering activities;
 - At least annual review of the gifts, hospitalities and declarations of interest register.
- 7.6.2 All managers have responsibility for promoting a counter fraud and corruption culture in terms of staff, stakeholders and residents.
- 7.6.3 All detected acts of attempted or actual fraud or corruption will be reported at by way of standing agenda item at each board meeting.

7.7 **Definitions and Policy links**

7.7.1 The definitions of the terms used throughout this policy are based on the relevant legislation.

7.7.2 Fraud falls into three categories:

- **Fraud by false representation**

Where a person dishonestly makes a false representation, and intends, by making the representation, to make a gain for themselves or another or to cause loss to another or to expose another to a risk of loss.

A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading. A representation may be express or implied. A representation may be regarded as made if it (or anything implying it) is submitted in any form to any system or device designed to receive, convey or respond to communications (with or without human intervention).

- **Fraud by failing to disclose information**

Where a person dishonestly fails to disclose to another person information which they are under a legal duty to disclose, and intends, by failing to disclose the information to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.

- **Fraud by abuse of position**

Where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss. A person can abuse their position even though their conduct consisted of an omission rather than an act.

7.7.3 Corruption is covered by the Bribery Act and contains four offences:

- The offering, promising or giving of a bribe (active bribery),
- The requesting, agreeing to receive or accepting of a bribe (passive bribery),
- Bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and
- Corporate liability for failing to prevent bribery on behalf of a commercial organisation.

7.7.4 Anti money laundering is covered separately within the Financial Regulations and those procedures should be referred to when instances of money laundering are alleged. In summary:

- Where any member of staff knows or suspects, or has reasonable grounds that money laundering activity is taking/has taken place, or become concerned that their involvement in a matter may amount to a prohibited act under the legislation they must disclose this as soon as practicable to the Finance Director or Chief Executive. The disclosure should be at the earliest opportunity of the information coming to the employee's attention.

7.7.5 As a corporate wide document, this policy maintains links to all other organisational policies as well as the following additional documents:

- Financial Regulations
- Standing Orders
- Tenancy Fraud policy
- Victory's Corporate Plan
- Whistleblowing Policy

7.8 Legal and Regulatory References

7.8.1 The key primary legislation and guidance underpinning this policy is as follows:

- Bribery Act 2010
- Money Laundering Regulations 2007
- Fraud Act 2006
- Proceeds of Crime Act 2002
- Terrorism Act 2000