

# Anti-Fraud, Bribery and Corruption Policy

<b>Approved by</b>	<b>Group Board</b>
<b>Effective date</b>	<b>15th November, 2018</b>
<b>Review date</b>	<b>15th November, 2018</b>
<b>Policy developed by</b>	<b>Corporate Support and Governance Manager</b>
<b>Associated Procedure</b>	

## Say hello

> Registered Office: Connexus Housing Ltd, The Gateway, The Auction Yard, Craven Arms, SY7 9BW  
> 0333 231 3233 > [connexus-group.co.uk](http://connexus-group.co.uk) > [hello@connexus-group.co.uk](mailto:hello@connexus-group.co.uk) > [@weareconnexus](https://www.facebook.com/weareconnexus)

# Introduction

## 1. Scope

1.1 The policy applies to the whole of the Connexus Group (referred to in this policy as 'the Group'). This means Connexus Housing Limited, all its subsidiaries and all their subsidiaries, i.e. Herefordshire Housing Limited (HHL), Independence Trust (IT), Meres and Mosses Housing Association (MMHA), South Shropshire Housing Association (SSHA), Floreat Living Limited (FLL), Floreat Development Limited (FDL), Enterprise 4 (E4), Rise Partnership Development Limited (RISE), Total Response Limited (TRL), Shropshire Housing Treasury Limited (SHTL) and Herefordshire Capital Limited (HCL).

## 2. Purpose

2.1 The purpose of this policy is to notify colleagues and board members of the approach Connexus takes to preventing fraud, bribery and corruption and how it deals with detected or attempted fraud.

2.2 Connexus values its reputation for ethical behavior and for financial probity and reliability. It is committed to providing the highest standard of openness, probity and accountability and this applies to all forms of fraud, bribery and corruption whether it is attempted from within or outside of Connexus. This policy is intended to make it clear to colleagues, board members, partner organisations, contractors and potential contractors, tenants and other service users as well as our regulators that Connexus takes fraud, bribery and corruption seriously and will take action against individuals where actual or attempted fraud, bribery and/or corruption is detected.

2.3 This policy applies to all colleagues, board members and contractors and the term Connexus includes all subsidiaries of Connexus.

2.4 For the purposes of this policy, the term colleague includes paid employees, board and committee members (including co-optees)

2.5 Connexus will attempt to limit its exposure to any fraud, bribery or corruption by:

- Setting out a clear anti-fraud, bribery and corruption policy
- Training all employees and board members so that they can recognise and avoid fraud, bribery or corruption

- Encourage its employees to be vigilant and to report any suspicions of fraud, bribery or corruption providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Requiring all suppliers and contractors of Connexus to sign up to the principles of this policy and to similarly report any suspicions of fraud, bribery or corruption to us.
- Rigorously investigating instances of alleged fraud, bribery or corruption and where necessary assist the Police and other authorities in any resultant investigation
- Taking firm and robust action against anyone involved in such acts which will apply when incidents of actual or threatened fraud, bribery or corruption are reported or disclosed.
- Recognising the six principles set out in the Ministry of Justice 'The Bribery Act Guidance' to help manage bribery risk, namely:
  - Proportionate procedures
  - Top-level commitment
  - Risk Assessment
  - Due Diligence
  - Communication (including training)
  - Monitoring and Review

### **3. Problem to solve**

- 3.1 Fraud, bribery and corruption can be defined as below.
- 3.2 Fraud. Fraud can be summarised as obtaining money, property or services dishonestly by making a false or misleading representation, failing to disclose information or abusing a position of trust.
- 3.3 Bribery. This is defined as inducements or rewards offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. Very generally, bribery 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.
- 3.4 Corruption. Usually fraudulent conduct by those in power and typically involving bribery.

### **4. Methods**

- 4.1 In order to reduce the risk of fraud, bribery and/or corruption, you should report such things as listed below to either the Director of Resources or the Corporate Support and Governance Manager. This list is simply a flavour of the types of acts that could demonstrate fraud, bribery or corruption and is not inclusive. If you feel something is

happening that could be classed as fraud, bribery or corruption then you need to report it - irrespective of whether or not it falls into the following categories:

- Breach of bank details, theft of cash or cheques, use of fake bank accounts
- Collusion with customers/suppliers or contractors
- Sale of assets at artificially deflated or inflated prices (including Right to Buy transactions)
- Submission and authorisation of false expenses e.g. car mileage or other claims
- Misuse of any assets, including ICT

4.2 If you suspect that a breach of this policy has taken place, or may occur in the future, you must notify the Company Secretary or Corporate Support and Governance Manager immediately. You must also report if someone tried to involve you in a fraud, you suspect that this may happen in the future, or you think you are a victim of any unlawful activity.

4.3 You must tell the Company Secretary or Corporate Support and Governance Manager if you have any concerns or suspicions that any of your colleagues may be involved in fraud or corruption immediately or at the earliest opportunity. If you are not comfortable doing this, you should raise your concerns or suspicions using the Whistle Blowing Policy.

4.4 The aims and principles of our approach are underpinned by the following:

- We expect the highest standards of honesty and integrity from all colleagues, our partners and contractors,
- We expect colleagues to report any suspected breach of our policies and procedures relating to the prevention of fraud and corruption and we encourage our partners and customers to do likewise,
- We expect all colleagues to follow the procedures laid down for internal control, which will help to minimise opportunities for fraud,
- We will identify areas of risk through our Risk Mapping processes and establish operational environments of strong internal controls to prevent and detect fraud and corruption and thereby protect our reputation and assets against loss or improper use,
- We will ensure that our insurance arrangements cover the consequences of fraudulent activity,
- We will ensure that processes are in place to deter and detect any attempt at money laundering activities as set in our Treasury Management Policy,
- We will ensure that colleagues are aware of our Whistle Blowing policy, which encourages them to raise genuine concerns about financial or other malpractice without fear of recrimination,
- We will promote awareness of the Anti-Fraud, Bribery and Corruption Policy and, for new colleagues, ensure that this forms part of induction training,
- We will ensure that our checking procedures for recruiting colleagues on a

- permanent or temporary basis accord with good practice; and
- We will be alert to the possibility of housing tenancy fraud, including the submission of false housing applications, tenancy succession fraud, Right to Buy fraud and the illegal sub-letting of our properties and will take action, as appropriate, where it is found that any fraud has occurred.

4.5 The Bribery Act 2010 includes a crime of 'failure to prevent' bribery which means Connexus must demonstrate that it has implemented adequate procedures to prevent corrupt practices within the organisation, or by third parties on their behalf. Failure to do so may leave Connexus exposed to unlimited fines as well as other consequences.

4.6 Corporate bodies may also be subject to prosecution by the Act if they fail to prevent 'associated persons' undertaking an act of bribery on their behalf. This might include the acts of an agent, sub-contractor or a joint venture partner.

4.7 In terms of bribery, the Bribery Act 2010 includes offences such as:

- Bribing another person (e.g. offering, promising or giving financial or other advantage for improper performance of function),
- Offences relating to being bribed (e.g. requesting, agreeing to receive or accepting a financial or other advantage),
- Bribery of foreign public officials (of less relevance to the sector); and
- Failure of corporate bodies to prevent bribery

Connexus prohibits:

4.8 The offering, the giving, the solicitation or acceptance of any bribe, (whether cash or other inducement) to or from any person or company by any individual employee, board member, agent or other person or body acting on behalf of Connexus in order to gain any commercial, contractual or regulatory advantage for Connexus in a way which is unethical or in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

4.9 Whilst the above prohibitions are in place, Connexus does allow the practices below, providing they are proportionate and properly recorded:

Normal and appropriate hospitality

The giving of a commemorative gift or other gift to mark an occasion

(please refer to the Connexus Probity and Gifts and Hospitality policies)

- 4.10
- Any colleague who suspects that an irregularity is being, or has been, perpetrated shall immediately inform the Company Secretary, Corporate Support and Governance Manger or, in their absence, their Director

- Any person receiving such a report should take whatever actions are necessary to secure its investigation and proper reporting, including liaison with Internal and External Audit. This action should be undertaken promptly
- Any Member of the Board of Management who suspects that an irregularity is being, or has been, perpetrated should immediately inform the Group Chief Executive who will take whatever steps felt necessary by way of investigation and reporting, including liaison with Internal and External Audit. Again, this action should be undertaken promptly
- Where there is evidence of criminal activity the matter will, in all cases, be referred to the Police
- All frauds in excess of £1,000 will be reported immediately to the Chair of the Audit and Risk Committee, together with any fraud irrespective of value, if a Board member Director or Head of Service is concerned. All fraud in excess of £5,000 will be reported to Homes England (Regulator of Social Housing) and the Company's insurers. Any fraud incident involving or implicating colleagues, irrespective of monetary value, will also be reported to the Regulator of Social Housing. All fraud (irrespective of value) will be reported regularly to the Audit and Risk Committee

4.11 Colleagues should always act in accordance with Connexus policies, and with regards to anti-fraud, bribery and corruption, particular attention should be paid to the Standing Orders and Financial Regulations, Code of Conduct, Gifts and Hospitality and Probity policies. Individuals should also complete on an annual basis the Declaration of Interests form.

## 5. Measurement

- 5.1 It is the responsibility of the Connexus Board to ensure that implementation of the anti-fraud, bribery and corruption policy is monitored through its Audit and Risk Committee who will ensure that effective risk management, internal control systems and internal audit reviews.
- 5.2 The Company Secretary and/or Corporate Support and Governance Manager are responsible for delivering the policy and will be accountable for its implementation and colleague training.
- 5.3 Every colleague has the responsibility to read, understand and implement this policy. Colleagues must be vigilant to possible fraud, attempted fraud, bribery or corruption. If suspicious they must report their concerns immediately and should act with integrity and propriety. They should be active in highlighting to their line managers any areas of weakness they identify in procedures or systems, and be confident in suggesting ways to reduce the possibility of fraud, bribery or corruption. They must also be willing to cooperate if any investigation needs to be undertaken.

- 5.4 All contractors, consultants and partner organisations are responsible for operating in accordance with this policy when delivering services to or on behalf of Connexus.
- 5.5 All board members and colleagues are required to complete an Annual Declaration of Interests form and return this to the Corporate Support and Governance Manager.
- 5.5 As part of regulatory requirements, Connexus must hold a Fraud Register whereby all incidents of fraud, suspected or attempted fraud and/or corruption and bribery is recorded. In addition, on an annual basis through the NROSH+ site, a fraud return must be submitted. This register and the submission details are kept by the Company Secretary and any entries will be reported to the Audit and Risk Committee.
- 5.7 Associated policies and procedures to read and become familiar with:
- Whistleblowing Policy
  - Probity Policy
  - Gifts and Hospitality Policy
  - Standing Orders and Financial Regulations
  - Colleague and Board Member Code of Conduct
  - Individual's Employment Terms and Conditions
  - Treasury Management Policy
  - Tenancy Fraud Policy
  - Colleague Declaration of Interest Declaration
  - Bribery Act 2010
  - Fraud Act 2006

## **6. Monitoring and Reporting**

- 6.1 Connexus will monitor implementation of the policy through periodic internal reviews.
- 6.2 Failure to comply with this policy may lead to disciplinary action, depending on the nature of the breach and in some cases may lead to criminal prosecution.

## **7. Review**

- 7.1 Connexus will review this policy at least every 3 years and that these regular reviews of the policy take account of any changes in regulatory guidance and good practice. A review will be carried out sooner should there be any changes to legal requirements.