



Anti-Fraud, Bribery and Corruption Policy

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Approved by Committee/Board	-
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Policy developed by	Head of Governance and Company Secretary
Consultations	Senior Management Team
Associated procedure	N/A

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Introduction

1. Purpose

- 1.1 The purpose of this policy is to inform colleagues and board members of the approach Connexus takes to preventing fraud, bribery and corruption and how it deals with detected or attempted fraud.
- 1.2 Scope: The policy applies to the whole of the Group. This means Connexus Homes Limited, (ultimate parent) and all of its subsidiaries.
- 1.3 Connexus values its reputation for ethical behaviour 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, customers 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.
- 1.4 This policy applies to all colleagues, contractors, board and committee members (including co-optees) the term Connexus includes all subsidiaries of Connexus.
- 1.5 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 2010 Guidance' to help manage bribery risk, namely:
 - Proportionate procedures

- Top-level commitment
- Risk Assessment
- Due Diligence
- Communication (including training)
- Monitoring and Review

1.6 Defining conflicts of interest

What are conflicts of interest?

A conflict of interest is a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation can exploit a professional or official role for personal or other benefit. This definition is based on generally accepted standards.

Conflicts can exist if the circumstances create a risk that decisions may be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.

Conflicts might occur if individuals have, for example:

- a direct or indirect financial interest;
- non-financial or personal interests; or
- conflicts of loyalty where decision-makers have competing loyalties between an organisation they owe a primary duty to and some other person or entity.

Conflicts of interest exist on a spectrum of severity. They can take many forms, for example:

- accepting hospitality or gifts from private sector companies during a procurement exercise;
- providing policy advice to government while also working, or consulting, for industry;
- awarding contracts to suppliers in which the decision-maker has a personal or financial interest; and
- in the delivery of public services, where individuals or organisations assess service needs as well as providing the services.

2. Problem to solve

2.1 Fraud, bribery and corruption can be defined as below.

2.2 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.

2.3 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.

2.4 **Corruption**

Usually fraudulent conduct by those in power and typically involving bribery.

3. **Methods**

3.1 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 Head of Governance and Company Secretary. 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

3.2 If you suspect that a breach of this policy has taken place, or may occur in the future, you must notify the Head of Governance and Company Secretary 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.

3.3 You must tell the Head of Governance and Company Secretary 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.

3.4 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 and our Anti Money-Laundering Policy;
 - We will ensure that colleagues are aware of our Whistleblowing 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;
 - 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; and
 - We will ensure that applications for accommodation and offers of accommodation to its employees' board members, close relatives of Connexus employees and board members and those who have a close connection (e.g. a business partner) with an employee or board member follows the broad principles set out in the NHF Code 'Excellence in Standards of Conduct' through the implementation of our Granting of Benefits (Accommodation) Policy.
- 3.5 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.
- 3.6 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.
- 3.7 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:

- 3.8 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.
- 3.9 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.)

- 3.10
- Any colleague who suspects that an irregularity is being, or has been, perpetrated shall immediately inform the Head of Governance and Company Secretary or, in their absence, the Director of Resources
 - 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 fraud or suspected fraud is 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 Regulator of Social Housing and the Company's insurers. All fraud (irrespective of value) will be reported regularly to the Audit and Risk Committee.
- 3.11 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.

4. Measurement

- 4.1 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.
- 4.2 The Head of Governance and Company Secretary is responsible for delivering the policy and will be accountable for its implementation and colleague training.
- 4.3 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 co-operate if any investigation needs to be undertaken.

- 4.4 All contractors, consultants and partner organisations are responsible for operating in accordance with this policy when delivering services to or on behalf of Connexus.
- 4.5 All colleagues are required to complete an Annual Declaration of Interests form at commencement in post and certainly during their probationary period. This is available on the HR system MyConnexus. These declarations are monitored by the Governance Team and reported annually to the Audit and Risk Committee in terms of completion rates. Any concerns will be addressed with the individual or their manager by the Head of Governance / Company Secretary. It is important to note that failure to declare any conflict of interest may lead to disciplinary action and, in the worst case scenario, dismissal. If in any doubt as to what you need to declare, you should seek advice from the Head of Governance / Company Secretary.
- 4.6 Examples of what must be declared, and this list is not conclusive, include:
- Any close relatives employed by Connexus Homes Limited or its subsidiaries.
 - Any tenancies held with Connexus Homes Limited (either yourself or close relatives).
 - Any business interests with companies who have a relationship with Connexus Homes Limited.
 - Any close relationships with members of the Board of Connexus Homes Limited.
 - Any public positions or responsibilities held.
- 4.7 All colleagues are reminded that if there any changes to their Declarations of Interest, outside of their annual cycle, they should update their Declaration of Interest on MyConnexus as soon as possible.
- 4.8 Board Members are asked to complete a Declarations of Interest Form which covers the above but in addition, due to their roles and responsibilities as board members.
- 4.9 Board Members are also required to complete a Fit and Proper declaration which covers areas such as directorship positions with other housing associations or bodies, relationships with suppliers, contractors and consultants working with Connexus Homes, any convictions or offences in relation to tax and/or fraudulent behaviour and any previous disqualifications when holding trustee/board member positions.
- 4.10 All Board Members and Co-Optees are asked to update there are any changes to their Declarations of Interest as soon as possible by emailing the Governance team and/or at the start of each Board or Committee meeting.
- 4.11 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 Head of Governance and Company Secretary and any entries will be reported to the Audit and Risk Committee.

4.12 Associated policies and procedures to read and become familiar with:

- Whistleblowing Policy
- Probity Policy
- Gifts and Hospitality Policy
- Standing Orders and Financial Regulations
- Colleague Handbook 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
- ICT Colleague User Policy
- Granting of Benefits (Accommodation) Policy

5. Monitoring and Reporting

- 5.1 Connexus will monitor implementation of the policy through periodic internal reviews.
- 5.2 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.

6. Review

- 6.1 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.