

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

Version: Final
Lead Directorate: Corporate Services
Approved by: Audit and Risk Committee
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Summary of main changes April 2023:

- Appendix A (fraud contacts) removed as EMT are the only contacts for suspected fraud
- Removal of reference to tenancy fraud, anti-money laundering info and cybercrime into separate policies
- Moving paragraphs into introduction and responsibilities sections
- Removal of appendices on fraud types and indicators to be part of Fraud Response Plan

1. Introduction

- 1.1 Plymouth Community Homes (PCH) is committed to maintaining the highest standards of probity, openness, and accountability. We have a zero tolerance on fraud, bribery and corruption. Where appropriate, we will:
- take firm action against any individual or group committing a fraud against PCH including summary dismissal of employees
 - take firm action against any individual or group offering or receiving a bribe or failing to prevent a bribe being paid on an organisation's behalf
 - encourage employees to be watchful and to report any suspicion of fraud or bribery
 - thoroughly investigate instances of alleged fraud or bribery and pursue those committing fraud or bribery
 - seek to recover assets fraudulently obtained together with recovery of costs
 - assist the police and other authorities in the investigation and prosecution of those suspected of fraud or bribery
- 1.2 PCH values its reputation for ethical behaviour and financial probity and reliability. It recognises that fraud and bribery will impact our resources and reflect adversely on our image and reputation. PCH is committed to an effective approach which:
- encourages prevention
 - promotes detection
 - identifies a clear pathway for investigation
- 1.3 PCH is committed to continuing with systems and procedures, which incorporate efficient and effective internal controls, and internal check procedures. These include the adequate separation of duties wherever possible to ensure that the risk of error or impropriety is prevented.
- 1.4 This policy covers prevention of fraud and bribery, arrangements for training and awareness, detection and reporting of fraud, fraud response, the recording of incidents in the fraud register and conducting a post-fraud review.

- 1.5 This policy applies to all employees, Board members (including co-optees, committee and subsidiary Board members), volunteers and engaged residents across PCH and its subsidiaries.
- 1.6 There are expectations that external partners, contractors and individuals working with us will act with integrity and in accordance with legislation, good practice, contracts and agreed controls. This policy also extends to include fraud committed by third parties such as contractors and suppliers against other third parties such as local authorities, contractors and suppliers. A separate Tenancy Fraud Policy is in place.

2. Definitions

2.1 Fraud Act 2006

2.2 The term 'fraud' is used to describe many related unacceptable acts and behaviours such as including, but not limited to deception, bribery, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, abuse of position and collusion, which result in a loss or potential loss for PCH. Types of fraud and fraud indicators are appendices to the Fraud Response Plan.

2.3 The offence is to act dishonestly with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

2.4 The offences can be committed by a company/organisation, where the offences have been committed by a person occupying a senior position who can be said to be the "controlling mind" of the company/organisation and those holding senior or management positions in that company/organisation may also be liable in those circumstances.

2.5 Bribery Act 2010

2.6 A bribe is a gift given to influence the recipient's conduct. It may be money, goods, property, privilege, an object of value, advantage or any or other inducement designed to influence or corrupt the actions of an official in the organisation.

2.7 There are four offences:

- bribing another person - the offering, promising or giving of an advantage
- being bribed - requesting, agreeing to receive or accepting an advantage
- bribing a foreign public official
- the "corporate offence" where an organisation fails to prevent persons performing services on its behalf from committing bribery

3. Responsibilities

3.1 Ownership and oversight of these matters within PCH is as follows:

- Fraud and bribery - Head of Governance
- Anti-money laundering - Head of Governance
- Modern Slavery, contractual arrangements and procurement - Head of Strategic Procurement
- Staff vetting and disciplinary proceeding – Head of HR and OD
- Tenancy fraud – Head of Neighbourhoods
- Operational Fraud Risk Register – led by Head of Governance

- 3.2 EMT is responsible for ensuring internal controls are properly maintained and effective. The existence, appropriateness and effectiveness of internal controls are independently monitored by internal and external auditors and assurance provided annually to ARC and Board.
- 3.3 The day-to-day responsibility for the prevention and detection of fraud, bribery and corruption rests with line managers who are responsible for:
- identifying the risks to which systems, operations and procedures are exposed
 - developing and maintaining effective controls to prevent and detect issues
 - ensuring controls are being complied with
- 3.4 Employees are an important element in the prevention of fraud and bribery and they are positively encouraged and expected to raise any concerns. All staff, including managers, are responsible for:
- ensuring they abide by internal controls and PCH's policy framework
 - acting with propriety in the handling and use of PCH resources and funds
 - immediately reporting to a member of the Executive Management Team if they suspect or believe there is evidence of irregular or improper behaviour or that fraudulent activities may have taken place
 - ensuring they declare any interests (as per the Declarations of Interest Policy)
 - ensuring the acceptance or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration
 - complying with the Gifts and Hospitality Policy
 - avoiding any activity that might lead to or suggest a breach of this policy

4. Training and awareness

- 4.1 PCH ensures all staff and Board members are aware through the induction programme, code of conduct and refresher training provided every two years.
- 4.2 The training and information provided includes:
- re-enforcement of the zero-tolerance approach to all forms of fraud
 - illustrative examples of behaviours and actions that could constitute fraud
 - how to report concerns
 - possible consequences if individuals are found to be responsible for fraud including disciplinary measures, civil or criminal proceedings
- 4.3 Contractors and suppliers are made aware of this policy via our contractual documents. Residents are made aware via the Code of Conduct and other stakeholders are made aware of via our website.

5. Reporting and investigating

- 5.1 A register is maintained by Governance to record all actual or attempted frauds or incidents of bribery or corruption. All such cases are reported to Audit and Risk Committee, and any losses reported to the Regulator of Social Housing on an annual basis.
- 5.2 Suspected incidents of fraud, bribery or corruption are investigated using the Fraud Response Plan in an independent, open-minded and professional manner with the aim of protecting the interests of both PCH and the suspected individual(s). Suspicion must not be seen as guilt to be proven.

- 5.3 In the event of fraud occurring as the result of a weakness in control, this is updated as a matter of urgency.
- 5.4 Outcomes of investigations could result in dismissal for employees, removal from the Board for Board members, debarring from transactions/employment for external individuals, organisations or contractors, and criminal and/or civil action are likely to be pursued.
- 5.5 Investigations will include lessons learnt and recommendations, which are monitored by EMT. Identification and delivery of these recommendations will mitigate risks in the Fraud Risk Register and strengthen internal controls.

6. Equality, diversity and inclusion

- 6.1 PCH will apply this policy consistently and fairly and will not discriminate against anyone based on any relevant characteristics, including those set out in the Equalities Act 2010. PCH will make this policy available in other languages and formats on request.

7. Monitoring and review

- 7.1 PCH will monitor this policy to ensure it meets good practice, current legislation and will review it every 3 years.

8. ASSOCIATED DOCUMENTS

- Fraud Response Plan
- Anti-Money Laundering Policy
- Gifts and Hospitality Policy
- Expenses policies
- Financial Regulations, Contract Standing Orders and related procedures
- Governance Framework (incorporating standing orders)
- Risk management processes
- HR policies & Procedures (Performance Management and Disciplinary)
- Information Security Policy
- Standards of Conduct and Probity policies
- Safeguarding Adults Policy
- NHF Codes of Governance and Conduct