



ANTI BRIBERY POLICY

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Executive Summary:
<p>Bribery sits within the wider fraud framework and as with fraud or malpractice, RBH has a zero tolerance to any form of bribery. Bribery is the process by which someone induces someone else to do something that gives them an advantage or benefit. The person committing the act will usually receive some form of reward though this may not necessarily be cash and this may not always be received directly. This would, for example, include paying someone a bribe to win a contract.</p>

Policy Grouping/Directorate(s)	Legal & Governance / Resources	
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Notes:		

1 Introduction

- 1.1 Rochdale Boroughwide Housing (RBH) has a commitment to high legal, ethical and moral standards. All employees are expected to share this commitment. This policy is established to facilitate the development of procedures, which will aid in the investigation, of bribery or corruption related offences.
- 1.2 RBH is committed to countering corruption and bribery. This includes procedures covering the creation of an anti-fraud and corruption culture; deterrence, prevention and detection of such activities; investigation of suspicions which arise; the application of appropriate sanctions; and the seeking of redress in respect of monies obtained by fraudulent or corrupt activities.
- 1.3 The Board has controls in place that reduce the likelihood of corruption and bribery occurring. These include documented procedures, and documented systems of internal control and risk assessment particularly in relation to procurement. RBH also carries out regular audits and has a whistleblowing hotline so that cases can be detected after the event. In addition, the Board is committed to ensuring that a risk (and fraud) awareness culture exists across the organisation.
- 1.4 **All Board members, employees, customers, contractors and suppliers should be in no doubt that RBH as an organisation has a zero tolerance approach to any illegal activity, including corruption and bribery.**

2 Policy Statement

- 2.1 This policy applies to all Board members, employees, involved tenants and residents, consultants, suppliers, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with RBH.
- 2.2 **Bribery**
 - 2.2.1 The 2010 Act created a new offence which can be committed by a commercial organisation which fails to prevent persons associated with them from bribing another person on their behalf meaning that RBH can be held liable for their misconduct. Bribery is defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.
 - 2.2.2 There are 4 key offences under the 2010 Act:
 - Offences Related to Bribing Another Person**

Offering, promising or giving a financial or other advantage, intending to provoke or as a reward for improper performance of a function or activity.
 - Offences Related to Being Bribed**

Requesting, agreeing to receive or accepting a financial or other advantage to improperly perform a function or activity.
 - Failure of a Commercial Organisation to Prevent Bribery**

RBH will be corporately liable if an associated person bribes another to obtain or retain business or a business advantage.

Bribery of a Foreign Official

Offering, promising or giving a financial or other advantage intending to influence the foreign official in their official capacity to obtain or retain business or a business advantage.

2.2.3 Penalties:

- For individuals – 10 years in prison, unlimited fine or both.
- For RBH – Unlimited fine

2.3 Facilitation payments and kick backs

RBH will not make, and will not accept, facilitation payments or “kickbacks” of any kind. Kickbacks are typically payments made in return for a business favour or advantage. All colleagues must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the society.

2.4 Government guidance directs that an organisations response to this risk of bribery should be based upon the following six principles:

2.4.1 Proportionality

RBH has procedures in place to prevent bribery by persons associated with it. These are proportionate to the bribery risks faced by RBH and to the nature, scale and complexity of our activities. They are also clear, practical, accessible, effectively implemented and enforced.

2.4.2 Top Level Commitment

The Chief Executive and Directors are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

2.4.3 Risk Assessment

The nature and extent of RBH’s exposure to potential external and internal risks of bribery on its behalf by persons associated with it is periodically assessed. This includes financial risks but also other risks such as reputational damage.

2.4.4 Due Diligence

RBH takes a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

2.4.5 Communication (Including Training)

RBH seeks to ensure that its fraud and corruption prevention policies and procedures are embedded and understood throughout the society through internal and external communication, including training that is proportionate to the risks it faces. This will be tailored to the risks faced but will be undertaken by all colleagues at least 3 yearly.

2.5 Corporate Hospitality

- 2.5.1 The Bribery Act 2010 'Quick Start Guide' provides that *'As a general proposition, hospitality or promotional expenditure, which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act'*.
- 2.5.2 However, RBH's Code of Conduct goes further and directs that the receipt of personal gifts should be discouraged. Where an employee does receive a personal gift during the course of, or as a result of their official duties, this must be reported to the Governance Manager.
- 2.5.3 Hospitality must only be given or accepted where it is on a scale appropriate to the circumstances, reasonably incidental to the occasion and not extravagant. Colleagues should consider the impact of accepting hospitality and how this may be construed by an outside party. When receiving hospitality, employees should be particularly sensitive as to its timing in relation to decisions which RBH may be taking affecting those providing the hospitality.
- 2.5.4 For further guidance colleagues should refer to the Code of Conduct for Employees or discuss the matter with their line manager.
- 2.5.5 How to assess the potential risks from bribery is outlined in appendix one

2.6 Requirements of Employees and RBH

- 2.6.1 Individuals can be found to be criminally liable for failing to report corrupt activity where it is known or suspected. This could result in serious criminal charges and/or sanctions being imposed on RBH and/or its employees.

It is therefore important that policies and procedures exist to establish internal reporting arrangements and ensure compliance with the guidance and the law.

2.6.2 Conflicts of interest

Employees, members and board members may have outside interests and relationships of various kinds including those of a business, financial, private or personal nature. Employees, members and board members should ensure that those interests do not result in a conflict between their interest and those of the society. Any such conflict should be avoided and declared via the declaration of interest form in the Code of Conduct. Further guidance on conflicts of interest is included within the Code of Conduct.

- 2.6.3 Employees are an important element in our stance on any form of corruption. All employees are positively encouraged to raise any concerns that they may have on these issues where they are associated with RBH's activity. All such concerns will be treated in confidence, wherever possible, and properly investigated. RBH's Whistle-blowing Policy is designed to protect individuals when making a disclosure from any fear of victimisation or harassment.
- 2.6.4 If an employee has reason to suspect a colleague, contractor or other person of fraud or an offence against RBH or an infringement of RBH rules, they have a responsibility to inform their manager or raise this directly with the Head of Legal and Compliance or via the whistleblowing process. In the first instance they should raise their concerns verbally either in person or by phone, however, this can also be done confidentially if preferred.

- 2.6.5 How to report suspected fraud is covered in **appendix two**
- 2.6.6 If an employee is concerned that their involvement in itself could amount to a prohibited act under the guidance, i.e. that further actions could make them complicit in the illegal act being undertaken, then they will need consent from the National Crime agency (NCA) to take any further part in the transaction. They should, therefore, make it clear whether there are any such issues and the deadlines when reporting the issue and all such cases should be reported to the Head of Legal and Compliance without delay so that they can liaise with NCA to obtain this authority. Examples could include a pending right to buy completion date, or processing a bank transfer or refund.
- 2.6.7 Managers or employees should **NOT** seek to initiate enquiries or investigations, and once reported they must **NOT** make any further enquiries into the matter themselves.
- 2.6.8 The overt investigation of all actual or suspected instances of fraud and the prosecution of offenders provides an effective deterrent. Therefore, all known or suspected incidences of fraud will be thoroughly and impartially investigated.

2.7 Seeking Financial Redress

- 2.7.1 The seeking of financial redress or recovery of losses will always be considered in cases of fraud or corruption that are investigated by the society where a loss is identified. As a general rule, recovery of the loss caused by the perpetrator will always be sought. The decisions must be taken in the light of the particular circumstances of each case. Financial redress allows resources that are lost to fraud and corruption to be returned for use as intended.
- 2.7.2 In cases of serious fraud and corruption, it is recommended that parallel sanctions are applied. For example: disciplinary action relating to the status of the employee; use of civil law to recover lost funds, use of criminal law to apply an appropriate criminal penalty upon the individual(s).
- 2.7.3 The procedure for seeking financial redress is laid out in **appendix three**

3 Monitoring

- 3.1 The policy will be monitored by the Audit Committee and Board who will receive notification of all reported or identified instances of fraud or attempted fraud.
- 3.2 Procedures designed to prevent bribery are monitored and reviewed annually by the Head of Legal and Compliance and every 3 years by Policy Approval Board.

4 Review

- 4.1 All RBH strategies, policies, service standards and procedures are reviewed on a regular basis to ensure that they are 'fit for purpose' and comply with all relevant legislation and statutory regulations.

- 4.2 This policy will go through the full policy approval process every 3 years and will undergo a desktop review annually. This is to ensure that it is fit for purpose and complies with all relevant and statutory regulations.

5 Links with Other RBH Documents

- 5.1 This policy links to the following policies and strategies:

- Anti Fraud Policy
- Anti Money Laundering Policy
- Tenancy Fraud Policy
- Fraud Response Plan
- Risk Management Policy
- Code of Conduct (including Whistleblowing Policy)
- Disciplinary Policy

Rochdale Boroughwide Housing Limited is a charitable community benefit society.
FCA register number 31452R.
Registered Office: Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP
Registered as a provider of social housing. RSH register number: 4607

Appendix One

Fraud Risk assessment

A fraud risk assessment is a tool used by management to identify and understand risks to its business and weaknesses in controls that present a fraud risk to the society. Once a risk is identified, a plan can be developed to mitigate those risks by instituting controls or procedures and assigning individuals to monitor and effectuate the plan of mitigation. RBH maintains a Fraud Risk Register of all identified fraud risks

Fraud Risk Assessment Guidelines

The assessment should be reviewed on a regular basis or following changes in internal controls or processes or changes in structure of the society.

The fraud risk assessment should address, asset misappropriation, financial and non-financial reporting, regulatory compliance areas and illegal acts.

The assessment should be performed by Heads of Service and documented on the Fraud Risk Register. Preventive and detective fraud control activities can then be implemented to mitigate the risks identified based on their likelihood or impact to the society and considering the controls already in place.

Further guidance on this process is available in the Risk Management Policy.

Fraud Risk Assessment Considerations

Description of fraud risk: Examples include fraudulent disbursements, undisclosed relationships/related parties, theft by cyber-fraud, revenue recognition, bribery, manipulation of liabilities and expenses, false employee qualifications or certification, compliance with government regulations, inappropriate journal entries, improper reporting and disclosures, theft of assets or services

Likelihood of occurrence: Based on frequency – rare to almost certain.

Impact to the society: Minor to catastrophic.

Identification of existing anti-fraud controls: Internal controls in effect, preventive or detective controls.

Fraud risk actions: Additional controls or corrective action activities proposed to be implemented along with implementation date.

Responsible person: To implement controls and mitigation efforts.

Further guidance on this process is available in the Risk Management Policy.

Appendix Two – reporting suspected fraud

The report must include as much detail as possible, for example: -

- Full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc.
- Full details of the nature of their/your involvement.
- The types of fraudulent activity involved. The Head of Legal and Compliance can help identify this.
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent.
- Where they took place.
- How they were undertaken.
- The (likely) amount of money/assets involved.

Report Re: Suspicion of fraudulent or corrupt activity

To: Head of Legal Compliance/Fraud and Money Laundering Reporting Officer

From:
[name of employee]

Post title:

Service Area:

Ext/Tel:

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:
[Please include full details eg what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:

[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)? Yes/No

If yes, please include details below:

Have you discussed your suspicions with anyone else? Yes/No

If yes, please specify below, explaining why such discussion was necessary:

Is any aspect of the transaction(s) outstanding and requiring consent to proceed? Yes/ No

If yes, please enclose details in the box below:

Please set out below any other information you feel is relevant:

Signed _____ Date _____

Please do not discuss the content of this report with anyone you believe to be involved in the suspected activity described. To do so may constitute a tipping-of offence, which carries a maximum penalty of 5 years imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE HEAD OF LEGAL AND COMPLIANCE/FMLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE

Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting fraudulent/money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the NCA? Yes/No

If yes, please confirm date of report to NCA:

NCA unique reference number for the report:

Details of liaison with the NCA regarding the report:

Notice Period: to

Moratorium Period: to

Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? Yes/No

If yes, please confirm full details in the box below:

Date consent received from NCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect Fraud/bribery/money laundering, but you do not intend to report the matter to NCA, please set out below the reason(s) for non-disclosure:

**Date consent given by you to employee for any prohibited act transactions to proceed:
.....**

Other relevant information:

Signed _____ Date _____

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS

Appendix Three – seeking financial redress

Actions which may be taken when considering seeking redress include:

- No further action
- Penalty charges
- Criminal investigation
- Civil recovery
- Disciplinary action
- Confiscation order under Proceeds of Crime Act (POCA)
- Recovery sought from ongoing salary payments or pensions.

- 6.4 In some cases (taking into consideration all the facts of a case), it may be that the society decides that no further recovery action is taken.
- 6.5 Criminal investigations are primarily used for dealing with any criminal activity. The main purpose is to determine if activity was undertaken with criminal intent. Following such an investigation, it may be necessary to bring this activity to the attention of the criminal courts (Magistrates' court and Crown court). Depending on the extent of the loss and the proceedings in the case, it may be suitable for the recovery of losses to be considered under POCA.
- 6.6 The civil recovery route is also available to the society if this is cost-effective and/or desirable for deterrence purposes. This could involve a number of options such as applying through the Small Claims Court and/or recovery through debt collection agencies.
- 6.7 The appropriate senior manager, in conjunction with the HR department, will be responsible for initiating any necessary disciplinary action in accordance with the society's Disciplinary policy. Arrangements may be made to recover losses via payroll if the subject is still employed by the society. In all cases, current legislation will be complied with.
- 6.8 Action to recover losses will be commenced as soon as practicable after the loss has been identified. Given the various options open to the Society, it may be necessary for various departments to liaise about the most appropriate option.
- 6.9 In order to provide assurance that the policy is adhered to, the Head of Legal and Compliance will maintain a record highlighting when recovery action was required and issued and when the action was taken. This will be reviewed and updated upon the conclusion of each case.

Appendix Four

Guidance to managers

Do be responsive to employee concerns.

RBH needs to encourage employees to voice any reasonably held suspicions as part of developing an anti-fraud culture. As a manager you should treat all employee concerns seriously and sensitively.

Do note details.

Note all relevant details. Get as much information as possible from the reporting employee. If the employee has made any notes, obtain these also. In addition, note any documentary evidence that may exist to support the allegations made. But DO NOT interfere with this evidence in any way.

Do advise the appropriate person.

Head of Legal and Compliance

- *Stephen Wigley: 07580 930 898*

Head of Finance & Procurement

- *Jenny Sinclair: 07866 896 151*

Chair of the Audit Committee

Do deal with the matter promptly.

Any delay may cause RBH to suffer further financial loss or reputational damage.

Do not ridicule suspicions raised by employees.

RBH cannot operate effective anti-fraud and whistleblowing policies if employees are reluctant to pass on their concerns to management.

Do not approach or accuse any individuals directly.

Do not convey your suspicions to anyone other than those with the proper authority.

Do not try to investigate the matter yourself.

Remember that poorly managed investigations by employees who are unfamiliar with evidential requirements are highly likely to jeopardise a successful criminal prosecution.