

# Anti-Fraud, Corruption and Bribery Policy

Revised March 2014

## Our Commitment

ACHA and AHFA are committed to provide equal opportunities across all services and to avoid discrimination. This policy is intended to assist ACHA and AHFA in putting this commitment into practice. Compliance with this policy should also ensure that employees do not commit unlawful acts of discrimination.

**This policy can be made available in other formats, for example in large print, audio-format or Braille: the document may also be available in other languages, in full or summary form, as appropriate.**

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### 1. Introduction

- 1.1. Argyll Community Housing Association Limited (ACHA) and Argyll Homes For All Limited (AHFA) is not a complex organisation however it is responsible for significant amounts of financial and other resources. Because of the high overall value of moveable assets owned by ACHA and AHFA, ranging from small items of stationery through to expensive items of plant and equipment, the large amounts of money received and paid out, and the vast number of supporting transactions, there is always a risk that dishonest people in a position to defraud ACHA and AHFA out of money to which they are not entitled will try and do so.
- 1.2. The accountability for the anti fraud and corruption policy lies with the **Board of Management. The Senior Management Team (SMT) of ACHA** however is charged with the principal responsibility for ensuring that ACHA's assets are protected and the implementation of this policy.
- 1.3. The accountability for the anti-fraud and corruption policy also lies with the Board of Management and Managing Director of AHFA.

### 2. The Law and Good Practice

- 2.1. ACHA is a registered social landlord (RSL) registered with the Scottish Housing Regulator (SHR) an industrial and provident society, registered with the Financial Conduct Authority (FCA) and a charity registered with the Office of the Scottish Charity Regulator (OSCR).
- 2.2. AHFA is a subsidiary company registered with the Companies Registrar under the Companies Act 2006.
- 2.3. Therefore, legislation relevant to this policy includes:
  - Housing (Scotland) Act 2010; Bribery Act 2010;
  - Charities and Trustee Investment (Scotland) Act 2005;

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- Industrial and Provident Societies Act 1965;
- Companies Act 2006;
- Equality Act 2010.

2.4. The SHR `Regulatory Standards of Governance and Financial Management ` require ACHA to comply with governance standards including:

2.5. “Regulatory Standard 3 - The RSL manages its resources to ensure its financial well-being and economic effectiveness”;

2.6. Compliance with Regulatory Standard 3 requires that, among other things, ACHA “has effective financial and treasury management controls and procedures” and “ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times”.

2.7. Whilst AHFA is not regulated as it is part of the ACHA Group of companies this policy equally applies to it as do the regulatory standards.

### 3. Definition of Fraud, Corruption and Bribery

3.1. Definitions of Fraud, Corruption and Bribery are as follows:-

**Fraud** - "the intentional distortion of financial statements or other records by persons internal and external to ACHA or AHFA, which is carried out to conceal the misappropriation of assets or otherwise for gain".

**Corruption** - "the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person".

**Bribery** – “bribery is a specific form of corruption. The Bribery Act 2010 provides that bribery includes offering, promising or giving another person a financial or other advantage as an inducement or reward for

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performing their functions or activities improperly. Offences of bribery include giving and receiving bribes.”

- 3.2. ACHA and AHFA are committed to having an effective anti-fraud, corruption and bribery strategy.

### **4. Our Policy Objectives**

- 4.1. ACHA and AHFA aims to prevent fraud, corruption and bribery by the following measures:

- Recruitment and selection procedures
- Code of Conduct for Employees and Board Members
- Whistleblowing policy
- Standing Orders, and Financial Regulations
- Internal Audit
- Disclosure Scotland checks
- Regular risk assessments
- Registers of benefits and disclosure requirements

ACHA and AHFA will provide guidance and training to its staff where identified needs are established through the above activities

- 4.2. ACHA and AHFA will treat attempted fraud, corruption or bribery in the same manner as actual fraud, corruption or bribery perpetrated against ACHA or AHFA.

### **5. Implementing our Policy Objective**

- 5.1. In an attempt to manage fraud, corruption and bribery, ACHA and AHFA continue to seek cost effective ways of identifying fraud, corruption and bribery, such as rigorous procedures and processes involving segregation, IT systems and management tools, trend analysis and spot checks and acts on all information and allegations received.

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- 5.2. All cases are referred to the Director of Finance & IT or in their absence another Executive Director who records the referral. In cases of potential major fraud, the Internal Auditors, and /or Executive Directors of ACHA, where deemed appropriate, report the matter to the Chief Executive or the Chair of ACHA and AHFA.
- 5.3. An entry is recorded in ACHA's Fraud Register. The register is held by the Director of Finance and IT.
- 5.4. ACHA and AHFA have clear written human resources policies and procedures in accordance with which all investigations are carried out. This includes provision for situations where the person being investigated would normally be the investigator.
- 5.5. ACHA and AHFA ensures that staff conducting such investigations have received the appropriate guidance and training. These involve Managers, Executive Directors, Internal Auditors, and the Chair of ACHA and AHFA.
- 5.6. All investigations are carried out in complete confidentiality, with professional standards being strictly observed in the gathering and recording of the evidence and the putting together of a case file, in order to comply with the provisions of the Police and Criminal Evidence Act of 1994.
- 5.7. Where necessary, appropriate action is taken after an investigation. This may involve:
  - disciplinary procedures against employees in accordance with the established human resources policies and procedures
  - legal action against third parties
  - reference to the Police for further investigation and possible prosecution
- 5.8. ACHA and AHFA always seeks to recover the losses incurred as a result of fraud, corruption and bribery. Any monies offered toward the

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recovery of a loss are accepted "without prejudice to any other action ACHA and AHFA may wish to take", and that acceptance is only in respect of losses identified to date and that ACHA and AHFA reserve the right to seek recovery of any further losses that may come to light in the future.

- 5.9. Claims under ACHA's and AHFA's insurance arrangements in fraud, corruption and bribery cases should be regarded as a 'last resort', and are only instigated once all other avenues of recovery have been fully explored.
- 5.10. All cases are notified to The SHR in accordance with the current regulatory guidance regarding Notifiable Events, April 2012. In practical terms the guidance does not quote a de-minimis amount for allegations of fraud, bribery or corruption. Instead some relevant examples (not an exhaustive list) of notifiable events would be: (a) fraud or the investigation of fraud (b) a serious financial loss; actual or potential (c) a serious complaint, allegation, investigation, or disciplinary action relating to the governing body or senior staff (d) a breach of the Regulatory Standards.
- 5.11. The Director of Finance & IT will provide an update on any current cases as and when they arise and will provide an annual summary report on fraud or attempted frauds perpetrated against ACHA and AHFA to the Secretary .
- 5.12. The report will take the form of the Fraud Register being provided for examination by the Secretary annually.

## 6. Policy Review

- 6.1. We ensure that this risk management policy is reviewed on a 3 yearly basis.

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