



LEVERN PROPERTY  
SERVICES LTD



1986-2016: Celebrating 30 years working in the community

<b>Barrhead Housing Group Policy on:</b>	<b>CO07: Anti-fraud, bribery and corruption</b>
--	---

<b>Compliant with Regulatory Standards</b>	Standard 3 The RSL manages its resources to ensure its financial well-being  Standard 5 The RSL conducts its affairs with honesty and integrity.
<b>Compliant with Charter standards :</b>	Standard 13: Value for money
<b>Guidance and Legislation</b>	Fraud Act 2006, Bribery Act 2010, Managing Public Money guidance
<b>Compliant with Tenant Participation Strategy :</b>	Not required
<b>Compliant with Equal Opportunities :</b>	Policy will apply across all staff and Group Board members (BHA and LPS)
<b>Equality Impact Assessment</b>	NO EQIA is required in relation to this policy
<b>Freedom of Information</b>	Policy will be made available via BHG's Guide to Information
<b>GDPR</b>	Policy supports BHG's approach to GDPR, and the robust management of personal data
<b>Compliant with Annual Assurance :</b>	Yes
<b>Linked Policies and Strategies</b>	Financial Regulations Policy and Procedure. Asset Management Strategy Procurement Strategy Community Regeneration Strategy Risk Register/Risk Strategy Freedom of Information and GDPR Whistleblowing Policy Notifiable Events Policy Code of Conduct and conflicts of interest Scheme of Delegated Authority IT and internal communications policy

<b>Date of Approval :</b>	<b>28 Jan 2020</b>
<b>Policy Review Date :</b>	<b>28 Jan 2023</b>

<b>Responsible Officer :</b>	Chief Executive
<b>Version History</b>	Draft Approval: 28.01.2020 Last Approved : 2011

### **Policy summary**

Barrhead Housing Group has a 'zero tolerance' policy towards fraud, bribery and corruption. It will always seek to take disciplinary and /or legal action against those found to have perpetrated fraud (para 7).

Barrhead Housing Group is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum (para 8).

Barrhead Housing Group will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks, and regularly review the effectiveness of its control systems (paras 11 and 15).

Barrhead Housing Group requires all staff to immediately report any incidents or suspicions of fraud, bribery or corruption to an appropriate manager or another person named in Raising Concerns. Barrhead Housing Group will not penalise anyone for raising a concern in good faith (paras 16, 17 and 19).

Barrhead Housing Group will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in the Fraud Response Plan (para 21).

Barrhead Housing Group requires all those receiving Barrhead Housing Group funds or representing Barrhead Housing Group, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy. This includes reporting to Barrhead Housing Group any suspected or actual instances of fraud, bribery or corruption involving Barrhead Housing Group assets or staff (paras 6 and 18).

## **Introduction**

1. Barrhead Housing Group complies with applicable legislation, including the Fraud Act 2006, the Bribery Act 2010, and with other regulatory requirements and applicable guidance including Managing Public Money. Its trustees are required under charity law to safeguard the assets of the charity.
2. Barrhead Housing Group is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

## **Purpose**

3. The purpose of this policy is to set out Barrhead Housing Group's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

## **Scope**

4. This policy applies to Barrhead Housing Group, including its subsidiary as a separate legal entity owned and controlled by Barrhead Housing Group.
5. This policy is applicable to, and must be followed by, all staff including consultants and contractors. Failure to comply could result in disciplinary action, including dismissal.
6. Barrhead Housing Group requires all those receiving Barrhead Housing Group funds or representing Barrhead Housing Group, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.

## **Policy**

### **Policy Statement**

7. Barrhead Housing Group has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that Barrhead Housing Group:
  - a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving Barrhead Housing Group funds or representing Barrhead Housing Group; and
  - b) will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.
8. Barrhead Housing Group is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
9. Barrhead Housing Group requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

## **Risk and internal control systems**

10. Barrhead Housing Group will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will regularly review these risks, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.
11. Barrhead Housing Group will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.
12. Barrhead Housing Group will seek to equip its staff and Board members with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make staff and Board members aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
13. Barrhead Housing Group will make all those receiving Barrhead Housing Group funds or representing Barrhead Housing Group, including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
14. Barrhead Housing Group will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.
15. Barrhead Housing Group will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.

## **Reporting - internal**

16. All staff and Board Members must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
17. Reports should be made to an appropriate Director or the Chief Executive . If staff are not comfortable reporting their concerns to these people, our Whistleblowing Policy sets out who else staff can report to.
18. Barrhead Housing Group also requires all those receiving Barrhead Housing Group funds or representing Barrhead Housing Group, including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving Barrhead Housing Group assets or staff. Reports should be made to the Chief Executive using [enquiries@barrheadha.org](mailto:enquiries@barrheadha.org).
19. Barrhead Housing Group will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.
20. Barrhead Housing Group will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

## Reporting – external

21. Barrhead Housing Group will fully meet its obligations to report fraud, bribery and corruption to third parties. This includes Police Scotland, external agencies or organisations and Scottish Housing Regulator as part of our Notifiable Events Policy. Reporting will include the appropriate investigation either internally or by an external company (internal or external auditors); include details of the parties that suspected or actual fraud, bribery or corruption must be reported to the Governing Board; the nature and timing of the disclosure required; and the Chief Executive and/or Director of Corporate Services are responsible for making the report. This will be called a Fraud Response Plan.

## Investigation

22. Barrhead Housing Group will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy and the reporting process.
23. The Fraud Response Plan will set out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting.
24. Barrhead Housing Group will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal. It will also seek to recover any assets lost through fraud.

## Approval of losses

25. All losses as the result of fraud must be recorded on BHG's Bribery and Anti-Fraud Register and approved in compliance with Barrhead Housing Group's delegated authorities as set out in our financial regulations policy and procedure.

## Specific risk mitigation measures

26. To manage the exposure to bribery and corruption, all gifts and hospitality received by staff and given to Governing Board members must be approved in line with the delegated authorities and recorded on the Gifts and Hospitality Register.
27. Conflicts of interest are known to increase the risk of fraud. Therefore all staff who have an interest in an actual or potential supplier (whether personally, or through family members, close friends or associates) must report that conflict of interest to their manager. Declarations of Interest will be updated annually for both staff and Board Members

## Responsibilities

28. The Director of Corporate Services is the owner of Barrhead Housing Group's counter fraud work and is the Group's counter fraud champion.
29. The Director of Corporate Services is responsible for creating and implementing Barrhead Housing Group's counter fraud strategy and for managing the counter fraud function.
30. The **Corporate Services Team** is responsible for recording all instances of actual or suspected fraud, bribery and corruption, ensuring that they are investigated

proportionately and appropriately, and reported to external parties. They are also responsible for providing advice and training to staff on preventing, detecting and investigating fraud. This includes investigating cases where specialist input is required due to the complex nature of the case.

31. **The Corporate Services Director** is responsible for ensuring that all staff and Board Members are aware of and support this policy and that all incidents of fraud, bribery or corruption are reported. They are also responsible for ensuring that all incidents of fraud, bribery or corruption are managed and investigated in line with this policy.
32. **Managers receiving reports** of fraud, bribery and corruption are responsible for reporting them to the Corporate Services Team, and agreeing with them how the case will be managed and who will be responsible for investigation.
33. **All staff** are responsible for complying with this policy.

### Definitions

34. **Fraud** is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.
35. **Bribery** is giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.
36. A **facilitation payment** is a type of bribe. An example is an unofficial payment or other advantage given to a public official to undertake or speed up the performance of their normal duties.
37. **Corruption** is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behavior by those in positions of power, such as managers, director and/or Governing board member. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.
38. A **conflict of interest** is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organisation.

## Further GUIDANCE ON FRAUD

### Summary of legislation

The relevant legislation in the UK is [The Fraud Act 2006](#).

The Fraud Act 2006 defines a general offence of fraud and sets out three ways by which fraud can be committed:

- fraud by false representation. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading.
- fraud by failing to disclose information.
- fraud by abuse of position. This applies to those occupying a position in which they are expected to safeguard, or not to act against, the financial interests of another person.

In each case, 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.

## **Further Guidance. Examples of FRAUD relevant to Barrhead Housing Group:**

### Procurement fraud:

- Staff colluding with suppliers and ordering and paying for goods or services that are not required and / or have not been delivered, or are charged at an excessive rate.
- Staff or third parties creating false invoices, receipts, purchase orders or supplier identities in order to obtain payment for goods and services that have not been supplied.
- Staff awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits; or awarding a contract to a relative or other connected party.

### Fraudulently altering documents or records:

- Grant recipients not spending grant funds on purposes intended, or keeping funds for personal use, and falsifying records to support false claims.
- Staff issuing false receipts to customers in order to keep the funds paid for personal use.
- Staff or third parties altering vendor payment details to divert supplier payments to own bank account.
- Staff fraudulently altering exam papers or exam results, or releasing details of exam papers in return for a bribe or in order to favour a relative.
- Staff fraudulently altering accounting records.

### Expenses fraud:

- Staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.
- Staff using credit card or store cards for personal expenses.
- Staff using Barrhead Housing Group assets, such as mobile phones, for their own personal use.
- Staff or contractors falsifying travel and subsistence or other expense claims.

### Fraud involving impersonation:

- Staff or third parties impersonating Barrhead Housing Group in order to extract fees for a service which Barrhead Housing Group does not provide, or does not charge for.
- Staff or third parties submitting false applications from real or fictional individuals or organisation for grants.

### Payroll fraud:

- Staff creating non-existent employees for directing payments.
- Staff or temporary staff making false or inflated claims for overtime or flexible working.

## **FURTHER GUIDANCE ON BRIBERY**

### **Summary of legislation**

The relevant legislation in the UK is [The Bribery Act 2010](#).

The Act makes it an offence to give or receive a bribe, ie to:

- Offer, promise or give a financial or other advantage to another person with the intention of inducing them to perform their functions improperly, or to reward them for having done so.
- Request, agree to receive or accept a financial or other advantage as the reward for an improper function or activity.

It also makes it an offence to bribe a foreign public official. A foreign public official is someone elected or appointed to a legislative, administrative or judicial position in an overseas government or other public agency or organisation. It is an offence to offer such a person a financial or other advantage with the intention of influencing them in the performance of their official duties.

The Act also creates a corporate offence of failing to prevent bribery. This means that Barrhead Housing Group could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out Barrhead Housing Group business, such as partners and suppliers. The Act applies to UK organisations operating overseas, so Barrhead Housing Group could be prosecuted if any of its staff or third parties worldwide offer or solicit a bribe; this is why the policy applies globally.

### **Examples of bribes relevant to Barrhead Housing Group:**

Advantages that could be offered as part of a bribe:

- Cash, vouchers or other cash equivalents, or a “fee”.
- Gifts.
- Hospitality or entertainment (outside what would be modest and reasonable in the business context) and above that described in our gifts and hospitality policy.
- Barrhead Housing Group paying travel and accommodation costs to a third party where this is not standard business practice (eg not expenses for staff or exam invigilators).
- Barrhead Housing Group staff receiving travel or accommodation free of charge from a supplier
- Loans.
- Favourable business terms.
- Discount of services, or providing services free of charge (or ‘uninvoiced’)
- Provision of information that offers a business or personal advantage.

Offering or receiving one of the above advantages could count as a bribe if any of the following was offered or given in return:

- Award of contract to particular bidder.
- Performance of normal duties by a foreign public official.
- Altering exam paper or marks.
- Obtaining information that would put an individual or Barrhead Housing Group at an advantage, such as the content of exam papers, or information about a competitive tender.
- Any other preferential treatment influenced by the receipt of an advantage.

The following would not usually count as bribes:

- Normal hospitality provided in the course of business, such as provision or acceptance of a modest meal at a working event.

Whether a provision of a particular item or service counts as a bribe depends upon the context and level of hospitality (etc) offered. The Bribery Act is not intended to prohibit reasonable and proportionate hospitality or business expenditure. Genuine hospitality or similar business expenditure that is reasonable and proportionate, in line with normal Barrhead Housing Group policy and practice. Judgement is required and the decision depends upon level of hospitality provided and the level of influence the person receiving it had on the business decision in question

## **FURTHER GUIDANCE ON FACILITATION PAYMENTS**

A facilitation payment is making a payment or offering an advantage to a public official to undertake or speed up the performance of their normal duties. Facilitation payments are a form of bribe and are illegal under [The Bribery Act 2010](#).

### **Examples of facilitation payments relevant to Barrhead Housing Group:**

- Making a payment to clear items through customs. These are not acceptable and must not be made.
- Offering a government minister exceptional hospitality (ie beyond a modest meal) whilst trying to win a contract.
- Making a 'non-official' payment to police to guard a building or provide security services.
- Barrhead Housing Group staff being offered free meals or accommodation (outside what would be modest and reasonable in the business context) in an effort to obtain favourable treatment.
- Making a payment to pass through border controls.

### **Exceptions**

The Bribery Act recognises that there are circumstances in which individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty, and the common law defence of duress is likely to be available.

This might apply in particular to being asked to make a payment to pass through border controls. In these circumstances, staff should follow these steps:

1. If asked for a payment, refuse. If the official insists, ask them where the requirement for a fee is displayed, and also ask for a receipt.
2. If they continue to insist, without being able to provide evidence that the fee is legitimate, ask for a supervisor and inform them that you would be prosecuted if you make this payment.
3. The Bribery Act recognises that there are circumstances in which individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty, and the common law defence of duress is likely to be available. If you feel that refusing to pay puts you at risk of loss of life, limb or liberty make the payment and report it to as soon as possible to your manager and the Head of Counter Fraud. They will decide whether this should be reported to authorities. The fact that you have made it difficult for the official to obtain a bribe may deter them from asking others.