

Group Anti-Bribery Policy

Responsible Officer

Director of Finance

1.0 WHAT IS BRIBERY

Bribery can be defined as:

“The offer or receipt of any gift, loan, payment, reward or other advantage to or from any person as an encouragement to do something which is dishonest, illegal or a breach of trust, in the conduct of Phoenix’s business”.

Corruption can be defined as:

“The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

Fraud, bribery, and corruption often go hand in hand. Fraud can be defined as:

“Wrongful or criminal deception intended to result in personal or financial gain”

Phoenix recognises that our business is at risk from acts of bribery or corruption in various guises and will proactively take all reasonable steps to minimise this risk as well as deal effectively with any cases of suspected bribery. We will learn from any investigations whether upheld or not.

Bribery can occur at any time at any scale. The table below sets out some common examples of bribery that could take place in a housing association, however this list is not exhaustive:

- | |
|---|
| <p>A partner organisation offers cash to employ their daughter.</p> <p>A supplier offers substantially discounted goods to a staff member in exchange for remaining as a preferred supplier.</p> <p>A manager is offered a weekend trip for their family in exchange for winning a contract.</p> <p>A caretaker is offered cash for door entry keys</p> <p>A partner organisation asks for an invoice for works they have not done.</p> <p>A job is offered to a relative of another member of staff without references for cash.</p> <p>A member of staff offers a Board Member cash to support their plans.</p> |
|---|

A Board Member persuaded the Housing Manager to make a housing offer to the Board Member's relative who was not in housing need in exchange for money.

A manager offers a staff member a meal out for her and her partner for not telling anyone they received a new kitchen from a contractor.

A tenant offers a Housing Officer cash for not following up their breach of tenancy.

A landlord offers the HomeMakers lettings manager money for waiving the need for gas servicing before the property is let.

2.0 BACKGROUND

2.1 The Bribery Act 2010 ('the Act')

The Bribery Act came into force on 01 July 2011, and it applies to Phoenix and all our subsidiaries.

The Act contains four principal bribery offences:

1. Bribing someone to encourage or reward 'improper performance' of a function or activity – this includes offering, promising, or giving a bribe.
2. Being bribed resulting in an activity or function being 'improperly performed' or resulting from an activity or function being 'improperly performed.' This includes requesting, agreeing to receive or receiving a bribe.
3. Bribing a foreign public official.
4. The corporate offence.

A bribe is defined as 'a gift or reward given, offered or received to gain any business, commercial or personal advantage'.

2.2 The Corporate Offence

The Act introduces a strict liability offence for organisations where someone associated with an organisation, including board members, co-optees, staff, volunteers, involved residents, as well as individuals, partners, consultants, agents, contractors, or sub-contractors if they commit an act of bribery to obtain or retain business or a business advantage.

Strict liability means that Phoenix may be liable in law without the finding of fault. At Court, it need only be proved that a bribe was made by someone associated with Phoenix with the intention of giving Phoenix a business advantage, whether or not Phoenix encouraged such action or was aware of it. **The responsibilities under the Act therefore need to be taken extremely seriously.**

2.3 Penalties

Prosecution under the Act could result in Phoenix receiving an unlimited fine and potentially becoming debarred from tendering for public contracts.

Breaches of the Act could also lead to penalties for Phoenix's senior officers.

Individuals can be found guilty of bribery and, in the most serious cases, be liable on conviction to imprisonment for up to 10 years, to a fine, or to both.

2.4 Adequate procedures – the six management principles

There is a defence to the corporate offence if Phoenix can show it had adequate procedures in place, designed to prevent bribery.

The Ministry of Justice has issued guidance which sets out six broad management principles to assist organisations to put in place proper anti-bribery procedures. Our Policy is aligned to these principles.

3.0 AIM OF THE POLICY

The aim of this policy is to set out Phoenix's approach to eliminating the risks of bribery and corruption and upholding the highest standards of governance.

It sets out how we manage the risk of bribery, how any allegations are managed and investigated, as well as how we will act and learn from any cases to reduce the likelihood of reoccurrence.

The policy also clarifies responsibilities in relation to the prevention, detection and reporting of bribery and is supported by training, procedures, guidance, and risk assessments.

This policy applies to board members, co-optees, involved residents, all staff and volunteers at Phoenix and Phoenix Agency Services. It also applies to individuals, partners, consultants, agents, contractors, and sub-contractors working with us or for us.

This policy does not form part of any employee's contract of employment, and we may amend it at any time.

Any employee who breaches this policy may face action under our disciplinary policy. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

4.0 THE POLICY

As a registered provider of social housing with charitable objectives Phoenix has a responsibility to uphold the highest standards of Governance. Bribery and corruption are symptoms of poor governance. Incidences could impact on our reputation in a negative way and any individual's conduct could result in prosecutions being brought against Phoenix.

Phoenix has a top-level commitment to eliminating bribery and corruption. This means the Board has set a zero tolerance to acts of bribery or corruption.

Phoenix recognises that our business is at risk from acts of bribery or corruption in various guises and will proactively take all reasonable steps to minimise this risk as well as deal effectively with any cases of suspected bribery. We will learn from any investigations whether upheld or not.

The Board has set a cautious risk appetite in areas of compliance with the law and regulatory requirements. Our zero tolerance to bribery is upheld by the Board and supports the Board's risk appetite in this area.

To deliver our zero-tolerance approach we will adopt procedures based on the management principles to prevent bribery. These principles are based on guidance issued by the Ministry of Justice and also align with our approach to minimising and tackling fraud.

1. Proportionality.
2. Top level commitment.
3. Risk assessment.
4. Due diligence.
5. Communication.
6. Monitoring and review.

These principles are highlighted (in capitals) in the policy detail below.

5.0 POLICY DETAIL

5.1 The risk of bribery – PROPORTIONALITY, RISK ASSESSMENT AND DUE DILIGENCE

To ensure our assessment of the likelihood of bribery and its impact is up to date we will hold an anti-fraud and bribery risk register (called the Anti-Fraud Risk Register from now on in this document). This register highlights areas where the risk of bribery or fraud is the highest by setting out areas of potential fraud and bribery, existing controls to reduce the likelihood and further actions planned to reduce risks further.

This should be reviewed by the Executive Team (ET) and Audit Committee at least once every year. As part of quarterly discussions by the ET and Audit Committee about emerging risks, emerging risks of fraud or bribery should also be discussed.

5.2 Design controls and solutions to tackle the risk of bribery - RISK ASSESSMENT AND DUE DILIGENCE

Controls and solutions

Different acts of bribery may require different controls to minimise their likelihood. These will be detailed in the anti-fraud risk register. There are also corporate controls which must be upheld by all staff, volunteers, and board members and co-optees to ensure our zero tolerance to bribery is maintained across Phoenix.

- Meeting our Code of Governance, currently the NHF Code of Governance (2015).
- Follow our Staff, Board Member and or Involved Residents Code of Conduct (as appropriate).
- Complying with Standing Orders and Financial Regulations (including Delegated Authorities).
- Raising concerns as soon as any impropriety is suspected, including where a third party expresses concerns. For example, if you are offered a bribe or asked to make one. You should take the approach ***“if you are worried say it or report it.”*** In some cases, it may be more appropriate to report concerns in line with our Confidential Reporting Policy.
- Following other internal systems of control to prevent bribery; including but not limited to the following:
 - *Procurement policies.*
 - *Recruitment and selection procedures.*
 - *Payments and Benefits to staff and Board Members Policies.*
 - *Declarations of interest.*
 - *Confidential reporting (‘whistle blowing’) Policy.*
 - *Internal Audit recommendations.*
 - *Completing Annual Statement of control and assurance.*
 - *Anti-fraud and Corruption Policy*
 - *Anti-Money Laundering Policy.*
 - *Checks and reviews of trading accounts.*
 - *Following policies and procedures and where these do not work or are out of date raising these so changes can be made and controls can be maintained.*

Staff in high-risk areas will be provided with tips on how to identify suspected bribery or fraud. Anti-fraud and anti-bribery awareness should also be discussed in at least one team meeting every year. The Phoenix Learning and Development Plan will include anti-bribery awareness as well as specific anti-bribery training based on the Anti-Fraud Register risk assessment.

The Board will receive anti-bribery awareness as part of its training plan and/or as part of the appraisals of individual board members.

5.3 Create structures to support the prevention and detection of bribery, including clear reporting lines - DUE DILIGENCE, MONITORING AND REVIEW

Phoenix will report suspected and actual cases of bribery both internally and externally, as appropriate, in a timely, accurate and transparent way whilst also protecting the anonymity (where required) of the person reporting it and the sensitivity of the case being reported.

Internal Reporting

All cases of suspected and actual bribery should be recorded in the fraud register held by the Company Secretary.

The Audit Committee will receive reports of suspected and actual fraud and bribery at every Committee meeting. This will include:

- Suspected and actual fraud or bribery
- Losses/suspected losses
- Actions taken to improve internal controls related to specific cases.

As a measure to minimise the likelihood of bribery Phoenix retains a hospitality and gifts register and a declaration of interests register.

The hospitality register is reviewed by the Audit Committee at every meeting. Staff declarations of interest will be reviewed by the Executive Team and the declarations of interest by executive members, board members and co-opted declarations of interest will be reviewed by the Audit Committee, annually.

The Audit Committee will also review the fraud risk register at least once every year and seek assurance that all potential fraud and bribery is included and the controls to minimise the types of fraud and/or bribery are adequate. The register will be summarised in a fraud resilience heat map.

External Reporting

The Regulator of Social Housing sets a governance standard for registered providers. Phoenix will comply with the Regulator's standards and requirements and in doing so has adopted the NHF Code of Governance (2015). It will report how it has complied with this standard annually in the statutory accounts.

In the event of an allegation of bribery or fraud this will be reported to the Social Housing Regulator.

As well as reporting to the Regulator we will consider whether any suspected or actual fraud reported needs to be reported to wider regulatory bodies or authorities, for example the Financial Conduct Authority, the DWP (Department of Work and Pensions) or the Local Authority.

All reporting of cases of fraud or bribery externally will be overseen by the Audit Committee.

Structures and responsibilities

All Phoenix staff have a responsibility to identify, and report suspected or actual bribery. It is the board's primary role to set our risk appetite for complying with legislation, meeting our regulatory requirements, and seeking assurance that actions are taken to minimise the likelihood of bribery or corruption. The Board is also responsible for ensuring any allegations are fully investigated and that learning outcomes are identified and met.

Phoenix seeks to empower residents and staff and so encourages everyone to suggest changes to improve services and customer experience. This is so any risks associated with changes can be assessed and correspondingly any likelihood of bribery or corruption can be eliminated.

Phoenix will ensure board members and staff have the level of skills that match their roles and responsibilities to eliminate as well as identify bribery and corruption. Board and staff appraisals will be used to identify any skill gaps or training needs. Role and job descriptions will detail requirements and recruitment exercises will seek to address any gaps in both staff and board member skills.

Phoenix also recognises that there is a risk that acts of bribery may be perpetrated by other organisations with which Phoenix may contract, employ, or otherwise do business (e.g., contractors, suppliers, service providers) or by residents.

Our partners, consultants, agents, contractors, and sub-contractors will be expected to comply with the principles of this policy or adopt it. Managers who manage external contractors are expected to monitor how contractors comply with this requirement.

Specific guidance exists which summarises roles and responsibilities in relation to prevention, identification, reporting and investigation of fraud and corruption.

5.4 Take proactive action to eliminate bribery and corruption and create an anti-bribery and anti-fraud culture (to act as a deterrent effect) - TOP LEVEL COMMITMENT, COMMUNICATION, MONITORING AND REVIEW

Phoenix will communicate the impact of bribery internally and externally.

Phoenix's zero tolerance approach to bribery will be supported by guidance, procedures, workshops and training for staff, residents, involved residents, co-opted and board members.

All cases of actual or suspected bribery will be reviewed and learning identified. Actions from the learning will be added to the anti-fraud risk register so that their implementation can be monitored by both the ET and the Audit Committee.

5.5 Take reactive action where bribery or corruption is not prevented- Investigating in a fair and objective manner.

Phoenix acknowledges that while an adequate system of internal control and standards of behaviour will act as a strong deterrent to prevent bribery and corruption from occurring in the first instance, there is no guarantee that it can always be prevented.

Reporting suspected bribery

Any suspected case of bribery must be reported to the Finance Director; or if this is not appropriate the Chief Executive or Chair of the Audit Committee.

Separate guidance on reporting and the investigation of bribery and fraud will be regularly updated and be published internally on the intranet.

Phoenix will:

- Take action against any individual or group perpetrating bribery within or for the benefit of Phoenix.
- Encourage employees to be vigilant and to report any suspicion of bribery. Phoenix will provide suitable channels of communication and ensure that sensitive information is treated appropriately.
- Investigate instances of alleged bribery and pursue perpetrators.
- Assist the police and all other appropriate authorities in the investigation and prosecution of those suspected of bribery.
- Consider claims under Phoenix's insurance arrangements relevant to fraud and corruption cases once all other avenues of recovery have been fully explored.
- Protect as far as possible the identity of any person who volunteers information in support of an allegation or investigation of bribery, whether or not it proves accurate or capable of being proven.
- Deal with any malicious allegations of bribery in line with our disciplinary procedures and codes of conduct or tenancy management procedures.

6.0 GIFTS AND HOSPITALITY

This policy is not intended to stop staff accepting reasonable and appropriate hospitality for legitimate purposes like building relationships, maintaining Phoenix's image or reputation, or marketing the business.

Gifts or hospitality will not be appropriate if they are particularly lavish or extravagant or could be seen as an inducement or reward for preferential treatment. But they must be of an appropriate type and value for the circumstances must not include cash or a cash equivalent (like vouchers) or be given in secret.

Gifts must be given in Phoenix's name not staff member's name(s).

Any gifts or hospitality given or received with a value over £5 should be registered on the hospitality and gifts register. Low value hospitality or promotional gifts (such as branded items) given or received with a value up to £5 will not usually need to be registered but if there are any concerns regarding the appropriateness clarification should be sought or the item registered.

Staff must also submit all expenses relating to hospitality, gifts, or payments to third parties, following our expenses policy.

All accounts, invoices and other records relating to dealing with third parties, including suppliers and customers, should be prepared accurately.

7.0 EQUALITY AND DIVERSITY IMPLICATIONS

There are no specific equality and diversity implications for this policy. We will monitor the effectiveness and implications of this policy to ensure that our equality duties are met.

7.0 MONITORING AND REVIEW

This policy will be reviewed every three years to ensure that it continues to take account of legislative changes and regulatory guidance; or sooner if required.

8.0 REFERENCE TO OTHER DOCUMENTS AND ASSOCIATED POLICIES AND PROCEDURES

Documents which provide additional helpful information

- Reporting suspected Fraud- Guidance and Procedure
- Roles and Responsibilities anti-fraud and corruption
- Confidential Reporting (Whistle Blowing Policy)
- Payments and Benefits to staff and Board Members Policies.
- Code of Conduct
- Code of Governance
- Financial Regulations and Standing Orders
- Anti-money laundering policies.
- Fraud Act 2006
- Prevention of Social Housing Fraud Act 2013
- Tax Evasion Policy
- Expenses procedures

Definitions

| Term/acronym | Description |
|---------------------|------------------------------------|
| Resident | Includes tenants and leaseholders. |
| Phoenix | Phoenix Community Housing. |

| | |
|-------------------------------|---------------------------------|
| Document Type: | Policy |
| Title: | Anti-Bribery Policy |
| Author | Head of Performance and Quality |
| Department Owned By | Finance |
| Equalities Impact Assessment: | No |
| Approval Date: | 25/11/2021 |
| Approved By: | Board |
| Implementation Date: | 26/11/2021 |
| Status: | Final |
| Version No: | V4 |
| Last updated: | 16/12/2021 |
| Issue Date: | 17/12/2021 |
| File Path: | |