



Anti-Fraud, Bribery and Corruption Policy

Status: APPROVED

Policy Lead :	Executive Director – Business Support
Owned By :	Executive Director – Business Support
Date Approved:	October 2025
Approved By :	Risk & Assurance Committee
Review Date:	October 2028
Regulatory / Legislative Considerations/ References	• Corporate Criminal Finances Act 2017 • Bribery Act 2012 • Prevention of Social Housing Fraud Act 2013 • Scottish Housing Regulator's Regulatory Framework
Other Documents to be read in conjunction with this policy :	• Entitlement and Benefits Policy • Whistleblowing Policy • Code of Conduct • Colleague Handbook • Confidentiality Policy • Procurement Policy • Scheme of Delegation

Policy Title:	Anti-Fraud, Bribery and Corruption
Purpose / Aim of policy:	Berwickshire Housing Association (BHA) is committed to the highest ethical standards and sound governance arrangements and as such the Board has a zero tolerance to acts of fraud, tax evasion and bribery. This statement demonstrates our commitment to preventing incidents of this kind. BHA will enforce effective systems to counter this activity and seek to recover assets and losses.
Scope of Policy:	Employees and BHA Board Members, Customers.
Definitions:	Fraud is a deliberate intent to acquire money or goods dishonestly through the falsification of records or documents Bribery is the giving or receiving a financial or other advantage, in connection with the improper performance of a position of trust, or a function that expected to be performed impartially or in good faith Corruption is broadly defined as the abuse of entrusted power for private gain, which can include acts like bribery, misappropriation of property, and other dishonest and illegal behaviors by those in positions of power
Specific detail related to each strand in the scope:	Outlined within the Policy
Approval Source:	Risk & Assurance Committee
Equality Impact Assessment:	Not applicable
Glossary of Terms	Not applicable
Risk Implications:	The Association have a zero tolerance and very low risk appetite to fraud, bribery or corruption. Any matters raised are investigated promptly and rigorously and appropriate steps and measures taken if and when any reports of fraud, theft etc. are raised. Appropriate levels of financial controls are in place within the structure of the organization. All authorisation levels are documented within standing orders and procedures or systems, to identify wherever possible any fraudulent activity.

1. INTRODUCTION

1. Anti-fraud, Bribery & Corruption

- 1.1. Berwickshire Housing Association (BHA) is committed to the highest ethical standards and sound governance arrangements and as such the Board has a zero tolerance to acts of fraud, bribery and corruption. This statement demonstrates our commitment to preventing incidents of this kind. BHA will enforce effective systems to counter this activity and seek to recover assets and losses.
- 1.2. Every employee, Trustee and Board Member has a role to play in maintaining the standards which the customers and stakeholders are entitled to expect of the Group. All Trustees, Board Member and colleague must have, and be seen to have, high standards of honesty, propriety, and integrity in the exercise of their duties. Trustees, Board Members and colleagues should not receive gifts, hospitality, or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. All receipts of gifts should be declared. Material breaches may be regarded as corruption. We require that all contractors instructed by our organisation to demonstrate a commitment to the prevention of fraud, tax evasion and bribery.
- 1.3. We will not tolerate fraud or bribery in any form, including any internal action which encourages, implies, bestows, tolerates or promises unfair, unlawful, improper or unethical advantage to any group or organisation, regardless of whether there is any financial inducement or not. We will not tolerate the acceptance of bribes to induce a favourable decision, transaction or outcome and in compliance with the Bribery Act 2012. We will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017.
- 1.4. All instances or allegations of fraud or bribery will be investigated rigorously and promptly with appropriate action taken. Non-compliance will be regarded as a serious issue and will result in appropriate action being taken, this may include legal proceedings (civil or criminal), disciplinary action, removal from a Board or Committee, removal from supplier list etc.
- 1.5. In the event of proven tenancy fraud, action may be taken to seek to recover the property and terminate the tenancy.
- 1.6. Preventative procedures are developed in consultation with the Executive Team, Risk and Assurance Committee. These include:
 - Financial controls
 - Procurement procedures
 - Recruitment policy and procedures
 - Tenancy and Allocation policies and procedures
 - Gifts and hospitality procedures
 - Entitlement and Benefits policy and procedures
 - Whistleblowing arrangements
 - Disciplinary procedures and
 - Supporting resources such as internal and external auditing arrangements
- 1.7. The Executive Director of Business Support is responsible for overseeing the implementation of preventative procedures and obtaining assurance on the effectiveness of controls and procedures.

2. Introduction

- 2.1. This document sets out the policy of Berwickshire Housing Association and subsidiary entities (“the Group”) against fraud and other forms of dishonesty.
- 2.2. This document applies to Trustees of the Association, subsidiary company Board of Directors, and colleague.
- 2.3. Anybody associated with the Group who commits fraud, theft, or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.
- 2.4. This policy should be read in conjunction with:
 - 2.4.1.1. Colleague Handbook – specifically sections covering Confidential Reporting (Whistle Blowing) and Receiving Gifts, Hospitality or Benefits from Third Parties
 - 2.4.2. Code of Conduct – Colleague and Governing Body Members
 - 2.4.3. Confidentiality Policy
 - 2.4.4. Entitlement Payments and Benefits Policy

3. Aims

- 3.1. To maintain the good reputation of the Group and to encourage Group members and colleague to be mindful of public perception in all the dealings of the Group.
- 3.2. To help ensure proper stewardship of the Group’s resources.
- 3.3. To communicate clearly with all stakeholders the Group’s position on fraud and corruption.
- 3.4. To ensure widespread awareness in the Group of the regulatory requirements set out in Chapter 3 of the Scottish Housing Regulator’s Regulatory Framework, which include the Standards of Governance and Financial Management for RSLs.
- 3.5. To comply with relevant laws.

4. Legal Framework

4.1 Fraud

- The Fraud Act 2006 does not apply in Scotland. Criminal fraud is dealt with under common law and statutory offences. The Main fraud offences in Scotland are:
- Common law fraud – where someone is caused to do something they would not otherwise have done by use of deception.
- Uttering – forging documents.
- Embezzlement – the felonious appropriation of property (usually money) without the consent of the owner.
- Statutory frauds.

Fraud is classified as a “Notifiable Event” and requires reporting to the Scottish Housing Regulator.

Fraud is a deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either; a member of the public, or someone who works for the Group. For practical purposes fraud may include such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud.

Whilst the Fraud Act 2006 does not apply in Scotland, the principles of the Act have been used to structure this policy.

4.2 Corporate Criminal Finances Act 2017

An offence has been committed where a relevant body fails to prevent an associated person criminally facilitating the evasion of tax and the business is unable to demonstrate that it had reasonable procedures in place to prevent such facilitation.

4.3 Bribery Act 2012

“The giving or receiving a financial or other advantage, in connection with the improper performance of a position of trust, or a function that expected to be performed impartially or in good faith”:

- Bribing another person
- Being bribed
- Bribing a public official
- Corporate offence of failing to prevent bribery

4.4 Prevention of Social Housing Fraud Act 2013

The Prevention of Social Housing Fraud Act 2013 criminalises the unauthorised subletting of a dwelling-house (which may include a house or a part of a house) by secure/flexible and assured/assured shorthold tenants of local authorities and private registered providers of social housing

5. Principles

The following principles have been applied when developing the policy:

Legislation	Principles
Fraud Act	Risk assessment Fraud governance (Policy) Fraud prevention Fraud detection Fraud monitoring and reporting
Bribery Act Corporate Criminal Finances Act	Risk assessment Proportionality of procedures Top level commitment Due diligence Communication and training Monitoring and review

6. Risk Assessment (Fraud, Bribery, Tax Evasion)

The organisation is considered to be low risk for fraud largely due to:

- No payments made to, transactions or partnerships with organisations outside of the UK and particularly countries of 'high jurisdiction'
- BHA does not provide high risk services eg accountancy, tax, legal
- Business transactions / contracts are not complex involving multiple entities
- Non-complex business / strategic partnerships and or joint ventures
- Established/long term relationships with customers

The following areas are considered to be the key areas of risk for BHA where controls and procedures have been applied:

- **Supplier / contract fraud:**
 - Bribery
 - Creation of fictitious suppliers
 - Awarding of contracts and tenders
 - Deliberate overpayment, inflation of prices or duplicate payments for work not carried out/received
 - Employee and supplier collaboration to falsify the amount paid on an invoice by reducing the true amount paid to evade income/corporate tax
- **HR/Payroll:**
 - Creation of ghost employees and subsequent payment of salary
 - Payments/benefits provided to employees without relevant HMRC declarations
 - Disallowable expenditure not declared on P11D
 - Falsification of payroll claims e.g. expenses, overtime, mileage
 - Payroll and/or HR records relating to an employee are falsified so that they are treated as a contractor rather than deducting PAYE at source
- **Financial:**
 - Falsifying/manipulation of tax returns
 - Falsifying financial statements
- **Tenancy fraud:**
 - Social housing obtained falsely
 - Illegal sub-letting
- **Other:**
 - Mis-use of company credit cards
 - Theft
 - Mis-use of company assets and resources
 - Cyber crime (Phishing, Whaling etc)
 - Management override of controls

7. Defence

An organisation has a full defence if it can show that it had 'adequate' procedures in place. The following **proportionate procedures** and controls are place to prevent and detect all types of fraud risk, based on the risk, size and nature of BHA:

- Fraud Governance/Culture:
 - Top level commitment as set out in this policy which promotes a culture where acts of fraud, bribery and corruption are never acceptable
 - SFHA Code of Conduct (Board and employees)
 - Risk appetite statement and fraud risk assessment
 - Standing Orders, delegations, authorisation and approval limits
 - Disciplinary procedures
- Prevention and detection:
 - Declaration/conflict of interest procedures
 - Gifts and hospitality policy and procedures
 - Register of interests
 - Entitlement and benefits policy
 - Key financial controls (segregation of duties, supervision, exception reporting)
 - Supplier due diligence and tender rules and procedures
 - Customer due diligence (new tenants)
 - Recruitment policies and procedures
 - Internal and external audit
 - Training – Board, suppliers and employees
- Monitoring and Reporting:
 - Whistleblowing policy and procedures
 - Notifiable event reporting
 - Regular review of policies and procedures

8. Responsibilities

The Group promotes a culture of openness and honesty in all its activities.

The Group expectation on propriety and accountability is that Trustees, Board, and colleague at all levels will lead by example and adhere to policies, procedures and practices. Where possible the Group will try to ensure that it only deals with contractors, partners, suppliers, etc., who act with integrity.

The Trustees and Board of Directors and employees play an important part in creating and maintaining this culture. They are encouraged to voice any serious concerns about any aspect of the Group's work.

Those in a leadership position should strive to create an environment in which individuals feel able to approach them with any concerns they may have about irregularities.

Those with management responsibility should ensure that colleague are aware of the Financial Regulations, Scheme of Delegation, Procurement Policy and all other relevant policies and should also ensure that their colleague are aware of their responsibility in relation to safeguarding the resources for which they are responsible and for reporting suspected irregularities.

All those with management responsibility are accountable for the successful implementation of controls designed to prevent and/or detect fraud within their areas.

Risks and controls should be discussed at all levels and the finance team, internal and/or external auditors (as deemed appropriate) can provide support to ensure that risks are being properly managed.

Trustees and Board of Directors

Trustees and Board of Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Group's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks which the Group faces.

The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

The Chief Executive Officer (CEO)

Overall responsibility for managing the risk of fraud has been delegated to the CEO. The day-to-day responsibility has been delegated to the Executive Director of Business Support to act on behalf of the CEO.

Their responsibilities include:

- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud or attempted fraud to Trustees and the Scottish Housing Regulator;
- Liaising with the Group's appointed Internal and External Auditors.
- Making sure that all colleague are aware of the Group's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to colleague as required; and
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

Executive and Leadership Team

The Executive and Leadership Team is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud as far as possible;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively; and
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

Colleagues

Every colleague member is responsible for:

- Acting with propriety in the use of the Group's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their line manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

9. Reporting, Monitoring and Response

The Group routinely employs internal auditors who will help to test internal controls and their effectiveness. Usually after completing their audits the internal auditors will make recommendation to the Risk & Assurance Committee who in turn will monitor the implementation of actions agreed to by them.

External auditors may detect irregularities during their audit of the annual accounts.

All individual members of colleague are responsible for reporting details immediately to their line manager or next most senior manager if they suspect that a fraud has been committed or see any suspicious acts or events. Trustees and Directors should discuss any concerns they may have with the Chair of the main Board or the Chair of the Risk & Assurance Committee.

The finance team may help to investigate any matters, as required, and internal and/or external audit will be involved at the discretion of the Executive Team and / or Risk and Assurance Committee. The Police may be involved in certain circumstances.

The Scottish Housing Regulator has the authority to instigate a review / investigation as it sees fit as a result of any information that it becomes aware of.

10. Awareness and Training

The continued success of the Policy and its credibility will depend largely on the effectiveness of colleague throughout the organisation.

To facilitate awareness, the Group will ensure colleague are trained properly. This applies particularly to members involved in internal control systems and financial and finance related systems, to reinforce and regularly highlight their responsibilities and duties in this regard.

Colleague members involved in the review of internal control systems and investigatory work should be properly and regularly trained.

11. Conclusion

The Group requires its entire people to act honestly and with integrity at all times, and to safeguard the resources for which they are responsible.

Fraud is an ever-present potential threat to those resources and hence must be a concern to all members of colleague. The Group's policy is that all allegations, anonymous or otherwise will be investigated, and colleague are assured that any information which they provide will be treated confidentially.

Successful fraud prevention involves creating an environment, which inhibits fraud. It is the responsibility of all colleagues to ensure that such an environment is created.

A manager who is alert to the possibility of fraud and who acts accordingly is a powerful deterrent against fraud.

12. Review

This policy will be reviewed every three years unless circumstances occur which warrant a review at a shorter interval.