

## **Anti-Bribery Policy**

**Last update: October 2018**  
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# CARDIFF COMMUNITY HOUSING ASSOCIATION ANTI-BRIBERY POLICY

## PART A: INTRODUCTION

### 1. Our Commitment

- 1.1 This Anti-Bribery policy exists to set out the responsibilities of Cardiff Community Housing Association (CCHA) and those who work for us in observing and upholding our zero-tolerance position on bribery and corruption. It also exists to act as a source of information and guidance for those working for CCHA. It helps them recognise and deal with bribery and corruption issues, as well as understand their responsibilities.
- 1.2 CCHA is committed to conducting business in an ethical and honest manner, by implementing and enforcing systems that ensure bribery is prevented. CCHA has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships.
- 1.3 CCHA will constantly uphold all laws relating to anti-bribery. We are bound by the Bribery Act 2010 and recognise that bribery and corruption are punishable by severe penalties including imprisonment. If Staff or Board members of CCHA are discovered to have taken part in corrupt activities, we may also be excluded from tendering for public contracts, and face serious damage to our reputation. It is with this in mind that we commit to preventing bribery and corruption in our business, and take our legal responsibilities seriously.

### 2. Who is covered by the policy?

- 2.1 This Anti-Bribery policy applies to Board members, Share members and all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, agency staff, volunteers, or any other person or persons associated with us (including third parties).
- 2.2 In the context of this policy, third-party refers to any individual or organisation CCHA meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.
- 2.3 Any arrangements CCHA makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to

comply with minimum standards and procedures relating to anti-bribery and corruption.

### **3. Definition of bribery**

- 3.1 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.
- 3.2 A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.
- 3.3 Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 3.4 Bribery is illegal. No one should engage in any form of bribery, whether it be directly, passively (as described above), or through a third party. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the Company Secretary and ensure it complies with the Code of Conduct.
- 3.5 The Bribery Act 2010 contains four principal bribery offences:
- bribing someone to encourage or reward 'improper performance' of a function or activity – this includes offering, promising or actually giving a bribe;
  - 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;
  - bribing a foreign public official; and
  - the corporate offence.

#### The corporate offence

- 3.6 The Act introduces a strict liability offence for organisations where someone associated with an organisation, including Board and committee members, staff and involved residents, agents or sub-contractors, commits an act of bribery to obtain or retain business or a business advantage.
- 3.7 Strict liability means that CCHA 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 CCHA with the intention of giving CCHA a business

advantage, whether or not CCHA encouraged such action or was aware of it. The responsibilities under the Act therefore need to be taken seriously.

### Penalties

- 3.8 Prosecution under the Act could result in CCHA receiving an unlimited fine and potentially CCHA becoming debarred from tendering for public contracts.
- 3.9 Breaches of the Act could also lead to penalties for CCHA's senior officers with whose "consent or connivance" bribery was committed. 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.

## **4. Adequate procedures – the six management principles**

- 4.1 There is a defence to the corporate offence if CCHA can show it has adequate procedures in place, designed to prevent bribery.
- 4.2 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.
- 4.3 CCHA is committed to eliminating bribery and has adopted the following principles:
- **Proportionality:** anti-bribery policies and procedures should be proportionate to the activities and size of CCHA, the sector in which it operates and the risks it faces;
  - **Top level commitment:** establishing a clear culture within CCHA in which bribery is unacceptable;
  - **Risk assessment:** understanding and keeping up to date with the bribery risks it faces by carrying out regular and comprehensive risk assessments;
  - **Due diligence:** CCHA needs to know about who it does business with, who it's paying money to and why – and work with CCHA's partners to ensure they have reciprocal anti-bribery agreements in place;
  - **Communication:** so that all of CCHA's Board and committee members, staff, involved residents and business partners know the procedures to follow in situations which may be sensitive to bribery. CCHA must ensure that its anti-bribery policies are embedded in CCHA's culture, not just a tick-box exercise;
  - **Monitoring and review:** through audit and other internal controls CCHA will monitor its anti-bribery procedures to prevent and detect bribery to provide assurance that its procedures are working. All

allegations and investigations of bribery will be reported to the Audit and Risk Committee. The Board will receive an annual report of prevention, detection and instances of bribery.

- 4.4 This policy is designed to address these principles and complements other procedures CCHA has in place to avoid fraud, money-laundering and other forms of corruption in CCHA.

## **5. Application of the Policy**

- 5.1 CCHA will apply the principles set out in this policy fairly, openly and transparently.
- 5.2 CCHA will apply the provisions of this policy as they relate to all of its diverse range of activities across the Association, and to individuals and organisations having a relationship with CCHA.
- 5.3 **Part C** of this policy sets out how breaches of this policy will be dealt with.

## **6. Other policies and procedures**

- 6.1 This policy needs to be read alongside CCHA's other policies and procedures from time to time including:

- Staff terms and conditions including contracts of employment
- The Code of Conduct
- CHC Code of Governance
- Entertainment, hospitality and gifts procedure
- Financial Regulations and related procedures
- Declaration of Interests Policy
- Whistleblowing Policy
- Board and Committee Member Expenses Policy
- Standing Orders
- Scheme of Delegation
- Procurement Policy
- Anti-Fraud Policy
- Anti-Money Laundering Policy.

## **7. Mechanics of the Policy**

### Who is responsible for keeping the policy up to date?

- 7.1 The Board has overall responsibility for ensuring that all of CCHA's policies and procedures are kept up to date. The Corporate Director – Central

Services has the specific responsibility for maintaining general awareness of and compliance with this policy through staff briefings and training.

Monitoring and review

- 7.2 This policy will be reviewed by the Board periodically and at least every two years.
- 7.3 The Audit and Risk Committee (ARC) will monitor the operation and adequacy of this policy on a regular basis and will report to the Board on any problems and incidents.
- 7.4 The ARC will report to the Board no less frequently than every 12 months on CCHA's anti-bribery compliance.
- 7.5 If you have any questions on this Bribery Policy or any of the issues covered within it, please contact the Corporate Director – Central Services. Attached at Appendix 1 is an Anti-Bribery 'Adequate Procedures' Checklist.

## **PART B: ANTI-BRIBERY REQUIREMENTS**

### **8. Hospitality, Entertainment and Gifts**

- 8.1 This Policy must be read in conjunction with CCHA's Hospitality, Entertainment and Gifts Procedure.
- 8.2 In particular in relation to
- approval of levels of hospitality, entertainment and gifts
  - the need to declare hospitality, entertainment and gifts
  - the need to keep a register of declarations.
- 8.3 This policy does not prohibit the giving or receiving of reasonable, proportionate and appropriate hospitality, entertainment or gifts to or from people and organisations CCHA works in partnership with. There are circumstances where the acceptance of hospitality, entertainment or gifts is in accordance with established business practice, or where the acceptance of gifts or hospitality is difficult to avoid without causing offence. Any such hospitality, entertainment or gifts should be given and received openly and transparently.
- 8.4 Board and committee members, staff and involved residents should generally not receive or offer hospitality, entertainment and gifts from or to persons or organisations that may be in a position to benefit from actions or decisions taken by CCHA.
- 8.5 Hospitality, entertainment and gifts cannot be given or received if done so with the intention of influencing someone to give CCHA business, influencing CCHA to award business or to reward the provision or retention of business or business advantage.
- 8.6 Any hospitality, entertainment or gifts given should be reasonable and proportionate and designed to:
- (i) cement or improve relationships
  - (ii) show genuine appreciation for services
  - (iii) improve CCHA's image; and/or
  - (iv) market products or services.
- 8.7 Recipients should never be given the impression that they are under an obligation to confer a business advantage on CCHA because of the hospitality, entertainment or gifts offered.

- 8.8 Hospitality, entertainment or gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Company Secretary.
- 8.9 You should never give, promise or offer a payment, hospitality, entertainment or gift to a government official, agent or representative to expedite or facilitate a routine procedure (for example, to speed up a planning application).
- 8.10 If you suspect that hospitality, entertainment or gifts are being offered or provided with an expectation that a business advantage will be provided by CCHA in return, then you must not accept it and you must report this to the Company Secretary (CHECK) immediately.
- 8.11 Any hospitality, entertainment or gifts offered to you (including both accepted and declined) and offered by you (subject to you having the necessary approval to make such an offer) should be declared appropriately. Unofficial payments or kick-backs should not be offered or accepted under any circumstances.

## **9. Expenses**

- 9.1 Any expenses claims you make must be in accordance with:
- For Board and Committee members, CCHA's Board and Committee Members Expenses Policy
  - For staff and involved residents, CCHA's Staff Handbook and CCHA's Involved Tenants Expenses Policy
  - And must be properly recorded and supported by receipts (other than in exceptional circumstances).

## **10. Dealings with third parties**

- 10.1 You must make all suppliers / contractors and business partners you deal with aware that CCHA takes bribery and corruption seriously and that it will not be tolerated under any circumstances.
- 10.2 Any payments made to a third party, must be recorded and receipted.
- 10.3 In making any payments to a third party you should consider what these payments are for and whether they are reasonable and proportionate.
- 10.4 No hospitality, entertainment or gifts should be offered to or accepted from any organisation for which CCHA is tendering for a contract during the tender process.

## **11. Charitable donations**

- 11.1 CCHA only makes charitable donations that are legal and ethical. No donation should be offered or made without the prior approval of the Company Secretary.
- 11.2 All charitable donations will be made in accordance with our Rules.

## **12. Political donations**

- 12.1 CCHA does not make political donations.

## **13. Training**

- 13.1 Board and committee members and staff will receive training on anti-bribery measures and the requirements of this policy, and all new board and committee members and staff will receive anti-bribery training as part of their induction.
- 13.2 Share members and other related parties will receive an appropriate briefing on this policy.
- 13.3 You must attend any training you are required to attend and, where you cannot attend a session that has been organised; you must arrange to attend an alternative session.

## **14. Advice**

- 14.1 You should seek advice from the Corporate Director – Central Services if you are unsure about how the provisions of this policy should be applied.
- 14.2 Where appropriate, the Corporate Director – Central Services should seek legal advice on anti-bribery issues.

## **15. Practical Procedures**

- 15.1 You must make sure that no payments are left unrecorded, to make sure that there can be no concealment of improper payments.

## **PART C: DEALING WITH BREACHES**

### **16. Breaches**

- 16.1 If you believe or suspect that a breach of this policy has taken place, or may occur in future – for example if a contractor offers you something in return for business, you must notify the Corporate Director – Central Services and Chair of ARC. Alternatively, if you are uncomfortable in doing this, you should raise your concerns or suspicions following the procedure set out in CCHA’s Whistleblowing Policy.
- 16.2 You must tell Corporate Director – Central Services and Chair of ARC if you have any concerns or suspicions that any of your colleagues may be involved in bribery or corruption at the earliest possible opportunity.
- 16.3 CCHA is committed to the highest standards of openness, probity, accountability and transparency. CCHA will not tolerate harassment or victimisation of members of staff when matters are raised in accordance with the Public Interest Disclosure Act 1998 provisions.
- 16.4 All alleged breaches of this policy will be investigated by CCHA. The ARC will receive quarterly reports on the operation and adequacy of this policy and will report to the Board on any problems and incidents.
- 16.5 A breach of the policy by an employee will be treated as a disciplinary matter under their contract of employment and an appropriate sanction may be applied. An investigation into any allegation of such a breach made against an employee will be conducted in accordance with CCHA’s relevant policies for such investigations. This policy does not form part of any employee’s contract of employment and it may be amended at any time.
- 16.6 A breach of the Anti-Bribery Policy by a Board or committee member will be treated as a breach of their duties and Code of Conduct. An investigation into any allegation of such a breach made against a Board or committee member will be conducted in accordance with CCHA’s relevant policies for such investigations and an appropriate sanction may be applied in accordance with the Code of Conduct, Standing Orders and Rules.
- 16.7 A breach of the Anti-Bribery Policy by a Share member or other related party will be treated as a breach of trust. An investigation into any allegation will be conducted and an appropriate sanction may be applied in accordance with the Code of Conduct, Standing Orders, Rules and their Tenancy Agreement.
- 16.8 Where CCHA discovers bribery has taken place, it will make a full disclosure of this to Action Fraud and co-operate fully in any subsequent investigation.

If applicable it will also inform the Welsh Government Regulation Team following the guidance in Advising your Regulation Manager of Significant Events (last updated March 2016).

## **17. Examples of Bribery**

17.1 The following list contains some examples of acts which should set alarm bells ringing and which should be reported to the Corporate Director – Central Services and Chair of ARC. The examples are to give you an idea of the sort of behaviour which is unacceptable, and which could have serious consequences.

- you learn that one of the contractors you regularly deal with has a reputation for paying bribes or requiring that bribes are paid to them;
- a supplier asks you to provide an invoice or receipt when no money is payable or has been paid;
- a supplier insists on being paid in cash and/or refuses to sign a formal agreement;
- a contractor offers to pay you cash to provide employment for a friend or relative;
- you notice that CCHA has been invoiced for a payment which seems large given the service / goods which have been provided;
- you are offered an unusually generous gift or lavish hospitality;
- you are offered substantially discounted fees for supply of goods to you as a private person;
- you are offered a payment in cash if a contract is awarded to the contractor / supplier.

17.2 Appendix two contains examples of how the risk factors apply to CCHA and the procedures put in place to manage the risk.

## APPENDIX 1

### CCHA

### BRIBERY POLICY

### ANTI-BRIBERY 'ADEQUATE PROCEDURES' CHECKLIST

#### 1. Top level commitment

- 1.1 CCHA has made a clear commitment to tackling bribery within its Anti-Bribery policy.
- 1.2 An Anti-Bribery statement has been included on CCHA's website.
- 1.3 An Anti-Bribery statement is included within all tender documentation for services to be carried out for CCHA.
- 1.4 CCHA has appointed Corporate Director – Central Services as the Bribery Compliance Officer within the Corporate Leadership Team.

#### 2. Risk assessment

- 2.1 The Corporate Director – Central Services will carry out periodic, informed and documented risk assessments of potential bribery risks faced by:
  - (i) CCHA in general;
  - (ii) specific projects CCHA is proposing to carry out;
  - (iii) potential and existing relationships with contractors and agents.

#### 3. Board and committee members

- 3.1 CCHA will ensure its Code of Conduct always includes reference to non-tolerance of bribery by CCHA.
- 3.2 CCHA will provide training for Board and committee members on the Bribery Act and Anti-Bribery procedures.

#### 4. Employees

- 4.1 CCHA will ensure its Code of Conduct always includes reference to non-tolerance of bribery by CCHA and that committing bribery will be considered gross misconduct.
- 4.2 CCHA will review its terms and conditions of employment and disciplinary policy and procedures to determine if it is necessary to amend to include termination where bribery is committed.

- 4.3 CCHA will provide regular training for employees, and consider specific training for those employees involved in procurement exercises and marketing.
- 4.4 CCHA will incorporate anti-bribery measures into its recruitment policies and procedures.

## **5. Contractors and consultants**

- 5.1 CCHA will review its standard commercial contracts to ensure there is provision for termination where a contractor providing services, agent or consultant commits bribery. In addition CCHA will consider whether it is appropriate for provisions to be included that require the organisation to notify CCHA of any bribes their employees have made.
- 5.2 CCHA will carry out appropriate due diligence on agents, consultants and contractors, including taking and checking references, checking ownership, checking details of other directorships or partnerships, reviewing financial statements and accounts, incorporating checks into interviews, reviewing any judicial or regulatory findings and keeping a record of all checks carried out. In carrying out such due diligence, CCHA will have regard to the potential bribery risks posed by its relationship with such agents or contractors, especially where they operate in higher risk sectors (e.g. construction) where the project is of higher value and/or longer duration.
- 5.3 CCHA will require contractors to put in place appropriate Anti-Bribery procedures both internally and with sub-contractors (if applicable), including, if appropriate, bribery prevention training for employees.
- 5.4 Where any consultant, agent or contractor may offer hospitality on CCHA's behalf, CCHA will ensure such hospitality is only offered where appropriate, reasonable and proportionate. This may include providing such third parties with criteria for the provision of hospitality.
- 5.5 In employing consultants, contractors or agents, CCHA will provide a clear statement of the services to be provided and any relevant costs, commissions and fees (except where this is clear from the contract with that third party).

## **6. Tendering**

- 6.1 CCHA will provide appropriate training to staff involved in tendering exercises to enable them to identify potential bribery risks.

- 6.2 CCHA will require all contractors for the provision of services to demonstrate a commitment to tackling bribery.
- 6.3 CCHA will include a statement about its stance towards bribery in all tender documents.
- 6.4 CCHA will review its standard tender documents to include a requirement for disclosure of bribery or other corruption offences.

## **7. Communication**

- 7.1 CCHA will be proactive in communicating its anti-bribery stance to Board and committee members, staff, Share members and other related parties.
- 7.2 CCHA will publish its anti-bribery statement on its website.
- 7.3 CCHA will carry out board and committee member and staff surveys on potential bribery risks and anti-bribery compliance.
- 7.4 CCHA will review any feedback from Board and committee members and staff in relation to the Anti-Bribery Policy to ensure it is effectively implemented.

## **8. Financial procedures**

- 8.1 CCHA will review its internal expenses policies and procedures as they apply to all of board and committee members, staff and involved residents to ensure that the process for reclaiming expenses is transparent.
- 8.2 CCHA will raise anti-bribery procedures with its internal auditors.

## **9. Internal Audit**

- 9.1 The Anti-Bribery Policy and Procedure will be subject to review by Internal Audit.

## APPENDIX 2

### CCHA

### BRIBERY POLICY

#### Money Laundering and Fraud Risk Assessment examples

Customer profile	Explain how the risk factor applies	Procedures in place to manage and mitigate the risks
New customer	Checking a new customer's identity is difficult.	Establish reasons for problem and refer to MLRO (money laundering reporting officer) if necessary. Obtain verification form other source such as the Department for Work and Pensions, HMRC, etc.
New customer	There is reluctance from a new customer to provide details of their identity.	Establish reasons for reluctance. Do not conduct business with customer and submit internal suspicious activity report to MLRO.
Existing customer	The size of transaction is not consistent with previous activity, for example, a customer on housing benefit suddenly has the funds for a deposit to fund a house purchase.	Enquire as to source of funds; establish who is financing the transaction. Obtain bank statements as a proof of source of funding for transaction. Ensure all payments made through customer's bank account.
Existing customer	The financial circumstances of existing customer have changes, for example the customer wishes to accelerate the purchase of Association's interest in a shared ownership property.	As above.

Customer profile	Explain how the risk factor applies	Procedures in place to manage and mitigate the risks
New or existing customer	Money is paid by a third party who has no obvious link with the transaction.	Establish nature of the relationship between customer and third party. Confirm reasons for third party involvement in transaction. Ensure payment is made by third party through bank account.
New or existing customer	The customer wants to pay large sum in cash.	Inform customer of cash limit (e.g. £500). Enquire as to reason for wishing to pay in cash and source of funds. Consider reporting to MLRO in order to obtain consent to proceed with transaction.
New or existing customer	A customer makes an approach to purchase a property and then decides not to proceed realising his or her identity will be checked for anti- money laundering purposes.	Report to MLRO. Do not undertake any business for customer.
Existing customer/ shared ownership purchase	Property purchase (medium risk)	Confirm that customer identification data held is current and up to date as necessary. Establish source of funds and obtain proof of income.
Existing customer/ shared ownership purchase	Property purchase (high risk)	Identify customer using documents/ electronic check. Verify source of funds and obtain evidence in documentary form. Check the Treasury sanctions list. Ensure all transactions conducted through UK bank account. Verify status of customer as to UK residence. Refer to line manager before proceeding.