



# Anti-Fraud, Bribery, Corruption, & Thefts Policy

## 1.0 Introduction

1.1 We are committed to the highest ethical standards and good governance. This is an integral part of our values relating to being honest, accountable, and trustworthy. We have zero tolerance to fraud, bribery, corruption, and theft. There is no one legal definition of fraud and this Policy applies to all types of fraud, bribery, and corruption and theft whether or not the type is specifically mentioned in this policy (see relevant laws and acts in [Appendix one](#)). Examples of fraud, bribery, and corruption include, but are not limited to:

- Theft of any Southern Housing property, monies or assets
- Abuse of position or collusion for personal gain
- Facilitation of tax evasion
- False accounting
- Procurement fraud
- Corruption, bribery, and influence to influence outcomes
- Use of Southern Housing's assets/facilities for personal gain
- Misuse of Southern Housing's IT systems to assist in committing fraud
- Tenancy fraud e.g. obtaining housing by deception, unlawful subletting, unlawful assignment.

1.2 This Policy and procedure applies to the following individuals:

- Southern Housing employees (whether permanent, temporary, full-time, or part-time)
- Governance members (this includes board members, committee members and resident governance members)
- Agency staff, contractors or other people/organisations representing Southern Housing and its subsidiaries
- Those providing services under a contract or other agreement with Southern Housing.

1.3 For the purposes of this Policy:

- The term 'individual/individuals' includes all of the above
- The terms 'you' and 'your' means anyone listed in 1.2
- The terms 'we', 'our' and 'us' means Southern Housing.

1.4 Failure to comply with this Policy may lead to disciplinary and/or criminal action being taken.

## 2.0 Reporting

2.1 Everyone is responsible for reporting suspicions of fraud and protecting us against the risk of fraud, bribery, corruption, or theft.

You should report your concerns to the Corporate Director of Governance & Regulation. This includes reasonable suspicion of attempted fraud or suspicions of irregularities in any function within Southern Housing. The process for raising concerns and how they will be dealt with is included in [Appendix two](#).

2.2 We record all reported fraud and theft (actual or suspected) on a 'Fraud Register'. We separate thefts under £500 in the Register for ease of reporting.

2.3 We report insurance-related thefts to the Insurance Manager.

2.4 The Fraud Register is reported to the Audit and Risk Committee (ARC) quarterly and a report on fraudulent losses is reported to the Board annually.

2.5 ARC will commission special investigations into matters of concern relating to internal control, probity, or fraud, if these are considered needed.

2.6 Southern Housing Board receives an annual report from ARC to provide assurance on the adequacy and effectiveness of all internal controls, including the management of fraud.

2.7 We also report all serious disclosures, where significant loss (estimated at greater than £5,000) or reputational risk is suspected, to the Chair of ARC and Southern Housing Board Chair within 48 hours of receipt.

2.8 The decision to report an individual case to the Regulator of Social Housing (RSH) will be agreed with the Southern Housing Board Chair.

2.9 We will comply with the RSH's requirement to provide an annual report on any losses from fraudulent activity and will report any major case of fraud to the RSH.

## 3.0 Responsibilities

3.1 **Individuals** must:

- Understand our zero-tolerance stance around fraud, bribery and corruption, and theft. We'll explain this to all new individuals who join us.
- Be alert to the possibility of fraud, bribery, corruption, and theft and report any concerns
- Complete mandatory training as required
- At all times, adhere to this and other related policies and procedures:

- [Code of Conduct](#)
- [Probity Policy](#)
- [Whistleblowing Policy](#)
- [Anti-Money Laundering Policy](#)

➤ Governance Framework & Delegations.

And to employment terms and conditions.

- Complete a Declaration of Interest annually and whenever their personal circumstances change
- Understand legislation linked to their roles, particularly those introduced to prevent financial crime.

3.2 **Directors and managers** will ensure their service and team procedures adequately protect us from fraud, bribery, corruption, and theft.

Directors will make an annual declaration to confirm:

- Their risk registers adequately reflect their assessment of the risk of financial crime in relation to the operations in their directorate
- In their service area, there are no instances of known error or irregularity (including fraud) which could have a significant effect on the finances or operation of Southern Housing, and which have not already been reported to the Fraud & Bribery Action Team.

3.3 The **Audit & Risk Committee** will:

- Maintain regular oversight of the management of fraud (from the cases recorded on the fraud register, reviewing the fraud risk register, and receiving reports on cyber security, with cyber related risks recorded in the cyber security risk register)
- Seek assurance on the effectiveness of fraud controls
- Provide the Board with annual assurance on fraud risk management
- Review this Policy to ensure it remains up to date in relation to good practice and meeting legal and regulatory requirements in relation to fraud management.

3.4 The **Board** sets the tone from the top by setting the organisational culture, values and desired ways of working. It is responsible for ensuring social housing assets are not put at risk and delegates responsibilities for the management, oversight and scrutiny of fraud to its Audit & Risk Committee and to executive management.

3.5 We will:

- Investigate all allegations of fraud, bribery, corruption, and theft appropriately and thoroughly. This includes investigating material errors and near misses (see [Appendix Two](#)).
- Maintain and follow procedures for assessing and managing risk and for reporting and investigating fraud, bribery, corruption, and theft
- Review systems and procedures in the light of experience to prevent recurrence
- Promote an anti-fraud, anti-bribery and corruption, and anti-theft culture through training and communication
- Take action as appropriate as per our Disciplinary Policy for staff and *Breach Procedure for governance members*
- Pursue prosecution if appropriate via the appropriate routes

- Require all third parties involved through our procurement activities to comply with our Procurement policies or to have in place similar anti-fraud, bribery, and corruption and theft arrangements
- Meet identity verification requirements by Companies House relating to Directors, Persons with Significant Control (PSCs), and relevant officers.

3.6 **The Corporate Director of Governance & Regulation** will:

- Monitor all frauds, bribery, corruption, and thefts and liaise with the Fraud, Bribery & Action Team if further investigation is needed
- Record every incident of fraud, bribery, and corruption on the Fraud Register
- Record thefts under £500 separately within the Fraud Register.

3.7 **Fraud and Bribery Action Team (FBAT)** is composed of the Executive Team, the Corporate Director of Governance & Regulation. FBAT will decide the scope of investigations into any allegations in line with the procedure and who best to conduct the investigation.

3.8 **Internal Audit**'s primary role is not to detect fraud. However, they have an important role in fraud management. Internal Audit's role is to:

- Undertake fraud investigations as requested by FBAT
- Give independent assurance on the adequacy of arrangements for managing fraud, bribery, corruption, and theft risk
- Help us to promote an anti-fraud, anti-bribery and corruption, and anti-theft culture
- Review and evaluate effectiveness of internal controls
- Monitor delivery of any control improvements arising from internal investigations to ensure they are implemented
- Ensure we review our risk exposure and identify the possibility of fraud, bribery, corruption, and theft and make recommendations for improvement.

## 4.0 Monitoring and review

4.1 The Corporate Director of Governance & Regulation will:

- Maintain all records of fraud
- Monitor these to conclusion including any recurring patterns and trends
- Report on cases regularly to the Executive Team.

4.2 The Executive Team will regularly review fraud management within the organisation and the fraud risk register for completeness and for ensuring actions to address any weak controls are implemented. They will discuss and review cases whilst ensuring the need to maintain any confidentiality and anonymity is maintained where needed.

4.3 The Audit & Risk Committee will each year consider whether any further assurance is required on the effectiveness of fraud controls when determining the annual internal audit plan.

4.4 We'll review this Policy and procedure every two years to incorporate legislative, regulatory, or best practice developments.

**Policy control**

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## Appendix one: Definitions and relevant legislation

### 1.0 Fraud

1.1 Fraud is described as wrongful or criminal deception for personal or financial gain. It is often divided into three categories:

- Internal fraud - perpetrated by people within an organisation, most often by those with access to moveable assets such as cash.
- External fraud - perpetrated by people outside the organisation. It includes theft, deception and computer hacking.
- Collusion - involves two or more parties who may be within the organisation, external or internal and external parties working together.

1.2 The [Fraud Act 2006](#) lists three ways in which fraud may be committed:

- Fraud by false representation - dishonestly making a representation knowing or thinking it might be untrue or misleading.
- Fraud by abuse of position - dishonest abuse of a position by someone expected to safeguard the financial interests of another person. A person may be regarded as having abused that position even where their conduct consisted of an omission rather than an act.
- Fraud by failing to disclose information - where there is a legal obligation to do so.

1.3 In all types of fraud under the [Fraud Act 2006](#), for an offence to have occurred, the person must have acted:

- Dishonestly **and**
- With the intent of:
  - making a gain for themselves or someone else **or**
  - inflicting a loss (or a risk of loss) on another.

However, more generally, this intent is not a requirement for fraud to have taken place.

1.4 The Act also includes two supporting offences:

- Being in the possession of articles for use in fraud (e.g. using a fake passport to prove identity)
- The making or supplying of articles for use in fraud (e.g. supplying a fake passport).

The maximum prison sentence for an offence under the [Fraud Act 2006](#) is 10 years.

## 2.0 Bribery

2.1 A bribe is offering, giving, or accepting money or something of value for influence or action in return.

2.2 The [Bribery Act 2010](#) applies to conduct both in the UK and abroad. It is an offence in the UK to:

- Offer, promise, or give a financial or other advantage to another person (i.e. bribe a person), whether within the UK or abroad, with the intention of inducing or rewarding improper conduct
- Request, agree to receive, or accept a financial or other advantage (i.e. receive a bribe) for, or in relation to, improper conduct
- Bribe a foreign public official.

2.3 It is also an offence in the UK for an employee or an associated person to bribe another person during the course of conducting business, with the intention to either:

- Obtain or retain business
- Obtain or retain an advantage in the conduct of business.

In such instances, Southern Housing could be liable for this offence where it has failed to prevent such bribery. As well as an unlimited fine, there could be substantial reputational damage.

2.4 In order not to commit the offence of failing to prevent bribery, organisations must be able to demonstrate they have adequate procedures in place to prevent bribery in line with the following six principles:

- **Proportionality** - action taken to prevent bribery should be proportionate to the risks faced and the size of the organisation.
- **Top-level commitment** – our Board is committed to prevent bribery at Southern Housing. They foster a culture in which bribery is unacceptable, which is supported through communication and training those at the top are in the best position to ensure the organisation conducts business without bribery.
- **Risk assessment** – we understand and keep up to date with bribery risks through risk identification and assessments understand the risks that could occur.
- **Due diligence** – we take steps to understand those who perform services on our behalf in order to mitigate bribery risks through our procurement procedures know who we deal with to prevent retaining people/organisations who might be less than trustworthy.
- **Communication** - communicate policies and procedures by publishing them on our intranet and offer appropriate training to staff and those who work with us to raise awareness and deter bribery.
- **Monitoring and review** - the risks Southern Housing faces and the

effectiveness of its procedures may change over time, so it's important they are regularly reviewed by Risk Owners to monitor any changes in potential risks (i.e. when entering new markets).

### **3.0 Corruption**

3.1 Corruption is dishonesty or fraud by people in authority, typically involving bribery. These can take many forms including cash or gifts or hospitality. See our [Gifts & Hospitality Policy](#).

3.2 Corruption refers to two or more people entering into an agreement to pay a financial or other inducement to receive a favour in return.

### **4.0 Theft**

4.1 Theft is defined as the dishonest taking without consent with the intention of not returning property belonging to Southern Housing or which has been entrusted to it, including:

- Cash
- Equipment
- Vehicles
- Data.

4.2 Theft does not necessarily require fraud to be committed and can include the taking of property belonging to another member of staff, customers, or Board members. See [The Theft Act 1968](#).

### **5.0 Criminal Finances Act 2017**

5.1 The [Criminal Finances Act 2017](#) makes companies and partnerships criminally liable if:

- A member of staff or an external agent facilitates tax evasion by a taxpayer, **and**
- The organisation failed to prevent that facilitation by way of reasonable prevention procedures.

Prosecution could potentially lead to both a conviction and unlimited penalties.

### **6.0 Economic Crime and Corporate Transparency Act 2023**

6.1 The Act (effective from 1 September 2025) makes a failure to prevent fraud a corporate criminal offence for large organisations (who meet two of the following criteria >£36m turnover, >250 employees, >£18m total assets).

6.2 The Act requires that any fraud prevention framework put in place by organisations should be informed by six principles:

- Top level commitment
- Risk assessment
- Proportionate risk-based prevention procedures

- Due diligence
- Communication (including training)
- Monitoring and review.

6.3 The collateral consequences include:

- Civil claims
- Reputational damage – loss, investor confidence, procurement opportunities
- Further regulatory scrutiny
- Potential director responsibility.

6.4 There are enhanced powers for Companies House which transform it from a passive registry into an active gatekeeper, granting it new powers to:

- Query and reject filings
- Remove inaccurate information
- Share data with regulators.

Mandatory identity verification is required for all company directors and persons with significant control (PSCs). The Act also enforces a ban on corporate directors, with limited exceptions.

## Appendix two: Procedure for reporting concerns

### 1.0 How do I report my concern?

1.1 Report any suspicion of fraud, theft, bribery or corruption to either:

- The Corporate Director of Governance & Regulation (DG&R)
- A member of the Executive Team.

Please also see the [Whistleblowing Policy](#).

You can report your concern in writing, by telephone, or in person.

FBAT will follow up on everything reported. Concerns raised anonymously may not be investigated if there is not enough evidence.

1.2 You can raise your concern at any time about something that happened in the past, is happening now or you believe may happen in the future. Your concern may prove unfounded, but we would rather you raise your concern than risk a problem getting worse.

The sooner you raise your concern and the more information you can give us, the better. You should keep any evidence you already have, but you must not carry out your own investigations.

### 2.0 What will happen once I've reported my concern?

2.1 Based on the evidence, FBAT will decide whether an investigation will be carried out and determine the terms of reference for the investigation. FBAT's decision will be based on a majority agreement.

- FBAT will assign an appropriate Investigating Officer (IO)
- Where allegations concern an employee, we'll carry out the investigation under the appropriate People Policy, usually the Disciplinary Policy or Grievance Policy. Depending on the nature of the allegation, there may also be internal audit involvement.
- The investigation process will vary according to each case. It may be appropriate for a Leadership Team (LT) director or another employee to carry out the investigation. In other cases, it may be appropriate to use internal auditors or external advisers to investigate, and, if so, we will notify the Chair of the Audit & Risk Committee.
- FBAT will decide if and when Internal Audit should be involved. Each case is different, and Internal Audit will not always be involved but will always be informed about the case and will monitor any recommendations to ensure they are implemented.
- We'll let you know the outcome of our investigations.

This procedure also covers the Ways to Work project which is part funded by the European Social Fund (ESF).

We'll report all instances of suspected fraud detected by an ESF beneficiary relating to ESF and match activity to the Managing Authority (Department for Works and Pensions (DWP)) immediately. We'll co-operate with the DWP in the investigation of fraud and related offences.

- 2.2 The recovery of any losses will be pursued by Southern Housing to the best of our abilities.

### **3.0 Recording and reporting**

- 3.1 All cases of fraud (actual and suspected) will be recorded on a Fraud Register and the associated case details and investigation report will be kept in secure case files.
- 3.2 FBAT will monitor and review investigation reports; this will include:

- Any lessons learned
- Changes needed in procedures
- An assessment of the effectiveness of the immediate control environment.

Any internal audit recommendations for improving controls will be monitored through to implementation.