

# Anti-Fraud & Bribery Policy

<b>Department:</b>	<b>Legal &amp; Governance</b>
<b>Policy Owner:</b>	<b>Director (Legal and Governance) &amp; Company Secretary</b>
<b>Date approved:</b>	<b>May 2019</b>
<b>Date for renewal:</b>	<b>May 2022</b>
<b>Version:</b>	<b>Version 1.1</b>

## Purpose

To ensure Flagship and all companies within the Group adopt a 'zero tolerance' approach to both fraud and bribery, and to raise awareness of fraud and the actions to be taken. Flagship Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and implementing and enforcing effective systems to counter fraud and bribery.

This policy applies to all persons working for Flagship Group (including all subsidiaries within the Flagship Group) or on its behalf in any capacity, including employees at all levels (including apprentices), Non-Executive Directors, agency workers, agents, contractors, third-party representatives and business partners, sponsors, or any other person associated with Flagship Group, wherever located.

Training on this policy forms part of the induction process for all individuals who work for Flagship Group (including all companies within the Flagship Group) and all Non-Executive Directors, and regular refresher training will be provided as necessary.

## 1. Definition and examples

Fraud is defined as making a personal gain or causing a loss to another by dishonestly making false representation, dishonestly failing to disclose information or abuse of position.

Bribery is defined as offering, promising, giving or accepting any financial or other advantage as an inducement to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage or to create or influence an outcome which is favourable to another party.

Examples of fraud include but are not limited to:

- Theft of any organisation property, monies or other assets
- Internal or external collusion for personal gain
- Misuse of data or IT systems
- Forgery, alteration or falsification of any document
- Destruction or removal of records
- Falsifying expense claims

- Disclosing confidential information to outside parties without authority for personal gain
- Tenancy and benefit fraud
- Money Laundering
- Offering or accepting a bribe
- Charitable contributions and sponsorships being used for bribery

This policy should be read and understood in conjunction with:

- Disciplinary Procedure
- Fraud & Bribery Response Plan
- Whistleblowing (Confidential Reporting) Policy
- Code of Business Conduct (in particular, but not limited to, in relation to Gifts & Hospitality)
- Anti-Money Laundering Policy
- Housing Fraud Procedure

All policies, plans and procedures referred to in this document are available on Bob, People HR or are available on request. The following legislation is used to inform this policy:

- The Fraud Act (2006)
- The Bribery Act (2010)
- The Social Housing Fraud Act (2013)
- Money Laundering and Terrorist Financing (Amendment) Regulations (2019)

## **2. Reporting and investigation**

Employees, Non-Executive Directors, agents, consultants and contractors of Flagship Group must promptly report all incidents of suspected or attempted fraud and / or bribery of which they become aware. A failure to make such a report may be viewed as an act of fraud or bribery, as defined above. Details of how to report fraud are provided in Section 4 of this policy.

Customers, suppliers, other such Stakeholders and all other associated persons of Flagship Group are encouraged to promptly report incidents of concern.

Appropriate action shall be taken by Flagship Group in response to each reported incident.

All matters of concern raised shall be treated in the strictest confidence using the process outlined in the Fraud & Bribery Response Plan.

## **3. Principles**

- Instil a culture of ethical behaviour throughout Flagship Group
- Importance of deterring and preventing fraud is raised through awareness training

- Flagship Group’s Anti-Fraud & Bribery Policy is communicated to suppliers during formal tender procedures. For other procurement, suppliers are directed to this policy which is published on the Legal pages of the Group website.
- The Director (Legal and Governance) & Company Secretary has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness and auditing internal control systems and procedures
- Fraud risk assessments are undertaken by a competent senior manager or Internal Audit, as requested by the Director (Legal and Governance) & Company Secretary to identify areas potentially at most risk and ensure the Fraud Register is maintained
- The Governance, Audit & Risk Committee determines what action is to be taken where fraudulent activity is confirmed – Flagship will pursue the recovery of losses where possible
- Any losses due to fraud will be reported annually to Flagship’s Regulator
- Maintain a register of Gifts & Hospitality to ensure that only modest and transparent corporate hospitality is offered or accepted
- Maintain a Disclosure of Interests Register to monitor any employee and Non-Executive Director conflicts

#### **4. What to do upon suspicion of fraud**

Employees must report all incidents of identified or suspected fraud or bribery as soon as possible via the online fraud reporting form or directly to their Line Manager, or if this is inappropriate, to their Operational Director. If this is also inappropriate, the report may be made to either the Director (Legal and Governance) & Company Secretary ([edward.marcus@flagship-group.co.uk](mailto:edward.marcus@flagship-group.co.uk)), or another relevant Executive Director.

Flagship Group’s Internal Auditors - KPMG (Gavin Egmores or [Niall McClelland](mailto:Niall.McClelland@KPMG.co.uk) - [gavin.egmore@KPMG.co.uk](mailto:gavin.egmore@KPMG.co.uk) or [niall.mcclelland@KPMG.co.uk](mailto:niall.mcclelland@KPMG.co.uk)), the Chief Executive ([david.mcquade@flagship-group.co.uk](mailto:david.mcquade@flagship-group.co.uk)) or the Chair of the Governance, Audit & Risk Committee, Rob Bennett ([rob.bennett@flagship-group.co.uk](mailto:rob.bennett@flagship-group.co.uk)) may be contacted if this is proportionate to the identified fraud or bribery incident.

Non-Executive Directors must report all incidents of identified or suspected fraud or bribery as soon as possible to Director (Legal and Governance) & Company Secretary or if this is inappropriate, to the Chair of the Governance, Audit & Risk Committee, Chair of the Board ([peter.hawes@flagship-group.co.uk](mailto:peter.hawes@flagship-group.co.uk)) or to the Governance Team ([GovernanceTeam@flagship-group.co.uk](mailto:GovernanceTeam@flagship-group.co.uk)).

Agents, consultants, contractors and all other associated persons of Flagship Group must follow the guidelines for employees, with the Flagship Group manager commissioning the agents, consultants, contractors or other associated persons work being regarded as the Line Manager.

Reporting can be verbal or in writing via email or the online fraud reporting form dependent upon the circumstances. All reporting made in good faith will be treated with confidentiality. However, malicious allegations will be dealt with under the Disciplinary Procedure.

## **5. Action**

Flagship Group's Fraud & Bribery Response Plan will be activated upon report of Fraud or Bribery. The following principles will be followed:

- The Director (Legal and Governance) & Company Secretary will consult as appropriate with the Group Chief Executive, Executive Directors, Operational Directors, and professional advisors as appropriate and will decide how to investigate each reported incident.
- If an investigation is instigated it will be conducted promptly and objectively by a suitably qualified and resourced senior manager, Internal Audit or an external body (such as the Police) appointed by the Director (Legal and Governance) & Company Secretary as necessary and proportionate to the level of the suspected fraud.
- The individual raising the concern will be informed of the outcome of the investigation where this is possible and appropriate
- Individuals reporting suspected fraud are guaranteed support and protection from reprisals or victimisation.
- No action will be taken against a person making allegations of suspected fraud, in good faith, that subsequently transpire to be unfounded.
- Deliberate abuse, or vexatious or frivolous use or breach of the Anti-Fraud and Bribery policy by a member of staff, Non-Executive Directors, agents, consultants and contractors of Flagship Group will be treated as a disciplinary matter.

## **6. Further detail**

The Fraud & Bribery Response Plan gives detail of the confidential reporting process, responsibilities for taking action, the investigation process (including initial enquiries), actions to be taken following the investigation and lessons to be learned from incidents and reporting.

All employees of Flagship Group (including all companies within the Flagship Group) and Non-Executive Directors, have a responsibility to read, understand and comply with this policy and have a responsibility to communicate Flagship Group's zero-tolerance approach to fraud and bribery, together with this policy, to all suppliers, contractors and business partners at the outset of Flagship Group's business relationship with them and as appropriate thereafter.

## **7. Review**

This policy is updated as required and formally reviewed every three years by Director (Legal and Governance) & Company Secretary.

## **8. Measures**

All incidents of suspected, attempted or actual fraud shall be entered into the Fraud Register which is maintained by the Governance Team and reviewed annually by the Governance, Audit & Risk Committee prior to submission to the Regulator.

## **Version Control**

Note: minor updates increase version number by 0.1; major updates increase version number by 1.0.

<b>Version</b>	<b>Detail</b>	<b>Approved by</b>	<b>Date</b>
1.0	First issue following introduction of new version control -	GARC	May 2019
1.1	Updated to reflect changes in personnel, job roles, legislation and reporting mechanisms	GARC	Sept 2020
1.1		Board	Jan 2021