



Your Homes
Newcastle

Anti-Bribery and Corruption Policy

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Author	Joanne Noble-Nesbitt Company Secretary 0191 278 8624 Joanne.noble-nesbitt@yhn.org.uk
Contact for further information	As above

Anti-Bribery and Corruption Policy

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1 Introduction

- 1.1 The Bribery Act 2010 came into force on 1 July 2011. It introduced a new crime of 'failure to prevent' bribery which means that organisations unable to demonstrate they have implemented 'adequate procedures' to prevent corrupt practices within their business, or by third parties on their behalf, could be exposed to unlimited fines as well as other consequences such as being prohibited from tendering for public sector contracts.

2 About this Policy

- 2.1 We value our reputation for ethical behaviour and for robust financial probity and reliability. We are committed to achieving the highest standards of probity, good practice and governance in all our activities and expect all employees and board members to practice those principles.
- 2.2 The board and senior management team take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing robust systems to counter bribery.
- 2.3 It is recognised that any involvement in bribery, will reflect adversely on our image and reputation.
- 2.4 The purpose of this Policy, which has been approved by our board, is to set out the principles by which we will limit its exposure to bribery by:
- Setting out a clear anti-bribery policy;
 - Taking a zero-tolerance approach to bribery;
 - Training all employees and board members so that they can recognise and avoid the use of bribery by themselves and others;
 - Encourage employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
 - Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution; and
 - Taking firm and vigorous action against any individual(s) involved with bribery.

- 2.5 Our aim is to ensure that our board and employees understand the implications of the Bribery Act 2010 and also communicate its objectives to those third-parties with whom we have an active business relationship.

3 What is corruption and bribery?

- 3.1 **Corruption** is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person; or the failure to disclose an interest in order to enjoy financial or other pecuniary gain.
- 3.2 **Bribery** is a form of corruption. It can be defined as giving, promising offering, requesting, agreeing to receive or the acceptance of any gift, fee, or other reward, to or from any person, as an incentive to do something that is dishonest, illegal, improper or a breach of trust.
- 3.3 Bribery can occur both actively and passively. Active bribery refers to the offence committed by the person who promises or gives the bribe. Passive bribery is the offence committed by the person who receives the bribe. Active bribery occurs on the supply side; passive bribery on the demand side.

4 The Bribery Act 2010

- 4.1 The Bribery Act 2010 ('the Act') came into force on 1 July 2011. It is the UK's main bribery and corruption legislation. As YHN is a company incorporated in the UK the Act applies to all our employees, board members and associated persons often referred to as 'third-parties'. This term is considered in more detail in section 6 of this Policy.
- 4.2 Offences under the Act can be broadly classified as follows:
- **Section One: Offences of bribing another person** (i.e. offering, promising or giving financial or other advantage for improper performance of function – such bribes could be money, payment in kind, goods or services).
 - **Section Two: Offences relating to being bribed** (i.e. requesting, agreeing to receive or accepting a financial or other advantage).
 - **Section Six: Bribery of foreign public officials** (offering, promising or giving a financial or other advantage, either directly or indirectly, intending to obtain or regain business or an advantage in business conduct).
 - **Section Seven: Failure of a commercial organisation to prevent bribery** (if a person associated with an organisation bribes another person to obtain or retain business, or a business advantage for the organisation. The organisation may not have actual knowledge or day to day control over actions and could therefore unknowingly commit an offence).

4.3 The Act sets out a statutory defence, for an organisation if it can demonstrate that it has ‘adequate procedures’ in place which are designed to prevent bribery occurring. What is ‘adequate’ will be determined by the courts on a case by case basis and in part will be determined by how effectively an organisation has followed the Act’s six principles.

4.4 The six principles are designed to help organisations decide what action is needed for the type, size and nature of their business. Outlined below are the six principles and a summary of our response to each of those principles.

No	Principle	Our response
1	Proportionate procedures	Anti-bribery measures and actions taken by us should be proportionate to the risk faced and the size of the organisation. A risk assessment has been undertaken to identify higher risk activities and design effective controls.
2	Top level commitment	This Policy and approach have been approved by the board and senior management team.
3	Risk assessment procedures	A risk assessment has been undertaken to identify higher risk activities. Implementation of enhanced monitoring if required.
4	Due diligence of existing or prospective associated persons	Requirement to assess on-going and new activities, and the use of third parties and implement enhanced controls if necessary.
5	Communication and training	Approval and dissemination of policy to all staff. Staff training for all employees and enhanced training in areas assessed as higher risk.
6	Monitoring, review and evaluation of bribery prevention procedures	Annual review by the Audit Committee. Bribery risk identification included in our strategic risk register. Whistle-blowing Policy.

4.5 In order to demonstrate a defence against any allegation of bribery it is important that all of the anti-bribery measures set out in this Policy are followed and practiced by all employees and board members.

5 What are the penalties?

- 5.1 Bribery and corruption are punishable for individuals by up to ten years imprisonment and/or an unlimited fine. Organisations found to have taken part in corruption could face an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation.

6 Who must comply?

- 6.1 This Policy applies to all individuals working at all levels and grades within the organisation, including directors, board members, managers, employees (whether permanent, fixed-term or temporary), seconded staff, casual workers and agency staff, volunteers or any other person associated with us, wherever located.
- 6.2 The Policy also applies to consultants, contractors, distributors, representatives, brokers, suppliers, agents, sponsors, joint venture partners and any other person or body acting on our behalf. Collectively they are known as 'third-parties'.
- 6.3 Third-parties, who act on our behalf, must operate at all times in accordance with this Policy. Employees are responsible for the evaluation of each third-party relationships and determining whether or not there are specific risks. Where specific risks are identified, the third party, should be made aware of this Policy, and employees should ensure that appropriate enhanced controls are implemented to monitor and control the risk.
- 6.4 It is important that you take the time to read and comply with the Policy. The prevention, detection and reporting of any bribe or corruption is the responsibility of all employees and third-parties. Appropriate confidential channels are in place for employees and third-parties to report any suspicion of bribery or corruption. These are described later in this Policy in clauses 12 and 13.
- 6.5 Any failure to comply with this Policy will be treated seriously and may result in disciplinary action.

7 Implementation

YHN prohibits

- the offering, giving, solicitation or acceptance of any bribe, whether cash or other inducement

to or from

- Any person or organisation, wherever they are situated and whether they are a public official or body or a private person or a company;

by

- Any individual employee, board or committee member, agent or other person or body acting on our behalf;

in order to

- Gain any commercial, contractual or regulatory advantage for us in a way which is unethical

or in order to

- Gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual

Therefore it is not acceptable for you (or someone on your behalf) to

- Threaten or retaliate against another employee who had refused to commit a bribery offence or who has raised concerns under this Policy; or
- Engage in any activity that might lead to a breach of this Policy.

8 Where do bribery and corruption risks typically arise?

The use of third parties

- 8.1 The definition of third-parties is broad, and could include agents, distributors, consultants and joint venture partners. Third-parties, who act on our behalf, must operate at all times in accordance with this Policy. Employees are responsible for the evaluation of each third-party risk in accordance with this Policy. Employees are also responsible for the evaluation of each third-party relationship and determining whether or not there are specific risks. Where specific risks are identified, the third-party should be made aware of this Policy, and employees should ensure that appropriate controls are implemented to monitor and control the risk. Any identified risks and mitigating actions should also be brought to the attention of the lead anti-bribery officer.

- 8.2 We are ultimately responsible for ensuring that third-parties who pose a significant risk are compliant with the Policy and all applicable laws. Ignorance is not an excuse.

Gifts, Hospitality and Entertainment

- 8.3 All employees are expected to conduct themselves with integrity, impartiality and honesty at all times. All employees are required to follow the rules on gifts, hospitality and entertainment which are set out in the Code of Conduct for Employees at clause 2.9. All board members are required to follow the rules on gifts, hospitality and entertainment which are set out in the Board Member Code of Conduct at clause 9.
- 8.4 It is important to maintain a high standard of professionalism and not to open yourself up to suspicion or put yourself in a position of conflict between your work and your private interests. Gifts and entertainment given and received as a reward, inducement or to encourage preferential treatment or inappropriate or dishonest conduct are strictly prohibited. In particular, no gifts, hospitality or entertainment may be given or accepted during a tender process or during contractual negotiations if there is any realistic risk that the acceptance of such gifts or hospitality could influence the outcome of such processes or negotiations.
- 8.5 It is important that all employees' actions are able to withstand scrutiny, and not cause any embarrassment to the organisation, yourself or any third party, including contractors or suppliers.
- 8.6 Further information about the receiving and declaring of gifts, entertainment and hospitality can be found in the Code of Conduct for Employees and the Board Member Code of Conduct which you are encouraged to read and familiarise yourself with.
- 8.7 A Register of Gifts and Hospitality is maintained by the Company Secretary. All offers of gifts, hospitality and entertainment must be recorded whether or not it has been accepted. You must complete the Gifts and Hospitality Form 8 which can be found on the staff intranet.
- 8.8 The register will be reviewed annually by the Chair of the Audit Committee and reported to the Audit Committee annually.
- 8.9 If you have any questions about receiving or declaring gifts, hospitality or entertainment please contact the Company Secretary for advice.

Political and Charitable donations

- 8.10 We do not make contributions or donations to political organisations or independent candidates.
- 8.11 We respect the right of individual employees to make personal contributions provided they are not made in any way to obtain advantage in a business transaction.

- 8.12 We support a number of different charities. Annually all employees are invited to suggest charities for the charity of the year. Employees are then invited to vote for a charity which is supported by the employees via a variety of different fundraising methods. In addition a number of other local charities are also supported such as the Lord Mayors Golf Day primarily through the donation of gifts for raffle prizes. Our employees also support national fundraising initiatives such as Children in Need.
- 8.13 A copy of the Charitable Giving Policy Statement is available from the Company Secretary and is also appended to this Policy.

Procurement

- 8.14 We aim to obtain overall best value for money from appropriate and professional relationships with suppliers of goods and services.
- 8.15 In accordance with our Corporate Procurement Strategy all purchasing must meet genuine business needs and utilise company resources in a cost effective manner. The selection of suppliers must follow appropriate processes to ensure value for money.
- 8.16 Due diligence will be undertaken on all suppliers.

Facilitation payments

- 8.17 Facilitation payments are defined as ‘any facilitating payment or expediting payment to a foreign official, political party, or party official the purpose of which is to expedite or to secure the performance of a routine government action’.
- 8.18 Facilitation payments are illegal under UK law. Although not common in the UK, no employee or third-party may willingly offer to make, or make, a facilitation payment.

Training and communication

- 8.19 Training on this Policy will form part of the induction process for all new employees. All current employees will receive regular, relevant training on how to implement and adhere to the Policy.
- 8.20 Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of business relationships and as appropriate thereafter.

9 What steps has YHN taken to prevent bribery and corruption?

9.1 We have undertaken the following steps:

Action	Commentary
Risk Assessment	Effective risk assessment is vital for the success of this Policy. It is important that all employees assess the vulnerability of their activities on an on-going basis and discuss any potential vulnerability with the Company Secretary. Risk assessments help us to identify any areas within the business where we might face a bribery or corruption risk and enables us to evaluate and mitigate against such risks.
Effective Monitoring and Control	Effective systems of monitoring and control are essential. The policies and procedures we have put in place will be monitored on an annual basis and reviewed by the Audit Committee, along with bribery and corruption risks. In the event that any risks are identified then our systems and processes will be amended to mitigate against such risks.
Training	An anti-bribery e-training module has been developed which all current and new employees will be expected to complete. The purpose of the module is to explain the Act and what it means to us. In addition to completing the module all employees will be expected to read and comply with this Policy.
Zero Tolerance Culture	A zero-tolerance approach to bribery has been developed throughout the organisation. This Policy and associated measures have been approved by the board and senior management team. Processes and systems are in place to effectively manage any allegation or suspicion of bribery related activities.

10 Who is responsible for the policy?

10.1 The board has overall responsibility for ensuring that this Policy complies with our legal and ethical obligations, and that all those under our control comply with the Policy.

10.2 The Company Secretary, as lead anti-bribery officer, has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy, and in conjunction with the Organisational Development Team, are given adequate and regular training on it.

11 Monitoring and review.

- 11.1 The Audit Committee will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 11.2 All employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected incidents or wrongdoing.
- 11.3 This Policy does not form part of any employee's contract of employment and may be amended at any time.

12 Your responsibilities

- 12.1 Employees and board members must ensure that they have read, understood and comply with this Policy.
- 12.2 The prevention, detection and reporting of bribery is the responsibility of all employees and board members. There are channels of communication to report confidentially the suspicion of or any actual bribe. The primary channel is via our Whistle-blowing Policy, a copy of which can be found on both our intranet and website.
- 12.3 Any alleged breach of this Policy will be fully investigated by the Company Secretary, as the lead anti-bribery officer. If any allegations of bribery are reported via the Whistle-blowing Policy then the allegations will also be investigated by the Whistle-blowing Officer (which is currently the HR Manager).
- 12.4 A breach of this Policy by an employee will be treated as a disciplinary matter under his/her contract of employment and an appropriate sanction may be applied in accordance with our Disciplinary Procedures.
- 12.5 Any investigation into an allegation of bribery made against an employee or a board member will be conducted in accordance with our relevant policies for such investigations.

13 If in doubt/further advice

- 13.1 If you have any questions or would like any further advice about this policy, please contact the Company Secretary on 0191 278 88624 or by email at joanne.noble-nesbitt@yhn.org.uk.

- 13.2 Please ensure that you keep up to date with communications and updated on the staff intranet. This Policy should be read in conjunction with the following policies:
- Whistle-Blowing Policy
 - Disciplinary Procedures
 - Corporate Procurement Strategy
 - Scheme of Delegation, Standing Orders and Financial Regulations
 - Employee terms and conditions including contracts of employment and Employees' Code of Conduct
 - Charitable Giving Policy Statement
 - Board members' service agreements and Board Members' Code of Conduct
- 13.3 Copies of all these documents can be found on our website and intranet. Copies are also available from the Company Secretary.

Charitable Giving Policy Statement

We seek to contribute to the communities in which our tenants live and we work in a number of ways. In addition to providing employment opportunities through the apprenticeship programme and 'your homes your jobs' and minimising our environmental impacts, we also support a variety of local charity initiatives.

Our charitable donations and initiatives seek to support our statement of purpose to 'enable positive living for people in our homes and neighbourhoods' and our three objectives of:

- Making the money deliver;
- Creating homes and neighbourhoods we call can be proud of; and
- Work together to realise a brighter future.

The Chief Executive has a limited corporate budget which is used to support local charities and for charitable donations that make a positive impact in the community in and around the City of Newcastle upon Tyne. Donations from the corporate fund are generally less than £200.

The Chief Executive considers applications from charities and non-profit organisations that support our statement of purpose and objectives. All charitable donations given by us are entirely at the Chief Executive's discretion.

Other ways in which we support local is through our volunteering programmes and the payment of gift aid to organisations which benefit YHN or our tenants. The payment of any gift aid is conditional on certain criteria being met as well as the approval of our Board.

YHN does not fund:

- Political organisations and campaigns;
- Privately funded educational organisations which are not a registered UK charity;
- Organisations whose work is dedicated to religious, political or sectarian point of view that it runs the risk of offending significant numbers of employees or tenants of YHN; or
- Organisations which are contrary to the beliefs and values of YHN.

Employee contributions

We actively encourage employees to support charities through participation with charitable events and through 'Payroll Giving Schemes' which allow donations to be made to charities direct from salary.

Our employees are asked to nominate on an annual basis a charity of the year which is voted for by all employees. The chosen charity will be supported by our employees through a variety of initiatives including raffles, dress down days, quizzes, cake bakes and when appropriate donations of food or clothing.

The nominations and voting process for the charity of the year is managed by the Sports and Social Committee.

In addition our employees also support local and national charity initiatives such as Peace One Day, Macmillan Nurses and Children in Need.

The Chief Executive has lead responsibility for the implementation of this policy.