



ANTI FRAUD & CORRUPTION POLICY

1. Introduction

1.1 Ashfield Homes is committed to providing the highest standards of openness, probity and accountability. The Company is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption, whether attempted from within or outside of the organisation.

1.2 The Audit Commission define fraud and corruption as:

“the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain. Fraud is a deliberate act by an individual or group of individuals. Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any other person”.

1.3 This policy operates in conjunction with the Company's:

- Financial Regulations
- Whistle blowing policy
- Disciplinary Procedure
- Code of Governance
- Code of Conduct

2. Culture

2.1 The Board has an important role to play in creating, maintaining and promoting an anti fraud culture. The Code of Governance for Board Members states “The Board believes that confidence in the integrity and probity of all Board Members is important in terms both of effective relationships within the Board and to inspire public trust”.

2.2 The Company's employees also play an important part in creating, maintaining and promoting an anti fraud culture. Employees are often the first to realise that there may be something seriously wrong within the Company. The Company's whistle blowing policy encourages employees to voice any serious concerns about any aspect of the Company's activities.

2.3 Ashfield Homes' Financial Regulations form part of the overall system of financial and management control within the Company. Board members and employees are required to be aware of and comply with the Financial Regulations.

2.4 Specifically, Financial Regulations 2.4 to 2.6 outline the process for addressing potential irregularities or fraud that involves cash, stores or other Company property.

3. Prevention

3.1 Board Members

3.1.1 The Code of Governance states that Board Members have responsibility for probity, integrity, transparency and openness within the Company. The Code of Governance incorporates a Code of Conduct that Board Members are required to operate within. The Code of Conduct includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality. All Board members are required to sign up to their Code of Conduct when they take office.

3.2 Managers

3.2.1 Ashfield Homes recognises that a key preventative measure in the fight against fraud and corruption is to employ staff who have high standards in terms of propriety and integrity. The Company strives to achieve this through effective recruitment policies and procedures which include:

- obtaining written references prior to appointing staff, including those employed on a temporary or contract basis.
- undertaking police checks for designated posts
- verifying qualifications.

3.2.2 Each member of the Senior Management Team is responsible for the implementation of controls designed to prevent and detect fraud within their service.

3.2.3 Managers at all levels are responsible for ensuring that their employees are aware of this policy and the associated policies, procedures and regulations listed at 1.3 above.

3.2.4 The Company recognises that the continuing success of the Anti-Fraud and Corruption Policy, and its credibility, will depend largely on the effectiveness of employees throughout the organisation. Managers will be responsible for ensuring that all employees are properly trained in the procedures that they should follow when undertaking their duties.

3.3 Employees

3.3.1 Upon appointment, employees sign up to the Code of Conduct which details the standards all employees must uphold to maintain the integrity of the Company. The Code includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality. The Code may be amended from time to time and employees are expected to comply with the amended requirements from the date they are introduced. Inappropriate conduct will be addressed under the Company's disciplinary procedure.

3.4 Internal Audit

3.4.1 The Board has a responsibility for instituting adequate systems of internal control. This responsibility is fulfilled in part by the Company's Internal Auditor who is appointed by the Board on the recommendation of the Audit Committee, reviewed annually. The Internal Auditor independently reviews the adequacy, efficiency and effectiveness of internal controls within the Company's systems by undertaking a comprehensive programme of work targeted at key risk areas.

3.4.2 Weaknesses in internal control are reported to management with proposed recommendations to address the issues raised. It is the responsibility of the relevant member of the Senior Management Team to ensure that corrective action is taken. The independent review of systems and the implementation of agreed recommendations contribute to the prevention and detection of fraud and corruption.

3.5 External Audit

3.5.1 The appointment of the Company's external auditor takes place annually at the Company's Annual General Meeting. The primary role of the external auditor is to report their opinion on the Company's financial statements and underlying systems. Independent external audit is an essential safeguard of the stewardship of the Company's assets. The external auditor will also review the Company's arrangements to prevent and detect fraud and corruption.

4. Detection and Investigation

4.1 Despite the best efforts of managers and auditors many frauds are discovered by chance or 'tip-off' and the Company's whistle blowing policy makes provision for this.

4.2 However, the preventative measures undertaken by the Company, particularly the implementation of sound control systems, have been designed to deter fraud and provide indicators of fraudulent activity. Detection often occurs through the awareness of employees and the public and when there is evidence that fraud or corruption may be in progress the appropriate action will be taken.

4.3 In the event of an investigation being carried out the action taken by the Company will depend on the nature of the concern. The Company's Whistle Blowing Policy details the investigation process and the Company's Financial Regulations provide an avenue for reporting and investigating potential irregularities involving cash, stores or other Company assets.

5. Raising Concerns

5.1 The Company's Whistle Blowing Policy states that employees should raise concerns with their line manager in the first instance. However, if for any reason this is not possible then concerns should be raised in accordance with section 4.1 of the

Company's Whistle Blowing Policy. Concerns are best raised in writing and will need to demonstrate sufficient grounds for concern. Advice and guidance on how matters of concern may be pursued can be obtained from:

Chief Executive
Director of Operations
Human Resources and Development Manager
Company Accountant
Company Solicitor and Secretary

- 5.2 Members of the public should convey their concerns in writing marked "CONFIDENTIAL" to an officer listed at 5.1 above and send to:

Ashfield Homes Ltd
Broadway
Brook Street
Sutton In Ashfield
Notts
NG17 8DA

- 5.3 Where there is reasonable concern that appropriate action has not been taken following the raising of a concern, the following are possible contact points:

A Member of the Board
The External Auditor
Relevant professional bodies or regulators
A Solicitor
The police

Where the matter is referred to one of the above contact points, extra care must be taken to ensure confidential information beyond the qualified disclosure is not disclosed. The relevant contact will be able to advise further on this matter.