

<p>Probity Policy</p> <p>Approved by: Executive Board Date of approval: 27 November 2018 Review date: 30 November 2020</p>	
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1. Statement of Intent

1.1 Radian¹ is committed to the highest standards of scrutiny and the proper use of resources. No inappropriate benefit should be gained from associating with Radian and conflicts of interest between personal interests and duties to Radian should be avoided. Radian’s reputation must not be compromised.

1.2 This policy covers:

1.2.1 Minimising Radian’s exposure to fraud, loss and money laundering;

1.2.2 Avoiding conflicts of interest; and

1.2.3 Enabling anyone associated with Radian to express any serious concerns they may have about any aspect of its activities.

2. This Policy applies to...

2.1 This policy applies to employees, consultants, non-executive board and committee members, contractors and formally involved residents. Employees’ contractual obligations take precedence over this policy and associated procedures.

3. Policy

Fraud and Money Laundering

3.1 Radian will pursue fraud and unexplained loss vigorously, including the recovery of any funds lost. Radian takes a zero tolerance approach to fraud and money laundering in all its forms and expects staff to:

3.1.1 Make themselves aware of and comply with Radian’s Code of Conduct and all relevant policies and procedures;

3.1.2 Behave in an open and honest way at all times;

3.1.3 Be alert to possible fraud and money laundering and report any concerns;

3.1.4 Refuse and not offer anything which might be perceived as a bribe.

3.2 Radian expects all contractors to comply with all terms and conditions of contract, in particular those relating to anti-bribery, anti-corruption and data protection. In addition, contractors must comply with their own declarations of interest, and their signed collusive tendering certificate or equivalent.

¹ Radian will be used throughout this document to refer to the Radian Group as a whole and all companies that are part of the Group.

- 3.3 All funds received by Radian will be handled in accordance with the Group Financial Regulations and associated procedures.
- 3.4 Staff are made aware of money laundering, its impact and the need to report suspicions. Radian is committed to working with other organisations to prevent fraud which may involve exchanging information, subject to data protection legislation.
- 3.5 The Assistant Director Governance Risk and Company Secretariat is the Money Laundering Reporting Officer (MLRO). The Compliance Manager is the deputy MLRO. They are responsible for the consideration of suspicious activity and deciding whether to report it to the National Crime Agency (NCA).
- 3.6 All suspected incidents will be investigated. Disciplinary action may be taken and the police may be informed. Radian's Fraud, Theft or Bribery Reporting Procedure (which includes Radian's Fraud Response Plan) must be followed in the event of a reported suspicion.
- 3.7 The Compliance Team maintains a risk assessment which accounts for areas of the business where Radian could be exposed to money laundering and details the controls in place.
- 3.8 Radian's Chief Executive is responsible for ensuring Radian is compliant with the requirements of the anti-money laundering legislation.

Avoiding Conflicts of Interest

- 3.9 Those bound by this policy must declare any potential conflicts of interest. A conflict of interest may arise where an individual's past or present professional or personal interests or relationships results in decisions or actions that are not in the interests of Radian and/or could create the impression that Radian has acted improperly.
- 3.10 The offer or receipt of reasonable and proportionate gifts and hospitality from external sources and/or Radian is permitted subject to their being a business benefit to Radian. Further guidance is available in the Gifts and Hospitality Procedure.
- 3.11 To comply with s122 Housing and Regeneration Act 2008, Radian will not provide gifts, dividends or bonuses to current or former shareholders or members of any group entity.
- 3.12 Payments or benefits from Radian over and above employment contract or terms of appointment may be accepted, subject to the Non-contractual Payments and Benefits Procedure. This can include employment of relatives and allocation of housing.
- 3.13 Examples of gifts and hospitality and non-contractual benefits can be found in Appendix 1.

Whistleblowing

- 3.14 Radian provides confidential arrangements for the reporting of concerns and the provision of information which may prevent fraud or wrongdoing. Concerns could include:
 - Serious violation of law, rule or regulation to include Radian's policies and procedures

- Fraud, bribery or corruption and malpractice
- Abuse or neglect of vulnerable people
- Concerns regarding modern slavery and human trafficking
- Failure to deliver proper standards of service
- Damaging personal conflicts at senior level
- Bullying, discrimination, harassment or victimisation in the work place
- Substantial and specific danger to public health and safety.

3.15 Radian’s Executive Directors and their line reports will ensure their managers and staff know what is expected of them and what practices are regarded as unacceptable.

3.16 When an issue is raised, Radian will treat it seriously and investigate thoroughly. Radian will pursue fraud and serious abuse as vigorously as possible through its disciplinary procedures and if necessary through the courts and via the police. Abuse of vulnerable people will also be reported to the Independent Safeguarding Authority and Local Authority Safeguarding of Vulnerable Adults teams.

Reporting

3.17 Suspicions of fraud or loss can be reported to line managers or directors. Suspicions of money laundering must be reported to the MLRO or deputy MLRO who will make a record of suspicious activity which will be retained for at least five years. Concerns raised under the Whistleblowing Reporting Procedure will be reported to the Group Audit and Risk Committee (ARC) and may be investigated by the Assistant Director of Governance, Risk and Company Secretariat.

3.18 All fraud and money laundering incidents must be reported to the Assistant Director of Governance, Risk and Company Secretariat, Chief Executive and Chair of ARC. The MLRO will report annually to ARC on staff training, incidents and referrals to the NCA.

3.19 The Compliance team maintains registers capturing instances of fraud, theft and loss as well as records of gifts and hospitality, declarations of interest and non-contractual benefits. Registers are shared with the relevant committee, annually.

3.20 It is a regulatory requirement under the Governance & Financial Viability Standard (GFVS) that the fraud and loss register is submitted to the Regulator of Social Housing (RSH) within six months of Radian’s financial year end. RSH also requires under GFVS that any material fraud or loss is reported in an accurate and timely manner within the year.

3.21 Interests declared by non-executives, executives, other senior staff and formally involved residents are published on Radian’s website. Declarations of interest from employees are not published but are recorded.

3.22 Those concerned about confidentiality in reporting, or worried about the seriousness of a matter should refer to the Whistleblowing Reporting Procedure.

Breaches of Policy

3.23 Breaches will be dealt with as set out in the associated procedures but could include escalation to the Assistant Director of Governance, Risk and Company Secretariat, Chief Executive and/or the Chair of ARC and/or disciplinary action or termination of a contract or termination of a board/committee appointment.

3.24 Material breaches of this policy (and of the Radian Code of Conduct) may be brought to the attention of the relevant committee. Significant breaches may also be reported to the Group Chair and the Group Combined Board. An action plan may be compiled to rectify the position and avoid any recurrence.

4 Legal & Regulatory Framework

- Bribery Act 2010
- Fraud Act 2006
- Proceeds of Crime Act 2002, Terrorism Act 2000, Money Laundering Regulations 2017, Criminal Finances Act 2017
- Public Interest Disclosure Act 1998
- NHF Code of Conduct 2012 and Code of Governance 2015
- HCA's Regulatory Framework
- Housing and Regeneration Act 2008
- Modern Slavery Act 2015

5 Related Policies

- Data Protection Policy
- Disciplinary, Capability and Sickness Absence Policy
- Employee Concerns, Complaints and Grievance Policy
- IT Security Policy

6 Related Procedures

- Anti-Social Behaviour and Harassment Procedure
- Cash Receipts Handling Procedure
- Declarations of Interest Procedure
- Expenses Procedure
- Fraud, Theft, or Bribery Reporting Procedure
- Gifts and Hospitality Procedure
- Anti-money Laundering Procedure
- Non-contractual Payments and Benefits Procedure
- Procurement Procedures
- Rent Management Procedure
- RTB/RTA Procedures
- Whistleblowing Reporting Procedure

7 Appendices

- Appendix 1 - Examples of declarations of interest, gifts and hospitality and non-contractual payments and benefits

8 Associated Documents

- Radian's Code of Conduct
- Group Financial Regulations
- NHF Guidance on Anti-money Laundering June 2018

9 Definitions

9.1 We follow Plain English guidelines. The complicated terms of this policy are explained here:

Term	Definition
Fraud	Types of fraud are defined in the Fraud Act 2006. This policy also applies in respect of suspected incidents of deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, collusion, intentional concealment, falsification of documents, counterfeiting and false representations of material facts.
Bribery	The Bribery Act 2010 makes it a criminal offence for an individual to bribe or receive a bribe in return for improper performance. Radian and its partner organisations can also commit an offence under the Act by failing to prevent a “person associated” with the organisation from bribing in order to gain an advantage for that organisation.
Money Laundering	Describes the process by which proceeds of crime are used in such a way so as to disguise their criminal origins. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place obligations on Radian and its staff to establish internal procedures to prevent the use of their services for money laundering.

Appendix 1

Detailed below are examples and guidance relating to declarations of interest, gifts and hospitality and non-contractual benefits. This list is not exhaustive and the relevant procedures should be referred to in each case. Examples include:

Payments for Services

Board or committee members will not be paid for their services, other than as agreed under the Board & Committee Member Payments Policy or members' terms of appointments.

Expenses

Expenses will be paid in accordance with the Expenses Policy for Board and Committee Members, the staff Expenses Procedure and the regulations of HM Revenue & Customs.

Benefits (including benefit and reward schemes)

Radian may only grant benefits to an employee where permitted under their contract of employment, People and Organisational Development (POD) policies or in accordance with this policy.

Provision of Accommodation

Any application for housing made in connection with Radian and any of its subsidiaries (including shared ownership or homeownership schemes) for employees, non-executive board, committee members, contractors or formally involved residents or their close relatives is permitted provided a declaration is made, appropriate procedures and qualifying criteria are followed and approval is obtained via the Non-contractual Payment and Benefits Procedure (NCB Procedure).

Settlement Agreements

Payments to settle employment related disputes that are not covered by other POD policies are permissible under this policy (see the NCB procedure).

Other Payments to Employees

These are defined in the NCB Procedure and can include for example social events, or an extension of sick pay.

Employment of board or committee members/close relatives

Recruitment of employees and non-executive board and committee members (and their close relatives) must be fair and competitive and based on merit and suitability for the post.

Under the NCB Procedure, approval must be obtained before an offer of employment is made.

Use of Radian's Contractors

The offer of a contract, award of tender or purchase of goods or services by Radian from companies where there is a close family connection to an employee, non-executive board or committee member, contractor or formally involved resident is governed by Radian's

Procurement Policy. Anyone with such a connection must not be involved in the process or manage or monitor any subsequent contract.

Radian may negotiate preferential rates for its employees and formally involved residents with retail or other commercial entities. Outside of these arrangements it is not permitted to request, negotiate or accept private personal discounts or favours of any kind on the grounds of an association with Radian.

These restrictions do not prevent contracting privately (for example with a builder for work on your house) with a current supplier to Radian, provided this policy is followed. Failure to follow this policy will be considered a serious disciplinary matter and/or a breach of expected standard of conduct.

Gifts and Hospitality

The offer and acceptance of gifts and hospitality and how to register them is detailed in the Gifts and Hospitality Procedure.

Gifts of nominal value (up to £10) may be accepted and are not required to be registered, examples of which can include:

- gifts of a promotional nature, eg calendars, diaries and articles for use predominantly but not exclusively in the office; or
- perishables e.g. chocolates/biscuits given to a team or group of employees as a gesture of thanks; or
- an item(s) of nominal value (up to £10) given as a personal gift by way of a thank you.

All alcoholic gifts and gifts with a value of more than £10 may only be accepted subject to following the Gifts and Hospitality Procedure.

Bequests and Collections

It is inappropriate for employees to accept bequests made in the Will of an unrelated resident.

A gift arising from a collection amongst residents/customers intended for an individual employee or formally involved resident will normally be acceptable, subject to the Gifts and Hospitality Procedure.

Employees who participate in charitable or fundraising events outside work should not approach residents or external customer groups for donations or sponsorship for these activities. If sponsorship is offered, employees must not accept money from a customer on the charity's behalf.