

GOVERNANCE AND LEGAL POLICY



Policy Title	Internal Control and Governance Framework		
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TABLE OF CONTENTS

1. definition	3
2. procedure	3
3. preventing fraud and corruption	4
4. whistleblowing	5
5. anti-money laundering	6
6. anti-facilitation of tax evasion	7
7. audit requirements	7
8. STAFFING	8
9. Intellectual Property	9
11. Reference documents	9
Diversity & inclusion	10



1. DEFINITION

- 1.1. The company faces a range of financial, administrative and commercial risks, both from internal and external factors. Internal controls help mitigate these risks and help safeguard company assets and interests.

2. PROCEDURE

- 2.1. The system of internal control is a significant part of Cornwall Housing Ltd (CHL) framework and should help mitigate risks identified in the Risk Register. It is the responsibility of the Executive Director of Resources to:
 - Ensure the company has effective governance in accordance with the company articles and any statutory obligations.
 - Maintain the statutory books including:
 - A register of present and past directors and secretaries.
 - A register of all board members, past and present.
 - A register of any charges on the company's assets
 - Minutes of annual general meetings and board meetings.
 - A register of the debenture holders (typically banks)
 - Develop communicate and ensure adherence to codes of conduct, which define the standards of behaviour for all employees and board directors in CHL.
 - Ensuring compliance with relevant laws and regulations through an effective compliance framework. Changes to the law are communicated to the business in an effective way to ensure implementation into the business framework.
 - Ensure Whistleblowing arrangements are in place for facilitating disclosures and that appropriate investigation of any disclosures are investigated under the terms of the company Whistleblowing policy.
 - Assist with the delivery of an effective risk framework suitable for the business structure; by ensuring that strategic risks (at business level) are captured and reported to the Board. [The oversight of the risk framework rests with the Audit, Finance and Risk Committee.]



2.2 It is the responsibility of the Executive Director of Resources to:

- Develop and communicate the Internal Control Strategy
- Measure the quality of services, ensuring they are delivered in accordance with CHL objectives and they represent the best use of resources.
- Ensure there are effective financial controls in line with the Scheme of Delegation.
- Ensure that changes to financial regulations are implemented.

2.3 It is the responsibility of Heads of Service to:

- Establish arrangements for planning, appraising, authorising and controlling their operations.
- Ensure controls are adhered to and to evaluate their effectiveness, in management of risks.
- Communicate responsibilities to their employees and ensure that they are understood.
- Review and update controls as required, in light of changes in risk: update procedures documentation and training as appropriate. (Finance procedures should not be amended without prior approval from the Executive Director of Resources)
- Support internal audit in any review being undertaken within their area and respond to issues raised within audit reports with agreed timescales.

3. PREVENTING FRAUD AND CORRUPTION

3.1. Cornwall Housing Ltd is committed to the prevention, deterrence, detection and investigation of all types of fraud against CHL, Cornwall Council and partners. As a result, the CHL has a 'zero tolerance' policy towards fraud, bribery, corruption or other misuse of public money and assets.

3.2. In order to help prevent fraud and potentially corrupt activity all employees and 3rd parties must adhere to rules on this subject, which are but not limited to:

- All individuals/organisations that fall within the scope of the Fraud, Anti-Bribery and Corruption policy, as maintained by the Executive Director of Resources, need to comply with said policy.



- Any interest of a personal and/or financial nature with external bodies or persons who have dealings with the company that may conflict with an employee's duties must be declared to the Executive Director of Resources and ultimately the Managing Director.
- All gifts and hospitality received from an external party to and individual, department or division within the company must be recorded by the Head of Governance and reported to the Executive Director of Resources, whether there is an associated monetary value or not. Small gifts (£10 and under) are not required to be recorded.

4. WHISTLEBLOWING

4.1. In accordance with the Company Whistleblowing Policy, actual or suspected irregularities should be reported. It is not disloyal to colleagues, the company or the shareholder to speak up. The company is committed to achieving the highest possible service and ethical standards in all its practices. To help achieve these standards it encourages freedom of speech.

4.2. Whistleblowing is the disclosure of information with relates to suspected wrongdoing or dangers at work. This may include:

- Criminal Activity
- Failure to comply with any legal or professional obligation or regulatory requirements.
- Miscarriages of justice
- Danger to Health and Safety
- Damage to the environment
- Bribery under the Fraud, Anti-Bribery/Corruption Policy
- Financial fraud or mismanagement
- Breach of our internal policies and procedures
- Conduct likely to damage the reputation or financial wellbeing of CHL
- Unauthorised Disclosure of confidential information
- Abusing a position of authority
- Other specific matters relating to the work practices of any organization within the control of the Council
- The deliberate concealment of above matters



- 4.3. Personal grievances (for example bullying, harassment, discrimination) are not covered by whistleblowing, and so should be reported via the grievance policy.
- 4.4. All instances of whistleblowing will be reported to the Executive Director of Resources, then to the CHL chair.

5. ANTI-MONEY LAUNDERING

- 5.1. The legislation and regulations concerning money laundering has broadened the definition of money laundering and increased the range of activities covered by the statutory framework. The obligations require the company to establish internal procedures to prevent the use of services for money laundering.
- 5.2. The company does not have a specific Anti Money Laundering Policy as it does not operate in the “regulated sector”. The risks to the company of contravening are therefore low
- 5.3. However, all Managers must ensure that their employees understand what money laundering is and of their obligations under the money laundering legislation, so that they can recognise situations that might lead to money laundering arising.
- 5.4. When a person knows or suspects that money laundering activity is taking place (or has taken place) or becomes concerned that their involvement in a matter may amount to a prohibited act under the above legislation, they must disclose this as soon as possible. The Money Laundering Reporting Officer for the company is the Executive Director of Resources, however if not appropriate to raise with them direct, any Director has the authority to review reports of Money Laundering.
- 5.5. To mitigate the risks of the Company being used to launder money, cash payments will not be accepted, except with the prior approval of the Executive Director of Resources. This cash rule will be relaxed where the company operates in a retail environment where small cash transactions are normal practice (e.g., vending machines / café sales).



6. ANTI-FACILITATION OF TAX EVASION

- 6.1 CHL's policy is to have a zero tolerance to tax evasion and facilitation of tax evasion. This means CHL expects all employees and anyone who works for the Company – e.g., contractors, not to engage in any activity which evades tax or facilitates or may facilitate the evasion of tax by any other person (company or individual). It does not matter whether the taxes are UK taxes or are due to an overseas fiscal authority.
- 6.2 Real life examples of facilitation of tax evasion could include, but not restricted to, a contractor asking to do something that does not match official documentation e.g., payment to a personal account instead of a business account or someone at work (for example an employee or a contractor) claiming to have found a 'short cut' in how much tax they pay or you are aware that tax is not being declared.
- 6.3 CHL expects all employees and associated persons to be able to identify and take steps to prevent any scenarios where there may be a risk that they are facilitating others to commit tax evasion, either in the UK or overseas. All cases of suspicion in relation to future or existing business should be first reported to the Executive Director of Resources before making any decisions in relation to existing business relationships or committing the business to transact in the manner proposed.
- 6.4 The Company expects all parties acting with or for CHL to adopt a similarly robust approach.

7. AUDIT REQUIREMENTS

External Audit

Definition

- 7.1 An external audit is a financial review that is conducted by a party not associated with the company or department that is under audit. The purpose of an external audit is to get the certification of financial statements of the company.

Process

- 7.2 Auditors are appointed by the Executive Director of Resources and the Audit, Finance and Risk Committee.



- 7.3 The company is Audited on a yearly basis to establish financial records are true and fair but also may be audited to establish the financial aspects of the Company corporate governance.
- 7.4 External parties such as His Majesty's Revenue and Customs (HMRC) may also audit and have statutory rights of access.
- 7.5 Any External Auditors or statutory inspectors must be given reasonable access to premises, personnel, documents and assets for the purposes of their work.
- 7.6 Employees must respond to external audit and inspection requests within appropriate timescales.

Internal Audit Definition

- 7.7 Internal Audit undertake appraisals of the systems of internal control and related risks on behalf of the Board, Shareholder and Audit, Risk and Finance Committee, and are not 3rd party agencies.

Process

- 7.8 Internal auditors follow good practice in relation to internal control. They examine, evaluate and report upon the adequacy of internal controls and effective use of resources.
- 7.9 The Executive Director of Resources and the Audit, Finance and Risk Committee are required to propose an Annual Audit Plan. This will be based on the risks facing the company, will be developed with the Senior Managers (SLT) /Executive Team (ELT) and approved by the Board.

8. STAFFING

- 8.1 The Head of People and H&S is responsible for providing overall management of employees and are responsible for ensuring appropriate staffing strategies and policies are in place to monitor activity on holiday, sickness, overtime, training and temporary staff.



- 8.2 The Head of People and H&S is responsible for ensuring that procedures are in place for costing forecasted staffing requirements and producing an annual staffing budget for presentation to the Executive Director of Resources.
- 8.3 Senior Managers then have primary responsibility for maintenance of their own establishment and managing the agreed budget. Any flex needed in the staffing budget must be applied for in consultation with the Executive Director of Resources.

9. INTELLECTUAL PROPERTY

Definition

- 9.1 Intellectual property is a generic term that includes inventions and written work. If an employee creates these during the course of employment, then, as a general rule, they belong to the employing Company, not to the employee.

Procedure

- 9.2 Managers will ensure that their staff are not carrying out private work in paid company time and that their employees are aware of the Company's rights with regard to intellectual property.
- 9.3 Advice should be sought from the Executive Director of Resources before any intellectual property or registered Trademarks are shared with Third Parties.
- 9.4 Instances where intellectual property has been (or may be) created which has, or may have, commercial value should be referred to the Executive Director of Resources.

11. REFERENCE DOCUMENTS

- 11.1 Include any reference documents or regulations.



DIVERSITY & INCLUSION

We are committed to treating all people with fairness and respect. We aim to create an inclusive environment where people are treated with dignity, inequalities are challenged, and we anticipate and respond positively to different needs and circumstances to enable individuals to achieve their potential and foster good relations within the communities we serve. We want to be recognised as an organisation delivering fair, inclusive, accessible services and an employer and partner of choice.

When applying this policy, we act sensitively towards the diverse needs of individuals and to reduce discrimination and harassment by making reasonable adjustments such as:

- eliminating discrimination – by providing support to those who need it and information in accessible formats and languages on request.
- tailoring the policy to meet both the specific needs of the individual, including those with additional support needs, and the diverse needs of the wider community.
- advancing equality of opportunity – treating all tenants fairly
- fostering good relationships – listening to customers and responding appropriately
- compliant with all aspects of Equality & Diversity legislation, and specifically the Equality Act 2010.



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Alternative formats:

If you would like this information on audio CD, audio tape, Braille, large print, any other format or interpreted in a language other than English, please contact info@cornwallhousing.org.uk

