

BRIBERY POLICY

Under the Bribery Act the School is obliged to have a policy in place to protect the institution and individuals from claims of breaching the provision of the Act. This policy is a statement of how the School will ensure that it and its staff comply with the law along with guidance on how to interpret the provisions of the Act.

The School does not condone bribery of any kind. It is School policy to conduct its business in an open and honest manner, without engaging in corrupt practices to obtain an unfair advantage. In order to support staff, and in order to comply with The Bribery Act 2010 (the 'Act'), the School has produced this policy¹.

Definition

Bribery can be defined very generally as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or rewarding that person for having already done so. Under the Act, there are 4 main offences:

- a) Active Bribery (offering to bribe another)
- b) Passive Bribery (accepting/requesting a bribe)
- c) Bribery of a foreign public official
- d) Failure to prevent Bribery (committed by an organisation that fails to prevent bribery by any 'person' associated with it).

Examples can be found in Annex 1, with FAQ's at Annex 2

Consequences for the School

If the School or any of its staff are found to have committed an offence under the Act the potential consequences include:

- a) Up to 10 years imprisonment for the individuals involved
- b) Unlimited fines
- c) A ban from bidding for future research and other public contracts
- d) Damage to reputation and loss of public trust and confidence
- e) Potential loss of UKBA 'highly trusted' status
- f) Regulatory issues (HEFCE)

Areas of particular risk for the School

- a) Hospitality – which could be construed as bribery if not transparent, auditable & proportionate
- b) Donations – which all need scrutiny
- c) Activities in countries which are perceived as having high levels of corruption (particularly where acting by an intermediary or in-country representative)
- d) Activities in sectors which are perceived as having increased levels of corruption (for example construction)
- e) Subsidiary companies
- f) Domestic/international collaborations eg Institutional Agreements, franchising, student exchanges, research bids, and work placement schemes.

Hospitality

The giving or receiving of genuine and proportionate hospitality or expenditure, which seeks to improve the School's image, or better present its services, or establish good relations, continues to be acceptable. Care should be taken in relation to proportionality – for example while it may be acceptable for a prospective partner to pay for reasonable travel and accommodation costs to enable a visit to their premises, first class flights would not normally be acceptable, nor would 5 star accommodation. Attention should also be paid not just to the value of an individual expenditure, but the cumulative total from/to any one particular party. For more detailed information see the [Financial Regulations and Procedures](#) and the Case Studies in Appendix C.

Donations

Donations must be clearly documented. Any potential conflict of interest must be identified. If there is any suggestion that favourable treatment of any kind is expected in return for the donation (eg good marks for a current student, or a promise of a place to a prospective student) then the donation must be refused.

High Risk Jurisdictions & Sectors

It is not a defence to an accusation of bribery to say that bribes are the accepted practice in another jurisdiction or sector within which you are doing business. Facilitation payments are illegal (though the use of any recognised fast-track process that is publicly available on payment of a fee continues to be acceptable). For assistance in identifying those jurisdictions/sectors which may pose a high risk see:

[Transparency International Corruptions Perception Index](#)
[Bribe Payers Index](#)
[World Bank - Ease of Doing Business Rankings](#)

Subsidiary Companies

While there is no particular perceived risk with any School subsidiary, they are 'associated persons' under the Act and any failure on their part to comply with the legislation could result in liability for the School also. The active subsidiary companies are required to adopt the policies and procedures set out in this document and any amendments approved from time-to-time by the Governing Body.

Domestic/international collaborations

Following the School's usual procedures in relation to due diligence and appropriate approvals will minimise any risk for Institutional Agreements, articulation agreements and representative agreements. Where there is no established process, due diligence must still be carried out and attention should be paid to this policy and to these links for overseas parties:

[Transparency International Corruptions Perception Index](#)
[Bribe Payers Index](#)
[World Bank - Ease of Doing Business Rankings](#)

Domestic collaborations will still need scrutiny, but the Act will normally apply to any UK entity with whom we are doing business, so the easiest step will be to ask for a copy of their anti-bribery policy for consideration.

Adequate Procedures

In some circumstances it will be a defence for the School to show that it has adequate procedures in place. The School's adequate procedures will include:

- a) Setting out a clear anti-bribery policy
- b) Training relevant employees so that they can recognise and avoid the use of bribery by themselves and others
- c) Encouraging 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
- d) Carrying out due diligence of existing and prospective associated persons (those who perform services on behalf of the School)
- e) Avoiding conflict of interests and ensuring transparency of transactions and decision-making (and keeping appropriate records)
- f) Implementing appropriate sanctions for those who do not follow this anti-bribery policy
- g) Monitoring and reviewing these procedures.

For further details on adequate procedures see the case studies in Appendix C.

Reporting Incidences

If you become aware of any activity or conduct which you suspect may involve a bribe or corruption of some kind, you should report it to your line-manager, or to the Secretary & Registrar, Director of HR or Director of Finance & Planning, or follow the [Whistleblowing Procedure](#)

Further Information

For further information please see Appendix A – FAQs and Annex 2 – Case Studies
The Act can be found at: <http://www.legislation.gov.uk/ukpga/2010/23/contents>
and the full guidance to The Act at:

<http://www.justice.gov.uk/downloads/guidance/making-reviewing-law/bribery-act-2010-guidance.pdf>

Annex 1

Examples from Ministry of Justice Guidance

Bribing – with an allegation that hospitality was intended as a bribe, the prosecution would need to show that the hospitality was intended to induce conduct that amounts to a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust. This would be judged by what a reasonable person in the UK thought. So, for example, an invitation to foreign clients to attend a Six Nations match at Twickenham as part of a public relations exercise designed to cement good relations or enhance knowledge in the organisation's field is extremely unlikely to [constitute an offence] as there is unlikely to be evidence of an intention to induce improper performance of a relevant function.

Bribing a foreign public official - In seeking tenders for publicly funded contracts Governments often permit or require those tendering for the contract to offer, in addition to the principal tender, some kind of additional investment in the local economy or benefit to the local community. Such arrangements could in certain circumstances amount to a financial or other 'advantage' to a public official or to another person at the official's request, assent or acquiescence. Where, however, relevant 'written law' permits or requires the official to be influenced by such arrangements they will fall outside the scope of the offence. So, for example, where local planning law permits community investment or requires a foreign public official to minimise the cost of public procurement administration through cost sharing with contractors, a prospective contractor's offer of free training is very unlikely to [constitute an offence]. In circumstances where the additional investment would amount to an advantage to a foreign public official and the local law is silent as to whether the official is permitted or required to be influenced by it, prosecutors will consider the public interest in prosecuting. This will provide an appropriate backstop in circumstances where the evidence suggests that the offer of additional investment is a legitimate part of a tender exercise.

Bribing a foreign public official - The provision by a UK mining company of reasonable travel and accommodation to allow foreign public officials to visit their distant mining operations so that those officials may be satisfied of the high standard and safety of the company's installations and operating systems are circumstances that fall outside the intended scope of the offence. Flights and accommodation to allow foreign public officials to meet with senior executives of a UK commercial organisation in New York as a matter of genuine mutual convenience, and some reasonable hospitality for the individual and his or her partner, such as fine dining and attendance at a baseball match are facts that are, in themselves, unlikely to raise the necessary inferences. However, if the choice of New York as the most convenient venue was in doubt because the organisation's senior executives could easily have seen the official with all the relevant documentation when they had visited the relevant country the previous week then the necessary inference might be raised. Similarly, supplementing information provided to a foreign public official on a commercial organisation's background, track record and expertise in providing private health care with an offer of ordinary travel and lodgings to enable a visit to a hospital run by the commercial organisation is unlikely to [constitute an offence]. On the other hand, the provision by that same commercial organisation of a five-star holiday for the foreign public official which is unrelated to a demonstration of the organisation's services is, all things being equal, far more likely to raise the necessary inference.

Annex 2

FAQs based on Quick Start Guidance provided by The Ministry of Justice

When could my organisation be liable?

Your organisation could be liable if a very senior person in the organisation (for example, a managing director) commits a bribery offence. This person's activities would then be attributed to the organisation.

Your organisation could also be liable where someone who performs services for it – like an employee or agent – pays a bribe specifically to get business, keep business, or gain a business advantage for your organisation. But you will have a full defence for this particular offence, and can avoid prosecution, if you can show you had adequate procedures in place to prevent bribery.

It is important to note that no one can be prosecuted in England and Wales unless one of the two most senior prosecutors (the Director of Public Prosecutions or the Director of the Serious Fraud Office) is personally satisfied that a conviction is more likely than not, and that prosecution is in the public interest.

What do I need to do to rely on the defence?

You will not commit the offence of failing to prevent bribery if you can show that your organisation had 'adequate procedures' in place to prevent bribery. What counts as adequate will depend on the bribery risks you face and the nature, size and complexity of your business. So, a small or medium sized business which faces minimal bribery risks will require relatively minimal procedures to mitigate those risks. The following six principles will help you decide what, if anything, you need to do differently:

1 Proportionality: The action you take should be proportionate to the risks you face and to the size of your business. So you might need to do more to prevent bribery if your organisation is large, or if you are operating in an overseas market where bribery is known to be commonplace, compared to what you might do if your organisation is small, or is operating in markets where bribery is not prevalent.

2 Top Level Commitment: Those at the top of an organisation are in the best position to ensure their organisation conducts business without bribery. If you are running a business, you will want to show that you have been active in making sure that your staff (including any middle management) and the key people who do business with you and for you understand that you do not tolerate bribery. You may also want to get personally involved in taking the necessary proportionate action to address any bribery risks.

3 Risk Assessment: Think about the bribery risks you might face. For example, you might want to do some research into the markets you operate in and the people you deal with, especially if you are entering into new business arrangements and new markets overseas ('How do I assess risk', see page 5).

4 Due Diligence: Knowing exactly who you are dealing with can help to protect your organisation from taking on people who might be less than trustworthy. You may therefore want to ask a few questions and do a few checks before engaging others to represent you in business dealings.

5 Communication: Communicating your policies and procedures to staff and to others who will perform services for you enhances awareness and helps to deter bribery by making clear the basis on which your organisation does business. You may, therefore, want to think about whether additional training or awareness raising would be appropriate or proportionate to the size and type of your business.

6 Monitoring and Review: The risks you face and the effectiveness of your procedures may change over time. You may want, therefore, to keep an eye on the anti-bribery steps you have taken so that they keep pace with any changes in the bribery risks you face when, for example, you enter new markets.

How do I assess risk?

Many organisations will face little or no risk of bribery, especially if their business is undertaken primarily in the UK. If you operate overseas, the risks may be higher. Factors such as the particular country you want to do business in, the sector which you are dealing in, the value and duration of your project, the kind of business you want to do and the people you engage to do your business will all be relevant. There are simple practical steps you can take to assess and mitigate risks. These are mostly obvious, and are similar to (or even the same as) those you probably take anyway (for example, to make sure you can trust the people you work with). For example, you might use simple internet searches to find out about the levels of corruption or bribery in the particular country you propose to do business in. You could consult UK diplomatic posts or UK Trade and Investment for advice. You could also consult business representative bodies here and in the relevant country for up to date local knowledge.

Do I need to do due diligence on all my suppliers?

You only have to think about doing due diligence on persons who will actually perform services for you, or on your behalf. Someone who simply supplies goods to you is unlikely to do that. It is very unlikely, therefore, that you will need to consider doing due diligence on persons further down a supply chain.

Where you decide to undertake due diligence, how much you need to do will depend on your risk assessment. If you assess the risk as low then all you may need to do is satisfy yourself that people performing services for you (for example, an agent) are genuine and someone you can trust to do your business without bribing. You could do this by making enquiries with business contacts, local chambers of commerce or business associations or via the internet for example.

Where you think the risks are higher, then you may need to do more. You might ask your agent for a CV, financial statements or accounts, and other references. You might then follow those up to ensure they are genuine. The aim is to satisfy yourself that the person that is to represent your organisation can be trusted not to use bribery on your behalf, but this does not necessarily require sophisticated and costly techniques. Personal contact, allowing you to assess the person for yourself, can be very helpful.

Can I provide hospitality, promotional or other business expenditure under the Act?

Yes. The Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure.

In any case where it was thought the hospitality was really a cover for bribing someone, the authorities would look at such things as the level of hospitality offered, the way in

which it was provided and the level of influence the person receiving it had on the business decision in question. But, as a general proposition, hospitality or promotional expenditure which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act. So you can continue to provide tickets to sporting events, take clients to dinner, offer gifts to clients as a reflection of your good relations, or pay for reasonable travel expenses in order to demonstrate your goods or services to clients if that is reasonable and proportionate for your business.

What about facilitation payments?

Facilitation payments, which are payments to induce officials to perform routine functions they are otherwise obligated to perform, are bribes. There was no exemption for such payments under the previous law nor is there under the Bribery Act.

As was the case under the old law, prosecutors will carefully consider all the facts and surrounding circumstances of cases which come to their attention to assess whether a payment amounts to a bribe and, if so, whether a prosecution is in the public interest.

You can continue to pay for legally required administrative fees or fast-track services. These are not facilitation payments.

Annex 3

Case Studies provided by the Ministry of Justice

These case studies are illustrative and are not:

- comprehensive of all considerations in all circumstances
- conclusive of adequate procedures
- conclusive of inadequate procedures if not all of the considerations are considered and/or applied.

All but one of these case studies focus on bribery risks associated with foreign markets. This is because bribery risks associated with foreign markets are generally higher than those associated with domestic markets. Accordingly case studies focussing on foreign markets are better suited as vehicles for the illustration of bribery prevention procedures.

Case study 1 – Principle 1 Facilitation payments

A medium sized company ('A') has acquired a new customer in a foreign country ('B') where it operates through its agent company ('C'). Its bribery risk assessment has identified facilitation payments as a significant problem in securing reliable importation into B and transport to its new customer's manufacturing locations. These sometimes take the form of 'inspection fees' required before B's import inspectors will issue a certificate of inspection and thereby facilitate the clearance of goods.

A could consider any or a combination of the following:

- Communication of its policy of non-payment of facilitation payments to C and its staff.
- Seeking advice on the law of B relating to certificates of inspection and fees for these to differentiate between properly payable fees and disguised requests for facilitation payments.
- Building realistic timescales into the planning of the project so that shipping, importation and delivery schedules allow where feasible for resisting and testing demands for facilitation payments.
- Requesting that C train its staff about resisting demands for facilitation payments and the relevant local law and provisions of the Bribery Act 2010.
- Proposing or including as part of any contractual arrangement certain procedures for C and its staff, which may include one or more of the following, if appropriate:
 - questioning of legitimacy of demands
 - requesting receipts and identification details of the official making the demand
 - requests to consult with superior officials
 - trying to avoid paying 'inspection fees' (if not properly due) in cash and directly to an official
 - informing those demanding payments that compliance with the demand may mean that A (and possibly C) will commit an offence under UK law
 - informing those demanding payments that it will be necessary for C to inform the UK embassy of the demand.
- Maintaining close liaison with C so as to keep abreast of any local developments that may provide solutions and encouraging C to develop its own strategies based on local knowledge.
- Use of any UK diplomatic channels or participation in locally active non-governmental organisations, so as to apply pressure on the authorities of B to take action to stop demands for facilitation payments.

Case study 2 – Principle 1 Proportionate Procedures

A small to medium sized installation company is operating entirely within the United Kingdom domestic market. It relies to varying degrees on independent consultants to facilitate business opportunities and to assist in the preparation of both pre-qualification submissions and formal tenders in seeking new business. Such consultants work on an arms-length-fee-plus-expenses basis. They are engaged by sales staff and selected because of their extensive network of business contacts and the specialist information they have. The reason for engaging them is to enhance the company's prospects of being included in tender and pre-qualification lists and of being selected as main or sub-contractors. The reliance on consultants and, in particular, difficulties in monitoring expenditure which sometimes involves cash transactions has been identified by the company as a source of medium to high risk of bribery being undertaken on the company's behalf.

In seeking to mitigate these risks the company could consider any or a combination of the following:

- Communication of a policy statement committing it to transparency and zero tolerance of bribery in pursuit of its business objectives. The statement could be communicated to the company's employees, known consultants and external contacts, such as sectoral bodies and local chambers of commerce.
- Firming up its due diligence before engaging consultants. This could include making enquiries through business contacts, local chambers of commerce, business associations, or internet searches and following up any business references and financial statements.
- Considering firming up the terms of the consultants' contracts so that they reflect a commitment to zero tolerance of bribery, set clear criteria for provision of bona fide hospitality on the company's behalf and define in detail the basis of remuneration, including expenses.
- Consider making consultants' contracts subject to periodic review and renewal.
- Drawing up key points guidance on preventing bribery for its sales staff and all other staff involved in bidding for business and when engaging consultants
- Periodically emphasising these policies and procedures at meetings – for example, this might form a standing item on meeting agendas every few months.
- Providing a confidential means for staff and external business contacts to air any suspicions of the use of bribery on the company's behalf.

Case study 3 – Principles 1 and 6 Joint venture

A medium sized company ('D') is interested in significant foreign mineral deposits. D proposes to enter into a joint venture with a local mining company ('E'). It is proposed that D and E would have an equal holding in the joint venture company ('DE'). D identifies the necessary interaction between DE and local public officials as a source of significant risks of bribery.

D could consider negotiating for the inclusion of any or a combination of the following bribery prevention procedures into the agreement setting up DE:

- Parity of representation on the board of DE.
- That DE put in place measures designed to ensure compliance with all applicable bribery and corruption laws. These measures might cover such issues as:
 - gifts and hospitality
 - agreed decision making rules
 - procurement
 - engagement of third parties, including due diligence requirements
 - conduct of relations with public officials
 - training for staff in high risk positions
 - record keeping and accounting.

- The establishment of an audit committee with at least one representative of each of D and E that has the power to view accounts and certain expenditure and prepare regular reports.
- Binding commitments by D and E to comply with all applicable bribery laws in relation to the operation of DE, with a breach by either D or E being a breach of the agreement between them. Where such a breach is a material breach this could lead to termination or other similarly significant consequences.

Case study 4 – Principles 1 and 5 Hospitality and Promotional expenditure

A firm of engineers ('F') maintains a programme of annual events providing entertainment, quality dining and attendance at various sporting occasions, as an expression of appreciation of its long association with its business partners. Private bodies and individuals are happy to meet their own travel and accommodation costs associated with attending these events. The costs of the travel and accommodation of any foreign public officials attending are, however, met by F.

F could consider any or a combination of the following:

- Conducting a bribery risk assessment relating to its dealings with business partners and foreign public officials and in particular the provision of hospitality and promotional expenditure.
- Publication of a policy statement committing it to transparent, proportionate, reasonable and bona fide hospitality and promotional expenditure.
- The issue of internal guidance on procedures that apply to the provision of hospitality and/or promotional expenditure providing:
 - that any procedures are designed to seek to ensure transparency and conformity with any relevant laws and codes applying to F
 - that any procedures are designed to seek to ensure transparency and conformity with the relevant laws and codes applying to foreign public officials
 - that any hospitality should reflect a desire to cement good relations and show appreciation, and that promotional expenditure should seek to improve the image of F as a commercial organisation, to better present its products or services, or establish cordial relations
 - that the recipient should not be given the impression that they are under an obligation to confer any business advantage or that the recipient's independence will be affected
 - criteria to be applied when deciding the appropriate levels of hospitality for both private and public business partners, clients, suppliers and foreign public officials and the type of hospitality that is appropriate in different sets of circumstances
 - that provision of hospitality for public officials be cleared with the relevant public body so that it is clear who and what the hospitality is for
 - for expenditure over certain limits, approval by an appropriately senior level of management may be a relevant consideration
 - accounting (book-keeping, orders, invoices, delivery notes, etc).
- Regular monitoring, review and evaluation of internal procedures and compliance with them.
- Appropriate training and supervision provided to staff.

Case study 5 – Principle 3 Assessing risks

A small specialist manufacturer is seeking to expand its business in one of several emerging markets, all of which offer comparable opportunities. It has no specialist risk assessment expertise and is unsure how to go about assessing the risks of entering a new market.

The small manufacturer could consider any or a combination of the following:

- Incorporating an assessment of bribery risk into research to identify the optimum market for expansion.
- Seeking advice from UK diplomatic services and government organisations such as UK Trade and Investment.
- Consulting general country assessments undertaken by local chambers of commerce, relevant non-governmental organisations and sectoral organisations.
- Seeking advice from industry representatives.
- Following up any general or specialist advice with further independent research.

Case study 6 – Principle 4 Due diligence of agents

A medium to large sized manufacturer of specialist equipment ('G') has an opportunity to enter an emerging market in a foreign country ('H') by way of a government contract to supply equipment to the state. Local convention requires any foreign commercial organisations to operate through a local agent. G is concerned to appoint a reputable agent and ensure that the risk of bribery being used to develop its business in the market is minimised.

G could consider any or a combination of the following:

- Compiling a suitable questionnaire for potential agents requiring for example, details of ownership if not an individual; CVs and references for those involved in performing the proposed service; details of any directorships held, existing partnerships and third party relationships and any relevant judicial or regulatory findings.
- Having a clear statement of the precise nature of the services offered, costs, commissions, fees and the preferred means of remuneration.
- Undertaking research, including internet searches, of the prospective agents and, if a corporate body, of every person identified as having a degree of control over its affairs.
- Making enquiries with the relevant authorities in H to verify the information received in response to the questionnaire.
- Following up references and clarifying any matters arising from the questionnaire or any other information received with the agents, arranging face to face meetings where appropriate.
- Requesting sight or evidence of any potential agent's own anti-bribery policies and, where a corporate body, reporting procedures and records.
- Being alert to key commercial questions such as:
 - Is the agent really required?
 - Does the agent have the required expertise?
 - Are they interacting with or closely connected to public officials?
 - Is what you are proposing to pay reasonable and commercial?
- Renewing due diligence enquiries on a periodic basis if an agent is appointed.

Case study 7 – Principle 5 Communicating and training

A small UK manufacturer of specialist equipment ('J') has engaged an individual as a local agent and adviser ('K') to assist with winning a contract and developing its business in a foreign country where the risk of bribery is assessed as high.

J could consider any or a combination of the following:

- Making employees of J engaged in bidding for business fully aware of J's anti-bribery statement, code of conduct and, where appropriate, that details of its anti-bribery policies are included in its tender.
- Including suitable contractual terms on bribery prevention measures in the agreement between J and K, for example: requiring K not to offer or pay bribes; giving J the ability to audit K's activities and expenditure; requiring K to report any requests for bribes by officials to J; and, in the event of suspicion arising as to K's activities, giving J the right to terminate the arrangement.
- Making employees of J fully aware of policies and procedures applying to relevant issues such as hospitality and facilitation payments, including all financial control mechanisms, sanctions for any breaches of the rules and instructions on how to report any suspicious conduct.
- Supplementing the information, where appropriate, with specially prepared training to J's staff involved with the foreign country.

Case study 8 – Principle 1, 4 and 6 Community benefits and charitable donations

A company ('L') exports a range of seed products to growers around the globe. Its representative travels to a foreign country ('M') to discuss with a local farming co-operative the possible supply of a new strain of wheat that is resistant to a disease which recently swept the region. In the meeting, the head of the co-operative tells L's representative about the problems which the relative unavailability of antiretroviral drugs cause locally in the face of a high HIV infection rate.

In a subsequent meeting with an official of M to discuss the approval of L's new wheat strain for import, the official suggests that L could pay for the necessary antiretroviral drugs and that this will be a very positive factor in the Government's consideration of the licence to import the new seed strain. In a further meeting, the same official states that L should donate money to a certain charity suggested by the official which, the official assures, will then take the necessary steps to purchase and distribute the drugs. L identifies this as raising potential bribery risks.

L could consider any or a combination of the following:

- Making reasonable efforts to conduct due diligence, including consultation with staff members and any business partners it has in country M in order to satisfy itself that the suggested arrangement is legitimate and in conformity with any relevant laws and codes applying to the foreign public official responsible for approving the product. It could do this by obtaining information on:
 - M's local law on community benefits as part of Government procurement and, if no particular local law, the official status and legitimacy of the suggested arrangement
 - the particular charity in question including its legal status, its reputation in M, and whether it has conducted similar projects, and
 - any connections the charity might have with the foreign official in question, if possible.
- Adopting an internal communication plan designed to ensure that any relationships with charitable organisations are conducted in a transparent and open manner and do not raise any expectation of the award of a contract or licence.

- Adopting company-wide policies and procedures about the selection of charitable projects or initiatives which are informed by appropriate risk assessments.
- Training and support for staff in implementing the relevant policies and procedures of communication which allow issues to be reported and compliance to be monitored.
- If charitable donations made in country M are routinely channelled through government officials or to others at the official's request, a red flag should be raised and L may seek to monitor the way its contributions are ultimately applied, or investigate alternative methods of donation such as official 'off-set' or 'community gain' arrangements with the government of M.
- Evaluation of its policies relating to charitable donations as part of its next periodic review of its anti-bribery procedures.

Case study 9 – Principle 4 Due diligence of agents

A small UK company ('N') relies on agents in country ('P') from which it imports local high quality perishable produce and to which it exports finished goods. The bribery risks it faces arise entirely as a result of its reliance on agents and their relationship with local businessmen and officials. N is offered a new business opportunity in P through a new agent ('Q'). An agreement with Q needs to be concluded quickly.

N could consider any or a combination of the following:

- Conducting due diligence and background checks on Q that are proportionate to the risk before engaging Q; which could include:
 - making enquiries through N's business contacts, local chambers of commerce or business associations, or internet searches
 - seeking business references and a financial statement from Q and reviewing Q's CV to ensure Q has suitable experience.
 - Considering how best to structure the relationship with Q, including how Q should be remunerated for its services and how to seek to ensure Q's compliance with relevant laws and codes applying to foreign public officials.
- Making the contract with Q renewable annually or periodically.
- Travelling to P periodically to review the agency situation.

Case study 10 – Principle 2 Top level commitment

A small to medium sized component manufacturer is seeking contracts in markets abroad where there is a risk of bribery. As part of its preparation, a senior manager has devoted some time to participation in the development of a sector wide anti-bribery initiative.

The top level management of the manufacturer could consider any or a combination of the following:

- The making of a clear statement disseminated to its staff and key business partners of its commitment to carry out business fairly, honestly and openly, referencing its key bribery prevention procedures and its involvement in the sectoral initiative.
- Establishing a code of conduct that includes suitable anti-bribery provisions and making it accessible to staff and third parties on its website.
- Considering an internal launch of a code of conduct, with a message of commitment to it from senior management.
- Senior management emphasising among the workforce and other associated persons the importance of understanding and applying the code of conduct and the consequences of breaching the policy or contractual provisions relating to bribery prevention for employees and managers and external associated persons.
- Identifying someone of a suitable level of seniority to be a point-person for queries and issues relating to bribery risks.

Case study 11 Proportionate procedures

A small export company operates through agents in a number of different foreign countries. Having identified bribery risks associated with its reliance on agents it is considering developing proportionate and risk based bribery prevention procedures.

The company could consider any or a combination of the following:

- Using trade fairs and trade publications to communicate periodically its anti-bribery message and, where appropriate, some detail of its policies and procedures.
- Oral or written communication of its bribery prevention intentions to all of its agents.
- Adopting measures designed to address bribery on its behalf by associated persons, such as:
 - requesting relevant information and conducting background searches on the internet against information received
 - making sure references are in order and followed up
 - including anti-bribery commitments in any contract renewal
 - using existing internal arrangements such as periodic staff meetings to raise awareness of 'red flags' as regards agents' conduct, for example evasive answers to straightforward requests for information, overly elaborate payment arrangements involving further third parties, ad hoc or unusual requests for expense reimbursement not properly covered by accounting procedures.
- Making use of any external sources of information (UKTI, sectoral organisations) on bribery risks in particular markets and using the data to inform relationships with particular agents.
- Making sure staff have a confidential means to raise any concerns about bribery.

ⁱ Policy based on that produced by Kingston University

Dr Chris Ince
Deputy Secretary
15 May 2012 (Review date: July 2014)