
Anti-Corruption, Counter Fraud, Bribery, Gifts and Gratuities Policy



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Objectives

This policy applies to the Board and Audit and Risk Assurance Committee members, all employees including permanent and temporary paid employees, contractors, consultants, secondees, suppliers and volunteers working directly for the OC. The policy does not have regard to the employee's or contractor's length of service, title or relationship to the OC.

The Birmingham Organising Committee for the 2022 Commonwealth Games Limited (OC) is committed to the highest level of integrity and ethical standards in all business practices. It is our policy to conduct all of our business in an honest and ethical manner. All individuals associated with the OC must conduct themselves in a manner consistent with the OC's standards and in compliance with all relevant legislation.

Corruption, Fraud and Bribery conduct are incompatible with the OC's values and present significant risks to its objectives. This policy articulates the standards expected of all associated with the OC and provides guidance as to how the OC will manage the risks of fraud and corrupt conduct.

The OC recognises its prominent role in the wider community and the need for accountability in decision making, particularly in the use of public funds.

Corruption, Fraud and Bribery conduct covers both the prospect of loss or improper gain or benefit, both financial and non-financial.

Policy statement

It is the OC's policy to conduct all of its business in an honest and ethical manner. The OC takes a zero-tolerance approach to fraud, bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery and corruption.

The OC recognises that sound risk management, planning, and monitoring and remedial action are integral components of good governance. The aim of this policy is to protect the OC's reputation and interests through a coordinated approach to dealing with suspected fraud and corrupt conduct and to comply with its obligations under the Fraud Act 2017 and Bribery Act 2010.

The purpose of the policy is to:

- set out the OC's responsibilities, and of those working for it, in observing and upholding its position on bribery and corruption; and
- provide information and guidance to those working for the OC on how to recognise and deal with bribery and corruption issues.

It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer of the OC fails to prevent bribery it can face an unlimited fine, exclusion from tendering for public

contracts, and damage to its reputation. It therefore takes its legal responsibilities very seriously.

This policy does not form part of any employee's contract of employment and the OC may amend it at any time.

Who is responsible for the policy?

Board of Directors

The Board is responsible for the approval of this policy based on recommendations of the Audit and Risk Assurance Committee. The board of directors has overall responsibility for ensuring this policy complies with the OC's legal and ethical obligations, and that all those under its control comply with it. The Board is also responsible for abiding by the policy in line with the Code of Practice for Board members.

The Board will also have an accountable individual at Board level who is responsible for counter fraud, bribery and corruption.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) will review this policy and make recommendations to the Board in a timely manner. The ARAC's responsibilities include oversight of risk management, internal control and compliance. This includes reviewing management's processes for ensuring compliance with legislation, the OC's workplace behaviour policy, internal plans, policies and procedures. The Chief Legal Officer is required to report any legislative or contractual breaches or losses to the ARAC. This includes reporting any instances involving material losses of cash (or other property), fraud or corrupt conduct.

Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for ensuring this policy is aligned with the OC's objectives and there is compliance with all relevant legislation. The CEO will approve the supporting guidelines, prevention and control plans and procedures required to implement the guiding principles contained in this policy. The CEO will report any material losses to the Department of Digital, Culture, Media and Sport (DCMS), Cabinet Office, West Midlands Police and the National Audit Office.

Chief Legal Officer

The Chief Legal Officer has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

The Chief Legal Officer is responsible for arranging the investigation of internal and external fraud and corrupt conduct, including using external parties where required and notifying law enforcement or regulatory agencies as necessary.

The Chief Legal Officer will provide advice and requisite management assistance regarding any prospective investigation or litigation linked to a fraud or corrupt conduct event.

The Chief Legal Officer will report any legislative or contractual breaches or losses to the ARAC.

The Chief Legal Officer should report all cases of attempted, suspected or proven fraud, irrespective of the amount involved, and notify DCMS of any unusual, novel or major incidents as soon as they are discovered, irrespective of the amount involved.

Management

The management have a leading role in creating an honest, ethical and professional workplace. They are expected to display appropriate attitudes towards compliance with this policy and for championing it within their divisions.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

Management must adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide: Managing the Risk of Fraud.

Head of Financial Management

The Head of Financial Management will work to maintain a robust controls environment to assist in the prevention of fraud.

A record of losses must be maintained and if the total of losses or special payments in the year exceeds £100,000, the annual accounts must include a statement, with any individual losses and special payments exceeding £25,000 specifically identified. Approval must be sought from DCMS for any losses or special payments above £25,000 in line with the Management Agreement.

Human Resources

The human resources function is responsible for ensuring adequate procedures are in place to address:

- Appropriate screening and selection of employees.
- Staff education / awareness of fraud and corrupt conduct.
- Disciplinary and dismissal procedures.
- Employment contracts with relevant conditions of termination of employment in relation to fraudulent and corrupt conduct.
- Monitoring of annual leave entitlements to ensure that employees do not accumulate excessive annual leave entitlements (i.e. five days and above their yearly entitlement).

- Clarification and formalisation of responsibilities or segregation of duties (included in relevant job descriptions).
- Investigation and escalation of matters pertaining to staff as appropriate.
- Staff compliance with the components of this policy is mandatory for all staff.

Guiding Principles

At all times the OC individuals should act honestly and with integrity and to safeguard the resources for which they are responsible. The OC is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other fraudulent benefits.

Any fraud or corrupt conduct committed against the OC is a major concern and as a consequence all cases will be thoroughly investigated. Appropriate disciplinary action will be taken against any staff member who is found guilty of corrupt or fraudulent conduct. This may include termination of their employment and/or referral of the matter to the appropriate law enforcement or regulatory agencies for independent investigation.

The Workplace Behaviour Policy and Disciplinary Action Policy assist in preventing fraud and corrupt conduct by setting out the OC's expectations of appropriate conduct.

The OC is committed to:

- Taking a risk management approach to the prevention, identification and management of fraud and corrupt conduct.
- Reducing or removing the potential for fraud or corrupt conduct on the part of its employees, contractors, clients and suppliers.
- Detecting fraudulent or corrupt conduct.
- Investigating or otherwise formally enquiring into all instances of suspected fraudulent or corrupt conduct exposed as a result of detection processes, or as a result of receiving an allegation of fraudulent or corrupt activities.
- Managing the discipline or facilitating the prosecution of those responsible for incidents of fraud and corrupt conduct as appropriate.
- Minimising the risk of fraud and corrupt conduct.
- Ensuring the continuing integrity and transparency of its operations.

The OC will act on any suspicion of illicit conduct on the part of its employees or any party with whom it conducts business. All employees have a responsibility and an obligation to report suspected or known incidents of fraud or corrupt conduct.

The OC will take action against anyone who retaliates against an employee who reports suspected or known incidents.

What are bribery and corruption?

Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their

functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

Corruption is the abuse of entrusted power or position for private gain.

Examples:

Offering a bribe: You offer a potential supplier tickets to a major sporting event, but only if they agree to do business with the OC.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. The OC may also be found to have committed an offence because the offer has been made to obtain business. It may also be an offence for the potential client to accept your offer.

Receiving a bribe: A supplier gives your nephew a job, but makes it clear that, in return, they expect you to use your influence in the OC to ensure it continues to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official: You arrange for the business to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for the OC. The OC may also be found to have committed an offence.

What you must not do

It is not acceptable for any individual associated with the OC (or someone acting on their behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- accept a payment, gift or hospitality from a third party that they know, or suspect is offered with the expectation that the OC will provide a business advantage for them or anyone else in return;
- accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.

- offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the Chief Legal Officer;
- threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any other activity that might lead to a breach of this policy.

Facilitation payments and kickbacks

OC does not make, and will not accept, facilitation payments or "kickbacks" of any kind.

- **Facilitation payments**, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official).
- **Kickbacks** are typically payments made in return for a business favour or advantage.

All staff must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by the OC or on its behalf, or that might suggest that such a payment will be made or accepted. If any individual is asked to make a payment on behalf of the OC, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. The staff member should always ask for a receipt which details the reason for the payment. If they have any suspicions, concerns or queries regarding a payment, they should raise these with the Chief Legal Officer.

Gifts, hospitality and expenses

This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining our image or reputation; or
- marketing or presenting our products and/or services effectively.

The giving and accepting of gifts is allowed only if the following requirements are met:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it is given in the OC's name, not in the name of an individual;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in the UK it is customary for small gifts to be given at Christmas;
- it is given openly, not secretly; and
- it complies with any applicable local law.

Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

Reimbursing a third party's expenses or accepting an offer to reimburse the OC's expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

The OC appreciates that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

All gifts received by both the OC and OC staff in advance of £25 should be recorded on the gift register which is maintained by the Chief Legal Officer. The gift and hospitality register should include both gifts accepted and declined to ensure complete records exist.

Record-keeping

OC must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

All staff must declare and keep a written record of all hospitality or gifts given or received, which will be subject to managerial review.

Employees must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

Employee responsibilities

Employee's must ensure that they read, understand and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the OC or under its control. Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Employee's must notify their manager or the Chief Legal Officer as soon as possible if they believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if a client or potential client offers an employee something to gain a business advantage with the OC or indicates that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are detailed below in the red flags section.

How to raise a concern

Employees are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.

If an employee is offered a bribe, or is asked to make one, or if he/she believes or suspects that any bribery, corruption or other breach of this policy has occurred or may occur, he/she

must notify their manager or Chief Legal Officer **OR** report it in accordance with our Whistleblowing Policy as soon as possible.

If an employee is unsure about whether a particular act constitutes bribery or corruption, they must raise it with their manager.

Reporting requirements

An employee or contractor who suspects fraud or corrupt conduct can confidentially report the matter by notifying the Chief Legal Officer who will treat all information confidentially. Investigations will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

Any material loss is to be reported to the DCMS. If the material loss involves an offence, it will be reported to West Midlands Police and if the material loss relates to corrupt conduct, it will be reported to the Crime and Corruption Commission.

If a complaint involves an allegation of corrupt conduct against the Chief Executive Officer of the OC, the complaint is to be dealt with in accordance with this policy but reported in the first instance to the Chairman of the Board.

All cases of attempted, suspected or proven fraud, irrespective of the amount involved, must be reported by the Birmingham Organising Committee to the DCMS as soon as it is discovered.

Protection

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The OC aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The OC is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If anyone believes that they have suffered any such treatment, they should inform the Chief Legal Officer immediately. If the matter is not remedied, and the individual is an employee, they should raise it formally using the Grievance Policy.

Breaches of this policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

OC may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise, and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If any individual encounters any of these red flags while working for the OC, he/she must report them promptly to their manager **OR** to the Chief Legal Officer **OR** using the procedure set out in the whistleblowing policy:

- An individual becomes aware that a third party engages in, or has been accused of engaging in, improper business practices;
- An individual learns that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with the OC, or carrying out a government function or process for the OC;
- a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third-party requests that a payment is made to "overlook" potential legal violations;
- a third-party requests that the OC provides employment or some other advantage to a friend or relative;
- an individual receives an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- an individual notices that the OC has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the OC;
- an individual is offered an unusually generous gift or offered lavish hospitality by a third party.

Related documents and policies

All are required to abide by the following policies and procedures, including but not limited to:

- Procurement Policy
- Workplace Behaviour Policy
- Disciplinary Action Policy
- Risk Management Policy

- Travel and Expense Policy
- Treasury Policy
- Whistleblowing Policy
- GovS 013: Counter Fraud
- Treasury's guide: Managing the Risk of Fraud
- Management Agreement
- Grievance Policy
- Providing Hospitality Policy