

## Prevention of Bribery and Corruption Policy

### 1. Introduction

As an organisation that is committed to the highest standards of ethical behaviour, it is essential that the CoST International Secretariat oversees and implements a policy of zero-tolerance, recognising that bribery and corruption and contrary to fundamental values of integrity, transparency and accountability and undermines organisational effectiveness.

The Policy sets out the general rules and principles to which CoST adheres in preventing bribery and corruption. It explains the procedures through which CoST can maintain high ethical standards and protect its reputation against any allegations of bribery and corruption. The UK Bribery Act 2010 has reinforced the need for organisations such as CoST to have in place effective measures for preventing bribery and corruption.

This is not just a cultural commitment. Bribery and corruption is a criminal offence in the UK and in many other countries.

### 2. Why is this relevant to CoST?

Under the UK Bribery Act 2010 it is an offence for UK organisations and any person or organisation acting on their behalf to engage in bribery or corrupt acts inside and outside of the UK.

This means any person acting on behalf of CoST, is responsible for maintaining the highest standards of business conduct and acting in accordance with this Policy.

“Workers” is the collective term for this Policy for any person or organisation acting on behalf of CoST including Interim Board Members, Multi-Stakeholder Group Members, Assurance Team Members, CoST Coordinators, and International Secretariat Members.

Corrupt acts under this legislation expose the organisation and any person or organisation acting on their behalf to the risk of prosecution, fines and imprisonment, as well as endangering EAP and CoST’s reputation.

**It is imperative that you read this Prevention of Bribery and Corruption Policy in order to comply with the UK Bribery Act 2010. You should ensure that you understand your role and responsibilities in relation to both the Act and the Policy by completing section 11 of this paper. Failure to do so will jeopardize future country funding, payment of fees, transport allowances and or expenses by the CoST International Secretariat.**

### 3. UK Bribery Act 2010

CoST may face criminal liability for unlawful actions by its workers under the UK Bribery Act 2010 when the offence is committed in an overseas country including CoST Countries. Under the legislation it is an offence to:

- Offer, promise, or give a bribe to another person;
- Request, agree to receive, or accept a bribe from another person;
- Bribe a foreign public official, and;
- Fail to prevent bribery (which applies to organisations and is known as “the corporate offence”).

The legislation requires CoST as a UK registered organisation to ensure it has adequate procedures are in place to prevent bribery and corruption being committed by persons associated with the organisation.

### 4. What is bribery and corruption?

A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage. Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

It is not acceptable for a Worker (or someone on their behalf) or any other person acting for, or on behalf of CoST 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, promise to give, or offer, a payment, gift, or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- Accept payment from a third party that the worker knows or suspects is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party if the worker knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by CoST in return.

## 5. Understanding your responsibilities

- Workers are required to take particular care to ensure that all CoST records are accurately maintained in relation to any contracts or activities, including financial invoices and all payment transactions with clients, business partners, suppliers and public officials;
- Workers are required to keep accurate, detailed and up-to-date records of any corporate hospitality, entertainment, or gifts accepted or offered;
- Workers are required to co-operate with the CoST International Secretariat's risk management procedures and to report suspicions of bribery or corruption to the MSG Chairman, Member of the International Secretariat or a Member of the Interim Board.

**If a Worker is in any doubt as to whether or not a potential act constitutes bribery or corruption, the matter should be referred to the CoST International Secretariat Executive Director.**

## 6. Corporate Entertainment, Gifts, Hospitality and Promotional Expenditure

The CoST International Secretariat may approve business entertainment proposals if they demonstrate a clear business objective and are appropriate for the nature of the business relationship.

The CoST International Secretariat will not approve proposals where it is considered that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

The CoST International Secretariat permits reasonable corporate entertainment, gifts, hospitality and promotional expenditure that it is undertaken in accordance with this policy.

Case study 1, below, and those incorporated within this guide are intended to provide examples of the how the Prevention of Bribery and Corruption Policy would be implemented.

### Case Study 1

George, who is a CoST Interim Board Member, is concerned that he may be acting in breach of the Bribery Act because 2010 of the corporate hospitality that he offers his clients, which includes occasionally taking them to football matches and giving them gifts of food and wine hampers at Christmas.

#### Are George's actions likely to amount to a breach of the Bribery Act 2010?

Proportionate hospitality in the course of business to meet and network with clients and to improve relationships is unlikely to be in breach of the Act. However, hospitality and expenditure that is used to induce or reward someone for the improper performance of a function or to obtain an improper advantage is likely to amount to a breach. The amount spent on corporate hospitality should not be excessive or lavish. Small nominal gifts aimed at building a relationship are unlikely to be in breach of the Act, provided that they are given without expectation of any favour or advantage in return.

UK Government guidance gives an example of an invitation to foreign clients to attend a English Premier League football match as a public relations exercise as being unlikely to amount to a breach of the Act, provided it creates no sense of obligation. Therefore, George's offer of occasional football tickets and Christmas hampers, if aimed only at fostering good relationships with clients, and not creating an obligation, is likely to be an acceptable level of hospitality.

## 7. Receipt of Corporate Entertainment, Gifts or Hospitality

Any gifts, rewards, or entertainment received or offered from clients, public officials, suppliers, or other business contacts should be reported to, or discussed with, the MSG Chairman or the CoST International Secretariat Executive Director. They should be reasonable and proportionate and, in certain circumstances, it may not be appropriate to retain such gifts or to be provided with the entertainment. Workers may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest.

CoST Workers should bear the following in mind:

- There must be nothing in their behaviour that might give rise to a suspicion they are acting in their own private interest, and;
- They should never give the impression to the public or to any organisation with which they deal, or to their colleagues, that a gift or reward could influence the way in which they deal with any person or organisation.

### Case study 2

Mr Wasp is the Coordinator for MSG E who use a consultant called Mr Simpson from firm B as the Assurance Team. In the past Mr Simpson has offered a number of gifts such as calendars, mouse mats and boxes of chocolates to Mr Wasp, which have all been accepted. The bribery and corruption policy for MSG E states that gifts above the value of \$50 should be politely declined, unless agreed otherwise by the MSG Chairman. The policy also notes that gifts to the value of \$50 or less can be accepted but a gift offered as cash, or as a cash equivalent cannot be accepted. Mr Simpson has recently offered Mr Wasp \$250 worth of shopping vouchers for a well known high street store. Mr Wasp's MSG Chairman has not approved this.

#### Should Mr Wasp accept the shopping vouchers?

No, it is not acceptable for Mr Jones to accept the shopping vouchers as a gift as it is not in line with the MSG policy. As it is over \$50 in value it should be approved, prior to acceptance, by Mr Wasp's MSG Chairman. As this authorisation has not been given it should not be accepted. Furthermore, as they are gift vouchers, they would be considered as a cash equivalent. It is not acceptable under any circumstances for employees (e.g. Mr Jones) to accept cash or cash equivalents (such as vouchers) as a gift.

## 8. Facilitation payments

The CoST International Secretariat prohibits its workers from making or accepting any facilitation payments. These are payments made to government officials or third parties over and above normal payments for carrying out or expediting routine procedures. Facilitation payments or offers of such payments will constitute a criminal offence by both the individual concerned and the International Secretariat under the Bribery Act 2010, even where such payments are made or requested overseas.

Facilitation payments are distinct from an official, publicly available fast-track process.

Where a public official, private sector representative or civil society representative has requested a payment other than, and extra to, any publicly disclosed, legitimate payment, workers should ask for further details of the purpose and nature of the payment in writing. If the public official, private sector representative or civil society representative refuses to do so, this should be reported immediately to the MSG Chairman. Should extra information be received, this should be discussed with the MSG Chairman or the CoST International Secretariat Executive Director prior to making any payments.

### Case Study 3:

A MSG Member is meeting with a Minister for Country C to see if they would speak at a CoST Disclosure Event. At the meeting the MSG Member is informed that the Minister will require a per diem for speaking at the event of \$800.

#### What action should the Coordinator take?

The MSG Member should ask for further details of the purpose and nature of the payment in writing. If the Minister refuses to do so, this should be reported immediately by the MSG Member to the MSG Chairman or the International Secretariat Executive Director. Upon investigation by the MSG Chairman or the International Secretariat Executive Director, should it become clear that the payment is not an official one it would be considered a facilitation payment. As such, this further payment should not be made and the request for such a payment should be reported using suitable channels e.g. the Government Anti-Corruption Bureau. It should be remembered that facilitation payments are distinct from per diems that cover legitimate expenses incurred from travel, accommodation, meals etc. Facilitation payments (potentially the payment of \$800) are unlawful under the UK Bribery Act 2010 and such payments will constitute a criminal offence. If it is concluded, by the MSG Chairman or the International Secretariat Executive Director that the payment is a legitimate fee, for example, covering legitimate travel and accommodation expenses then the MSG, may permit the Coordinator to make the payment.

## 9. Reporting suspected bribery or corruption

CoST depends on its Workers to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Workers are required to assist CoST and to remain vigilant in preventing, detecting, and reporting bribery and corruption. Workers should report any concerns that they may have to the MSG Chairman or the CoST International Secretariat Executive Director the earliest possible opportunity. CoST will ensure that the individual is not subjected to detrimental treatment as a consequence of their report.

## 10. What happens if the policy is breached?

The CoST International Secretariat will fully investigate any instances of alleged or suspected bribery or corruption. Workers suspected of bribery or corruption may be suspended from their duties while the investigation is being carried out. Proven acts of bribery or corruption, or accepting a bribe may also constitute a criminal offence.

The CoST International Secretariat reserves the right to terminate the contract of any person acting on behalf of CoST who is found to have breached this policy.

## 11. Acknowledgement of Receipt and Understanding

Please tick the box which is most applicable and sign below:

I understand my role and responsibilities in relation to the CoST Prevention of Bribery and Corruption Policy and require **no further training**.

I do not understand my roles and responsibilities in relation to the CoST Prevention of Bribery and Corruption Policy and **require further training**.

**Signature** .....

**Date** .....

**Print name** .....