

APPENDIX 1

TOWER HAMLETS ANTI BRIBERY POLICY

Policy Statement - Anti Bribery

Bribery is a criminal offence. The Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance “business as usual”, rather than as a one-off exercise.

Objective of this policy

This policy is intended to provide a coherent and consistent framework to enable the Council's employees and others to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

We require that all people associated with the Council, including those permanently employed, temporary agency staff, Members and contractors:

- act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the organisation operates, in respect of the lawful and responsible conduct of activities

Scope of this policy

This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

This Council's commitment to action

The Council commits to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Making all employees aware of their responsibilities to adhere strictly to this policy at all times.
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others
- 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
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in bribery
- Providing information to all employees to report breaches and suspected breaches of this policy
- Dealing appropriately with bribery prevention as part of its procurement and contract monitoring processes.

Bribery

Bribery consists of offering or giving a financial or other advantage with the intention of inducing a person to improperly perform a relevant function or activity or to reward a person for the improper performance of such a function or activity. A relevant function or activity includes any function of a public nature and any activity connected with a business

The Bribery Act

There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or

an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:

- On conviction in a magistrates court, to imprisonment for a maximum term of 12 months (six months in Northern Ireland), or to a fine not exceeding £5,000, or to both
- On conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

Organisations guilty of an offence under section 7 are liable to an unlimited fine.

Are we a “commercial organisation”?

The guidance states that a “commercial organisation” is any body formed in the United Kingdom and “...it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made.”

Whether or not the Council is a “commercial organisation”, it is committed to meeting the standards set by the Bribery Act 2010.

What are “adequate procedures”?

The guidance issued under the Bribery Act 2010 sets out six principles relevant to whether an organisation has adequate bribery prevention procedures in place. The Council is committed to proportional implementation of these principles and makes the specific commitments set out below.

Principle 1: Proportionate procedures

The Council has adopted this Anti Bribery Policy to set out its over-riding commitment to bribery prevention. The Council has related codes of conduct and procedures that are listed later in the policy.

Principle 2: Top level commitment

This policy has been agreed by the Corporate Management Team and the Mayor, along with the related action around risk assessment, due diligence, communication, training, monitoring and review.

Principle 3: Risk Assessment

The Council has identified key areas of risk in respect of property disposal, contract award and monitoring, sponsorship, grants and regulatory activity and enforcement. These risks will be subject review and monitoring within service areas. Regular risk reports will be considered by the Corporate Management Team and Members.

Principle 4: Due diligence

The Council applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons or organisations with whom it seeks or will seek services, or provides or will provide services for, in order to mitigate identified bribery risks.

Principle 5: Communication (including training)

This policy will be appropriately publicised within the Council and externally. A programme of training will be conducted for employees and Members.

Principle 6: Monitoring and review

This policy and performance under the policy will be the subject of annual level by the Corporate Management Team and Members.

Bribery is not tolerated

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that an advantage will be received, or to reward an 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 you know or suspect is offered with the expectation that it will obtain an advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that an advantage will be provided by us in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;
- engage in activity in breach of this policy.

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and hospitality

This policy is not meant to change the requirements of our gifts and hospitality policy set out in the Employees' Code of Conduct. This makes it clear that:

- A register of gifts and hospitality is maintained for each directorate.
- Hospitality may be offered to organisations on the Council's premises but only with the express permission of the service head or chief officer and on a scale appropriate to the occasion.
- Employees should return or refuse gifts, hospitality or favours that could put them in a compromising position or render them liable to accusations by other parties.
- Employees should not ask for any reward, tip, gift, Christmas box or other inducement and should not put themselves in debt to someone where this could influence their work.
- There may be occasions where some personal hospitality or small gift is permissible, but this should be discussed with the chief officer and permission obtained.
- Before accepting a gift or hospitality, consideration should always be given to: the timing of decisions for letting contracts; the type of gift or hospitality; whether the firm may benefit from the Council's goodwill; whether the firm is seeking or has a contract; whether the visit is instructive or social; the scale and location of the hospitality and whether it falls in working hours; the frequency of the hospitality; and whether it is directed to a single person or a group.

Members remain subject to the Code of Conduct for Members, under which they make the following commitments:

- A commitment to honesty and integrity and a duty to uphold the law.
- To conduct themselves so as not to bring the Council into disrepute.
- Not to use or attempt to use their positions improperly to confer on or to secure (for themselves or another person) an advantage or disadvantage.
- To declare personal and prejudicial interests in the business of the authority.
- To have specified personal interests recorded in a register.

Public contracts and failure to prevent bribery

The Council's commitment to prevent bribery is reflected in its procurement procedures.

Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 Regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery

are not automatically barred from participating in tenders for public contracts. This organisation has the discretion to exclude organisations convicted of this offence.

Staff responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation or under its control. All staff must avoid activity that breaches this policy. Staff must comply with their terms and conditions of employment and the Employees' Code of Conduct.

Staff must:

- Read, understand and comply with this policy
- Raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

This organisation is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

There are multiple channels to help you raise concerns. Staff can view the whistleblowing process at:

http://towernet/Intranet/staff_services/business_planning/internal_audit/anti_fraud_strategy/whistleblowing_process.aspx

Staffs that refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

Any external person who wishes to report a concern about bribery may do so by contacting any of the following –

Tony Qayum, Head of Audit Services, 020 7364 4773

Minesh Jani, Service Head – Risk Management, 020 7364 0738

Isabella Freeman, Assistant Chief Executive (Legal), 020 7364 4800

If you have any questions about these procedures, please contact Tony Qayum.

Other relevant policies

Fraud and Corruption policy

Anti money laundering policy

Whistleblowing policy

Employees' Code of Conduct

Code of Conduct for Members

Procurement procedures

Useful links

CIPFA Better Governance Forum [CIPFA Better Governance Forum - CIPFA Networks](#)

The Bribery Act [Bribery Act 2010](#)

Bribery Act final guidance

<http://www.cipfanetworks.net/fileupload/upload/briberyact2010guidance142011261754.pdf>

Bribery Act quick start guide

http://www.cipfanetworks.net/governance/documentation/download_open.asp?sref=TV4PXC437&filename=http://www.cipfanetworks.net/fileupload/upload/briberyact2010quickstartguide142011271739.pdf

Joint Prosecution Guidance

http://www.cipfanetworks.net/governance/documentation/download_open.asp?sref=7VT489337&filename=http://www.cipfanetworks.net/fileupload/upload/BRIBERY%20ACT%202010%20JOINT%20PROSECUTION%20GUIDANCE142011281730.pdf

National Fraud Authority [National Fraud Authority](#)

Transparency International [Transparency International UK](#)

Public Concern at Work [Public Concern at Work - Making Whistleblowing Work - 0207 404 6609](#)

The British Standards Institution (Code of Practice on whistleblowing arrangements 2008, Anti Bribery Management System Standard late 2011)

[BSI: Standards, Training, Testing, Assessment & Certification](#)

Department for Business Innovation and Skills (Blowing the whistle to a prescribed person)

http://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/@employ/documents/digitalasset/dg_177605.pdf