

Anti Bribery Information for the Audit Committee

Briefing from the CIPFA Better Governance Forum

This paper provides a template note to go to those charged with governance explaining why action is required and the initial actions that can be taken.

Purpose of this paper: To

- Highlight bribery as a risk
- Summarize how this organisation is addressing bribery
- Demonstrate links to other anti-fraud initiatives and policies
- Consider policy and procedures for approval.

Policy Statement - Anti Bribery

Bribery is a criminal offence. We do 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.

Policy and procedure

We have already produced a draft anti bribery policy and procedure document ([link](#)). Other actions taken are:

The Bribery Act

The Bribery Act comes in to force 1 July 2011 and may have an impact on the activities of the organisation.

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 offences carry criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed; for organisations, an unlimited fine can be imposed.

We have reviewed our anti-bribery policy and procedures and need to ensure they are sufficiently robust to prevent bribery and to mitigate the risk of committing a bribery offence.

Risk

Some of the organisation's activities present risks of breaches and the need to make decisions on the action to take. We have identified the following risks:

(Examples)

- Procurement – if a supplier is convicted of bribing another person, accepting a bribe or bribing a foreign official they are debarred from carrying out public contracts. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts, but we have the discretion to exclude organisations convicted of this offence.
- Gifts and hospitality – the provision or acceptance of disproportionate, unreasonable or overly lavish gifts and hospitality
- Etc

Action

The action we take needs to be proportionate to the risk the organisation is exposed to. We need firstly to carry out an organisation-wide risk assessment. Dependent on those results we can then determine the activity required to implement, review or change procedures with a view to achieving the correct level of:

- Up-to-date and regular risk assessment
- Procedures proportionate to the risk
- Top-level commitment
- Due diligence
- Communication and training
- Monitoring and review

Breaches

The legislation includes severe penalties. Individuals can receive unlimited fines and a ten year prison sentence and organisations can receive unlimited fines. Senior officers can also be convicted of an offence where they are deemed to have given their consent or connivance to giving or receiving a bribe or bribing a foreign public official.



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