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SCHOOL *of*
HYGIENE
& TROPICAL
MEDICINE



Anti-Bribery & Corruption Code of Conduct

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Code of Conduct - Overview

The UK Bribery Act 2010 received Royal Assent in April 2010 and became law on 1 July 2011.

The Bribery Act introduces a new strict liability offence for organisations of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on organisations to show that they have 'adequate procedures' in place to prevent bribery, with the adequate procedures being informed by the following six principles:

Principle 1 - Proportionate Procedures

Principle 2 - Top-level commitment

Principle 3 - Risk Assessment

Principle 4 - Due diligence

Principle 5 - Communication, including training

Principle 6 - Monitoring and review

An organisation will be guilty of an offence under the Bribery Act if an 'associated person' carries out an act of bribery or corruption in connection with the organisation's business. Most importantly, a person will be associated with the organisation where he or she performs services for, or on behalf of, that organisation; the association could be as a result of being an employee, or through another role such as a subsidiary, agent, third-party, intermediary or supplier

The Ministry of Justice guidance highlights the critical need for a formal statement "of the commitment to zero tolerance to bribery". This document is designed to address that requirement and to provide an Anti-Bribery and Corruption (ABC) Code of Conduct for staff, students and all persons associated with the London School of Hygiene & Tropical Medicine.

1. Introduction & Policy Statement

It is the policy of the School that all staff and students should conduct business on its behalf honestly. They should not use bribery or corrupt practices in order to gain an unfair advantage, or for any other purpose.

- 1.1. The School has a zero tolerance policy towards bribery and corruption and is committed to the highest levels of openness, integrity and accountability, both in letter and spirit. This applies equally to persons associated with the School as a result of being an employee, agent, third-party, intermediary, representative, business partner or supplier, or through another role such as a subsidiary. This is not just a cultural commitment on behalf of the School, but reflects the fact that any bribery-related issue could expose it or its employees and associated persons to the following risks: prosecution; fines and/ or imprisonment; reputational damage; or regulatory sanctions arising, for example, from consequential breaches of the Financial Memorandum with the Higher Education Funding Council.
- 1.2. This Anti-Bribery and Corruption Code of Conduct has been adopted by Council and it is essential that everyone involved with the School is aware of it, committed to it and abides by it.
- 1.3. Any breach of this policy will be considered as a serious matter and is likely to result in disciplinary action up to and including dismissal.

2. What is Bribery & Corruption, and what is a bribe?

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical, a breach of trust or the improper performance of a contract. Inducements can take the form of gifts, fees, rewards, jobs, internships, examination grades, favours or other advantages. Corruption is the misuse of entrusted power for personal gain.

- 2.1. The Bribery Act 2010 made radical changes to UK bribery and corruption law and puts UK legislation amongst the strictest in the world. The Bribery Act introduced a new strict liability offence for organisations of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on organisations to show that they have 'adequate procedures' in place to prevent bribery, with the adequate procedures being informed by the six principles shown at Section 7.
- 2.2. The School would be guilty of an offence under the Bribery Act if an 'associated person' carries out an act of bribery or corruption in connection with the School's business. Most importantly, a person will be associated with the School where he or she performs services for, or on behalf of, the School; the association is widely interpreted and could be as a result of being an employee, or through another role such as a subsidiary, agent, third-party, intermediary or supplier.

2.3. The Bribery Act provides for strict penalties for ‘active’ (giving) and ‘passive’ (receiving) bribery by individuals, as well as companies. The four prime offences are:

- Two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting of an advantage
- A discrete offence of bribery of a foreign public official, and,
- A new offence of failure by a commercial organisation to prevent a bribe being paid to obtain or retain business or a business advantage (with the defence being that the organisation has adequate procedures in place to prevent bribery)

2.4. Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve activities such as buying, selling or adjudication, or it may involve administrative tasks such as licences, customs, visas, fines or taxes. It does not matter when the act of bribery is committed, either before or after the activity has been undertaken.

2.5. Appendix 1 gives some examples of ‘Red Flag’ scenarios - potential acts of bribery or corruption under the Act - which are relevant to Higher Education Institutions. If staff, students or others associated with the School encounter any activity that may potentially be considered bribery or corruption under the Act, or if they have any concerns regarding the application of this Code of Conduct, they should report it to the Secretary & Registrar.

3. Who might engage in Bribery & Corruption?

3.1 Under the Bribery Act, bribery and corrupt behaviour might be committed by:

- An employee, officer or member of Council
- A person acting on behalf of the School (including agents, third-parties and representatives, which can include students)
- Individuals and Schools that authorise someone else to carry out these acts.

3.2 Bribery and corruption will often involve public or government officials and this is a specific offence under the Act. It is important, again, to recognise that ‘government official’ is widely interpreted and could include:

- A public official, in the UK or overseas
- A political candidate, or party official
- A representative of a government-owned or majority controlled organisation
- An employee of a public international organisation.

4. Bribery & Corruption penalties

- 4.1 Bribery is a criminal offence in most countries and penalties can be very severe, potentially resulting in prison sentences of up to 10 years, unlimited fines or both. There are also other consequential penalties, such as being debarred from public (government) tendering.
- 4.2 The Bribery Act not only makes bribery illegal, but also holds organisations, including Higher Education Institutions, liable for failing to prevent such acts by those working for them, or on their behalf, irrespective of where the act takes place. Similar legislation is in place in many other countries, including the Foreign and Corrupt Practices Act (FCPA) in the USA.
- 4.3 It is in the interest of both the School and the individual that everyone associated with the School acts with propriety at all times and in all locations, both in the UK and overseas, where School business is conducted. Corrupt acts committed abroad may well result in prosecution at home.
- 4.4 Failure to comply with, or breach of, any parts of this Anti-Bribery & Corruption Code of Conduct could be regarded as a disciplinary offence, up to and including Gross Misconduct. Penalties could include dismissal without notice, or pay in lieu of notice, in accordance with the School's disciplinary policy.

5. What are the School's Bribery & Corruption Implementation and Action Plans?

The School's Action Plans are summarised in Appendix 3. It must be noted that some actions are the responsibility of each individual or manager, whereas others are managed by nominated functions within the School.

6. Controls & Record-Keeping

The management and control of Gifts & Hospitality, donations and similar activities are central to the School having, and being seen to have, an effective Anti-Bribery & Corruption programme.

- 6.1 **Gifts & Hospitality** It is essential that the guidance and process in the School's Expenses & Benefits Manual are followed regarding acceptance, or otherwise, of any gift or hospitality of any value - although it must be stressed that some gifts and hospitality remain acceptable. The School's Secretary & Registrar is responsible for maintaining a register, summary reporting and authorisation in exceptional cases.
- 6.2 **Donations** Donations may only be accepted if they comply with the School's Donations Policy. Many issues related to donations arise from timing - for example, a donation coinciding with a tender or an application for a place at the

School. For this reason, it is essential that potential donations are fully considered in line with the School's Donations Policy and procedures and then formally accepted, or declined, through the authorisation process.

- 6.3 **Facilitation payments** In many countries, it is customary business practice to make payments or gifts of small value to junior government officials, customs officers, parking wardens and people in similar official roles in order to speed up or facilitate a routine action or process. UK legislation makes no distinction between facilitation payments and bribes - regardless of value or local culture, even if that is 'how business is done'. **Facilitation payments as defined here are not permitted under this Code of Conduct and the School takes the simple view that they are illegal - under UK jurisdiction, and in many other countries.**

However, there are clearly exceptions - if a facilitation payment is extorted, or if personal safety or **Protection of Life** is involved. Any payments made under duress must be recorded appropriately in conjunction with the Secretary & Registrar.

- 6.4 **Conflicts of Interest** The School keeps a **Record of Interests** and it is essential that this is kept up-to-date by individuals associated with the School in order to prevent any conflicts, or perceived conflicts, of interest. It must be recognised that **transparency** is of paramount importance and, as a consequence, potential conflicts of interest involving family members, business activities and other occupations must all be declared using the authorisation process. If a member of staff has any questions about what should be declared then these should be directed, in the first instance, to the Secretary & Registrar.

- 6.5 **Anti-Money Laundering (AML)** Procedures in relation to donations are covered by the School's Donations Policy. Approval of requests for the refund of payments made in advance, or made in error to the School, are subject to the School's internal financial controls which are designed to ensure that only legitimate payments are made. Under the Bribery Act, revenue from a contract that is gained through bribery may be considered to be the proceeds of a crime and, as a consequence, could come under the jurisdiction of the **Proceeds of Crime Act**. The School has procedures in place to control tendering, the award and acceptance of contracts and payments to suppliers and sub-contractors. If any member of staff or associated person has concerns about money laundering in relation to any transaction they should report them to the Secretary & Registrar.

7. **Response to the Bribery Act 2010 - Six Principles & 'Adequate Procedures'**

- 7.1 The Bribery Act introduces a new strict liability offence for organisations of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on organisations to show that they have 'adequate procedures' in place to prevent bribery.

- 7.2 Clearly, one consequence of the Bribery Act is the need for the School to establish relevant 'Adequate Procedures' and for all staff, and all persons associated with the School, to be aware of the Act, and what it means for them as individuals.
- 7.3 Failure to do so brings with it the consequence of prison sentences of up to ten years and unlimited fines, together with significant reputational damage, debarment from public (government) tendering and other penalties.
- 7.4 The 'Adequate Procedures' will be informed by the following six principles:
- Principle 1 - Proportionate Procedures
 - Principle 2 - Top-level commitment
 - Principle 3 - Risk Assessment
 - Principle 4 - Due diligence
 - Principle 5 - Communication, including training
 - Principle 6 - Monitoring and review

8. The School has undertaken, and will undertake, the following actions in direct response to the requirements of the Bribery Act:

Principle		School Response
1	Proportionate Procedures	Full review of relevant procedures, drawing on guidance provided by the internal auditors and guidance developed specifically for the HE sector.
2	Top-level commitment	Code of Conduct, policy and approach formally approved by Council. Regular review process will be established as part of overall governance processes
3	Risk Assessment	Identification of higher-risk and potential higher-risk activities - and introduction of enhanced processes if, and when, required
4	Due diligence	Continuous requirement to assess new and ongoing activities, including the use of third-parties. Option to introduce enhanced processes if, and when, required
5	Communication, including training	Dissemination of the combined Code of Conduct and Policy to all staff and students, suppliers and consultants. Dissemination to suppliers and consultants will be done as part of a rolling programme.
6	Monitoring and review	Regular review and identification of high risk areas and monitoring of transactions and associated financial controls.

8.1 This document - a Combined Code of Conduct and Policy - is intended to address a number of aspects of the principles above, and to directly discharge some aspects of Adequate Procedures required under the Act.

9. Bribery concerns

9.1 **Raising a concern** There are several routes to raise any bribery and corruption-related concern, or indeed, any concern related to the governance of the School.

In the first instance, any concern can be raised with your line manager. If this is not possible or appropriate then it can be raised directly with the Secretary & Registrar or through the School's policy on Public Interest Disclosure.

- 9.2 **What if you are a victim of bribery or corruption?** In the event that you are a victim of bribery or corruption (e.g. you are approached about a bribe or offered a bribe) then it should immediately be notified to the Secretary & Registrar in confidence. Where this is not possible or appropriate then it can be raised through the procedure for Public Interest Disclosure.
- 9.3 **Protection** Where a bribery or corruption-related concern is reported in good faith, typically in the circumstances of 9.1. or 9.2 above, then the School will afford appropriate protection to the reporter, provided that the report has been made in good faith.
- 9.4 **Investigation process** Any bribery or corruption-related investigations will be undertaken in accordance with the School's fraud policy. The decision to involve the police and/or other external organisations (such as the Serious Fraud Office (SFO)) will be taken by the Secretary & Registrar in conjunction with the Chair of the Audit Committee. Clearly, in some circumstances the decision to involve the police or other authorities will not rest with the School e.g. should the School ever be implicated in an ongoing police investigation.
- 9.5 **Self-reporting** This refers to the situation where an organisation becomes aware that an offence under the Bribery Act may have been committed, and must decide if the scale and circumstances warrant reporting to the relevant authorities, typically the SFO or Office of Fair Trading (OFT). The formal decision to self-report, where that is an option for the School, will be taken by the Chair of the Audit Committee in conjunction with appropriate internal and external advisers.

10. Anti-Bribery and Bribery Act accountability, roles and responsibilities

- 10.1 **Code of Conduct and Policy** Responsibility for the preparation, authorisation by Council and updating of this document is held by the Secretary & Registrar. Any questions about this document, the School's Anti-Bribery & Corruption process or response to the Bribery Act should be directed to the Secretary & Registrar in the first instance.
- 10.2 **Managers, Audit Committee & Council** All School managers have responsibility for ensuring that they and their staff take part in Anti-Bribery & Corruption training provided by the School. Managers also need to act as the initial point of escalation on bribery and corruption issues for their staff, with the support of the Secretary & Registrar.
- 10.3 As part of the wider governance process, the Audit Committee will undertake an annual 'fitness for purpose' certification of the School's anti-bribery, corruption and Bribery Act capabilities in light of legislative developments and emerging best practice.

- 10.4 Council retains overall responsibility for the management of all aspects of anti-bribery and corruption, as part of the wider School governance process. Council will delegate responsibility for monitoring to the Audit Committee which will include it in its Annual Report. Council will also undertake periodic reviews of all aspects of bribery and corruption, as part of the wider School governance process.
- 10.5 Both the Audit Committee and Council will be supported in undertaking these tasks by the Secretary & Registrar, Internal Audit and the School's external auditors and legal advisers.
- 10.6 **Students** Students will be given advice and training on anti corruption procedures when it is judged that the location, circumstances or nature of their research or studies could potentially expose them to situations where bribery or corruption could be an issue. The training will be proportionate to the degree of risk which is judged to exist.
- 10.7 **Mandatory policy** This Code of Conduct and Policy is mandatory and, as such, is not allowed to be adapted locally.

11. Additional guidance

Additional guidance on all aspects of Anti-Bribery and Corruption and the Bribery Act can be obtained, in the first instance, from your line manager. If this is not possible or appropriate, then a request can be raised directly with the Secretary & Registrar.

Appendix 1 - 'Red Flag' risk scenarios relevant to Higher Education Institutions (HEIs)

1. For the most part, 'Red Flag' risk scenarios relevant to the School will be the same as those affecting most organisations. However, there are some - typically related to overseas work, donations and student recruitment - that are largely reserved to the education sector.
2. Some scenarios - such as a donation - when considered in isolation may seem perfectly acceptable. However, when that donation coincides with the donor tendering for a contract or the donor's child applying for a place at the School then, clearly, this presents a different scenario and risk.
3. Clearly, for this reason it is imperative that such issues are considered across the School on a fully 'joined-up' basis.
4. Whilst it is accepted that the following risk scenarios are central to the activities of the School, nonetheless the associated bribery and corruption risks should not be underestimated:
 - Any procurement-related activity
 - Supplier relationships which involve significant or frequent hospitality or where hospitality is expected from potential/new suppliers
 - Invoicing issues, including agent fees, cash payments, disproportionate costs and 'dubious' expenses
 - Payments for travel, hospitality, gifts and entertainment - particularly overseas
 - Overseas field trips involving potential 'facilitation' payments to customs officials and others, typically, in order to speed things up or to gain access
 - Facilitation payments to expedite overseas building, building permissions and access to utilities
 - Overseas agents and brokers, particularly where student enrolment is involved
 - Overseas campuses
 - Donations
 - Student recruitment
 - Examination results and associated processes
 - Concerns - which would clearly need to be substantiated - over lavish hospitality, unnecessary foreign travel and entertainment linked to (apparently) legitimate business travel

Appendix 2 - Bribery & Corruption Implementation and Action Plans

1. **Top-level commitment** This Anti-Bribery and Corruption (ABC) Code of Conduct has been adopted by Council. Council has appointed a senior Responsible Officer - the Secretary & Registrar - with responsibility for all matters relating to bribery and corruption. The School's governance processes will also now incorporate periodic bribery and corruption reviews, directly linked to the risk assessment process.
2. **Risk Assessment** This is central to the success of the School's Anti-Bribery & Corruption programme. Bribery & Corruption risk assessment - and consequent risk mitigation - will form a substantial component of the School's overall risk management programme and will be led by the Secretary & Registrar. The risk assessment will recognise that business practices around the world can vary widely and may be deeply rooted in history, attitudes, cultures and the business prosperity of that particular region. The School's Risk Register and associated controls will be formally reviewed by Council to an agreed timetable.
3. **Due Diligence** A risk-based review will be undertaken of suppliers of goods and services, and of research partners in the UK and overseas, in respect of their policy on, and approach to, the prevention of bribery. Where a higher level of risk is judged to exist as in Paragraph 2 above, the School will undertake more comprehensive due diligence.
4. **Accurate Record-Keeping** Many serious bribery and corruption offences in other organisations have been found to involve some form of inaccurate record-keeping; it is for this reason that some bribery and corruption-related legislation incorporates offences directly related to record-keeping. Accurate records and financial reporting must be maintained for all activities, including where third-parties are acting on the School's behalf. Clearly, false, misleading, miss-stated or inaccurate records could significantly damage the reputation of the School and it is for this reason that the internal auditors will be requested to undertake a periodic special corruption-related review of records which will then feed into the School's internal controls and monitoring procedures.
5. **Training, Communication & Declaration** The School will develop a risk-based Anti-Bribery & Corruption training programme for staff and students. This will be supported by both regular communications and a periodic refresher appropriate to an individual's role and responsibilities; induction training for new joiners will also incorporate Anti-Bribery & Corruption. Training will be provided for all 'associated persons' on a face-to-face or e-learning basis, using the School's Intranet - or Extranet for third-parties, agents and representatives.
6. After initial training, subsequent Anti-Bribery & Corruption training will be incorporated into the wider compliance training programme
7. Periodic reminders will be issued by the Secretary & Registrar to maintain awareness of bribery and corruption.

8. On completion of their training, all 'associated persons' will be expected to complete the 'Declaration of Understanding' shown at Appendix 3, confirming that they have undertaken the training and understand this Code of Conduct - which will have already been issued to them either by paper copy or online. Failure to do so will be considered a disciplinary offence, and will be dealt with under the School's disciplinary policy.
9. **Code of Conduct for Third-Parties** A version of this Code of Conduct will be provided to all third-parties who could be considered 'associated persons' under the Bribery Act. Those individuals, or their organisations, will also be expected to complete an equivalent 'Declaration of Understanding'. Progressively, Counterparty Clauses will be incorporated into all the School's contracts which will include a contract termination clause related to bribery and corruption. Failure to complete a 'Declaration of Understanding', confirming both that they have undertaken appropriate training and understand the Code of Conduct could be considered sufficient reason for contract termination.
10. **Associated Persons**, including Agents and Consultants. All Associated Persons but, particularly Agents and Consultants, will need an appropriate standard clause to be inserted into their contractual documents, which can be derived from this Code of Conduct with the advice of the School's legal advisers.
11. All **existing and new suppliers** will be asked to supply evidence of their anti-bribery policy and procedures by the School's Procurement team. This will be undertaken as soon as is practically possible, and no later than the next formal contract renegotiation. Where identified by a risk review, the School will not contract with any supplier who does not include either the School's Bribery Act clause, or a clause deemed to be materially comparable, in their terms and conditions of supply. All new employees will also have a mandatory Bribery Act clause inserted into their contracts of employment and it is the intention of the School to incorporate a relevant clause into existing employment contracts at an appropriate juncture.
12. **Gifts and Hospitality** The process for approving and recording gifts and hospitality will be reviewed in the light of the Bribery Act, and the Expenses & Benefits Manual will be updated accordingly. The review will include the creation of a **Gifts and Hospitality Register**.
13. **Donations** a formal **Register of Donations** will be established.

Appendix 3 - Declaration of Understanding form - Template

This declaration is intended to be completed on-line by all staff, but where this is not possible, this page should be printed and completed manually.

DECLARATION OF UNDERSTANDING OF THE SCHOOL'S ANTI-BRIBERY & CORRUPTION AND BRIBERY ACT CODE OF CONDUCT AND POLICY

I confirm that I have read the School's Anti-Bribery & Corruption and Bribery Act Code of Conduct and Policy

I also confirm that I have understood the requirements of the Code of Conduct and Policy and my responsibilities in relation to this document

I understand that if I am party to any breach of the Code of Conduct and Policy then it could be regarded as Gross Misconduct and that this may result in disciplinary action, up to and including dismissal, in accordance with the School's disciplinary procedures

Signed:

Name:

Position:

Date:

Appendix 4 - Standards in Public Life

The principles established by the Committee on Standards in Public Life include the following:

1. **Selflessness** - Holder of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends
2. **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or Schools that might seek to influence them in the performance of their official duties
3. **Objectivity** - In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit
4. **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
5. **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
6. **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
7. **Leadership** - Holders of public office should promote and support these principles by leadership and example