

<b>Item/Min Ref:</b>	<b>Title of Report:</b>  <b>NIAO Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector</b>	<b>Officer presenting:</b>  <b>Lead Assurance Officer</b>  <b>Author:</b>  <b>Lead Assurance Officer</b>
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## **1 Purpose of Report/Recommendations**

- 1.1 To advise Members of the new NIAO good practice guide for the public sector on managing the risk of bribery and corruption. The full guide has been attached at Appendix C.

## **2 Background**

- 2.1 On 14th November 2017, the NIAO published the document 'Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector'. The guide aims to help Northern Ireland public sector organisations and individual public officials identify how bribery and corruption may occur, highlight the key risk areas and provide advice on how the risks can be countered, both at an organisational and personal level.

## **3 Key Issues**

- 3.1 The Bribery Act came into effect on 1st July 2011. The legislation requires the Council to demonstrate that it has adequate procedures in place for dealing with circumstances where officers are offered bribes. The main practical implication of the Act for Council staff is that they must comply with the requirements of the Council's policies and procedures.
- 3.2 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 official with the intention of obtaining or retaining business or an advantage in the conduct of business.

3.3 There is also a corporate offence under Section 7 of the Act 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. This is what is known as a 'strict liability' offence. This means that there is no need to prove negligence or management complicity. 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.

3.4 In response to the requirements of the Bribery Act the Council has carried out the following:

- Set out a clear anti-bribery policy and kept it up to date.
- Made employees aware of their responsibilities to adhere strictly to this policy at all times.
- Trained employees so that they can recognise and avoid the use of bribery by themselves and others.
- Encouraged its 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.

3.4.1 Also, if required, the Council has committed to do the following:

- Rigorously investigate instances of alleged bribery and assist police and other appropriate authorities in any resultant prosecutions.
- Take firm and vigorous action against any individual(s) involved in bribery.
- Provide information to all employees to report breaches and suspected breaches of this policy.
- Include appropriate clauses in contracts to prevent bribery.

3.5 The new NIAO good practice guidance is made up of four parts:

- Part 1: Defining bribery and corruption
- Part 2: Key risk areas for bribery and corruption
- Part 3: Countering bribery and corruption risk - Organisations

- Part 4: Countering bribery and corruption risk - Individuals

3.6 Additionally, the appendices to the guidance include a number of checklists which are designed to help NI public sector organisations identify and address any bribery and corruption risks they may face. The guidance states that the checklists are included as aide-memoires only and should not be used as a substitute for an open, honest and ethical culture. Council will complete the checklists to confirm adherence to best practice, to identify any gaps that may exist and then prepare an action plan for completion.

3.7 The NIAO's Good Practice Guidance states that the Audit Committee should:

3.7.1 Understand the organisation's control environment and risks, including fraud, corruption and bribery risks;

3.7.2 Be familiar with the organisation's policies and procedures relating to bribery and corruption risk;

3.7.3 Ensure that responsibilities for risk management, including bribery and corruption risk, are clearly allocated;

3.7.4 Be aware of the vulnerability of the organisation to particular risks; and

3.7.5 Critically review and challenge the control environment in place to mitigate the risk of bribery and corruption.

#### **4 Financial, Equality, Legal, HR and Other Implications**

4.1 There are no implications arising from this report.

#### **5 Recommendations**

5.1 It is recommended that Members note the contents of the good practice guidance on managing the risk of bribery and corruption.

#### **Background Papers**

Appendix C.