

Lancaster University Anti-Bribery and Corruption Policy

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Version control

Version	Date	Description of changes and name and job title of person responsible for making changes.
0.1	May 2019	First draft by Lucy Sanderson, Governance Officer.
0.2	July 2019	Minor amendments following comments from Audit Committee and Finance & General Purposes Committee, in particular additional clarity around overseas partners and agents and clarifications around the provision of assurance.
1.0	September 2019	Version approved by Council on 20 September 2019.
1.1	May 2022	Minor amendments approved by Audit Committee.

Aims of the policy

1. The Anti-Bribery and Corruption (ABC) Policy is in place to protect individuals associated with Lancaster University and the organisation itself from any accusation of improper conduct. The Policy also aims to provide information on the legal obligations concerning individuals and organisations.
2. The ABC Policy articulates the University's anti-bribery stance, in compliance with the Bribery Act 2010, and seeks to ensure there is a practical and realistic means of achieving the stated policy objectives across all University activities to create an anti-bribery culture.
3. As the University has significant amounts of overseas activities, including research, teaching partners, philanthropic donors and students, the risks around bribery may be higher than other organisations that only operate within the UK. The ABC Policy informs members of the University on specific bribery risks and provides clarity on responsibilities.

Application of the policy

4. This Policy applies to all staff of the University, as well as partners and third parties acting with and/or on the University's behalf (this includes, but is not limited to: agents, consultants, contractors, suppliers, subsidiaries and joint venture partners both in the UK and overseas). For completeness, the principles outlined in the ABC Policy cover temporary workers and voluntary workers if they are acting on behalf of the University. The ABC Policy applies to all of the University's activities worldwide, whatever the local law, practice or custom may be. Where there is a conflict between the Policy and local customs and practices, the ABC Policy should take precedence.

Policy Statement

5. Lancaster University is committed to preventing bribery or corruption and is bound by the Bribery Act 2010 in its conduct both in the UK and overseas. The University will not tolerate bribery, unless members of staff or other relevant individuals are left with no alternative but to make payments to protect against loss of life, limb or liberty. The University recognises the international reach of the Bribery Act 2010 and that the Act applies to all of Lancaster University's overseas activities, including partnerships, campuses, teaching, research and other business/activities conducted overseas, in addition to any applicable local laws. Bribery is considered as a serious offence and should it occur, the University will take firm action as required by the specific circumstances. This may include, but is not limited to: invoking the appropriate University procedures (for example HR procedures, which may include, temporary suspension, dismissal), termination of contracts with partners/third parties, taking legal action, reporting to external bodies (for example, the Police).

Useful Definitions

Bribery

6. Bribery is offering a financial, material or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so, in order to gain an advantage, whether personal or commercial.
7. Bribery undermines democracy and the rule of law and poses very serious threats to sustained economic progress in developing and emerging economies and to the proper operation of free markets more generally. The victims of bribery are law-abiding organisations and the wider victims are government and society.
8. By rejecting bribery, the University will maintain its reputation and business partner confidence, as well as contributing to collective action against bribery in the sector.

Corruption

9. Giving or obtaining advantage through illegal or dishonest behaviour, or through means which are inconsistent with one's duty or the rights of others.

Facilitation payments

10. Payments to induce officials to perform routine functions they are otherwise obligated to perform.

Conflict of interest

11. A situation in which someone's private interests are opposed to that person's responsibilities to other people.
12. All staff have a responsibility to consider whether their actions may give rise to a potential conflict of interest or the appearance of one and to seek advice accordingly. More detail is included in the Financial Regulations.

Third Parties

13. Anyone (individual, group or company) working with and/or on the University's behalf (this includes, but is not limited to: agents, consultants, contractors, suppliers, subsidiaries and joint venture partners both in the UK and overseas).

Council

14. Council is the governing body of the University. It is the legal entity and ultimate authority of the University and it is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.

Financial regulations

15. This Anti-Bribery and Corruption Policy should be read in conjunction with the Financial Regulations, particularly with regards to section 3.4 of the Regulations which deals with Fraud, Theft, Bribery, Corruption, Money Laundering and other Irregularity and section 3.8 which covers compliance with sanctions rules. Sanctions rules mainly relate to the direct transfer of funds to and from sanctioned countries, entities and individuals, but can also be affected by ownership structures of organisations we transact with overseas.

Criminal Offence and consequences

16. The Bribery Act 2010 makes it a criminal offence to:
 - engage with active bribery (the offence of offering to bribe another) *give a bribe, or agree to give a bribe in the UK or overseas*;
 - engage with passive bribery (the offence of accepting or requesting a bribe);
 - bribe a foreign public official in order to gain an advantage, which includes anyone in a legislative, administrative or judicial position, elected or appointed, anyone who performs a public function and any official or a public international organisation;
 - fail to prevent bribery (the offence by a commercial organisation, including a university, of failure to prevent bribery by any person associated with it) i.e. failing to prevent an employee, agent or intermediary from paying a bribe for the organisation's benefit, even if the organisation is unaware of the bribe being paid.
17. A Bribery conviction could compromise the career of an individual. The maximum prison sentence is 10 years for individuals who commit such offences. Organisations are liable to an unlimited fine.

Examples of bribery

18. There are many names for a bribe, some of which could include: facilitation or grease payments, kick-backs, backhanders, it may, on occasion, be disguised through invoicing as 'commission', 'local tax' or described as a sweetener. Bribes can take the form of financial, material or other advantage, including but not limited to: money, entertaining, gifts, holidays, schooling and employment. Some examples of bribery include:
 - bribery to gain any advantage over a competitor;
 - bribery in order to secure or keep a contract, including bribery of a local, national or foreign official;
 - bribery to a public official in order to expedite an administrative process;
 - bribery to secure an order;
 - bribery taken to use a particular supplier;
 - bribery to turn a 'blind eye' to a health/safety issue.

19. Bribery takes many forms and is not tolerated by the University. For example, it is unacceptable for you, or someone on your behalf:
- to give, agree to give or offer a payment, gift or hospitality in the UK or overseas, where you expect a personal or business advantage, or to reward an advantage that has already been given;
 - to give, agree to give or offer a payment, gift or hospitality in the UK or overseas to a public official in order to gain an advantage (see above section on criminal offences), or to reward an advantage that has already been given;
 - to accept a payment, gift or hospitality in the UK or overseas from someone if you know or suspect that it is offered with the view to obtaining a personal or business advantage provided to them by the University in return;
 - to make a facilitation payment unless the demand is accompanied by immediate threat of physical harm, then safety is the first consideration. In these circumstances the payment can be made but then should be reported to senior management as soon as it is safe to do so;
 - to turn a 'blind eye' to any of the above; and
 - to engage in any activity that might lead to a breach of the ABC Policy.
20. Information on legitimate business expenditure and guidance on Gifts and Hospitality are outlined in the Financial Regulations.

Responsibilities

21. The University Council is responsible for ensuring that the appropriate policies and procedures are in place, in line with the requirements of the Office for Students (OfS) and Committee of University Chairs (CUC) Higher Education Code of Governance. Specific responsibilities are set out in relevant governance documents, including the Charter, Statutes and Ordinances, Council's Statement of Primary Responsibilities and University delegation arrangements.
22. The University, acting on behalf of Council will:
- make information available to all staff, partners and third parties, in all regions in which it operates, whether in the UK or overseas, on the policy and procedures around bribery and corruption;
 - maintain procedures for the delegation of authority and the avoidance of conflicts of interest;
 - as detailed in the Financial Regulations, include in its contracts with third parties appropriate clauses about the consequences of fraud, bribery and money laundering, including summary termination of the contract in the event of such malpractice being discovered;
 - make available to all staff information on reporting suspected bribery via the Raising Serious Concerns and Disclosing Public Interest Matters (Whistle blowing) policy;
 - make training available to staff members at a higher risk of encountering bribery scenarios and work with partners as appropriate to support their training needs;

- establish and disseminate a clear process and appropriate standards for hospitality, gifts and promotional or other similar expenditure;
- undertake periodic review of processes and policies to ensure appropriateness with the ABC Policy.

23. Employees will be expected to:

- read, understand and comply with the University's ABC Policy, at all times and in all locations both in the UK and overseas where University business is conducted, in order to meet all legal and regulatory requirements;
- where required, undertake appropriate training;
- report information in line with the gifts and hospitality and facilitation payments guidance in the University's Financial Regulations and the ABC Policy;
- be aware of their personal responsibilities and to adhere to this and other relevant policies, including the Financial Regulations at all times;
- follow the Ethical Gifts Policy if engaged in fundraising activities on the University's behalf; raise concerns as soon as possible, in line with the ABC Policy and the Raising Serious Concerns and Disclosing Public Interest Matters (Whistle blowing) policy.

24. Partners working with the University and third parties acting on behalf of the University will be expected to:

- read, understand and comply with the University's ABC Policy, in order to enable the University to meet all legal and regulatory requirements, both in its UK and overseas activities.

Staff members at a higher risk of encountering bribery scenarios

25. There are staff groups who are potentially at higher risk of encountering bribery scenarios:

- decision makers in the University, including but not limited to, senior management and Council members;
- those that undertake overseas travel to countries who are perceived to have medium to high levels of public sector corruption (see the [Corruption Perceptions Index](#) by Transparency International);
- those who work closely with UK or overseas partners or joint ventures (the establishment and management of relationships);
- those who work with overseas agents and brokers, particularly where student enrolment is involved;
- those involved in the procurement and/or tendering process;
- those with interactions with UK or foreign public officials;
- those who work with charitable/philanthropic donations, both in the UK and overseas;
- those involved in staff and student recruitment process, both in the UK and overseas.

Partners and third parties at higher risk of encountering bribery scenarios

26. The same principles as set out above apply to partners and third parties, particularly those working in countries who are perceived to have medium to high levels of public sector corruption (see the [Corruption Perceptions Index](#) by Transparency International).

Raising a concern

27. If you suspect that there is an instance of bribery or corrupt activities occurring in relation to business conducted by the University, you must raise your concerns as soon as possible. If you are unsure if the instance constitutes as bribery, consult this Policy and speak to your line manager if this is appropriate in the first instance, or you may informally discuss with the Director of Strategic Planning and Governance, Simon Jennings (s.jennings2@lancaster.ac.uk). If you have any general questions relating to bribery or you are unsure about whether to give or receive gifts or hospitality, you should speak to your Line Manager.
28. For more information on reporting any suspected bribery concern or other serious matter, please consult the Raising Serious Concerns and Disclosing Public Interest Matters (Whistle blowing) Policy.
29. Bribery is considered as a serious offence and, should it occur, the University will take firm action accordingly and as previously outlined.

Response to legislation

30. The Ministry of Justice has issued guidance on how organisations should respond to the legislation within the Bribery Act 2010. The guidance, available on the [government website](#), emphasises that organisations should take a proportionate approach to implementing procedures to prevent bribery based on risk, and recommends six principles of compliance. These principles provide the University's high-level actions in response to the requirements of the Bribery Act. The University has undertaken, and will undertake, the following actions:

Principles	University response/outcome
Proportionate procedures:	Use of guidance developed specifically for the Higher Education sector and Lancaster University. Action plan details review of relevant procedures.
Top-level commitment:	ABC Policy approved by Council. Supported by Finance and General Purposes Committee and Audit Committee and reviewed on a periodic basis. Identification of Senior Management champion.
Risk assessment:	Identification of potential higher risk activities and implementation of enhanced monitoring and support if required.
Due diligence:	Requirement to assess on-going and new activities, and the use of third parties and implement enhanced controls if required.
Communication and training:	Dissemination of policy and associated procedures to all University staff, partners and third parties acting on its behalf, both in the UK and overseas. Enhanced training in areas assessed as higher risk.
Monitoring and review:	Regular review and identification of high risk areas and monitoring of transactions and associated controls. Financial monitoring and internal control.