

Our commitment

MAG is committed to upholding the highest standards of ethical conduct and integrity wherever we work.

Every employee, and individual acting on behalf of MAG, is responsible for ensuring that our business is conducted honestly and professionally.

Bribery and corruption are not 'victimless' crimes: when one individual dishonestly benefits, there is always someone else deprived of their right or fair access to something. Ultimately, in MAG, bribery and corruption undermine fragile economies and recovering communities – the very people we are trying to help. As such MAG is committed to establishing a 'zero tolerance' approach to all types of financial crime, including bribery. It is vital for our reputation, our integrity and our future growth.

All staff and other individuals acting for MAG must familiarise themselves, and comply, with the requirements laid out in this document.

The success of our anti-bribery measures needs all of us to play our part. We each have a duty (protected by MAG's 'Whistleblower' policy if need be) to personally uphold these standards, report any suspected bribery, and help MAG by suggesting improvements to our procedures and practices.

MAG should not only be proud of the work we do, but also of the way we do it.



Nick Roseveare Chief Executive



Anti- Bribery Strategy

Chief Executive's
Update Feb 2014



1. What is the Bribery Act?

The Bribery Act 2010 was introduced to update UK law on bribery, and to enhance it by including foreign bribery. Notably it introduced a strict liability offence for companies of 'failing to prevent bribery'. The introduction of this new corporate criminal offence places on MAG a **burden of proof to show that we have adequate procedures to prevent bribery**.

The Bribery Act covers four key crimes:

1. Bribing;
2. Receiving a bribe;
3. Bribing a foreign public official; and
4. Failing to prevent bribery.

2. What is Bribery?

*"The offering, promising, giving, accepting or soliciting of an advantage as an inducement to do something which is illegal or a breach of trust."*¹

The Act explains the purpose of a bribe as to 'induce a person to perform improperly a relevant function or activity' or to 'reward a person for the improper performance of ... a function or activity'.²

Bribes can be given or received, promised or expected. They can take many forms and be of any size, including both payments and in-kind benefits. Bribes that are given are known as 'active bribery' and bribes received are known as 'passive bribery'.

- *UK Conviction:* a Ministry of Justice employee who was sentenced to six years' imprisonment in Nov 2011 in a case including a Bribery Act violation after taking bribes to 'lose' driving conviction violations.
- *UK Conviction:* a self-employed cab driver convicted of bribery under the Act and sentenced to two months' imprisonment (suspended), with a two-month curfew order. He attempted to bribe a mini cab licensing officer.
- *UK Conviction:* a student at Bath University for attempting to bribe his tutors.

3. Why pay attention to countering bribery?

The results of a bribery incident can be severe, legally, reputationally and organisationally and can lead to major fines, and even imprisonment for individual staff, for an organisation such as MAG.

UK Conviction: In Dec 2013 the Financial Conduct Authority (FCA) imposed on insurance brokers JLT Specialty Limited **a fine of £1.8million for failure to have in place appropriate checks and controls to guard against bribery or corruption when making payments to overseas third parties**.

Regulators may also act on incidents of bribery. If a charity is involved in bribery, the UK Charity Commission may consider it mismanagement and/or misconduct, depending on how the trustees managed the incident, and investigate in its own right.

Reputational damage can be devastating and an incident of bribery can lead to the loss of confidence and support from employees, donors and other stakeholders.

4. MAG's Anti-Bribery measures

Importantly, there is a statutory defence in UK law for organisations that have 'Adequate Procedures' to prevent bribery. The government has published guidance around this (see further reading at the end of this paper). The principles contained in the guidance, and MAG's responses, are:

i) Top-level commitment

The Board and management of MAG recognise that bribery is contrary to our values of integrity, transparency and accountability and undermines our effectiveness. MAG is committed to establishing an internal culture in which bribery is unacceptable. The Board regularly reviews implementation of the zero-tolerance Policy and Anti-Bribery Strategy (adopted in Nov 2011). The Board reviewed arrangements in 2013 and will now on an annual basis. The Board formally appointed the Chief Executive, Nick Roseveare, to oversee Anti-Bribery implementation on their behalf for ownership, maintenance and dissemination of the Policy and procedures.

ii) Risk assessment

MAG's approach to Risk Management is to adopt best practices in the identification, evaluation and cost effective control of risks to ensure they are eliminated or reduced to an acceptable level. The Management Team undertakes a regular review of bribery risk which underpins MAG's anti-bribery strategy.

iii) Effective anti-bribery policies and procedures

A zero tolerance policy does not mean that MAG will be free from bribery. Incidents may occur and can range in severity from a small facilitation payment to large bribery used to win contracts. Therefore, MAG has implemented a *Financial Crime Policy* which is supported by a detailed *Financial Crime Response Plan*. A recent survey of 120 charities showed that just under half of respondents had a Response Plan for any allegation of fraud and corruption³.

Please see the full Financial Crime Policy and Response Plan available from sarah.walker@maginternational.org

iv) Due-diligence and procedures for third parties

MAG carries out reasonable and proportionate due diligence on potential associates before entering into contracts with them and puts in place procedures for managing the associated risks on an on-going basis.

v) Communication and training

MAG raises awareness and understanding of its anti-bribery strategy with the Board, employees, volunteers and stakeholders through regular communication and training, where appropriate. MAG reports on anti-bribery measures in its Annual Report and Statutory Accounts.

vi) Monitoring & evaluation

The Management Team monitors implementation and effectiveness of anti-bribery strategy and the Board continues to review the arrangements on an annual basis.

³Transparency International Survey

¹Business Principles for Countering Bribery

²2010 Bribery Act Section 1.2

All MAG staff must ensure compliance with the laws of the UK, in spite of the difficult places where we work where bribery and corruption may be endemic.

To find out more about how the Bribery Act affects you, and your area of work, please contact your manager. If you have any concerns or suspicions regarding bribery, corruption or fraud, please email crime@maginternational.org

Further reading:

Principles for not-for-profit organisations: <http://www.transparency.org.uk/our-work/publications/10-publications/826-anti-bribery-principles-for-not-for-profit-organisations>
<http://thebriberyact.com/>
<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>