

**National Assembly for Wales**  
Assembly Commission

## Fraud, Corruption and Bribery policy

October 2012



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

© National Assembly for Wales Commission Copyright 2013

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the National Assembly for Wales Commission and the title of the document specified.

**National Assembly for Wales**  
Assembly Commission

## Fraud, Corruption and Bribery policy

October 2012



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



# Contents

<b>01. Aims of the policy .....</b>	<b>1</b>
<b>02. Definitions.....</b>	<b>2</b>
<b>03. Policy Statement .....</b>	<b>4</b>
<b>04. Bribery .....</b>	<b>5</b>
<b>05. Records .....</b>	<b>6</b>
<b>06. Working Overseas.....</b>	<b>7</b>
<b>07. Facilitation Payments.....</b>	<b>8</b>
<b>08. Gifts, Hospitality etc. ....</b>	<b>9</b>
<b>09. Risk Management.....</b>	<b>9</b>
<b>10. Financial Framework.....</b>	<b>10</b>
<b>11. Fraud Response Plan.....</b>	<b>10</b>
<b>12. Reporting suspicions .....</b>	<b>10</b>
<b>13. Action by the Commission.....</b>	<b>12</b>
<b>14. Review of Procedures and Training .....</b>	<b>13</b>



## 01. Aims of the policy

- 01.01. The National Assembly for Wales Commission (“the Commission”) encourages a free and open culture in dealings between its employees and all third parties with whom it engages in the course of its business and legal relations. In particular, the Commission is committed to the highest standards of ethical conduct and integrity in its activities in the UK and overseas, and recognises that effective and honest communication is essential if concerns about breaches or failures are to be properly dealt with.
- 01.02. This policy applies to all employees of the Commission, and all those made subject to it when providing services to the Commission including temporary workers, consultants, contractors and agents acting for, or on behalf of, the Commission<sup>1</sup> within the UK and overseas. Every employee and associated person acting for, or on behalf of, the Commission is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the person or organisation concerned and may cause serious damage to the reputation and standing of the Commission.
- 01.03. Issues relating to Assembly Members and Assembly Member Support Staff will be dealt with in a separate policy.

---

<sup>1</sup> Collectively referred to as "associated persons"

## 02. Definitions

02.01. 'Fraud' can be defined as 'an intentional act involving the use of deception to make a gain for oneself or to cause loss or the risk of loss to another person, and may occur through false representation, failing to disclose information or abuse of position'<sup>2</sup>.

02.02. 'Corruption' can be described generally as 'the offering, giving, soliciting or acceptance of an inducement or reward which may influence inappropriately the action of any person'.<sup>3</sup>

02.03. Under the Bribery Act 2010:

02.03.1. a 'bribe' is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a relevant function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a relevant function or activity.

02.03.2. 'Improper Performance' of a 'relevant function or activity' includes performance which amounts to a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust, and applies to bribery relating to any function of a public nature, connected with a business, performed in the course of a person's employment or performed on behalf of a company or another body of persons.

02.03.3. 'Associated Person' is defined as per paragraph 1.2 above and section 8 of the Bribery Act 2010 for the purposes of that Act.

02.03.4. A criminal offence will be committed by:

02.03.4.1. an individual if:

- an employee or associated person acting for, or on behalf of, the Commission offers, promises, gives, requests, agrees to receive or accepts bribes or improper inducements<sup>4</sup>; or
- an employee or associated person acting for, or on behalf of, the Commission offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of their duties (where local law does not permit or require such influence)<sup>5</sup>.

---

<sup>2</sup> Fraud Act 2006, ss.2-5

<sup>3</sup> NB. The Prevention of Corruption Acts 1889 to 1916 previously setting out the statutory corruption offences have been repealed by the Bribery Act 2010, s.17(3)

<sup>4</sup> Bribery Act 2010, ss.1-2

<sup>5</sup> Bribery Act 2010, s.6



02.03.4.2.the Commission if:

- it does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons<sup>6</sup>.

---

<sup>6</sup> Bribery Act 2010, s.7

### **03. Policy Statement**

- 03.01. The Commission does not tolerate bribery, fraud or corruption. When bribery, fraud or corruption is substantiated it will be pursued thoroughly. The form of action taken will depend on the nature, level and circumstances of each case. In most instances, however, the actions considered will involve disciplinary action (against employees), criminal prosecution and/or recovery of the Commission's misappropriated assets and funds.
- 03.02. The Commission complies with the Bribery Act 2010 in all its relevant activities in the UK and overseas.
- 03.03. The Commission does not, and will not, offer, promise, give, request, agree to receive or accept and bribes or improper inducements for any purpose whatsoever.
- 03.04. The Commission will not tolerate any form of bribery by, or of, its employees or associated persons. The Commission is committed to implementing effective measures to prevent, monitor and eliminate bribery. A requirement to comply with this policy will be a condition of any contract entered into with a supplier of goods or services.
- 03.05. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by the Commission. Employees are reminded of their relevant obligations under the Staff Code of Conduct including the Principles outlined in Section 3 of that Code.

## 04. Bribery

- 04.01. The Commission may face criminal liability for unlawful actions taken by its employees or associated persons in contravention of the Bribery Act 2010.
- 04.02. The Commission prohibits employees or associated persons from offering, promising, giving, requesting, agreeing to receive or accepting any bribe or improper inducement. The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the employee or associated person is situated in the UK or overseas. The bribe or inducement might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the Commission in either obtaining or maintaining Commission business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

*Receiving a gift or payment or special treatment from a company/supplier with the intention that it influences your decision making is an act of bribery.*

*Compulsory training is provided to all contract managers.*

## 05. Records

- 05.01. Employees and associated persons, are required to take particular care to ensure that records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with a third party.
- 05.02. Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a third party in accordance with the Commission's procurement and risk management policies and procedures.
- 05.03. Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered – see Section 8 below.

*Falsifying records is an act of fraud*

*- be it an invoice, a letter, an employee's flexi-sheet, etc.*

## 06. Working Overseas

06.01. Employees and associated persons conducting business on behalf of the Commission outside the UK may be at greater risk of being exposed to bribery or unethical business conduct. Employees and associated persons owe a duty to the Commission to be extra vigilant when conducting international business.

06.02. Employees and associated persons are required to cooperate with the Commission's risk management procedures and to report suspicions of bribery in accordance with the Public Disclosure at Work Policy. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- close family<sup>7</sup>, personal or business ties that an employee or associated person may have with government or corporate officials, directors or employees;
- a history of corruption in the country in which the business is being undertaken;
- requests for cash payments;
- requests for unusual payment arrangements, for example via a third party;
- requests for reimbursements of unsubstantiated or unusual expenses; or
- a lack of standard invoices and proper financial practices.

06.03. If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to any of the individuals identified in the Public Disclosure at Work Policy.

---

<sup>7</sup> Husband, wife or partner, civil partner, sibling, child or parent of the employee. Sibling, child or parent includes step or adoptive sibling, child or parent. Close family also includes someone who lives in the same household as part of your family.

## 07. Facilitation Payments

- 07.01. The Commission prohibits its employees or associated persons from making or accepting any facilitation payments. These are payments made to public officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and the Commission under the Bribery Act 2010, even where such payments are made or requested overseas<sup>8</sup>. Employees and associated persons are required to act with greater vigilance when dealing with public and government procedures overseas.
- 07.02. Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to any of the individuals identified in the Public Disclosure at Work Policy.
- 07.03. If the public official provides written details, the Head of Resources will consider the nature of the payment. Local legal advice may be sought by the Commission.
- 07.04. If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, but is not a facilitation payment, the Commission will authorise the employee to make the payment.
- 07.05. Where the Head of Resources considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to the Commission and the relevant UK embassy.
- 07.06. The Commission will seek the assistance of the relevant employee or associated person in its investigation and may determine that the matter should be referred to the prosecution authorities.
- 07.07. If an employee or associated person has any other concerns about the nature of a request for payment, they should report it to any of the individuals identified in the Public Disclosure at Work Policy in accordance with that policy.

---

<sup>8</sup> Bribery Act 2010, s.6

## 08. Gifts, Hospitality etc.

08.01. Employees and associated persons are required to adhere to the Commission's policy and procedures on Gifts and Hospitality.

*The Staff Code of Conduct states you must not accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity.*

## 09. Risk Management

09.01. The Commission has a risk management framework in place and conducts risk assessments for its key business activities on a regular basis. Where relevant, employees of the Commission and associated persons who are considered to be in positions where they may face greater exposure to bribery, fraud or corruption will be identified and receive specific fraud/bribery briefings.

09.02. The Commission will identify high-risk areas, for example projects undertaken in high-risk countries, tender processes and those working on high-value projects.

09.03. For these high-risk areas, the Commission will:

- regularly monitor "at risk" employees and associated persons;
- undertake due diligence of associated persons and third parties; and
- communicate its zero-tolerance approach to bribery, fraud or corruption to associated persons and third parties.

*The Commission will periodically complete appropriate Risk Assessments.*

## **10. Financial Framework**

10.01. In addition to the legislative framework, the Commission has published a Finance Manual that sets the control framework relating to financial transactions. This Manual must be complied with at all times and a breach may result in disciplinary action.

## **11. Fraud Response Plan**

11.01. The Commission has developed a Fraud Response Plan which provides guidance to all Members, Members' support staff, employees of the Commission and associated persons in the event of anyone becoming aware of an actual or potential fraud being committed.

## **12. Reporting suspicions**

12.01. The Commission depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are required to assist the Commission and to remain vigilant in preventing, detecting and reporting fraud, corruption or bribery.

12.02. Employees and associated persons should report any concerns that they may have to any of the individuals identified in the Public Disclosure at Work Policy as soon as possible. Issues that should be reported include:

- suspected or actual attempts at fraud, corruption or bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or public officials.



- 12.03. Any such reports will be thoroughly and promptly investigated by the officer nominated in accordance with the Public Disclosure at Work Policy in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery, fraud or corruption.
- 12.04. In addition to reporting fraud, corruption or bribery, individuals have a duty to report instances where they believe that the Commission's assets are at risk. For example this may be because there is a physical security risk and an asset could be stolen, or it may be a breach of the IT system and it is information that is vulnerable.
- 12.05. Access to IT systems is via username and password. Individuals must always report instances of breaches in IT security, in particular when they think that their password or another password has been compromised.
- 12.06. Employees or associated persons who report instances of fraud, corruption or bribery in good faith will be supported by the Commission. The Commission will ensure that the individual is not subjected to detrimental treatment as a consequence of their report in line with the Public Disclosure at Work Policy. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence.
- 12.07. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to any of the individuals identified in the Public Disclosure at Work Policy.
- 12.08. Concerns regarding Members will be referred to the Standards Commissioner.

## **13. Action by the Commission**

- 13.01. The Commission will fully investigate any instances of alleged or suspected fraud, corruption or bribery and will invoke its disciplinary procedures where any employee is suspected of fraud, corruption or bribery. Employees suspected of fraud, corruption or bribery may be suspended from duty during the investigation.
- 13.02. Proven allegations may result in a finding of gross misconduct and summary dismissal. The Commission may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Commission and who are found to have breached this policy.
- 13.03. The Commission may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. The Commission will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

## 14. Review of Procedures and Training

14.01. The Commission will regularly communicate its measures designed to combat fraud, corruption and bribery to employees and associated persons. The Commission will set up training sessions where applicable.

14.02. The Commission will monitor and review the implementation of this policy and related procedures on a regular basis, including reviews of internal financial systems, expenses, corporate hospitality, gifts and entertainment policies.

<b>For further advice contact</b>	HR Operations
<b>Policy owner</b>	HR Operations
<b>Date of publication/review</b>	23 October 2012
<b>Planned review date</b>	After 12 months and then subsequently every two years or in the intervening period where there has been a change in legislation which affects this Policy