

Anti-Bribery and Corruption Policy

1 Purpose and scope

The University of Reading ("the University") is dedicated to conducting all its academic, administrative and commercial operations in a law-abiding and ethical manner and will not tolerate acts of bribery or corruption by staff or its associates in any jurisdictions.

The University will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. However, it remains bound by UK laws, including the Bribery Act 2010, in respect of its conduct both at home and abroad.

The purpose of this policy is:

- To set out the University's responsibilities, and of those working for the University, in observing and upholding the University's position on bribery and corruption; and
- To provide information and guidance to those working for the University on how to recognise and deal with bribery and corruption issues.

This policy applies alongside the University's Corporate Social Responsibility and Business Conduct Policy, the University's Expenses & Hospitality Policy and the University's Financial Regulations. The annexes to this policy provide illustrative guidance and information to assist individuals in applying this policy. The policy and annexes will be reviewed annually and may be updated from time to time in light of developing best practice guidance or case law in the area.

The University's Council, acting through the Audit Committee, has overall responsibility for this policy, and for reviewing the effectiveness of actions taken in response to concerns raised under this policy.

The University Secretary has day-to-day operational responsibility for this policy, and must ensure that relevant staff receive regular and appropriate training.

2 The Bribery Act 2010

The University, its employees and associates are subject to the Bribery Act 2010 ("the Act"). The Act creates four criminal offences:

- Promising or offering a bribe;
- Requesting, agreeing to receive or accepting a bribe;
- Bribing a "foreign public official"; and

- A corporate offence of failing to prevent bribery by persons associated with a commercial organisation.

The first three are offences which may be committed by an individual. The fourth may apply to the University where it has failed to implement adequate procedures to prevent those associated with it, or acting on its behalf, committing the act of bribery. Individuals found guilty can be punished by up to ten years' imprisonment and/or an unlimited fine. The University, if found guilty, could face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation. The University takes its legal responsibilities very seriously. The Act has extra-territorial effect therefore it can apply to offences which take place in other countries as well as the UK.

3 Compliance with the Policy

In line with the Act, this policy applies to all individuals working or performing services for, or on behalf of the University, at all levels and grades, including temporary and agency staff, contractors, consultants, volunteers, interns and agents ("Staff"). This means that the Policy applies to all overseas campuses and/or subsidiary companies/organisations in any geographic location. The Policy also applies to third party organisations providing services to or conducting business on behalf of the University in any geographical location.

The policy applies to all activities of the University whether related to research, teaching, commercial or other activities.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

The University expects the highest standards of compliance with this policy from its staff and associated persons. Any breach of this policy will result in disciplinary action which could ultimately result in dismissal for misconduct or gross misconduct. Where a third party performing services on behalf of the University is found to be in breach of this policy, action may be taken to terminate the relevant contractual relationship.

The University expects individuals to comply with this policy and should be assured that no University employee or associate will be penalised in the event that the University loses a contract, bid or other interest as a result of refusing a bribe.

4 Interpretation of the Policy

In this policy "third party" or "associated person" means any individual or organisation you come into contact with during the course of your work for or with the University, and includes anyone performing services on behalf of the University, including employees, agents, valuers, brokers, partners, consultants, contractors, joint venture partners, suppliers, subsidiaries and other representatives (this may also include registered students of the University working on University projects or otherwise conducting research or academic work under University supervision). Campus and joint venture partners, overseas agents, and other service providers such as agents who assist with the recruitment and immigration of overseas students are all included.

5 The Policy Requirements

Staff and associated persons, or anyone on their behalf, must not offer, promise or pay bribes nor must they request or receive bribes. A "bribe" is to be interpreted in accordance with the Act. Further guidance is provided in **Annex 1**.

Any person or organisation performing services for the University or on its behalf must comply with the Act and this policy and have adequate procedures in place to prevent bribery and corruption.

The University is committed to ensuring that staff and departments understand and document the risks faced in relation to bribery and take appropriate steps to address those risks. This commitment includes regular training to appropriate members of staff and communication to all staff and third parties. Appropriate contractual provision regarding the Act must be put in place when dealing with third parties.

Accurate records and financial reporting must be maintained for all activities and for all third party representatives acting on behalf of the University. All financial transactions must be authorised by appropriate management in accordance with internal control procedures.

The University aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy. All concerns about any issue or suspicion of malpractice should be raised at the earliest possible stage to either the University Secretary or the Director of Legal Services.. Once an issue has been raised an appropriate manager will be appointed to carry out a thorough investigation into the allegations, with appropriate actions to follow where necessary.

Alternatively malpractice may be reported by following the procedure set out in the University's Whistleblowing policy.

6 Risk Assessment

Certain areas of the University's work and business relationships are subject to particular risks and require proportionate vigilance. The University keeps its risk assessment under regular review and will update the policy as necessary. The following have been identified as particular risks and are dealt with in further detail in this policy:

- Gifts, Entertainment and Hospitality;
- Facilitation payments; and
- Use of third party representatives.

These are considered in more detail below and further information and examples are provided in **Annex 2**.

Examples of due diligence processes to be followed are set out in **Annex 3** and examples of particular red flags are set out in **Annex 4**. However, all employees must be vigilant concerning the risk of bribery and corruption and if in doubt should seek advice as set out at section 5 of this Policy.

6.1 Gifts, Entertainment and Hospitality

Further to S.9.4 of the University's Financial Regulations, the University's Strategy & Finance Committee have issued an Expenses & Hospitality Policy (published on the Finance pages of the University website) covering expenses, benefits, hospitality and gifts. That policy applies in addition to this Anti-Bribery and Corruption Policy in respect of those matters.

Gifts, entertainment and hospitality includes the receipt or offer of gifts, meals or tokens of appreciation or gratitude, or invitations to events, functions, or other social gatherings, in matters connected with University business.

These activities are acceptable provided they are:

- for a genuine purpose;
- reasonable and proportionate;
- given in the ordinary course of business; and
- in compliance with the University Expenses and Hospitality policy.

Gifts, hospitality and political or charitable donations will be bribes if they are given or received with the intention of influencing business decisions. Therefore staff and associated persons, or anyone on their behalf must not give, promise to give, or offer or accept a gift or entertainment or hospitality:

- with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- during any negotiations or tender process, if it could be perceived as intended to or likely to influence the outcome;
- that is unduly lavish or extravagant under the circumstances; or
- that is from or to a foreign public official, which includes government officials or representatives, members of a public body and politicians.

When giving or receiving gifts and hospitality, the following requirements should also be met:

- they comply with any local law;
- they do not include cash or a cash equivalent;
- considering the reason for the gift(s), they are of an appropriate type and value; and
- they are given openly, not in secret.

6.2 Facilitation Payments

The University does not make, and will not accept, facilitation payments of any kind. Facilitation payments are bribes under the Act.

Facilitation payments, also known as "back-handers" or "grease payments" are typically small, unofficial payments made to secure or expedite a routine or necessary action. They are not common in the UK, but are common in some other jurisdictions in which we operate.

Staff and associated persons, or anyone on their behalf, are prohibited from offering, making, demanding or accepting any facilitation payment.

Further, staff and associated persons are under an obligation to recognise a facilitation payment. It is necessary to distinguish between properly payable fees and disguised requests

for facilitation payments. If you are asked to make a payment on behalf of the University, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager in the first instance.

6.3 Third Party Representatives

The University could be liable for any action taken or bribe paid by a third party if the third party provides services on behalf of the University and therefore staff and associated persons, or anyone on their behalf who engages with any third party, and in particular overseas agents and other intermediaries, must:

- Follow risk based due diligence procedures as detailed in Annex 3 before engaging with any third party; and
- Ensure that any arrangement with a third party is subject to clear contractual terms including specific terms requiring the third party to comply with minimum standards and procedures in relation to bribery and corruption.

Version	Keeper	Reviewed	Approved by	Approval date
1.0	Risk Management Group	Every four years	UEB	16 July 2014
1.1			Council	13 July 2015

Annex 1: Practical guidance

What is bribery and corruption?

The Bribery Act 2010 makes it a criminal offence to either directly or through a third party:

- offer, promise or give a bribe;
- request, agree to receive, or accept a bribe;
- offer, promise or give a bribe to a foreign public official in order to obtain, or retain, business, or an advantage in the conduct of business.
- for a commercial organisation to fail to prevent bribery.

Bribe

This includes:

- Offering, promising or giving anything of value to influence a person to improperly perform a function or activity (active bribery); or
- Requesting or accepting anything of value as a reward for or as an inducement to act improperly (passive bribery).

Bribes can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions, for any direct or indirect benefit or consideration. It is not confined to cash. The issuing or receipt of an invoice for a bribe or corrupt payment does not make it legal.

Corruption

This involves the abuse of entrusted power or position for private gain

Failure of a commercial organisation (such as a University) to prevent bribery

The University commits an offence in relation to its activities if a person associated with the University bribes another person intending to:

- Obtain or retain business for the University; or
- Obtain or retain an advantage in the conduct of business for the University

A person is associated with the University if they perform services for or on behalf of the University.

Example: The University uses overseas agents to recruit students for its courses. One of your overseas agents has been offering cash payments to schools for access to their best students.

Despite the fact that the University is not making the cash payment itself, the overseas agent is performing a service on behalf of the University and the University may therefore be liable for the agent's actions.

Associated Persons

This includes anyone performing services on behalf of the University, including employees, agents, valuers, brokers, partners, consultants, contractors, joint venture partners, suppliers, subsidiaries and other representatives. Campus and joint venture partners, overseas agents, and other service providers such as agents who assist with the recruitment and immigration of overseas students are all included.

Annex 2: Areas of Particular Risk

Certain areas of the University's work and business relationships are subject to particular risks and require proportionate vigilance. These are identified in the Policy. These risks include the following:

Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation or gratitude, or invitations to events, functions, or other social gatherings, in matters connected with University business. These activities are acceptable providing they are for a genuine purpose, reasonable, given in the ordinary course of business and in compliance with the University Expenses and Hospitality policy. Gifts, hospitality and political or charitable donations will be bribes if they are given or received with the intention of influencing business decisions.

Additionally, when giving or receiving gifts and hospitality, the following requirements should be met:

- They must not be made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- They comply with any local law;
- They do not include cash or a cash equivalent;
- Considering the reason for the gift(s), they are of an appropriate type and value; and
- They are given openly, not in secret.

Facilitation payments

Payments that are requested by foreign public officials to speed up a routine government action such as:

- Processing licenses, permits, or other official documents;
- Processing government paperwork such as visas and work orders; and
- Providing services such as police protection and mail pick-up and delivery.

It is illegal to make any sort of payment or give anything of value to a foreign public official where this is to obtain or retain business or some other commercial advantage for the University.

In some countries, it may be customary for foreign public officials to request facilitation payments. However, facilitation payments made anywhere in the world are prohibited by the University and payment must not be made regardless of local custom.

Foreign public officials include persons performing functions at state owned or controlled enterprises and agencies and therefore could potentially include those working for public universities outside of the UK.

Example: You arrange for the University to make an additional payment to a foreign official which will result in them processing a licence request more quickly.

The offence of bribing a foreign public official is committed as soon as the offer of payment has been made or the request for payment complied with.

It is unlawful for the University to offer or make, and demand or accept, facilitation payments of any kind anywhere in the world. All those acting for and on behalf of the University are

prohibited from offering, making, demanding or accepting any facilitation payment. Those working for the University are under an obligation to recognise a facilitation payment. It is necessary to distinguish between properly payable fees and disguised requests for facilitation payments.

Use of third party representatives

In some areas of the University's activities, it engages with agents and other intermediaries. All such appointments must follow risk-based due diligence procedures (detailed in **Annex 3**). For the appointment of overseas agents, a high level of due diligence is required. The University could be liable for the acts of these third parties which perform services on its behalf.

All arrangements with third parties should be subject to clear contractual terms, including specific terms requiring them to comply with minimum standards and procedures in relation to bribery and corruption. Local management is responsible for conducting appropriate due diligence which should be undertaken before any third parties are engaged.

Annex 3: Due Diligence

Appropriate risk-based due diligence must be conducted in relation to any party outside of the University who is performing services for or on its behalf. Enhanced due diligence should be conducted in relation to overseas agents and joint venture partners of the University and should be considered by the University in all appropriate cases.

It is the responsibility of the University to demonstrate that it has acted with due diligence when appointing third parties performing services for or on its behalf. The level of due diligence should include an assessment of factors including the country in which the business is to be conducted. Some guidance on some appropriate types of adequate due diligence is outlined below, but this is not and can never be a comprehensive list, and you should seek advice from your manager or Legal Services if you have any concerns about a third party's credentials or standing:

- Asking the party/agent to complete a background questionnaire, which might include:
 - details of the party/agent's ownership;
 - details of senior management of the party/agent;
 - a copy of CVs of key personnel performing services for the University;
 - details of referees for the party/agent and key personnel who will be providing services under the proposed agreement;
 - details of other directorships held, existing partnerships, and third-party relationships;
 - any relevant judicial or regulatory findings about the party/agent or key personnel of the party/agent; and
 - details of the jurisdictions in which the agent operates.
- Undertake research on the party/agent and any individuals who have a degree of control over them if the agent is a corporate entity.
- Check independently that the party/agent does not appear on any applicable sanctions list, or have outstanding court actions or judgments against it.
- Make enquiries with any relevant authorities, including contacting a commercial attaché at the embassy in the territory where the party/agent operates, to verify information obtained in the questionnaire and seek any independent background information about the party/agent's reputation.
- Take up references and assess responses received, following these up where appropriate.
- Conduct any further enquiries of the party/agent to clarify any matters arising from the questionnaire, including arranging a face to face meeting if required. There may also be a need to meet with the party/agent in the territory.
- Request and review copies of the party/agent's anti-bribery policies and any relevant procedures they operate to prevent bribery and corruption.
- Assess relevant commercial considerations for the University's activities, such as:
 - is the appointment necessary?
 - does the party/agent have the required expertise to provide the services?
 - is the party/agent going to interact with a public official, or are there any other connections between a party/agent and a public official?
 - are the proposed payment terms of the party/agent reasonable and in accordance with the market rate?
 - have appropriate steps been taken to consider alternative appointments/competitors to this party/agent?

Annex 4: Red flags

When dealing with third parties, examples of 'Red Flags' (prompts to raise concerns or conduct further due diligence) include:

- A foreign public official recommends that the University hires a specific third party;
- The proposed compensation of a third party retained by the University is unreasonably high compared to the market rate without a reasonable explanation;
- A third party retained by the University requests that payments be made to an unknown third party; be split among multiple accounts; be made to an account in a country other than where the third party or agent is located or business is to be performed; or any other unusual financial arrangements;
- A third party that the University seeks to retain lacks qualifications and/or staff to perform the expected services; or requests that the University provides employment or another advantage to a friend or relative;
- A third party relies heavily on political or government contacts instead of technical skills or time invested;
- Upon checking references, you find that the third party has an unsavoury reputation or is not well known in the sector;
- There is an apparent abuse of decision making processes or delegated powers;
- A third party that the University seeks to retain will not agree to terms requiring compliance with anti-corruption laws;
- A third party that the University seeks to retain refuses to put terms into writing or insists on receiving a commission or fee payment or demands lavish gifts or entertainments before committing to sign agreed terms;
- A third party retained by the University requests that payments are made in order to overlook potential breaches of the law;
- The University or members of University staff are offered unusually generous gifts or hospitality by a third party ;
- A country in which the University is collaborating is a high risk location for corruption; or
- The same third party is repeatedly used for business without any reasonable justification for their repeated appointment.