

BS 10500:2011



BSI Standards Publication

Specification for an anti-bribery management system (ABMS)

bsi.

...making excellence a habit.™

Publishing and copyright information

The BSI copyright notice displayed in this document indicates when the document was last issued.

© BSI 2011

ISBN 978 0 580 73835 7

ICS 13.310

The following BSI references relate to the work on this standard:

Committee reference CG/1

Draft for comment 11/30245267 DC

Publication history

First published November 2011

Amendments issued since publication

Date	Text affected
-------------	----------------------

Contents

Foreword *ii*

Introduction *1*

1 Scope *1*

2 Terms and definitions *2*

3 Planning *3*

4 Adopting an anti-bribery policy and implementing the ABMS *4*

5 Monitoring and reviewing the ABMS *12*

6 Improvement of the ABMS *13*

Annexes

Annex A (informative) Guidance *14*

Annex B (informative) The Plan-Do-Check-Act (PDCA) cycle *18*

Bibliography *19*

List of figures

Figure B.1 – PDCA cycle applied to the anti-bribery management system *18*

Summary of pages

This document comprises a front cover, an inside front cover, pages i to ii, pages 1 to 20, an inside back cover and a back cover.

Foreword

Publishing information

This British Standard is published by BSI and came into effect on 30 November 2011. It was prepared under the authority of Technical Committee CG/1/1, *Anti-bribery*. A list of organizations represented on this committee can be obtained from <http://standardsdevelopment.bsigroup.com/Home/Committee/50223652> and on request to the committee secretary.

Information about this document

The objective of this British Standard is to help an organization to implement an effective anti-bribery management system and thereby comply with relevant legislation and good practice.

Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Legal considerations

This publication does not purport to include all provisions necessary to prevent bribery. Users are responsible for implementing necessary procedures.

Compliance with a British Standard cannot confer immunity from legal obligations.

Introduction

A commitment to ethical behaviour is a vital part of the corporate governance of a well-managed organization. An anti-bribery policy is an essential component of an organization's business ethics. This ethical commitment helps an organization to enhance its corporate reputation and to avoid potentially corrupt business and the high cost and reputational damage which can result from involvement in corruption.

Bribery is a significant business risk in many countries and sectors. In many cases it has been tolerated as a "necessary" part of doing business. However, increasing awareness of the damage caused by bribery to countries, organizations and individuals has resulted in calls both at international and national level for effective action to be taken to prevent bribery.

Several international conventions have been passed which require signatory countries to criminalize bribery and to take effective steps to prevent and deal with it. Of particular international significance are the United Nations Convention against Corruption [1] and the Organization for Economic Co-operation and Development (OECD) Convention on the Bribery of Foreign Public Officials in International Business Transactions [2].

Most countries have introduced or strengthened anti-bribery legislation which makes it an offence for organizations and individuals to pay or receive bribes. All OECD countries have made it an offence for organizations and individuals from those countries to pay bribes to public officials in other countries.

In the UK, the Bribery Act 2010 [3] has replaced the existing UK bribery laws, and has introduced a new offence of "failure of commercial organizations to prevent bribery". It is a defence to this new offence for the organization to prove that it had in place "adequate procedures" designed to prevent bribery, and this has led to a significant increase in the number of organizations which are implementing anti-bribery management systems.

The implementation of anti-bribery management systems is also taking place within organizations based in other countries which are committed to the enforcement of anti-bribery laws.

This British Standard is intended to help an organization to implement an effective anti-bribery management system. It can be used both in the UK and internationally. The requirements of the Bribery Act 2010 [3] and internationally recognized good practice are taken into account. This standard is applicable to small, medium and large organizations in the public, private and voluntary sectors. The bribery risk facing an organization varies according to factors such as the size of the organization, the countries and sectors in which the organization operates, and the nature, scale and complexity of the organization's operations. Therefore, this standard specifies the implementation by the organization of risk-based policies, procedures and controls.

Compliance with this standard cannot provide assurance that no bribery has occurred or will take place in relation to the organization. However, the standard can help establish that the organization has implemented reasonable and proportionate measures designed to prevent bribery.

1 Scope

1.1 This British Standard specifies requirements for implementing an anti-bribery management system (ABMS), or the anti-bribery element of an overall management system, which addresses the following bribery risks in relation to the organization's activities.

- a) Bribery in the public, private and voluntary sectors.

- b) Bribery by the organization, or by its personnel or others acting on its behalf or for its benefit.
- c) Bribery of the organization, or of its personnel or others acting on its behalf or for its benefit.
- d) Direct and indirect bribery (e.g. a bribe paid or received through or by a third party).
- e) Bribery within the country in which the organization is based, and bribery in other countries in which the organization operates.
- f) Bribery of any value, whether large or small (including facilitation payments).
- g) Bribery involving both cash and non-cash advantages.

1.2 This British Standard is applicable only to bribery, as defined by the laws applicable to the countries in which the organization is based and/or operating. It is not applicable to other criminal offences such as fraud, anti-trust/competition offences and money laundering, although the organization may choose to extend the scope of its ABMS to include these other offences.

NOTE 1 Most countries' laws define bribery in slightly different ways. This Standard therefore does not provide its own definition of bribery, but requires that the organization's ABMS is targeted at preventing all types of bribery as defined by laws applicable to the organization.

NOTE 2 Annex A gives guidance on the actions an organization can take in implementing an ABMS, while Annex B describes the Plan-Do-Check-Act cycle followed by this and other management system standards.

1.3 The requirements of this British Standard are generic and are intended to be applicable to all organizations (or parts thereof), regardless of type, size and nature of business, and whether in the public, private or voluntary sectors. The extent of application of these requirements depends on the factors specified in 3.2.

2 Terms and definitions

For the purposes of this British Standard the following terms and definitions apply.

2.1 anti-bribery management system (ABMS)

management system, or part of an overall management system, designed to help an organization:

- a) to prevent bribery; and
- b) to detect, report and deal with any bribery which does occur

2.2 anti-bribery policy

policy which:

- a) prohibits bribery; and
- b) requires reasonable and proportionate measures to be taken:
 - 1) to prevent bribery; and
 - 2) to detect, report and deal with any bribery which does occur

2.3 business associate

any party with whom the organization contracts, including but not limited to clients, customers, joint venture partners, consortium partners, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives and intermediaries (but excluding personnel)

NOTE Different types of business associate pose different types and degrees of risk, and may therefore be treated differently by the organization's risk assessment and procedures.

2.4 compliance declaration

record of acknowledgement by personnel that they have read the anti-bribery policy and agree to comply with it [see 4.2.3a)]

2.5 compliance manager

manager of the organization responsible for implementing the ABMS (see 4.4.2)

2.6 conflict of interest

situation where outside business or family connections could interfere with the judgement of personnel in carrying out their duties for the organization

2.7 facilitation payment

illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment

NOTE It is normally a relatively minor payment made to a public official or person with a certifying function in order to secure or expedite the performance of a routine or necessary action, such as a visa, work permit or customs clearance.

2.8 implement

design, develop, introduce, operate, maintain, monitor and continually improve

2.9 management system

system to establish policy and objectives and to achieve those objectives

[BS EN ISO 9000:2005]

2.10 organization

corporation, company, firm, partnership, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public, private or voluntary, that has its own functions and administration

NOTE For organizations with more than one operating unit, a single operating unit may be defined as an organization.

2.11 personnel

organization's directors, officers, employees and temporary staff or workers

2.12 top management

person or group of people who direct and control the organization at the highest level

[BS EN ISO 9000:2005]

3 Planning

3.1 Planning

The organization shall plan for the adoption of an anti-bribery policy and the implementation of an ABMS by ensuring that the following steps are taken.

a) Allocating responsibility for planning to personnel of appropriate seniority.

- b) Appointing appropriately qualified personnel to conduct a risk assessment to identify what activities or other aspects of the organization's business have bribery risks.
- c) Assessing in what manner and to what extent the ABMS should be implemented by the organization, taking into account the factors in 3.2.
- d) Writing the anti-bribery policy.
- e) Designing or modifying the necessary policies, procedures and controls for the ABMS.
- f) Determining the necessary resources (including funding, personnel, equipment and materials) needed to implement the ABMS.
- g) Preparing an implementation timetable with clearly identified responsibilities and timelines.

3.2 Scope of the ABMS

The ABMS to be implemented by the organization shall be reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces and taking into account the:

- a) size of the organization;
- b) countries and sectors in which the organization operates;
- c) nature, scale and complexity of the organization's activities and operations;
- d) organization's existing and potential business associates; and
- e) applicable statutory, regulatory, contractual and/or professional obligations and duties.

4 Adopting an anti-bribery policy and implementing the ABMS

4.1 Anti-bribery policy and ABMS

4.1.1 The organization shall adopt and record an anti-bribery policy.

NOTE The policy need not be a complex document which lists all the organization's anti-bribery procedures. It may be a brief, simple statement by the organization that it:

- a) prohibits bribery; and
- b) will implement measures to:
 - 1) prevent bribery; and
 - 2) detect, report and deal with any bribery which does occur.

The detailed policies, procedures and controls designed to achieve b) are contained in the ABMS (see 4.1.2).

The policy may be a separate document, or may form part of the organization's policy which deals with other ethical issues.

4.1.2 The organization shall implement an ABMS comprising the appropriate policies, procedures and controls specified in 4.2 to 4.18 and Clauses 5 and 6 in a manner which is reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces, and taking into account the factors in 3.2.

NOTE 1 It is not possible entirely to eliminate the risk of bribery. No policies, procedures or controls are capable of detecting and preventing all bribery. The ABMS should implement measures designed to prevent bribery taking into account the factors in 3.2.

NOTE 2 In implementing the ABMS, the organization does not necessarily need to implement new or stand-alone procedures. Where appropriate, the anti-bribery procedures can form part of the organization's existing procedures (enhanced as necessary).

NOTE 3 An ABMS for a major multi-national organization operating in countries or sectors where there is a high risk of bribery is likely to be significantly more extensive and comprehensive than an ABMS adopted by a small organization, or by one which works only in countries or sectors where there is a low risk of bribery.

4.1.3 Top management shall take responsibility for the adoption of the anti-bribery policy and the implementation of the ABMS.

4.2 Communicating the anti-bribery policy and ABMS

4.2.1 Top management shall make a statement that:

- a) the organization has adopted an anti-bribery policy;
- b) the organization is implementing an ABMS to give effect to this policy; and
- c) top management supports the policy and the ABMS.

NOTE This statement will normally be made by the Chairman, Chief Executive or leader of the organization.

4.2.2 The statement in 4.2.1 and the anti-bribery policy shall be communicated to all the organization's personnel, and shall be published on the organization's intranet and public website (if it has these).

4.2.3 The organization shall implement procedures under which:

- a) all personnel read the anti-bribery policy and agree to comply with it (compliance declaration); and
- b) records are maintained of all personnel who have:
 - 1) received the anti-bribery policy;
 - 2) made the compliance declaration; and
 - 3) not made such a declaration.

4.3 Education, training and/or guidance

The organization shall provide appropriate education, training and/or guidance to all personnel who will be responsible for implementing parts of the ABMS or who could encounter bribery in relation to their duties to make them aware of and understand:

- a) the organization's anti-bribery policy;
- b) the organization's ABMS;
- c) the risk and damage to them and the organization which can result from bribery;
- d) the circumstances in which bribery can occur in relation to their duties, and how to recognize these circumstances;
- e) how and to whom they should report any concerns (see 4.16); and
- f) how they can avoid bribery.

This education, training and/or guidance shall be provided on a repeated or updated basis to all relevant personnel, as appropriate to their roles and any changing circumstances.

4.4 Management responsibility

4.4.1 Day-to-day responsibility for compliance

The organization shall define the levels of responsibility for overseeing compliance with the anti-bribery policy and ABMS on a day-to-day basis.

NOTE Managers will normally be responsible for overseeing compliance by personnel within their department, function or project.

4.4.2 Compliance manager

4.4.2.1 A suitably qualified or experienced manager of appropriate seniority shall be allocated responsibility for overseeing implementation by the organization of the ABMS (compliance manager).

NOTE This responsibility can be on either a full-time or part-time basis, depending on the size of the organization and the nature and extent of bribery risk which the organization faces. If on a part-time basis, the compliance manager can combine the compliance function with other responsibilities.

4.4.2.2 The compliance manager shall:

- a) have direct and prompt access to top management in the event that any issue or concern needs to be raised in relation to the anti-bribery policy or ABMS; and
- b) have the following responsibilities:
 - 1) overseeing implementation of the ABMS by the organization;
 - 2) overseeing compliance by the organization's personnel with the anti-bribery policy and ABMS;
 - 3) ensuring that the anti-bribery policy and ABMS is consistent with good practice, and aids compliance with all relevant laws; and
 - 4) providing advice and guidance to personnel on the anti-bribery policy and ABMS and issues relating to bribery.

NOTE Having a compliance manager does not absolve other personnel of their responsibilities under the anti-bribery policy and ABMS.

4.4.3 Multiple organizations

Where the organization comprises more than one independently-managed organization, a suitably qualified or experienced manager shall be appointed within each organization as responsible for overseeing compliance with the anti-bribery policy and ABMS within each organization.

NOTE 1 For example, a parent company with several subsidiaries.

NOTE 2 See Note to 4.4.2.1.

4.5 Provision of resources

The organization shall provide the resources (including funding, personnel, equipment and materials) needed to implement the ABMS.

4.6 Risk assessment

4.6.1 The organization shall implement procedures to enable it to assess:

- a) the risk of bribery in relation to its existing and proposed new activities; and

- b) whether its policies, procedures and controls are adequate to reduce those risks to an acceptable level.

4.6.2 These risk assessments shall:

- a) examine the general bribery risks facing the organization's business;
- b) in relation to specific transactions or projects, examine, as appropriate, the country in which the transaction or project is being, or is to be, undertaken, the business sector, the work type and business model, and the organization's actual or proposed business associates; and
- c) be repeated on an ongoing basis so that changes and new information can be properly assessed.

4.6.3 The timing and frequency of these risk assessments shall be defined by the organization.

4.6.4 As part of its risk assessment process, the organization shall undertake due diligence on business associates as specified in **4.7**.

4.6.5 Where the risk assessment establishes that the organization's existing policies, procedures and controls are not adequate to reduce the assessed risks to an acceptable level, the policies, procedures and controls shall, subject to **4.6.6**, be improved in accordance with Clause **6**.

4.6.6 Where the risk assessment in relation to a specific transaction or project establishes that the policies, procedures and controls, even if improved, are unlikely to be adequate to reduce the assessed risks to an acceptable level, the organization shall:

- a) in the case of an existing transaction or project, take steps appropriate to the risks and nature of the transaction or project to terminate, discontinue or withdraw from the transaction or project as soon as is practicable; and
- b) in the case of a proposed new transaction or project, decline to continue with it.

NOTE 1 "Acceptable level" means that the risk of bribery appears to be sufficiently low that it is reasonable to allow the transaction or project to proceed or continue.

NOTE 2 The purpose of the risk assessment and due diligence (see 4.7) is not to eliminate all possible risk of bribery. The purpose is to identify, after making reasonable and proportionate enquiries and giving the issue appropriate consideration, whether the risk of bribery appears to be sufficiently low that it is reasonable to allow the transaction or project to proceed or continue. The cost of the risk assessment and due diligence should be proportionate to the size of the relevant transaction or project so as to make it cost-effective.

4.7 Due diligence

4.7.1 Where the risk assessment shows that a business associate might pose a more than negligible bribery risk, the organization shall implement procedures to undertake due diligence on the business associate prior to entering into any business relationship with it.

4.7.2 The due diligence shall be repeated at a defined frequency on an ongoing basis during the business relationship so that changes and new information can be properly assessed.

NOTE 1 See Note 2 to 4.6.6.

NOTE 2 "Negligible bribery risk" means that it is very unlikely that the business associate will participate in bribery and, if it does, the consequent loss and damage to the organization is likely to be very low.

NOTE 3 An organization may implement several different levels of due diligence according to the assessed risk in relation to business associates, with higher risk business associates requiring a higher level of due diligence.

NOTE 4 See A.1 for guidance.

4.8 Implementation of ABMS by controlled organizations and business associates

4.8.1 The organization shall implement procedures which ensure that all other organizations over which it has control implement an ABMS which is reasonable and proportionate having regard to the nature and extent of bribery risks which the controlled organizations face, taking into account the factors in 3.2.

NOTE An organization might have control, for example, over a subsidiary, joint venture or consortium, either through exercising management control or through having a majority ownership interest.

4.8.2 In relation to business associates over which the organization has no control, and in relation to which the risk assessment has identified a more than negligible bribery risk, the organization shall implement procedures which ensure the following.

- a) Where it is reasonable for the organization to do so, it shall take steps to ensure that its business associate implements an ABMS which includes the relevant business transaction within its scope. This ABMS shall be reasonable and proportionate to the nature and extent of bribery risks relevant to the business transaction, taking into account the following factors.
 - 1) Size of the business transaction.
 - 2) Size and complexity of the business associate.
 - 3) Countries and sectors in which the transaction is taking place.
 - 4) Structure of the transaction.
 - 5) Applicable statutory, regulatory, contractual and/or professional obligations and duties.
 - 6) If the organization is to pay the business associate for the performance of work or services, how those payments will be made and on what basis.
 - 7) Whether the business associate will deal with others on behalf of the organization.

NOTE 1 In some cases, a business associate may have an ABMS which covers its whole business, including the relevant transaction. In other cases, the business associate may implement an ABMS in relation only to the transaction. While, the former is preferable, the organization may accept the latter situation, as it is unlikely that the organization will have influence over the business associate wider than the relevant transaction.

NOTE 2 See Note 2 to 4.7.2.

- b) Where it is not reasonable for the organization to require the business associate to implement an ABMS, or for the organization to verify the existence or adequacy of the business associate's ABMS, then the absence of an ABMS, or inability to verify the ABMS, is likely to be a negative factor taken into account in undertaking the risk assessment (see 4.6).

4.9 Employment procedures

In relation to all personnel who could pose a bribery risk to the organization, and to the extent permitted by applicable law, the organization shall implement procedures which provide that:

- a) potential personnel are vetted before they are employed by the organization to ascertain as far as is reasonable that their employment is appropriate and that they are likely to comply with the anti-bribery policy and ABMS;
NOTE See A.2 for guidance.
- b) conditions of employment require personnel to comply with the anti-bribery policy and ABMS, and give the organization the right to discipline personnel (including the right of termination of employment) in the event of non-compliance;
- c) personnel receive a copy of the anti-bribery policy and make the compliance declaration within a defined period of their employment commencing [see 4.2.3a)];
- d) personnel declare, and the organization maintains a written record of, any actual or potential conflict of interest;
- e) performance bonuses, performance targets and other incentivizing elements of remuneration are reviewed periodically by an appropriate manager to ensure that there are reasonable safeguards to prevent these from encouraging bribery;
- f) the organization has disciplinary procedures which entitle it to take appropriate disciplinary action (including the right of termination of employment) against personnel who breach the anti-bribery policy and ABMS; and
- g) personnel are not penalized (e.g. by demotion, disciplinary action, transfer or dismissal) for refusing to participate in, or for turning down, a business opportunity in respect of which they have reasonably and in good faith judged there to be an unacceptable risk of bribery.

4.10 Gifts, hospitality, donations and similar benefits

4.10.1 The organization shall adopt a policy which prohibits the offer or receipt of items such as the following, where the offer or receipt is, or could reasonably be perceived to be, for the purpose of bribery.

- a) Gifts, entertainment and hospitality.
- b) Political or charitable donations.
- c) Client or public official travel.
- d) Promotional expenses.
- e) Sponsorship.
- f) Community benefits.

NOTE Any such items intended or likely to affect or impair the independence or judgement of the recipient, or to make the recipient feel obligated, could be perceived to be for the purpose of bribery.

4.10.2 The organization shall implement procedures which minimize the risk of the occurrence of any incident prohibited by the policy specified in 4.10.1.

NOTE See A.3 for guidance.

4.11 Facilitation payments

The organization shall:

- a) adopt a policy which prohibits the offer or receipt of facilitation payments; and
- b) provide guidance to personnel on what to do if they are faced with a demand for a facilitation payment, or when a facilitation payment has been made.

NOTE See A.4 for guidance.

4.12 Delegated decision-making

Where top management delegates to personnel the making of decisions in relation to which there is a risk of bribery, the organization shall establish a decision-making process that ensures that the decision process and the seniority of the decision-maker are appropriate for the value of the transaction and the perceived risk of bribery.

4.13 Anti-bribery contract terms

The organization shall implement procedures which ensure that, in relation to all business associates which pose a more than negligible bribery risk:

- a) as far as is reasonable, all contracts between the organization and the business associate contain a prohibition of bribery; and
- b) where it is not reasonable to require the contracts to contain such prohibition, that the absence of the prohibition will be a negative factor taken into account in undertaking the risk assessment (see 4.6).

NOTE See Note 2 to 4.7.2.

4.14 Financial controls

4.14.1 The organization shall implement financial controls which minimize the risk of the organization, or any of its personnel or others acting on its behalf or for its benefit, paying or receiving a bribe.

NOTE See A.5 for guidance.

4.14.2 The organization shall maintain records that accurately document all financial transactions.

4.15 Procurement and other commercial controls

The organization shall implement procurement and other commercial controls which minimize the risk of the organization, or any of its personnel or others acting on its behalf or for its benefit, paying or receiving a bribe.

NOTE See A.6 for guidance.

4.16 Raising concerns

The organization shall implement procedures which:

- a) enable personnel to report attempted, suspected or actual bribery, or any breach of or weakness in the ABMS, to an appropriate person within the organization (either directly or through an appropriate third party);
- b) where requested by personnel, ensure that the organization as far as possible keeps the identity of personnel who make a report confidential (unless the organization is required by law to disclose this information);

- c) allow anonymous reporting (if and to the extent that applicable laws allow this);
- d) protect personnel from retaliation after raising in good faith a concern about actual or suspected bribery or the implementation of the ABMS;
- e) enable personnel to receive advice from an appropriate person on what to do if faced with a concern or situation which could involve bribery;
- f) ensure that all personnel are aware of the reporting procedures;
- g) regularly promote and encourage the use by personnel of the reporting procedures;
- h) include clear guidance and assurance about the following to personnel:
 - 1) on how to raise a concern about attempted, suspected or actual bribery or the implementation of the ABMS;
 - 2) that their reports will be investigated, and will be acted upon where appropriate, and that feedback will be given where appropriate;
 - 3) on how to access independent advice;
 - 4) on how and when they can report to appropriate external authorities;
 - 5) that they will not be at risk of any retaliation from the organization for raising in good faith a concern about suspected or actual bribery or the implementation of the ABMS;
 - 6) that their identity will be protected and kept confidential (unless disclosure of identity is required by law);
 - 7) that it is a disciplinary offence to retaliate against someone who in good faith raises a concern about actual or suspected bribery or the implementation of the ABMS;
 - 8) on their ethical responsibility to report; and
 - 9) on any legal duty to report, and the consequences of any breach of this legal duty.

NOTE 1 These procedures may be the same as, or form part of, those used for the reporting by personnel of other issues of concern (e.g. safety, malpractice, wrongdoing or other serious risk).

NOTE 2 See PAS 1998.

4.17 Investigating and dealing with bribery

The organization shall implement procedures which:

- a) require appropriate investigation by the organization of any bribery, or any breach of or weakness in the ABMS, which is reported, detected or reasonably suspected; and
- b) require appropriate action in the event that the investigation reveals bribery, or breach of or weakness in the ABMS.

NOTE Appropriate action could, depending on the severity of the incident, include, for example, disciplining personnel who have breached the anti-bribery policy or ABMS (on a sliding scale of severity from a warning to termination of employment); reporting to the authorities; and improving the ABMS so as to prevent repetition.

4.18 Documenting the ABMS

The organization shall keep appropriately detailed records of:

- a) the policies, procedures and controls of the ABMS;

- b) actions taken under the ABMS; and
- c) any bribery-related issues which arise.

NOTE These are likely to include records of matters such as the steps taken to implement the ABMS, risk assessments and due diligence carried out, training provided, gifts, hospitality, donations and similar benefits, given and received, the reasons behind a decision to carry out work in a high risk country, concerns that people have raised, incidents of suspected or actual bribery, investigations and consequent actions.

5 Monitoring and reviewing the ABMS

5.1 Review by compliance manager

The compliance manager shall assess on an ongoing basis whether the ABMS is:

- a) adequate to manage effectively the bribery risks faced by the organization; and
- b) being effectively implemented.

The compliance manager shall report at planned intervals to top management, or to a suitable sub-committee of top management, on the adequacy and implementation of the ABMS.

NOTE The frequency of the report will depend on the organization's requirements, but is recommended to be at least annually.

5.2 Internal audit

5.2.1 The organization shall implement appropriate and proportionate internal audit processes or other procedures which check projects, contracts, procedures, controls and systems for any indication of:

- a) bribery or suspicion of bribery;
- b) non-compliance with the anti-bribery policy or ABMS;
- c) failure of other organizations over which the organization has control, or of a relevant business associate, to implement an ABMS (see 4.8); and
- d) weaknesses in or scope for improvement to the ABMS.

5.2.2 These audits shall be conducted at regular, planned intervals.

5.2.3 The audit programme shall be planned, taking into consideration the risk and importance of the processes and areas to be audited and the results of previous audits.

NOTE The audits may be on an appropriate sample basis.

5.2.4 The responsibility, scope and method for planning and conducting audits, and the requirement for reporting results and maintaining records, shall be defined in a documented procedure.

5.2.5 Audit reports detailing any significant matters identified, and any recommended corrective actions or improvements, shall be provided to the compliance manager and top management.

5.2.6 To ensure the objectivity and impartiality of the audit programme, the organization shall so far as is reasonable ensure that the audit is undertaken by:

- a) an independent function or person within the organization established or appointed for this process; or

- b) the compliance manager (unless it is the compliance manager's own actions which are being audited); or
- c) an appropriate person from a department or function other than the one being audited; or
- d) an appropriate third party; or
- e) a group comprising any of a) to d).

The process shall ensure that no auditor is auditing his or her own work.

NOTE See A.7 for guidance.

5.3 Top management review

5.3.1 In order to ensure the continuing adequacy and effectiveness of the ABMS, top management or a suitable sub-committee of top management, shall review the scope and implementation of the ABMS. This review shall be carried out:

- a) at regular, planned intervals; and

NOTE The frequency of the review will depend on the organization's requirements, but is recommended to be at least annually.

- b) when major changes to the organization's activities or structure take place.

5.3.2 The review shall be based on:

- a) the compliance manager's assessment and reports (see 5.1);
- b) audits undertaken (see 5.2);
- c) personnel reports (see 4.16); and
- d) breaches/incidents and control weaknesses that have been identified.

5.3.3 Any potential improvements identified shall be submitted to the improvement process (see Clause 6).

6 Improvement of the ABMS

The organization shall implement a procedure for changing or improving the ABMS whenever this is necessary or desirable as a result of the compliance manager review, internal audit or top management review referred to in Clause 5.

All proposed changes and/or improvements shall be assessed by the compliance manager prior to their introduction, and, if appropriate, by top management, to ensure that they do not reduce the effectiveness of the ABMS.

Annex A
(informative)**Guidance**

NOTE The guidance in this annex is illustrative only. Its purpose is to indicate in some specific areas the type of actions which an organization may take in implementing its ABMS. It is not intended to be comprehensive. Nor is an organization required to implement the following steps in order to have a compliant ABMS. The actual steps which the organization takes need to be reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces, taking into account the factors in 3.2.

UK users are in particular referred to the guidance issued by the Ministry of Justice [4].

A.1 Due diligence

A.1.1 The purpose of due diligence on a business associate is to establish whether the business associate poses an unacceptable bribery risk to the organization.

A.1.2 Issues which the organization might find useful to identify include:

- a) whether and to what extent the business associate has an ABMS;
- b) whether the business associate:
 - 1) has a reputation for bribery;
 - 2) has been investigated, convicted or debarred for bribery;
- c) the identity of the shareholders and top management of the business associate, and whether they:
 - 1) have a reputation for bribery;
 - 2) have been investigated, convicted or debarred for bribery;
 - 3) have any direct or indirect links to the client or government which could lead to bribery.

A.1.3 The nature, type and extent of due diligence undertaken will depend on factors such as the ability of the organization to obtain information, the cost of obtaining information and the extent of the possible bribery risk posed by the relationship.

A.1.4 A high-risk business associate in a high-risk country is likely to require a significantly higher level of due diligence than a low risk business associate in a low risk country.

A.1.5 Particular attention needs to be paid to potentially high-risk business associates who might be in a position to pay a bribe on the organization's behalf (e.g. agents or other intermediaries).

A.1.6 The due diligence may include, for example:

- a) a questionnaire sent to the business associate in which it is asked to answer the questions referred to in **A.1.2**;
- b) a web search on the business associate and its shareholders and top management to identify any bribery-related negative comment;
- c) making enquiries of appropriate third parties about the business associate's ethical reputation;
- d) assessing the necessity and legitimacy of the services to be provided by the business associate, and whether any payments to be made to it are reasonable and proportionate to those services.

A.1.7 The business associate can be asked further questions based on the results of the initial due diligence (for example, to explain any adverse comment).

A.1.8 Due diligence is not a perfect tool. The absence of negative comment does not necessarily mean that the business associate is ethical. Negative comment does not necessarily mean that the business associate is unethical. However, the results need to be carefully assessed and a rational judgement made by the organization based on the facts available to it.

A.2 Employment procedures: vetting of personnel

When vetting its personnel, an organization may take actions such as:

- a) discussing the organization's anti-bribery policy with prospective personnel at interview, and assessing whether they appear to understand and accept the importance of compliance;
- b) taking reasonable steps to verify that personnel's qualifications are accurate;
- c) taking reasonable steps to obtain satisfactory references from personnel's previous employers;
- d) taking reasonable steps to verify that the organization is not employing personnel in return for their having in previous employment improperly favoured the organization; and
- e) ensuring that the purpose of employment of personnel by the organization is not to secure improper favourable treatment for the organization.

A.3 Gifts, hospitality, donations and similar benefits

A.3.1 In relation to gifts and hospitality, the procedures implemented by the organization could, for example, be designed to:

- a) control the extent and frequency of gifts and hospitality by:
 - 1) a total prohibition on all gifts and hospitality; or
 - 2) permitting gifts and hospitality, but limiting them by reference to such factors as:
 - i) a maximum expenditure (which may vary according to the territory and the type of gift and hospitality);
 - ii) frequency (relatively small gifts and hospitality can accumulate to a large amount if repeated);
 - iii) timing (e.g. not during tender negotiations);
 - iv) reasonableness (taking account of the market and seniority of the giver or receiver);
 - v) identity of recipient (e.g. those in a position to award contracts or approve permits, certificates or payments);
 - vi) reciprocity (no one in the organization can receive a gift or hospitality greater than a value which they are permitted to give);
 - vii) the legal and regulatory environment (some territories and organizations may have prohibitions or controls in place);
- b) require approval in advance of gifts and hospitality above a defined value or frequency by an appropriate manager;
- c) require gifts and hospitality above a defined value or frequency to be effectively documented and transparent (e.g. in a register or accounts ledger).

A.3.2 In relation to political or charitable donations, sponsorship, promotional expenses and community benefits the procedures implemented by the organization could, for example, be designed to:

- a) avoid payments which are intended to influence, or could reasonably be perceived to influence, a tender or other decision in favour of the organization;
- b) undertake due diligence on the political party, charity or other recipient to ensure that they are not being used as a conduit for bribery;
- c) ensure that an appropriate manager approves the payment;
- d) require public disclosure of the payment;
- e) ensure that the payment is permitted by local law and regulations.

A.3.3 In relation to client representative or public official travel, the procedures implemented by the organization could, for example, be designed to:

- a) ensure that the travel is necessary for the proper undertaking of the duties of the client representative or public official (e.g. to inspect the organization's quality procedures at its factory);
- b) ensure that the payment is permitted by the procedures of the client or public body, and by local law and regulations;
- c) ensure that an appropriate manager of the organization approves the payment;
- d) ensure that the public official's supervisor or employer is notified of the travel and hospitality to be provided;
- e) restrict payments to the necessary travel, accommodation and meal expenses directly associated with a reasonable travel itinerary;
- f) limit associated entertainment to a reasonable level as per the organization's gifts and hospitality policy;
- g) prohibit paying the expenses of spouses, children of other family members.

A.4 Facilitation payments

Guidance issued by the organization to its personnel in relation to dealing with facilitation payments could include, for example:

- a) specifying action to be taken by any personnel faced with a demand for a facilitation payment, such as:
 - 1) asking for proof that the payment is legitimate and an official receipt for payment and, if no satisfactory proof is available, refusing to make the payment;
 - 2) making the payment if their life, liberty or personal safety, or that of another, is threatened;
- b) specifying action to be taken by personnel who have made a facilitation payment:
 - 1) making a record of the event;
 - 2) reporting the event to an appropriate manager;
- c) specifying action to be taken by the organization when personnel have made a facilitation payment:
 - 1) appointing an appropriate manager to investigate the event (preferably a manager who is independent from the personnel's department or function);
 - 2) correctly recording the payment in the organization's accounts;

- 3) if appropriate, or if required by law, reporting the payment to the relevant authorities.

A.5 Financial controls

Depending on the size of the organization and transaction, the financial controls implemented by an organization could include, for example:

- a) implementing a separation of duties, so that the same person cannot both initiate and approve a payment;
- b) appropriate tiered levels of authority for payment approval (so that larger transactions require more senior management approval);
- c) ensuring that the payee's appointment and work or services carried out have been approved by the organization's relevant approval mechanisms;
- d) requiring at least two signatures on payment approvals;
- e) requiring the appropriate supporting documentation to be annexed to payment approvals;
- f) restricting the use of cash;
- g) ensuring that payment categorizations and descriptions in the accounts are accurate and clear;
- h) implementing periodic management review of significant financial transactions;
- i) implementing periodic financial audit.

A.6 Procurement and other commercial controls

Depending on the size of the organization and transaction, the procurement and other commercial controls implemented by the organization could include, for example:

- a) requiring sub-contractors, suppliers and consultants to undergo a pre-qualification process under which the likelihood of their participating in bribery is assessed to a reasonable degree by an appropriate person; this process is likely to include due diligence of the type specified in 4.7);
- b) awarding contracts, where possible and reasonable, only after a fair competitive tender between at least three competitors;
- c) requiring at least two persons to evaluate the tenders and approve the award of a contract;
- d) implementing a separation of duties, so that personnel who approve the placement of a contract are from a different department or function from those who manage the contract or approve work done under the contract;
- e) requiring the signatures of at least two persons on contracts, and on documents which change the terms of a contract or which approve work undertaken or supplies provided under the contract;
- f) placing a higher level of management oversight on potentially high bribery risk transactions;
- g) protecting the integrity of tenders and other price sensitive information by restricting access to appropriate people.

A.7 Internal audit

A.7.1 The frequency of audit will depend on the organization's requirements. It is likely that some sample projects, contracts, procedures, controls and systems will be selected for audit each year.

A.7.2 The selection of the sample can be risk-based, so that, for example, a high-risk project would be selected for audit in priority to a low-risk project.

A.7.3 The intention of the audit is to provide reasonable assurance to top management that the ABMS has been implemented and is operating effectively, and to provide a deterrent to any potentially corrupt personnel (as they will be aware that their project or department could be selected for audit).

Annex B
(informative)

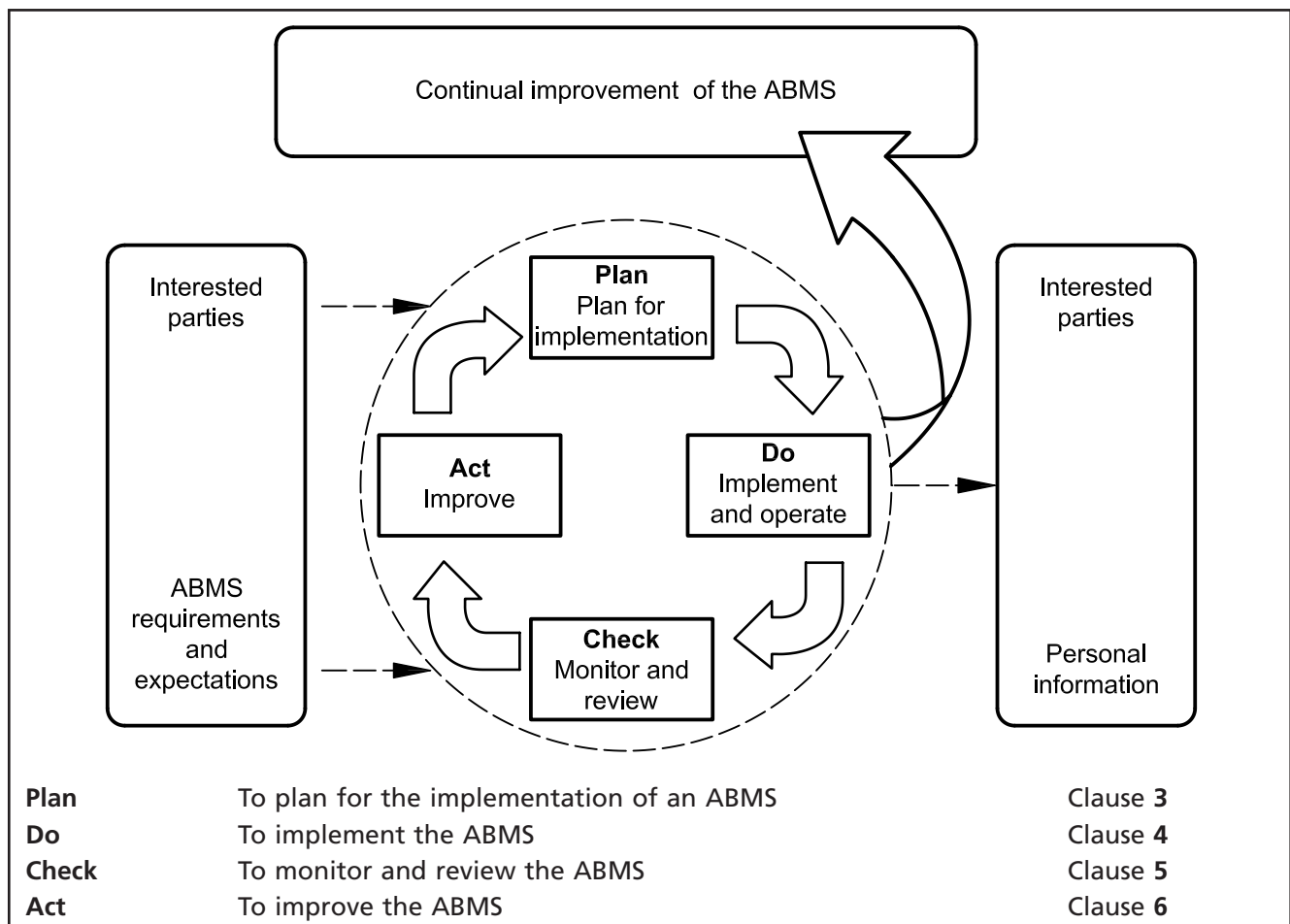
The Plan-Do-Check-Act (PDCA) cycle

This British Standard applies the 'Plan-Do-Check-Act' (PDCA) cycle to implement the organization's ABMS. This ensures a degree of consistency with other management system standards, thereby supporting consistent and integrated implementation with related management systems. Other management system standards include:

- BS EN ISO 9001 (Quality Management Systems)
- BS EN ISO 14001 (Environmental Management Systems)
- BS OHSAS 18001 (Health and Safety Management Systems)
- BS ISO/IEC 20000 (IT Service Management)
- BS ISO/IEC 27001 (Information Security Management Systems).

Figure B.1 illustrates how an ABMS takes as inputs the various requirements of this British Standard and, through the necessary actions and processes, produces anti-bribery outcomes that meet those requirements.

Figure B.1 PDCA cycle applied to the anti-bribery management system



Bibliography

Standards publications

For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

BS EN ISO 9000:2005, *Quality management systems – Fundamentals and vocabulary*

BS EN ISO 9001, *Quality management systems – Requirements*

BS EN ISO 14001, *Environmental management systems – Requirements with guidance for use*

BS ISO/IEC 20000, *Information technology – Service management*

BS ISO/IEC 27001, *Information technology – Security techniques – Information security management systems – Requirements*

BS OHSAS 18001, *Occupational health and safety management systems – Requirements*

PAS 1998, *Whistleblowing arrangements – Code of Practice* (freely available as a download from www.pcaw.co.uk/bsi or www.bsigroup.com/PAS1998)

Other publications

- [1] UNITED NATIONS. United Nations Convention against Corruption. New York. 2004. (Available at: http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).
- [2] ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT. Convention on the Bribery of Foreign Public Officials in International Business Transactions and Related. Documents. Paris: OECD. 2010. (<http://www.oecd.org/dataoecd/4/18/38028044.pdf>).
- [3] UNITED KINGDOM. The Bribery Act 2010. Chapter 23. London: TSO.
- [4] MINISTRY OF JUSTICE. The Bribery Act 2010: Guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing (section 9 of the Bribery Act 2010). London: Ministry of Justice. 2011.

Further reading

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT. Good Practice Guidance on Internal Controls, Ethics, and Compliance. Paris: OECD. 2010.

UNITED NATIONS GLOBAL COMPACT/TRANSPARENCY INTERNATIONAL. Reporting guidance on the 10th principle against corruption. UN Global Compact. 2009

INTERNATIONAL CHAMBER OF COMMERCE, TRANSPARENCY INTERNATIONAL, UNITED NATIONS GLOBAL COMPACT AND WORLD ECONOMIC FORUM. RESIST: Resisting Extortion and Solicitation in International Transactions. A company tool for employee training. 2010.

INTERNATIONAL CHAMBER OF COMMERCE. Combating Extortion and Bribery: ICC Rules of Conduct and Recommendations. Paris: ICC. 2005.

TRANSPARENCY INTERNATIONAL. Business Principles for Countering Bribery and associated tools. Berlin: Transparency International. 2009.

ASIA-PACIFIC ECONOMIC COOPERATION. Business Integrity and Transparency Principles for the Private Sector. Singapore: APEC. 2004.

INTERNATIONAL CORPORATE GOVERNANCE NETWORK. ICGN Statement and Guidance on Anti-Corruption Practices. London: ICGN. 2009.

WORLD ECONOMIC FORUM. Partnering Against Corruption Principles for Countering Bribery. An Initiative of the World Economic Forum in partnership with Transparency International and the Basel Institute on Governance. Geneva: World Economic Forum. 2005.

British Standards Institution (BSI)

BSI is the national body responsible for preparing British Standards and other standards-related publications, information and services.

BSI is incorporated by Royal Charter. British Standards and other standardization products are published by BSI Standards Limited.

About us

We bring together business, industry, government, consumers, innovators and others to shape their combined experience and expertise into standards-based solutions.

The knowledge embodied in our standards has been carefully assembled in a dependable format and refined through our open consultation process. Organizations of all sizes and across all sectors choose standards to help them achieve their goals.

Information on standards

We can provide you with the knowledge that your organization needs to succeed. Find out more about British Standards by visiting our website at bsigroup.com/standards or contacting our Customer Services team or Knowledge Centre.

Buying standards

You can buy and download PDF versions of BSI publications, including British and adopted European and international standards, through our website at bsigroup.com/shop, where hard copies can also be purchased.

If you need international and foreign standards from other Standards Development Organizations, hard copies can be ordered from our Customer Services team.

Subscriptions

Our range of subscription services are designed to make using standards easier for you. For further information on our subscription products go to bsigroup.com/subscriptions.

With **British Standards Online (BSOL)** you'll have instant access to over 55,000 British and adopted European and international standards from your desktop. It's available 24/7 and is refreshed daily so you'll always be up to date.

You can keep in touch with standards developments and receive substantial discounts on the purchase price of standards, both in single copy and subscription format, by becoming a **BSI Subscribing Member**.

PLUS is an updating service exclusive to BSI Subscribing Members. You will automatically receive the latest hard copy of your standards when they're revised or replaced.

To find out more about becoming a BSI Subscribing Member and the benefits of membership, please visit bsigroup.com/shop.

With a **Multi-User Network Licence (MUNL)** you are able to host standards publications on your intranet. Licences can cover as few or as many users as you wish. With updates supplied as soon as they're available, you can be sure your documentation is current. For further information, email bsmusales@bsigroup.com.

BSI Group Headquarters

389 Chiswick High Road London W4 4AL UK

Revisions

Our British Standards and other publications are updated by amendment or revision.

We continually improve the quality of our products and services to benefit your business. If you find an inaccuracy or ambiguity within a British Standard or other BSI publication please inform the Knowledge Centre.

Copyright

All the data, software and documentation set out in all British Standards and other BSI publications are the property of and copyrighted by BSI, or some person or entity that owns copyright in the information used (such as the international standardization bodies) and has formally licensed such information to BSI for commercial publication and use. Except as permitted under the Copyright, Designs and Patents Act 1988 no extract may be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, photocopying, recording or otherwise – without prior written permission from BSI. Details and advice can be obtained from the Copyright & Licensing Department.

Useful Contacts:

Customer Services

Tel: +44 845 086 9001

Email (orders): orders@bsigroup.com

Email (enquiries): cservices@bsigroup.com

Subscriptions

Tel: +44 845 086 9001

Email: subscriptions@bsigroup.com

Knowledge Centre

Tel: +44 20 8996 7004

Email: knowledgecentre@bsigroup.com

Copyright & Licensing

Tel: +44 20 8996 7070

Email: copyright@bsigroup.com



...making excellence a habit.™