



ISI Independent
Schools
Inspectorate

Independent Schools Inspectorate

Anti-Corruption and Bribery Policy

July 2017

DATE OF POLICY: July 2017

APPROVED BY: Stephen Cole (Acting CEO)

DATE TO BE REVIEWED: July 2018

CONTENTS

CLAUSE

1.	Policy statement	1
2.	About this policy	1
3.	Who must comply with this policy?	2
4.	Who is responsible for the policy?	2
5.	What are bribery and corruption?	3
6.	What you must not do	4
7.	Facilitation payments and kickbacks.....	4
8.	Gifts, hospitality and expenses	5
9.	Donations	6
10.	Record-keeping	6
11.	Your responsibilities.....	6
12.	How to raise a concern	6
13.	Protection	7
14.	Breaches of this policy	7
15.	Potential risk scenarios: "red flags"	7

1. Policy statement

- 1.1 It is the policy of Independent Schools Inspectorate (ISI) and ISI Consultancy (ISIC) to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption, and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.
- 1.2 We require our employees, inspectors and other contractors (such as editors and consultants supplied through ISIC) at all times to act honestly and with integrity. Employees, inspectors and other contractors are required to report any circumstances which are in breach of this anti-bribery policy. All reported incidences of actual, suspected, or attempted bribery or corruption will be promptly and thoroughly investigated and dealt with appropriately. All employees, inspectors and other contractors will be required to read this policy as part of their contract.

2. About this policy

- 2.1 It is a criminal offence to offer, promise, give, request, or accept a bribe. As a business if we fail to prevent bribery we can face an unlimited fine, exclusion from tendering for further work, and damage to our reputation. We therefore take our legal responsibilities very seriously.
- 2.2 We have identified the following particular risks for our businesses.
 - 2.2.1 Inspectors or staff accepting gifts, hospitality or other benefits from inspected institutions, or their representatives (including associations), or any current or former member of the school community, such as parents or pupils, which induce the recipient to:
 - 2.2.1.1 Influence inspection outcomes at any stage, including during the complaints process;
 - 2.2.1.2 influence scheduling of inspections;
 - 2.2.1.3 allow access to confidential information about the timing of inspection;
 - 2.2.1.4 supply inaccurate or incomplete information to other agencies, such as UKVI, DfE or local authority designated officers (LADOs) about inspection findings.
 - 2.2.2 Any members of the inspectorate, including staff, inspectors and the board, accepting benefits from other members improperly to subvert internal quality assurance processes or performance management processes.

- 2.2.3 Members of the inspectorate at any level, including the board, receiving gifts, hospitality or other benefits to influence improperly the setting of the inspection framework or other strategic decisions.
- 2.2.4 The receipt of even small gifts, hospitality or other benefits being perceived by third parties as improperly influencing judgements, whether or not relevant people are or were influenced. In the context of a school inspection, this might include offers to pay for wine at dinner.
- 2.2.5 Members of the inspectorate or consultancy at any level, including directors, offering or receiving facilitation payments (see below) in connection with consultancy work overseas or the inspection of British Schools Overseas.
- 2.2.6 Members of staff or the board receive extravagant gifts, hospitality or other inappropriate benefits in return for establishing or continuing trading relationships with suppliers.
- 2.3 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes schools and/or further education institutions (and their proprietors, staff, governors and/or other connected persons such as parents, teacher or pupils) clients, suppliers, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 2.4 This policy does not form part of any contract of employment or contract for services and we may amend it at any time.

3. **Who must comply with this policy?**

- 3.1 This policy applies to all persons working for ISI or for ISIC or on our behalf in any capacity, including employees at all levels, inspectors (including duty team and editors), directors, officers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located (“you”).

4. **Who is responsible for the policy?**

- 4.1 The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 4.2 The CEO has primary and day-to-day responsibility for implementing this policy, monitoring its use and reviewing its effectiveness periodically, including dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering

bribery and corruption. The CEO may delegate any aspects of these responsibilities as he sees fit.

- 4.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

5. What are bribery and corruption?

- 5.1 **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

- 5.2 An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

- 5.3 A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any inspection, business or professional activities, public functions, acts in the course of employment, acts in the course of the provision of inspection services or other activities by or on behalf of any organisation of any kind.

- 5.4 **Corruption** is the abuse of entrusted power or position for private gain.

Examples:

Offering a bribe

You offer a director on the board of a group of schools tickets to a major sporting event, but only if they agree to do business with ISIC.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the board of the group of schools to accept your offer.

Receiving a bribe

A school gives your nephew a job, but makes it clear that in return they expect you to use your influence at ISI to ensure a particular inspection outcome.

It is an offence for a school to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

When arranging a BSO inspection or consultancy overseas, you arrange for the business (whether ISI or ISIC) to pay an additional "facilitation" payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

6. What you must not do

- 6.1 It is not acceptable for you (or someone on your behalf) to:
- 6.1.1 give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
 - 6.1.2 give or accept a gift or hospitality during any inspection, or commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
 - 6.1.3 accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that we will provide an inspection or business advantage for them or anyone else in return;
 - 6.1.4 accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
 - 6.1.5 offer or accept more than a token gift to or from government officials or representatives, or politicians or political parties;
 - 6.1.6 threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
 - 6.1.7 engage in any other activity that might lead to a breach of this policy.
- 6.2 During and in connection with inspection, in school, inspectors may partake of school meals and reasonable refreshments only, but may not accept other gifts of any kind.
- 6.3 See also the sections on 'facilitation payments' and on 'gifts, hospitality and expenses', below.

7. Facilitation payments and kickbacks

- 7.1 We do not make, and will not accept, "facilitation payments" or "kickbacks" of any kind in the UK or overseas.
- 7.2 **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 (for example by a government official). They are not common in the UK, but are common in some other jurisdictions in which we operate.
- 7.3 **Kickbacks** are typically payments made in return for a business favour or advantage.

- 7.4 You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, 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 the Chief Financial Officer.

8. **Gifts, hospitality and expenses**

- 8.1 This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, except schools during inspection, for the purposes of:
- 8.1.1 establishing or maintaining good business relationships;
 - 8.1.2 improving or maintaining our image or reputation; or
 - 8.1.3 marketing or presenting our products and/or services effectively.
- 8.2 Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.
- 8.3 Reimbursing a third party's expenses or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.
- 8.4 We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.
- 8.5 Provision of all business gifts with a value in excess of £25, and hospitality and business entertainment with a value in excess of £100, must be approved in writing by the CEO before being provided.
- 8.6 Provision of business gifts, hospitality and business entertainment to a Government Official is prohibited and may be considered a bribe unless prior authorisation is obtained from the CEO and Chief Financial Officer who will determine whether the proposed activity is permissible under applicable laws.

9. Donations

- 9.1 We do not make contributions to political parties.
- 9.2 We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of CEO. Any donations made will be recorded in an appropriate register.

10. Record-keeping

- 10.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 You must declare and keep a written record of all hospitality or gifts given or received, which will be subject to managerial review.
- 10.3 You must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.
- 10.4 All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

11. Your responsibilities

- 11.1 You must ensure that you read, understand and comply with this policy.
- 11.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 11.3 You must notify the CEO as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a school or college offers you something to gain an inspection advantage, or indicates to you that a gift or payment is required to secure their business overseas. Further "red flags" that may indicate bribery or corruption are set out in clause 15.

12. How to raise a concern

- 12.1 You must raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.

- 12.2 If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must report it as soon as possible. Staff must report it to their line manager who will report it to the Chief Inspector where it affects inspection and also the CEO where the business interests of ISI or ISIC are implicated. Inspectors must report to the Chief Inspector or another member of the senior leadership team within ISI for onwards transmission to the Chief Inspector. Consultants must report to the head of ISIC or direct to the CEO or in accordance with our Whistleblowing Policy as soon as possible.
- 12.3 If you are unsure about whether a particular act constitutes bribery or corruption, raise it with the CEO or any appropriate member of the ISI/ISIC senior leadership team as soon as possible.

13. Protection

- 13.1 Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the CEO immediately. If the matter is not remedied, and you are an employee, you may raise it formally using our Grievance Procedure, which can be found in the Employee Handbook and/or through the Whistleblowing policy which is also available to others.

14. Breaches of this policy

- 14.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 14.2 We will terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

15. Potential risk scenarios: "red flags"

- 15.1 The following is a list of possible red flags that may arise during the course of working for us and which may raise concerns under various anti-

bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to the CEO:

- 15.1.1 a third party is using ISI or ISIC as its correspondence address;
- 15.1.2 you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 15.1.3 you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- 15.1.4 a third party insists on receiving a commission or fee payment before committing to sign up to a contract, be inspected by or otherwise work with us, or carrying out a government function or process for us;
- 15.1.5 a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- 15.1.6 a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 15.1.7 a third party requests an unexpected additional fee or commission to "facilitate" a service;
- 15.1.8 a third party requests that you provide employment or some other advantage to a friend or relative;
- 15.1.9 a third party insists on the use of side letters or refuses to put terms agreed in writing;
- 15.1.10 you are offered an unusually generous gift or offered lavish hospitality by a third party; or
- 15.1.11 you are offered additional paid work (whether through ISI/ISIC or otherwise) by a school or college that you are inspecting.