Bribery & Corruption: A Preventative Approach

By William Mathieson, Group Risk Director, Mott MacDonald

IBE Lunch Discussion

Thursday 14th June, 12.30 – 14.30

William began by stating the importance and value of a preventative approach to bribery and corruption. The most effective way of preventing bribery is to instil ethical behaviour in the organisation and the employee’s DNA. Support and advice for employees needs to be provided to help avoid them ending up in a situation where they are faced with a request for a bribe. If such a situation does occur, the most important thing is to ensure the employee is equipped to deal with the situation, in accordance with the organisation’s standards, and in compliance with international and local law.

Enabling employees to be able to identify the situation they are in, and then to respond to it effectively, is essential. Then, if people are unsure of the ‘rules’, they will intuitively be able to recognise what behaviour is considered ‘right’ or ‘wrong’ by their organisation. Most people intuitively know that bribery and corruption is wrong.

Bribery and corruption is very damaging to an organisation as a whole. Although anti-bribery legislation varies across countries, the UK Bribery Act 2010 has an extra-territorial reach, therefore creating a consistent anti-bribery standard across markets.

William outlined the Bribery Act and what it means for a company.1 Some of the main risks for companies include:

- Reputational damage
- Potentially unlimited fines
- Imprisonment for Managing Directors – who can be found personally liable for bribery committed by persons working for the organisation.

To help prevent bribery the Ministry of Justice has identified a number “adequate procedures” for consultancy organisations to put in place.2

William identified what he considers to be the 4 main areas of concern to a consultancy organisation in relation to bribery and corruption

1. Bribes and bribery
2. Facilitation payments
3. Gifts and hospitality

2 More information on “adequate procedures” can be found in the MoJ guidance at: http://www.justice.gov.uk/legislation/bribery
4. Conflicts of interest (an indirect risk area, but still very important).

What has been Mott MacDonald’s approach to preventing bribery and corruption?

Mott MacDonald has taken a very practical approach to anti-bribery and corruption. It has adopted three main areas of activity:

1. Top level commitment
   - Visible and ‘felt’ Board commitment
   - Appointment of a Group Board Champion
   - Formulation of a clear policy statement, directives and business practice procedures
   - On the agenda of all Boards.

2. Embedding ethics
   - Compliance sign-off by Managers and Directors
   - Conditions of employment of staff
   - Training programmes (three levels)
   - Externally provided whistle blowing helpline.

3. Risk management
   - Risk assessment (external and internal)
   - Due diligence processes
   - Template processes and contracts for business partners and suppliers
   - Appointment of an internal Head of Compliance
   - Internal compliance audits.

Mott MacDonald has also put in place its own Anti-Bribery Management System. This involves:

- A group ethics policy statement (includes a commitment to stakeholders)
- Group procedures (i.e. Code, policies, reporting line)
- Communication and training (i.e. messages from the Chairman and 3 levels of training)
- Implementation and compliance (i.e. audits).

To close the session, William provided 5 ethical dilemma scenarios, one for each table. Attendees worked through these, to identify the key ethical issues and a potential solution. Each tables’ response was then discussed with the rest of the audience.