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How will the Bribery Act Affect your Business?

By Grania Sweeting
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The Bribery Act 2010 comes into effect in April 2011 and covers activities such as gifts and hospitality or anything else designed to gain a business advantage (such as client events).

This Act will apply to small businesses as well as larger corporates and has the potential to create major headaches for these organisations.

However if directors/senior employees can show that "adequate procedures" are in place that are designed to prevent, detect and allow for the proper reporting of bribery, they will have some form of defence.

The problem is that the government hasn't indicated what the "adequate procedures" should be, although it has suggested **six 'broad principles'** which employers will be expected to demonstrate they have followed.

These are:

- risk assessment
- management commitment
- due diligence
- clear and accessible policies and procedures (including a code of conduct)
- effective implementation
- monitoring and review.

Additionally, government guidelines state there should be a named senior individual responsible for anti-corruption procedures in each organisation.

Penalties for participating in corrupt activities should be clearly spelt out in employees' contracts of employment.

Training should be given in anti-corruption matters and whistleblowing procedures should be in place so that employees can report any matters relating to corruption without fear of retaliation.

Currently these are only guidelines and have not yet been tested in court, however a court will take the size of the organisation into account and would expect the controls and checks in larger organisations to be more detailed and thorough than those of smaller companies.

So what can be done?

Have an anti-corruption policy that is publicised to all employees.

Review contracts of employment and add a specific clause relevant to bribery and corruption (if not already included)

Include some reference to bribery and corruption situations as part of the list of potential examples of gross misconduct found within the disciplinary procedures.

Review gift and hospitality procedures and consider if the controls in place are sufficient to prevent bribery occurring.

Provide training so employees are clear as to what is and what is not acceptable in situations where bribery could occur (and how to act if caught in a situation where bribery is attempted)

Review your whistleblowing procedure so that situations that could potentially involve bribery and corruption are mentioned.

About the Author

Grania Sweeting is a CIPD qualified Human Resources specialist, providing HR expertise to help senior teams manage their people more effectively. She provides outsourced HR support to organisations on a retained, ad hoc or consultancy basis. Her company – Grapevine HR Ltd - was established in 2005 and her clients include SMEs to PLCs. Her commercial experience and friendly yet discreet approach has led Grania to work across a variety of industry sectors.

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