

**BRIBERY AND PROCUREMENT POLICY**

**OF**

.....**[INSERT NAME]**.....

**CHURCH OF SCOTLAND CONGREGATION**

**SC[INSERT CHARITY NUMBER]**

**(N.B. WHEN COMPLETING THE POLICY, WHERE THE ALTERNATIVES [KIRK SESSION/CONGREGATIONAL BOARD] ARE GIVEN, CONGREGATIONS CONSTITUTED IN TERMS OF THE MODEL CONSTITUTION SHOULD DELETE THE WORDS “KIRK SESSION” AND THOSE OTHERWISE CONSTITUTED SHOULD DELETE THE WORDS “CONGREGATIONAL BOARD. THE ALTERNATIVES AND OTHER POINTS WHICH MAY REQUIRE ADAPTATION ARE HIGHLIGHTED.)**

## CONTENTS

---

### CLAUSE

1.	Policy statement .....	1
2.	Who is covered by the policy? .....	1
3.	What is bribery? .....	2
4.	Gifts and hospitality .....	2
5.	What is not acceptable? .....	4
6.	Facilitation payments and kickbacks .....	4
7.	Donations .....	5
8.	Procurement .....	5
9.	Conflicts and Declarations of Interests .....	5
10.	Your responsibilities .....	6
11.	Record-keeping .....	7
12.	How to raise a concern.....	8
13.	What to do if you are a victim of bribery or corruption .....	8
14.	Protection .....	8
15.	Who is responsible for the policy? .....	8
16.	Monitoring and review .....	9

### SCHEDULE

SCHEDULE	POTENTIAL RISK SCENARIOS: "RED FLAGS" .....	10
----------	---	----

## 1. POLICY STATEMENT

- 1.1 Further to the work and mission of the Church of Scotland and the terms of the Bribery Act 2010 (the “Act”), it is our policy as office bearers of the congregation and as charity trustees to conduct all church business entered into 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 dealings as a Church of Scotland congregation both in Scotland and abroad. We are also committed to implementing and enforcing effective systems to counter bribery and to operate appropriate procurement policies.
- 1.2 We will uphold both Church law and all relevant civil laws designed to counter bribery and corruption. Guidance from the Ministry of Justice makes it clear that a charity can be a commercial organisation for the purposes of the ‘corporate offence’ to the extent that it engages in commercial activity. We therefore take all the provisions of the Act very seriously and will nonetheless aim to comply with its terms.
- 1.3 The purpose of this policy is to:
- (a) set out our responsibilities as the financial board of the congregation, and of those working with/for us, in observing and upholding our position on bribery and corruption and the adoption of good procurement procedures; and
  - (b) provide information and guidance to those working with/for us on how to recognise and deal with bribery and corruption issues.
- 1.4 In the case of registered companies, bribery and corruption is punishable for individuals by up to ten years' imprisonment and we note that organisations found to have taken part in corruption could face an unlimited fine and face damage to their reputation.
- 1.5 In this policy, **third party** means any individual or organisation with whom you come into contact and includes actual and potential members, contractors, agents and advisers etc.

## 2. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels with us including members of the Kirk Session, other office bearers, members

of the congregation, employees (whether permanent, fixed-term or temporary), contractors, volunteers, agents, or any other person associated with us, wherever located (collectively referred to as **members** in this policy).

### **3. WHAT IS BRIBERY?**

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

#### **Examples:**

##### **Offering a bribe**

You offer to sell a church building to the Session Clerk's daughter at a reduced price, but only if she agrees to make you a gift in cash or kind or to donate to church funds using gift aid.

This would be an offence as you are making the offer which could operate to your or the congregation's financial advantage. It may also be an offence for the potential purchaser to accept your offer.

##### **Receiving a bribe**

A roofing contractor offers you expensive tickets for a major sporting event, but makes it clear that in return they expect you to use your influence in the congregation to ensure he is employed whenever roofing services are required.

It is an offence for a contractor 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**

You arrange for the congregation to pay an additional payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain an advantage for the congregation. Other office bearers in the congregation who agreed to the offer being made may also be found to have committed an offence.

### **4. GIFTS AND HOSPITALITY**

4.1 This policy does not prohibit the making (out of congregational funds) of token gifts. Nor does it prevent the charity trustees of the congregation receiving token gifts in the context of their congregational duties.

4.2 The making of a gift is not prohibited, if the following requirements are met:

- (a) it is not 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;
- (b) it complies with Scots law;
- (c) it is given in name of the congregation, rather than in name of an individual member;
- (d) if made out of general congregational funds (as opposed to following a special collection or from a designated benevolence fund), it does not include cash or a cash equivalent (such as gift certificates or vouchers) in excess of a token amount, £25 being the recommended maximum;
- (e) it is appropriate in the circumstances, for example, a small gift at Christmas time;
- (f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
- (g) it is given openly, not secretly.

Gifts should not be offered to, nor indeed accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the [Kirk Session/Congregational Board]. However, aside from token gifts, it is unlikely that the use of charitable funds for this purpose could ever be justified and we will always seek advice from the Church's Law Department before making a gift in this situation.

4.3 If a charity trustee, in connection with the work of the congregation, receives a gift in cash or kind given to them personally (as opposed to a charitable donation either for general congregational purposes or for a particular purpose such as a contribution to the congregation's Fabric Fund), before accepting it, he/she should give careful consideration as to whether it is an expression of personal appreciation or whether it could be intended as an inducement to place business with the donor or indeed be a reward for past business. If there is good reason to suspect that something may be expected in return, the gift should be declined. Where a gift is accepted or declined, and, on a common sense view, the gift could be regarded as being material, this should be reported to and be recorded in the book maintained for this purpose by *[insert name of office bearer - this should generally be the congregational treasurer]* For the avoidance of doubt, a one-off gift of £25 or less would not be regarded as being material.

- 4.4 This policy does not affect the giving or receiving of normal and appropriate hospitality. In any case where hospitality is suspected as being a cover for bribery, the authorities will look at such things as the level of hospitality offered, the way in which it was provided and the level of influence the person receiving it had on the decision in question. However, as a general proposition, we regard hospitality or expenditure to be in order provided it is proportionate and reasonable, having regard to the activities and financial means of the congregation.

## **5. WHAT IS NOT ACCEPTABLE?**

It is not acceptable for you, or someone on your behalf, to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a financial or business advantage will be received, or to reward a financial or business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the congregation in return;
- (e) threaten or retaliate against another member who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

## **6. FACILITATION PAYMENTS AND KICKBACKS**

- 6.1 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind even if such payments are routine and expected in a country overseas where we may occasionally have a connection.

- 6.2 If you as a member 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 Session Clerk/Clerk to the Congregational Board** who in turn, in cases of doubt, will raise them with the Church's Law Department.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All members must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## 7. DONATIONS

We only make charitable donations that are legal and ethical under Church and Scots law. No donation must be offered or made without the prior approval of the **[Kirk Session/Congregational Board]** and, unless to further the work of the congregation and its mission and outreach and that of the Church of Scotland generally, should be made from a special collection for that purpose. Further information is contained in the Law Department circular on Offerings, Donations and Gifts. See:

[http://www.churchofscotland.org.uk/\\_data/assets/pdf\\_file/0004/2848/law\\_retiring\\_offerings.pdf](http://www.churchofscotland.org.uk/_data/assets/pdf_file/0004/2848/law_retiring_offerings.pdf)

## 8. PROCUREMENT

### 8.1 Small Contracts

For a contract of less than £ (*insert appropriate figure – for most congregations £500 may be reasonable*) **[the Kirk Session/Congregational Board]** may place the contract without the necessity to tender, although, depending on circumstances, **[the Kirk Session/Congregational Board]** may decide that securing competitive quotations will be desirable.

### 8.2 Competitive Tenders

For a contract in excess of £ (*insert appropriate figure – for most congregations £500 may be reasonable*) it will be normal for not less than 2 competitive tenders to be received. When approval to let the contract is being sought from the **[Kirk Session/Congregational Board]**,

together with the appropriate documentation, confirmation that funds to cover the costs are available will also be submitted. Where it is decided to accept a tender which is not the lowest obtained, the reason for doing so will be minuted.

### 8.3 Negotiated Contracts

In exceptional circumstances, a negotiated tender may be acceptable, for instance where the contractor has a long relationship with us and thus has some specialised and detailed knowledge pertinent to the works to be undertaken. In such an instance this course of action must be agreed in advance of any negotiations by the [Kirk Session/Congregational Board] and this, together with the reason for so doing, be formally recorded in the [Kirk Session/Congregational Board] minutes.

*{With respect to clauses 8.1 to 8.3, in congregations where powers are delegated to committees/specific office bearer to enter into contracts, the above should be adapted appropriately but should provide a requirement to report all decisions reached to the Kirk Session/Congregational Board. It would be useful to include as an additional clause, details of the extent of powers which have been delegated by the Kirk Session/Congregational Board to the committee/individuals concerned}*

## 9. CONFLICTS AND DECLARATIONS OF INTERESTS

Members must avoid getting into a situation where their duties to the congregation could be said to conflict with their own personal interests. At meetings, if you know in advance that an issue in which you may have an interest is scheduled to be discussed, you should declare your interest at the start of the meeting. You should, however, declare an interest at any point in the meeting if that appears appropriate. Declaring a material interest has the effect of prohibiting any participation in discussion and voting. If your interest is a material financial one, you should leave the room whilst the item concerned is being discussed. It requires an exercise of judgement on your part to decide what a material interest is. You must consider the relationship between your interest and all the relevant individual circumstances surrounding the particular matter. It will probably be advisable to seek the view of [the Moderator/Chairman of the Congregational Board] in advance of the meeting.



## **10. YOUR RESPONSIBILITIES**

- 10.1 You must ensure that you read, understand and comply with this policy.
- 10.2 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. All members are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 10.3 You must notify the [Kirk Session/Congregational Board] 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 someone offers you something to gain a business advantage with the church, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule attached.
- 10.4 Any member who breaches this policy will be held liable to account for their actions. Depending on the gravity of the situation, a member who breaches this policy and is also an employee of the church may face disciplinary action, which could result in dismissal for gross misconduct if an employee, or removal from office in other cases.

## **11. RECORD-KEEPING**

- 11.1 We must keep financial records and have appropriate internal controls in place which will evidence the reason for making payments to third parties.
- 11.2 You must record all hospitality or gifts accepted or declined in the book referred to in section 4 (3), which will be subject to review.
- 11.3 You must ensure all expense claims relating to hospitality and gifts or expenses incurred to third parties are submitted for approval by the congregational treasurer and should specifically advise him or her in writing of the reason for the expenditure.
- 11.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness by the congregational treasurer. No accounts must be kept "off-book" to facilitate or conceal improper payments. If this occurs, further action will be taken. [IT IS INTENDED THAT IT WOULD BE FOR THE KIRK SESSION OR

**CONGREGATIONAL BOARD TO DECIDE WHAT THE APPROPRIATE FURTHER ACTION TO BE TAKEN WOULD BE.]**

**12. HOW TO RAISE A CONCERN**

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with [the Session Clerk/Clerk to the Congregational Board].

**13. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION**

It is important that you tell [the Session Clerk/Clerk to the Congregational Board] as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

**14. PROTECTION**

14.1 Members who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

14.2 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.

**15. WHO IS RESPONSIBLE FOR THE POLICY?**

15.1 The [Kirk Session/Congregational Board] has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those associated or connected to us comply with it.

15.2 The [Kirk Session/Congregational Board] has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

**16. MONITORING AND REVIEW**

- 16.1 The [Kirk Session/Congregational Board] will monitor the effectiveness and review the implementation of this policy and will regularly consider its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.
- 16.2 All members are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 16.3 Members are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the [Kirk Session/Congregational Board].
- 16.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

## **Schedule Potential risk scenarios: "red flags"**

The following is a list of possible red flags that may arise 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 or other suspicious circumstances, you must report them promptly to the [Session Clerk/Clerk to the Congregational Board]:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) 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;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us;
- (d) 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;

- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party; or
- (o) [INCLUDE SOME EXAMPLES OF POSSIBLE SCENARIOS THAT MIGHT OCCUR GIVEN THE NATURE OF THE PARTICULAR ACTIVITIES OF THE CONGREGATION].