

Title	POL116RA Bribery and Corruption Risk Assessment		Ref	POL1416RA	
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Bribery and Corruption Risk Assessment

Factors influencing bribery and corruption

For bribery or corruption to occur three key factors need to be present; Means, Motive and Opportunity.

Fraud can be affected where individuals have too much authority, through a lack of division of responsibility or counter checking, where transactions are not monitored or where weak system controls can be exploited.

Individuals can be motivated toward corruption as a result of financial difficulties / pressures; social domestic or personal problems, opportunistic greed or being pressured into an activity against their will.

Organisations as a whole can be motivated toward corruption as a result of financial difficulties.

Typical areas of risk

Areas where the risk of bribery or corruption is increased within a business are associated with **high value transactions** and **high-risk transactions** (where the threats or opportunities to the business associated with the transaction are significant).

The risk of bribery or corruption can be either internal (in-house agents, associates, consultants or similar) or external (corporate customers, service users, suppliers, partners, collaborators or competitors).

Potential Areas of Risk in Mick George Ltd

Mick George has a zero-tolerance approach to bribery and corruption and has reviewed the activities undertaken within the business to identify areas where the risk of bribery or corruption is highest.

Areas of High Value

Areas of the business where high value transactions take place have been identified as the procurement department and the contracting department.

The procurement department instigate, review and manage all significant purchases within the business including term contracts for supply of consumable goods and the engagement of hired-in plant and labour.

The contracting department regularly tender for earthworks, remediation and demolition contracts working directly for the client in the principal contractor role and working for the principal contractor as a sub-contractor.

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Areas of High Risk

Mick George’s core business is involved with two sectors where the risk of bribery and corruption has been acknowledged as significant.

The construction industry is noted as having issues with bribes, ‘back-handers’ and ‘grease payments’ although illegal workers in construction are recognised as the biggest corruption threat to the industry. A 2013 Chartered Institute of Building (CIOB) of construction professionals showed that 48% consider that corruption is either ‘extremely common’ or ‘fairly common’ within the industry which indicated that the introduction of the Bribery Act in 2006 had done little to address the problem.

The waste management industry is noted as being infiltrated by organised criminal gangs which are undercutting legitimate businesses. The Environment Agency has cited illegal waste exports, mis-description of waste and illegal waste sites are being the primary issues.

Specific Areas of Risk and Controls

Activity	Increased Risk Factors	Risk	Mitigating Controls
Procurement	Major purchases (>£100k)	Bribery of individuals to secure orders via financial incentives, kick back or disproportionate hospitality	MG operates supplier evaluation process which includes for the assessment of quality, environmental and ethical performance. Significant purchases are discussed with the directors. In addition, we operate a fully auditable Purchase Order system which incorporates multiple signatories where appropriate.
Sales	Major sales (>£100k)	Bribery of individuals to provide preferential discount via financial incentives, kick back or disproportionate hospitality	Significant sales are discussed with the directors and rates are agreed prior to being provided to clients.
Sales	Card sales to the general public	Fraud via use of personal card details for unauthorised purposes	Card details are recorded manually and destroyed following electronic input. Electronic information is stored off site and encrypted.
Contracting	Significant Tenders (>£100k)	Facilitation of payments to secure a competitive advantage for MG.	Significant tender returns are prepared by the contracting team with multiple inputs being discussed with the directors and rates are agreed prior to submission.

Activity	Increased Risk Factors	Risk	Mitigating Controls
Contracting	Significant Tenders (>£100k)	Bribery of staff by competitors to facilitate collusion or provide 'insider knowledge' to secure a competitive advantage.	Communicating the implications of being involved in an act of this nature. Cultivating a culture of compliance.
Waste Management	Waste brokering	Facilitation of illegal waste exports	MG only use registered waste management companies.
Waste Management	Mis-description of waste	Fraudulent charges for waste management services/ Tax avoidance	It is the waste producer's responsibility to provide a description of the waste and an EWC code. Where this is not possible or where we produce the waste our in-house compliance team checks the waste to be received through the specification of WAC testing or a review of site/ borehole information. The waste is visually checked when it arrives at the site to ensure that the appearance is consistent with the description / code provided
Waste Management	Use of illegal waste sites	Fraudulent charges for waste management services/ Tax avoidance	MG generally tip waste at their own sites. Where waste is taken to 3 rd party sites the site's environmental permit is obtained and checked to ensure that they are licenced to take the waste we are carrying. MG only deal with registered waste management companies when brokering waste