

The BnEI Audit Framework

The BnEI Audit Framework is a set of principles for responsible business, which acts as a tool to improve the robustness of management practices in relation to the risks of bribery, corruption and breaches of anti-trust legislation in an organisation. Organisations with strong anti-trust and anti-bribery and corruption systems in place are recognised through accreditation, providing a differentiating factor from competitors and peace of mind for stakeholders. The BnEI Audit Framework follows the methodology used by the GoodCorporation Standard of responsible business management, whereby an independent audit process looks at four levels of evidence for each individual practice and grades them against a five-point scale. The four possible audit outcomes are outlined below. Accreditation is ultimately decided by the Accreditation Council.

The assessor checks:

that a policy exists
policy documents are reviewed

that a system is in place to implement the policy
systems are examined

that records exist which show that the system works in practice
a sample of records is reviewed

the stakeholders agree that the system works in practice
interviews are held with employees, agents, suppliers and other relevant stakeholders

The assessor awards a grade:

commendation
the policy and system work well and are examples of best practice

no action required
the policy and system work well

improvement recommended
there is a policy and system that work but potential improvements have been identified

action required
there is a policy and system but they do not always work and require corrective action to reduce risk

significant action required
there is no policy or system, or it has largely broken down, and significant action is required to reduce risk

Audit Outcomes

Pass: The applicant passes if no 'significant action required' grades are awarded and up to 5 'action required' grades are awarded. There are 2 levels:

Level 1: The organisation has no 'significant action required' and up to 2 'action required' grades
Level 2: The organisation has no 'significant action required' grades and between 3 and 5 'action required' grades

Fail: The applicant has any 'significant action required' grades or more than 5 'action required' grades. There are 2 levels:

Level 3: Borderline: There are up to 4 'significant action required' grades and/or more than 5 'action required' grades
Level 4: Clear failure: There are 5 or more 'significant action required' grades and/or clear illegal/unethical behaviour.



This framework has been developed to help members to implement the BnEI Code. The framework sets out a list of good practices that all BnEI members should adopt. However it is important to note that companies will have a wide range of policies, practices, processes, systems and working methods that will meet the needs of the framework and there is no obligation to adopt BnEI specific policies or systems to comply with this framework. Instead each member should ensure that it has adequate processes in place to meet the 'spirit' of each criterion. The audit of the framework is designed not only to review paper-based policies and records but also to test whether the spirit of each point is respected in reality. To help each member organisation or applicant, this framework is supported by a detailed guidance manual together with a set of supporting tools and best practice examples.

1. Leadership

Senior management will lead by example through adopting and actively promoting and communicating the contents of this Code to their staff and business partners.

- L1: The policy of zero tolerance of bribery and corruption has been formally approved by the top management and made public.
- L2: The anti-trust policy has been formally approved by the top management and made public.
- L3*: There is high level and clear ownership of anti-bribery and corruption (ABC) and anti-trust controls.
- L4*: ABC and anti-trust issues and related policies are regularly considered by the top management.

2. Responsibility

Each member will appoint a senior manager or company officer with responsibility for effectively implementing the contents of this Code and representing that member at BnEI.

- R1*: There is a compliance or similar function with a clear remit and adequate resources to support compliance with the BnEI Code.
- R2: The compliance or similar function has a reporting line to the top management of the company.
- R3*: Senior management ensures that the organisation abides by applicable national and international ABC, anti-trust, state aid laws and conventions.

3. Policies and Procedures

Each member will implement appropriate policies and procedures relating at least to anti-bribery & corruption (including gifts & hospitality) and anti-trust law.

Sales and marketing

- PS1: The company promotes its ABC stance to its customers.
- PS2*: All sales and marketing agents, intermediaries and key sub-contractors have clear terms and conditions with appropriate ABC and, where relevant, anti-trust clauses.
- PS3: Sales and marketing agents and intermediaries are required to follow clear rules and controls on the offer of gifts and hospitality, which are designed to ensure that these do not influence business decisions.
- PS4: There is a clear policy to apply sanctions to sales and marketing agents, intermediaries and key sub-contractors where corrupt activity is discovered.
- PS5: Remuneration paid to sales and marketing agents and intermediaries is appropriate and justifiable.
- PS6: There are processes to ensure that sponsorship, community projects and charitable contributions avoid any element of bribery or inappropriate influence.
- PS7*: There are ABC and anti-trust processes in place on the setting of prices, discounts, credit terms and sales incentives.

Human resources

- PH1: Employees are required to follow clear rules and controls on the offer and acceptance of gifts, hospitality or anything of value which ensure that these do not influence business decisions.
- PH2: All non-trivial gifts and hospitality are recorded.
- PH3*: Disciplinary processes are used to support the observance of the organisation's ABC and anti-trust policies and procedures.
- PH4: There is a clear policy for employees on conflicts of interest which requires that any potential conflicts are declared and managed.
- PH5*: Performance appraisals for relevant employees refer to the principles of the BnEI Code or equivalent.
- PH6: Remuneration paid to sales employees is appropriate and justifiable.



PH7: There are strict rules and processes for employees to ensure that confidential information is protected.

PH8*: There are appropriate ABC or anti-trust controls for relevant persons working in the company as part of a service provider agreement.

Finance

PF1: There are appropriate financial controls and separation of duties including for the approval and payment of invoices.

PF2: There are appropriate controls on treasury and banking transactions.

PF3: Remuneration for agents, intermediaries and key sub-contractors is made through bona fide channels.

PF4: There are processes for authorising and monitoring expense claims of employees, agents, intermediaries.

PF5: There are clear processes for approving the receipt of goods and the completion of services.

Government and regulatory affairs

PG1: There are clear rules on political contributions to ensure that no undue influence is obtained.

PG2: There are clear rules on lobbying to ensure that any such activity is carried out transparently and in line with the BnEI Code.

PG3: No form of facilitation payment or inducement, in cash or in kind, is allowed.

PG4: Where it encounters corruption as a material business issue, the company engages in dialogue with its government.

PG5: All agents and intermediaries who interact with government officials on the company's behalf are identified.

PG6*: All agents and intermediaries who interact with government officials on the company's behalf have clear terms and conditions with appropriate ABC and, where relevant, anti-trust clauses.

PG7: There is a clear policy to apply sanctions to agents and intermediaries who interact with government officials on the company's behalf where corrupt activity is discovered.

PG8: Remuneration paid to agents and intermediaries who interact with government officials on the company's behalf is appropriate and justifiable.

PG9: There is a policy to ensure that Politically Exposed Persons are not used to gain undue advantage.

4. Due Diligence

Each member will follow good practice standards as set by BnEI for the appointment of agents, consultants and other similar third party business partners to include procedures for due diligence, remuneration and monitoring adherence to this Code.

DD1*: There is a robust process for deciding when due diligence regarding bribery and corruption and anti-trust is required.

DD2: There are clear due diligence procedures to examine the ethical practices of current and prospective agents, intermediaries and key sub-contractors.

DD3*: There are clear ABC and anti-trust due diligence procedures relating to mergers and acquisitions as well as joint venture partners and bid partners.

5. Training

Each member will provide integrity and compliance training for relevant staff and business partners. Such training is to include anti-bribery & corruption (including gifts & hospitality) and anti-trust law.

T1*: There is adequate training on ABC, anti-trust and facilitation payments.

T2*: Agents and intermediaries are trained on the company's ABC and anti-trust policies and required to follow them.

T3*: ABC and anti-trust guidance and advice is provided to directors, managers, employees, agents and intermediaries.

6. Compliance Declaration

Each member will obtain a periodic declaration of compliance by relevant senior staff. Members will obtain a similar commitment from their business partners.

CD1*: Senior management and relevant employees receive the ABC and anti-trust policies and are required to declare compliance with them on a regular basis.

CD2*: The organisation requires sales and marketing agents and intermediaries to certify on a regular basis that they fully understand and agree to abide by the company's ABC and, where relevant, anti-trust policies.

7. Internal Monitoring

Each member will be expected as a part of this initiative to have in place effective internal monitoring processes to support this Code.

IM1*: There is a risk assessment that evaluates the risks of bribery, corruption and breaching anti-trust legislation



in markets, countries and sectors where the company is operating, or is considering operating.

- IM2*: The ABC and anti-trust controls reflect the risks identified and are monitored and regularly reviewed to ensure that they are up-to-date and suitable.
- IM3*: There are appropriate internal audits which include ABC and anti-trust checks.
- IM4*: The ABC and anti-trust controls of joint ventures, bid partnerships and significant investment projects are monitored.
- IM5: There is a confidential process for stakeholders to report issues of concern to senior management. All such issues are properly recorded and investigated, with appropriate steps taken to prevent reoccurrence.
- IM6*: Where there have been cases of actual or suspected bribery and breaches of anti-trust legislation there are processes to deal with them and report to the relevant authorities when necessary.

* For benchmarking purposes assessors shall grade the ABC elements and anti-trust elements of these points separately.

