

CONFLICT STABILITY AND SECURITY FUND (CSSF) FRAMEWORK

Q6 (1.3.2): British Council is committed to conducting our business with honesty and integrity at all times. The culture of the organisation is reflected in its five core values of integrity, mutuality, creativity, valuing people and professionalism. As a Non Departmental Public Body (NDPB) we align with the Civil Service values of integrity, objectivity, impartiality and honesty, and the seven principles of public life are central to how we work. British Council meets the Supplier Code of Conduct through its existing policies, standards and processes, which have been developed and refined to address project-specific requirements, particularly in Fragile and Conflict Affected States (FCAS). These arrangements apply to all our work, including CSSF, and will apply to any new contracts under CSSF II. We meet the Supplier Code of Conduct requirements through our **global policies** which are designed to ensure compliance with relevant **UK laws and regulations** (see table below), and our own **Code of Conduct** (our Code) which details required standards, behaviours and actions to address conflict of interest, fraud and anti-corruption, safeguarding, harassment and child protection, amongst others. Compliance with our Code is a mandatory contractual requirement for all staff, other individuals working on British Council premises and all our partners and suppliers. Our Code aligns fully with most of the requirements of the Supplier Code of Conduct, including all aspects of safeguarding and raising concerns/whistle-blowing, and is therefore a key mechanism by which we demonstrate compliance at both corporate and project levels.

British Council's global policy statements			
<ul style="list-style-type: none"> • Anti-fraud and corruption • Counter terrorism and anti-money laundering • Child protection • Environment 	<ul style="list-style-type: none"> • Equality • Fair competition • Freedom of information • Health and Safety • Media and social media 	<ul style="list-style-type: none"> • Financial management and reporting • Risk management • Complaints • Adults at risk 	<ul style="list-style-type: none"> • Information security and privacy • Records management • Partnerships • Security • Bullying and harassment

Operationalising these policies commences at project identification/bidding stage (call-downs for the CSSF framework). Formal assessments are made to ensure that pursuit of the opportunity complies fully with all policies and also our ability to comply with UK and country specific regulatory and tax requirements. At this point, failure to demonstrate alignment and mitigation plans (where risks are present) leads to a formal decision from our Contracts Approval Board not to pursue the contract.

Once approval is granted, adherence to these policy areas is **operationalised and monitored** through our **Project Management Framework** - our standard set of policies, standards and guidance for all staff managing projects. It outlines key requirements in terms of ethical management of suppliers and delivery partners, including regular, inclusive team meetings with partners to monitor adherence to the project management framework and its ethical and professional standards. Clauses that formalise compliance with these ethical and professional standards are included in contracts, ToRs and partnering agreements for all third party contractors as part of the framework. As such these **policies, ethical and professional requirements** are contractually accepted by all organisations within the supply chain. Due diligence processes then ensure that they are in place at the commencement of any contract - while audit and review by project teams (through monthly management control checks) ensure ongoing compliance. Each programme has an experienced and suitably qualified **Senior Responsible Owner (SRO)**. The SRO is accountable for defining programme governance and economic policies and for efficient and successful delivery, ensuring the operationalisation of, and adherence to, the Supplier Code of Conduct by all project personnel.

British Council is committed to maximising **value for money (VFM)**, not only since it addresses a key area of the Supplier Code of Conduct and is an overarching principle of HMG overseas aid spend, but also as we want to maximise impact for the UK tax payer and programme beneficiaries. Our approach brings together political economy, a cycle of lesson learning and continuous improvement as well as the economy, efficiency, effectiveness and equity metrics. To ensure consistency of approach, British Council has developed a **VFM toolkit** which defines approach and provides practical guidance for its application across **the project lifecycle**. We use our longstanding in-country relationships to leverage local commitment, resources, and sometimes labour, in order to maximise impact while reducing costs. We also work with local suppliers to encourage and disseminate best practice, providing capacity building or remedial intervention for sustainability. Working closely with Monitoring and Evaluation (M&E) staff, our emphasis is on the establishment of consistent financial, monitoring and reporting frameworks that allow an evidenced based analysis of result versus cost. As an example, in **Sudan the Kulana Liltanmia Programme (KLP) (DFID, £10m, 2014-18)** is driving value for money through their Value for Resources (VfR) strategy which prioritises monitoring and reporting VfR indicators, enabling better understanding of the value of results achieved and to support evidence based programming decisions. It helps KLP management to invest proportionately in order to create efficiencies of scale where possible. In 2015, KLP reduced the cost per beneficiary by almost 30%, and in 2016/17 made savings of almost £140k.

Due diligence checks are conducted in line with the Supplier Code of Conduct for **Terrorism and Security Screening** (cross checking with the Thomson Reuters World-Check One Database). Through our contracts, we reserve the right to re-screen suppliers and relevant individuals against proscribed lists at any time. Financial checks also form part of all contractor and consultant selection and routine ethical screening is now applied. British Council complies with HMG data security requirements: **Cyber Essentials, Global Principles for Digital Development, Global Data Protection Regulations** and the **Data Protection Act 2018**, as indicated by our relevant policies and our Code. For projects, information management and data security risks and issues are managed and reported through our project management framework monthly management control checks. As an example of where this has been operationalised, for the **Zambia Accountability Programme (DFID, £24 million, 2014-19)** the British Council developed a due diligence framework to obtain assurance regarding potential partners' capacity and capability to deliver. The framework covered six pillars: organisation profile, governance structure, human resource management, financial management, internal controls and risk management and procurement and will be adopted for CSSF II.

British Council will be accountable for ensuring all activities, services and products are delivered to the standard agreed with the client for each CSSF framework contract and are compliant with the Supplier Code of Conduct. We understand how effective **delivery chain management** is essential to flow down the standards in the Supplier Code of Conduct to all organisations receiving funds. The SRO is accountable, and the Programme Manager responsible, for supplier management and **record keeping** through clear project governance structures and the use of tried and tested standard templates when contracting. The templates include obligations and requirements in areas

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such as: Anti-corruption and collusion (Bribery Act 2010), new GDPR requirements, Anti-Slavery and Human Trafficking (Modern Slavery Act 2015), counter terrorism, safeguarding and protecting children and vulnerable adults. They require compliance with our Code and policies and are adapted to flow down client contractual requirements. Thus, all British Council suppliers will be contracted to meet **CSSF standards** and requirements and the **Supplier Code of Conduct**. We access local legal expertise to tailor these contracts for specific contexts enabling agile and flexible start-up. Contracted delivery partners are also obliged to ensure any further sub-contracts or grant agreements follow processes which comply with equal treatment, non-discrimination, proportionality and transparency principles resulting in an appropriate flow down of rights and obligations through the supply chain

Transparency is an important part of the Supplier Code of Conduct and we are fully committed to this in our decision making processes. We comply with **tax regulations** in our UK and overseas operations. As an NDPB and a registered charity, the British Council is open to Parliamentary scrutiny and is audited by the National Audit Office in UK and overseas. We ensure a range of information about the British Council is made available on our website for the public to access. **Safeguarding of public funds** and their appropriate use is taken very seriously and reflected in our approach to project and financial management. Segregation of duties is a clear principle in our financial management processes with use of Delegated Authorities in order to **prevent fraud and corruption, encourage transparency and manage any conflict of interest**. We use an **open book accounting** approach when developing commercial contracts with clear definitions of overheads and direct delivery costs and a designated financial system (SAP) that enables money to be traced down the supply chain, by project, and irrespective of location. For work in FCAS, we have cash handling policies and processes that enable delivery to continue in the absence of reliable banking systems – these have passed external audit scrutiny. An example of this is the **Aswat Faeela contract (EU, €3.3 million, 2015-18)**, which supports advocacy in Syria, where we have used appropriate due diligence to establish the right intervention space, select the appropriate partner and our cash handling processes to move money in and out of Syria with built-in safeguarding mechanisms. These processes will be applied to CSSF II.

We are complying with **IATI** reporting requirements, in relation to the transparency requirements in the Supplier Code of Conduct, on a quarterly basis, mapping our delivery chain partners at project and central levels. In our contracts we require partners to publish information about their own development activities. Official Development Assistance (funded by Grant in Aid) expenditure is reported through the FCO who publish on gov.uk and IATI websites. The British Council publishes its corporate plan and annual report which provide further information on British Council activities, outcomes and performance.

The British Council has a zero tolerance policy to **fraud and corruption**. Our policies are fully compliant with relevant UK laws and regulations and are applied through our Code and mandatory training. The Counter Fraud Team enforces the policy across the organisation, thus we are well equipped to deal with this important part of the Supplier Code of Conduct, even in FCAS. They work with project teams and the delivery chain to raise fraud awareness, to identify key risks and provide on-going advice on fraud prevention and detection - to both increase resilience to fraud and to increase the reporting of suspected cases. The British Council also operates an online fraud reporting portal to which all staff (in-house and third party contractors) has access. Reports can be made anonymously. Internally, any allegation of fraud is reported internally to the Board of Trustees and to the Audit Committee, while externally, the British Council reports any incidents to the FCO and to the Charity Commission.

British Council seeks to operate the highest standards of **ethical behaviour** in its recruitment and procurement in line with the Supplier Code of Conduct. All recruiting staff undertake and apply mandatory recruitment and selection training including a process for dealing with **conflict of interest** issues and management. We use the Cabinet Office Qualification Questionnaire to support conflict of interest identification during procurement. Monitoring is conducted through project reviews. Any infringement triggers an investigation and if proven, would lead to termination of the contract. Project reviews and management control checks ensure that project staff and contractors are reminded of their rights and obligations and are signposted to internal and external **whistleblowing and fraud hotlines/email addresses**. This includes clear guidance to report any suspicion of incidents of aid diversion, fraud, money-laundering or terrorist related activity, which is provided to British Council staff and delivery chain partners. Our online mandatory training includes ethical behaviour requirements and is required for all staff and contractors. Compliance is logged automatically on a central register. It is, and will continue to be, applied to our CSSF portfolio.

British Council is already a signatory to the **UN Global Compact (UNGC)** and our policies and practices align to the ten UNGC principles. We address **social responsibility, human rights and safeguarding**, and the UNGC principles, through a range of mechanisms which flow down through the whole supply chain for all our projects. We require and apply the highest standards from our staff/contractors in these areas and operate a robust disciplinary process. We publish intranet operational guidance for all on duty of care, including our 'Adults at Risk,' child protection, anti-harassment and raising concerns/whistle-blowing policies. Working with children and adults at risk is factored into project design and the delivery model (e.g. project specific child safe action plans) to ensure that appropriate safeguards are put in place, reviewed and managed. Safeguarding obligations are included in all supplier contracts with each project having its own **conflict sensitivity, gender analysis and risk management framework**. These all form part of our holistic "Do No Harm" approach. Procedures are in place to ensure these safeguards are implemented through monthly management control checks and **delivery chain management** and reviewed through internal and external audit. British Council embeds **equality, diversity and inclusion (EDI)** in all its operations and activities. EDI training is mandatory for all staff and contractors. We operate a Diversity Assessment Framework to monitor and report on mainstreaming.

British Council issued its formal **modern slavery** statement in 2016, has assessed risks, and is developing both staff training plans. and a code of practice for our suppliers to increase awareness and prevent modern slavery in the supply chain. This will be monitored carefully in FCAS and other high risk environments. Our Code, global procurement policy and related guidance all include specific reference to modern slavery. We are starting to work with stakeholders, such as the **Ethical Trading Initiative**, to build good practice in this area.

As a NDPB the British Council is subject to the requirements of the UK's Environmental Information Regulations. We have a global **Environment policy** and an Environmental Management System to meet environmental objectives and manage **environmental risks and impacts** in compliance with annual UK government reporting. We **report annually** on this area. Environment and sustainability are factors formally assessed during procurement – with suppliers throughout the supply chain being monitored and reporting on, agreed targets on **environmental safeguarding** and their environmental safeguarding practice.