

Breakthrough (BTM) has delivered contracts for the FCO and other government clients for more than six years, and already meet many of the compliance areas set out in the Supplier Code of Conduct (SCoC). We will ensure that on contract award of the framework, we will be able to meet and demonstrate all compliance areas for an annual check by the client.

**Compliance Area (CA) 1 – Value for Money (VfM):** BTM currently maintains open book accounting with our largest client, UK Home Office, as well as on all our US State Department contracts across Bangladesh, Pakistan, Somalia and Tunisia. Two key principles guide BTM's overall approach to VfM for all CSSF call-off contracts: **(i) maintaining “internal” value** – the economical and efficient delivery of services in relation to their costs in order to deliver effectiveness (e.g. ♦ competitive staff fees through benchmarking ♦ local consultants ♦ strict control of reimbursable expenses ♦ in-house capability) **(ii) ensuring “external value”** – the efficiency and effectiveness of interventions in achieving results (e.g. ♦ milestone and performance-based payments ♦ post-contract sustainability of interventions ♦ leveraging local stakeholders to maximise impact). We will facilitate and supervise others, including our sub-contractors (SCs), to maintain VfM principles throughout the life of the contract, whilst managing potential cost implications due to the inherent uncertainty in FCAS countries. We also share lessons learned on VfM across all our current and prospective projects. For example, we drove efficiency through our US government project in Bangladesh by moving from a one-to-one to a one-to-many training approach in strategic communications. Outcomes were of the same high quality at a reduced client cost. This lesson was then applied across other contracts.

**Due Diligence (DD) Policy:** Our DD evaluation on all SCs includes: ♦ evidence of performance on similar projects ♦ experience/credibility ♦ operational capacity ♦ financial standing ♦ analysis of potential reputational risks ♦ and physical and data security. Where risks are identified, our AD will remove the SC or incorporate risk mitigation measures into the risk matrix and embed any lessons learned.

**Internal Fraud and Corruption Policy:** BTM has harmonised our own established internal fraud processes with DFID's 2011 ICAI report to ensure we meet and go beyond government best practice. Our HR Manager, Chris Welcome, also acts as our internal Compliance Lead to provide advice, training and awareness-raising to staff on internal fraud measures and reporting guidelines. Segregation of duties is imperative to prevent internal fraud. All Project Managers (PM) are required to answer four questions on cost expenditure, including whether costs are allowable, allocable, reasonable and necessary. Cost Managers test costs against PM justification and audit expenditure monthly. We also maintain role-based access to all systems and data and have independent auditors for annual inspection of costs and systems.

**CA(2) – Ethical Behaviour:** BTM maintains the highest standards of workplace integrity. The Civil Service Code values run parallel to BTM's own values (Fig. 1), and are promoted at the recruitment stage, staff induction and employee annual performance reviews. Employees must adhere to our code of ethics, global anti-corruption policy, anti-harassment policy, and drug/alcohol-free workplace policy. We have a whistleblowing policy in place for staff to anonymously raise concerns, deterring malpractice and contributing to BTM's climate of accountability.

**Conflict of interest (Col):** BTM are experienced in managing and mitigating risk of Cols, including across our recruitment, supply chain (**discussed below in CA(3)**) and the procurement process. **Recruitment** – We have employed a number of former government staff and ensure that they follow statutory regulations with respect to their responsibility to notify government pre-recruitment, mandating that they're BTM employment contract is conditional on them doing so and that they shall not engage in any policy shaping or business positioning on BTM's behalf whilst in government employment. We will act subject to government conditions on a prospective employee, including restricting lobbying activity, contractually holding them to any confidentiality clauses and restricting them from working directly on any commercial activity related to their previous role. Placing undue pressure on or using influence with former colleagues to benefit BTM is neither condoned nor allowed. **Procurement** – During a government procurement exercise, BTM solely uses official channels of communication with the awarding Authority. We have policies in place to identify/declare any vested staff/consultant interests and our Code of Conduct prohibits gifts to officials.

**Ethical Training:** All staff are required to undertake various training modules using our online *CascadeGo* HR system, including Safeguarding, Data and GDPR Regulations, Code of Conduct and Ethics. Our Safeguarding training module includes modern day slavery and human rights abuse awareness. In preparation for CSSF award, we will update our Code of Conduct to include information and contact details for the FCO's Anti-Fraud and Corruption Unit (AFCU).

**CA(3): Transparency and Delivery Chain Management:** All our SC agreements flow down our

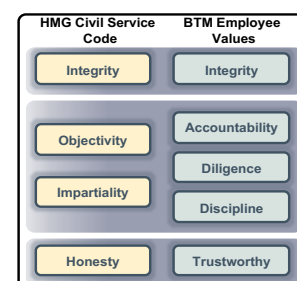


Figure 1. BTM/HMG Value Alignment

contractual arrangement with the client, thereby requiring them to sign up to our code of conduct (aligned with the CSSF SCoC) and which will contain information and contact details for the FCO's AFCU, as well as our anti-corruption/bribery policy. We will ensure that BTM and SCs publish all IATI-required data based on key considerations (i.e. that the data is structured, comparable, open, comprehensive and forward-looking).

**Sharing Records of SCs:** We will use the DD process outlined in CA(1) to understand the risks of SCs, including where possible any information on financial standing, and capture these risks in our project risk register. At the bid submission phase of any CSSF call-off contract, we will supply the client with a breakdown of all SCs, the mix of MSMEs and women-owned businesses, as well as the percentage of delivery outsourced to each SC, to be used on the project. For risk mitigation purposes, we do not outsource more than 50% of delivery to one SC unless in exceptional circumstances, such as where there is a lack of available SCs in country. On a monthly or quarterly basis (to be agreed at contract award), the Senior AD will provide the client with an outline of all disbursements made to the SCs, as well as mapping the flow of funds from SCs to beneficiaries and any assets (e.g. camera equipment) that have been provided to SCs and/or beneficiaries using client funding. We will also provide the Authority with an up-to-date risk register of our SCs, detailing any identified delivery chain risks (including risks pertaining to the flow of funds) and our proposed mitigation and management of those risks.

**HMG Prompt Payment:** Our normal payment terms are 60 days. We go above and beyond contractual requirements to ensure cashflow for small organisations/individuals (e.g. 30-day payment terms). Our finance team, led by the CFO, consistently strive to increase the speed of payment to SCs where feasible.

**CA(4): Environmental Issues:** BTM recognises that many of our activities have some impact on the environment and have a company environmental policy in place to address this. We strive to conduct our business and operations to reflect best environmental practice and implement an environmental management system appropriate to the location, scale and nature of our activities, signing up to any specified convention, standard or certification body as deemed necessary by the project and/or country.

We promote awareness and understanding of environmental issues among all staff and our SCs, by including our environmental policy in the staff handbook and staff induction presentation and displaying it in all our offices, and ensure we explore the environmental implications of any projects we undertake. Where possible, across all our offices, we use 100% recycled paper for printing and maintain plastic-free offices, eliminating plastic cups and water bottles, instead providing staff with metal flasks. We promote the use of the most environmentally friendly transport options across projects, however security implications always take priority in our decision making, as per our FCO GDS Iraq project, where we must use a bus for all staff to access the Green Zone. To meet the CSSF SCoC, we will add environmental issues to our project risk register and publish annual environmental reports which we will distribute to our client.

**CA(5): Terrorism and Security:** BTM have invested heavily in risk management, operating a multi-layered approach to assessing and reducing risk across the spectrum of its business operations. This includes risk rating employees and developed DD on staff/partnering groups to ensure Authority funding is used appropriately and not linked to terrorist activities in any way. We operate using HMG SC clearance for all UK-based staff and third-party service providers for in-depth checks on international staff.

**Data Management and Digital Development:** BTM is ISO 9001/27001 accredited and has undergone extensive cyber threat testing as part of a Cyber Essentials Plus system penetration package. As part of our sensitive work with the UK Home Office, we are further required to have specific clearance levels for data access across the company, and do not allow the use of removable media such as USB sticks/external hard drives. We also use Egnyte and Egnyte Protect, a cloud-based system containing all our data, which uses machine learning to alert us to any unusual access or compromised accounts. BTM adhere to the global Principles for Digital Development. For example, we applied a "Reuse and Improve" approach for the redevelopment of the counter extremism-focused *Hedayah Foundation* Website.

**CA(6): Social Responsibility and Human Rights:** BTM will sign up to the UN Global Compact (GC) and Ethical Trading Initiative (ETI) prior to CSSF contract award. BTM already operate employment practices in line with the ILO 138 convention and ETI Base Code, such as ensuring child labour is never used, statutory minimum age for employment is met, working hours are not excessive (37.5 hours on average), and equal opportunity is provided to all regardless of ethnicity, religion, age, disability, gender, marital status and sexual orientation. Upon signing up to the UN GC, we will enmesh the ten key principles of human rights, labour, environment and anti-corruption within our SC and employee code of conduct to ensure that these principles are embedded throughout all of the work that we do. The Group ADs, in conjunction with the Operations Director, are responsible for ensuring our SC, employee code of conduct and environmental, social and human rights policies are adhered to across our countries of operation, including in FCAS.