

Anti-Bribery and Corruption Policy

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LTE Group – Anti-Bribery and Corruption Policy

Key Contact Details

All LTE Group colleagues and members of the LTE Group Board are expected to promptly report (in line with the guidance set out below) all legitimate concerns about suspected bribery or corruption.

Position	Name	Contact Details
Chief Financial Officer / Anti-Bribery Officer	Alison Close	AClose@ltegroup.co.uk
Company Secretary & General Counsel	Lorna Lloyd-Williams	lloydwilliams@ltegroup.co.uk
CEO / Accounting Officer	John Thornhill	John.Thornhill@ltegroup.co.uk
Audit & Risk Committee Chair	Philip Lanigan	To be contacted via the Governance team.

While it is hoped this policy will reassure colleagues to raise concerns internally, you can also contact **Protect** (formerly Public Concern at Work) for independent and confidential advice on:

Telephone: 020 3117 2520

Email: whistle@protectadvice.org.uk

Website: whistle@protectadvice.org.uk

Reporting route – option 1

Colleagues should immediately report their concerns to the Chief Financial Officer & **Anti-Bribery Officer**.

Reporting route – option 2

If colleagues would prefer, they can instead report their concerns to their line manager. It is the responsibility of the line manager to then promptly escalate the matter to the Chief Financial Officer & **Anti-Bribery Officer**.

Reporting route – option 3

If the matter to be reported concerns the **Chief Financial Officer**, or if he/she is unavailable, it should be reported directly to the **Company Secretary & General Counsel**.

Reporting route – option 4

If the matter to be reported concerns the **Company Secretary & General Counsel**, it should be reported directly to the **Chief Executive Officer**.

Reporting route – option 5

If the matter to be reported concerns the **Chief Executive Officer**, it should be reported directly to the **Chair of the Audit and Risk Committee**.

Measures of Protection

The LTE Group Public Interest Disclosure Policy provides details of the measure of protection that may be allowed to individuals in making disclosures of potential irregularities, including fraud, corruption or impropriety.

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Purposes of Anti-Bribery and Corruption Policy

This policy has been introduced in response to the Bribery Act 2010.

The purpose of this policy is to:

- communicate LTE Group's zero-tolerance stance on bribery and corruption;
- make all colleagues and the Board of Governors aware of the risks of bribery and corruption, and what their responsibilities are with regard to observing and upholding the Group's position;
- provide guidance to colleagues in the event that they suspect that bribery or corruption is, or has been, taking place;
- foster a culture that deters bribery and corrupt activity, encourages its preventions and promotes its detection and reporting; and to,
- ensure that in the event of suspected bribery or corruption, timely and effective action is taken, and, if proved, the necessary sanctions are imposed.

Policy Scope

This policy applies to all colleagues, and associated persons of LTE Group (both internal and external to the organisation), regardless of position held.

Where applicable this includes (but is not limited to):

- Members of the LTE Group Board
- All Employees (including those employed by subsidiary companies)
- Agency Colleagues
- Contractors (including MOL Associates)
- Consultants
- Suppliers
- Service Users (including learners, students, apprentices, working professionals and offenders)
- Employees and committee members of organisations funded by the organisation
- Employees and principals of partner organisations

Third parties will be bound by any contractual obligations relating to Anti-bribery, as set out in contracts and agreements.

This policy is operated in conjunction with the **Financial Regulations** and other related LTE Group policies and procedures, including the **Public Interest Disclosure and Whistleblowing Policy**, the **Counter-Fraud Policy and Fraud Response Plan**, the **Anti-Money Laundering policy** and the **Gift and Hospitality Policy**.

Statement of Commitment to Ethical Behaviour

LTE Group has a **zero-tolerance stance on bribery and corruption**, and requires all colleagues, students, Board members and any other associated persons to act, at all times, honestly and with integrity.

LTE Group is committed to only procuring goods and services ethically and transparently. The successful supplier/contractor should only ever be determined on the basis of quality, price and value for money, and not through receiving (or offering) improper inducements.

The Group is committed to protecting its operations and reputation and its funders, colleagues, students and Board members from the detriment associated with bribery and other corrupt activity, and is, therefore, committed to:

- ensuring sufficient safeguards are in place throughout the organisation to prevent any persons associated with it from undertaking acts of bribery;
- the rigorous investigation of any such allegations; and to,
- taking appropriate action in instances of proven bribery or corruption (including possible criminal prosecution).

LTE Group recognises that robust anti-bribery culture underpins all actions taken to prevent bribery and corruption. The Group is committed to promoting an organisational culture that encourages the prevention of bribery and corruption, by raising awareness of all colleagues of the need for high standards of personal conduct.

LTE Group is committed to conducting its activities fairly, honestly and openly, in accordance with relevant legislation, and to the highest standards of integrity. The Group is committed to the following three fundamental public service values, which are:

- **Accountability:** Everything done by those who work in the organisation must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional code of conduct.
- **Probity:** Absolute honesty and integrity should be exercised in dealing with students, assets, colleagues, suppliers and customers.
- **Openness:** The organisation's activities should be sufficiently public and transparent to promote confidence between the college and its students, colleagues and the public.

All colleagues, and associated persons of LTE Group, are accountable and responsible for upholding these values, and for reporting any action to the contrary.

Please also see **Appendix 1**, for the **Code of Conduct** which all colleagues are required to follow when undertaking their duties.

Bribery: Definition

The **Bribery Act 2010** broadly defines ‘**bribery**’ as:

The offer, promise, giving, demanding or acceptance of an advantage (financial or otherwise), for an action which is illegal, unethical, a breach of trust or the ‘improper performance’ of a contract.

Acts of bribery are designed to influence the person being bribed in their duty, and to incline them to act dishonestly.

Bribes can take many forms, but they typically involve corrupt intent. There will usually be a ‘quid pro quo’ – i.e. both parties will benefit.

An act of bribery may take place either before (inducement), or after (reward), an improper action is performed.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve buying or selling, or it may involve the handling of administrative tasks, such as licences, customs, visas or taxes.

Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

Other examples include:

- The direct or indirect promise, offering or authorisation of anything of value
- The offer or receipt of any kickback, loan, fee, reward, gift or other advantage
- The giving of aid, donations, or voting designed to exert improper influence

Corruption: Definition

There is no universally accepted definition of ‘**corruption**’.

The World Bank defines a ‘corrupt’ practice as the ‘offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.’

Corruption does not always result in a loss. Nor does the corrupt person always benefit directly from their deeds; however, they may be unreasonably using their position to give an advantage to another.

It is a common law offence of corruption to bribe the holder of a public office, and it is similarly an offence for the office holder to accept a bribe.

The Bribery Act 2010: Legal Framework

The **Bribery Act 2010** came into force on 1 July 2011, and introduced a new, clearer regime for tackling bribery. It applies to all organisations based, or operating in, the UK.

Full details of the Act are available at:
<http://www.legislation.gov.uk/ukpga/2010/23/contents>.

The Act outlines four **corporate offences**, three of which also apply to **individuals**, as follows:

No.	Offence	Organisation	Individual
1	Offering, promising or giving a bribe	✓	✓
2	Requesting, agreeing to receive or accepting a bribe	✓	✓
3	Bribery of a foreign public official	✓	✓
4	Failure of an organisation to prevent bribery	✓	N/A

LTE Group can be liable for the actions of **any person carrying out services on its behalf**, in whatever capacity. This could include any contractors, agents or subsidiary companies.

Note: If **organisational failures** occur with the consent or connivance of any **senior officers**, they too could be liable for an offence under the Act as **individuals**.

The Ministry of Justice (MoJ) has issued guidance on how organisations should respond to this legislation, in particular Offence 4, where organisations will be required to demonstrate that 'Adequate Procedures' were put in place to prevent bribery.

Please see Appendix 3 for a summary of the **proportional procedures that LTE Group has implemented** in response to the Ministry of Justice's recommended six principles of compliance.

The Bribery Act 2010: Penalties

Note: The Act has **extra-territorial reach**, so even if an act of corruption or bribery is committed abroad, it may well result in a prosecution in the UK.

Individuals

If an individual commits a bribery offence, the UK Bribery Act 2010 states that the penalties which would be inflicted are:

- **Imprisonment of up to 10 years** (length depending on the severity of the bribery offence).
- **A fine.** This can be unlimited, and therefore will be higher the more severe the bribery offence.

LTE Group

If LTE Group allowed a bribery offence to occur due to in-sufficient procedures being in place, then the UK Bribery Act 2010 states that the penalties which would be inflicted are:

- An **unlimited fine.** This fine would be likely to be higher than the fine inflicted upon an individual, due to the size of corporations.

- The Group would be told to implement **serious crime prevention orders**, to ensure that bribery offences do not occur in the future. Serious crime prevention orders will include how an organisation conducts their finances, to ensure no doctoring of finances can occur.
- The Proceeds of Crime Act 2002 states that any financial gain which the organisation received through the bribery offence, must be returned.
- Disqualification of the Group's directors could also occur, as there would be a demonstration of a lack of top-level commitment (one of the adequate procedures which should be implemented). Thus, directors can be disqualified from holding the position as director for up to 15 years.

The only defence LTE Group would have if charged with failing to prevent bribery is the defence of '**Adequate Procedures**'. This requires the Group to have sufficient safeguards in place throughout the institution to prevent persons associated with it from undertaking acts of bribery.

Please see Appendix 3 for a summary of the **proportional procedures that LTE Group has implemented** in response to the Ministry of Justice's recommended six principles of compliance.

The Bribery Act 2010: Other Consequences

If it was deemed that LTE Group had allowed bribery and corruption to take place, there would be more repercussions than just the penalties set out in the UK Bribery Act. These could include:

- Reputational damage
- Potential loss of funding
- Costly legal action
- Potential loss of morale within the Group

Statement of Policy: Framework

1. LTE Group **prohibits any form of bribery or corrupt practices**, whether covered directly by the Bribery Act 2010 or not. No colleague or associated person may engage in any form of bribery (either in the UK or abroad) with regard to activity carried out within, or on behalf of, the Group.
2. LTE Group will ensure that proportional procedures are in place to prevent persons associated with the Group from undertaking acts of bribery. **Please see Appendix 3.**
3. No colleague or associated person shall seek a financial or other advantage through bribery, for either themselves or LTE Group.
4. No colleague or associated person shall offer, promise, give, request, agree to receive or accept a bribe for any purpose.
5. Like any other bribe, colleagues and associated persons **must not** make facilitation payments. For further guidance, **please see Appendix 2.**

6. No colleague or associated person may receive gifts or hospitality in connection with LTE Group business, other than in accordance with and subject to the limits contained in **LTE Group's Gifts and Hospitality Policy**.

7. No gift or hospitality should be accepted from a third party where there is or could be any expectation that it will lead to a business advantage for them whether or not provided directly by the LTE Group.

8. All colleagues must declare any gifts and hospitality (given, received and refused) in line with the **LTE Group Gifts and Hospitality Policy**.

9. At the outset of any business relationship (and as appropriate thereafter), LTE Group's **zero-tolerance stance on bribery and corruption**, must be communicated to all suppliers, contractors and business partners.

10. Many serious bribery and corruption offenses have been found to involve some degree of inaccurate record-keeping. Accurate records and financial reporting must be maintained and regularly reviewed for all activities, including all gifts, payments or any other contribution, whether in cash or in kind. This includes all third-party representatives acting on LTE Group's behalf.

11. Cash is one of the main ways in which a bribe can be given or received, and therefore, where possible, cash transactions should be avoided. If they cannot be avoided, to mitigate the risk of bribery, stringent controls should be applied. Please see **Appendix 2** for more detailed guidance on **common areas of risk with regard to cash**, red flag indicators and mitigation via controls.

12. All LTE Group colleagues, associated persons and members of the LTE Group Board are responsible for remaining alert and vigilant to the risk of bribery and corruption, and for protecting the reputation of LTE Group.

13. All LTE Group colleagues and members of the LTE Group Board have a duty to **promptly** report to the **Anti-Bribery Officer** all legitimate concerns about suspected bribery and corruption. All reports will be treated sensitively and in absolute confidence.

The LTE Group Public Interest Disclosure and Whistleblowing Policy outlines the measure of protection that may be allowed to individuals in making disclosures of potential irregularities, including fraud, corruption or impropriety.

Please see **Appendix 2** for more detailed guidance on common areas of risk, red flag indicators and mitigation via controls, with regard to:

- Cash
- Facilitation payments
- Gifts and hospitality
- Favours, nepotism and cronyism

Statement of Policy: Donations and Sponsorship

Political Donations

LTE Group **must not** make any contributions to politicians, political parties or election campaigns.

Charitable Donations (given and received)

Donations given by LTE Group

LTE Group may make charitable donations, but only in accordance with LTE Group Financial Regulations:

- A donation or contribution can only be made if it is ethical and transparent.
- All charitable donations **must** be within the objects of the charity, and **must** be approved by both the Principal / relevant business unit Managing Director **and** the Company Secretary & General Counsel.
- **Any donations over £5,000 must** also be approved by the **LTE Group Board**.
- The recipient's identity and planned use of the donation must be clear, and the reason and purpose for the donation must be justifiable and documented.

Making a donation is **prohibited** in the following instances:

- If the donation was to an individual, to a for-profit organization, or to a private account, as would be incompatible with LTE Group's ethical standards.
- If the donation was to be made to any organisation upon suggestion of any person of the public or private sector, in order to induce that person to perform improperly the function or activities which he or she is expected to perform in good faith, impartially or in a position of trust or to reward that person for the improper performance of such function or activities.

Donations received by LTE Group

Any charitable donations received by LTE Group must be requested and received for exclusively charitable purposes and shall not improperly influence any decisions made by or on behalf of the Group.

Corporate donations may in fact be sponsorship and great care is needed to differentiate between the two. For further information, please see '**Guidance on seeking sponsorship for LTE Group activities**'.

Sponsorship (given and received)

Sponsorship can be defined as: "The payment of a fee or payment in kind by a company in return for the rights to a public association with an activity, item, person or property for mutual commercial benefit." At all times, it must be remembered that sponsorship is a business agreement and not a gift.

All sponsoring contributions (given or received) must be:

- transparent;
- pursuant to a written agreement;
- for legitimate business purposes; and
- proportionate to the consideration offered by the event host.

Sponsoring contributions **must not** be made to events organised by individuals or organisations that have goals incompatible with LTE Group's ethical standards, or that pose a risk to LTE Group's reputation.

Similarly, sponsorship **must not** be received from individuals or organisations that have goals incompatible with LTE Group's ethical standards, or that pose a risk to LTE Group's reputation.

All sponsorships will be publicly disclosed.

For further information, please see **Guidance on seeking sponsorship for LTE Group activities**.

Statement of Policy: Use of Third-Party Representatives

The definition of a third-party representative is broad, and could include an agent, a distributor, a contractor, a supplier an advisor, a consultant, a subsidiary or a joint venture partner.

Colleagues **must not** knowingly use a third-party representative for the purpose of committing an act of bribery or corruption.

Third-party representatives who operate on LTE Group's behalf **must**, at all times, act in accordance with this policy. Therefore, all third-party representatives must be selected with care, and all agreements concluded under terms that are in line with this policy.

Third-party representatives **must** keep proper books and records, which are available for inspection by LTE Group, its auditors, or any investigating authorities.

Colleagues are responsible for the evaluation of each of their third-party relationships, and for determining whether or not there are any specific risks. Where specific risks are identified, colleagues **must**:

- evaluate the background, experience and reputation of the third-party;
- understand the services to be provided, and methods of compensation and payment;
- evaluate the rationale for engaging the third-party;
- take reasonable steps to appropriately monitor the transactions of third parties; and
- ensure there is a written agreement in place which acknowledges the third-parties understanding and compliance with this policy.

LTE Group will monitor compliance with anti-bribery arrangements, and, in instances of non-compliance, will require the correction of deficiencies, may apply sanctions, or eventually terminate the agreement.

Proven or Attempted Bribery or Corruption – Internal Sanctions

To act as a deterrent to others, a main objective in any investigation of allegations of bribery or corruption will be the punishment of the perpetrators.

Attempted bribery or corruption is treated as seriously, and bears the same consequences, as accomplished bribery or corruption.

LTE Group will instigate disciplinary procedures against any colleague or student who is proven to have attempted or accomplished bribery or corruption. LTE Group will normally involve the police, and pursue the prosecution of any such individual.

Proven or Attempted Bribery or Corruption – Third Parties

LTE Group reserves the right to terminate its contractual arrangements with any third-party providing services for or on behalf of the Group where there is reasonable evidence that they/their staff have committed an act of bribery.

Statement of Responsibility – LTE Group Board & Chief Executive Officer

As set out in grant funding agreements and contracts with ESFA, LTE Group is responsible for establishing and maintaining an adequate system of internal control, to ensure compliance, and to prevent and detect irregularities and suspected fraud (including theft, bribery and corruption).

LTE Group is therefore responsible for putting sufficient safeguards (**'Adequate Procedures'**) in place throughout the institution to prevent any persons associated with it from undertaking acts of bribery.

The **LTE Group Board** is ultimately responsible for LTE Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group Board has delegated the day-to-day responsibility to the **Chief Executive Officer (CEO), as Accounting Officer**. The CEO is responsible for managing the Group's risks, including fraud, and maintaining a sound system of internal control that supports the achievement of LTE Group's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between LTE Group and the ESFA. He is also responsible for reporting to the Group Board any material weaknesses or breakdowns in internal control.

The CEO is accountable to the Group Board and should ensure that responsibilities are assigned across the company for implementing the anti-bribery programme. The CEO is also responsible for setting the tone from the top and for ensuring that all colleagues feel protected when carrying out their official duties, and that they would feel confident in raising any legitimate concerns.

Statement of Responsibility – Anti-Bribery Officer

The Chief Executive Officer has designated the Chief Financial Officer to be the **Anti-Bribery Officer**.

The Anti-Bribery Officer is responsible for ensuring that LTE Group is compliant with the Bribery Act 2010. This is achieved through implementing anti-bribery guidelines and through the monitoring of compliance with this policy. The Anti-Bribery Officer is also responsible for regularly reviewing the effectiveness of the Group's anti-bribery arrangements and for implementing improvements as appropriate.

On an annual basis, the Anti-Bribery Officer **must** report all the gift and hospitality declarations (both given and received) to the Audit and Risk Committee.

Where an act of bribery or corruption is identified, the procedures set out in the Fraud Response Plan should be followed. This plan forms part of the LTE Group Counter-Fraud Policy and Fraud Response Plan.

If an act of bribery or corruption is proven, the Anti-Bribery Officer must inform the chair of the Audit and Risk Committee, external auditors and internal auditors as soon as practically possible.

ESFA must also be informed when the amounts are significant, that is exceeding £10,000 in value, as soon as possible.

Statement of responsibility – Audit and Risk Committee

The Audit and Risk Committee are responsible for:

- overseeing the corporation's policies on and processes around bribery and corruption;
- and for ensuring:
- the proper, proportionate and independent investigation of all allegations and instances of bribery and corruption;
 - that investigation outcomes are reported to the Audit and Risk Committee;
 - that the external auditor and internal auditor are informed of investigation outcomes and other matters of bribery and corruption, and that appropriate follow-up action has been planned/actioned;
 - that all significant cases (exceeding £10,000 in value) of bribery and corruption are reported to ESFA as soon as possible; and that
 - risks around bribery and corruption have been identified and controls put in place to mitigate them.

Statement of Responsibility – Procurement Team

Public sector business can be lucrative for contractors and suppliers. Bribery and corruption risks may arise at various stages of the procurement cycle, for example:

- A public official may be offered, or may request, a bribe to draft tender evaluation criteria to suit a particular contractor or supplier.
- A public official may abuse their position by accepting a late bid from a relative or friend's company.
- A public official may be influenced, by a bribe or other inducement, to make a biased decision at tender evaluation stage.
- A public official may be offered, or may request, a bribe to turn a blind eye to the use of sub-standard materials or provision of sub-standard goods at contract implementation stage.
- A public official may be offered, or may request, a bribe to collude with contractors or suppliers in negotiating changes in price or specification.

Source: *Corruption in UK Local Government*, Transparency International, 2013

LTE Group's Procurement team are responsible for:

- ensuring that procurement practices are conducted in a fair and transparent manner, and that no colleagues are dealing with contractors or suppliers who are known (or reasonably suspected) to be paying bribes;
- ensuring that, before a contractor or supplier is engaged, properly documented due diligence is undertaken to cover the suppliers' economic and financial standing and key factors of value of money (i.e. cost, size, sustainability, design, etc.); and
- ensuring that agreements with contractors and suppliers shall, at all times, provide for the necessary contractual mechanisms to enforce compliance with the anti-bribery arrangements.
- ensuring that, during the evaluation stage of sourcing, the propriety of candidate suppliers has been assessed taking account of the requirement to exclude those convicted of fraud, theft, fraudulent trading or fraudulent tax evasion;

Statement of Responsibility – Governance

The corporation has a statement of the recruitment and selection of Governors and Co-Optees. Governors and Co-Optees are required both on appointment and annually thereafter to declare that they are eligible to serve. This declaration outlines the various scenarios in which a person would be ineligible to be a member, with regard to either being declared bankrupt or being convicted and receiving a sentence on imprisonment.

LTE Group's Governance team are responsible for:

- Ensuring that the required eligibility to serve declaration is made on the appointment of all Governors and Co-Optees and annually thereafter.
- Ensuring that for all new Governors and Co-Optees a DBS check and Companies House search is made.

Statement of Responsibility – HR

All new key management personnel (all those included on the Register of Interests) are required, prior to appointment, to declare that they have not been removed from any board, nor been subject to a Companies House sanction, nor been declared bankrupt.

LTE Group's HR team are responsible for:

- Ensuring that, prior to appointment, all new key management personnel have made their required declarations.
- DBS checks are undertaken at the appropriate level for all new starters.

Statement of Responsibility – Line Managers

LTE Group Line Managers are responsible for:

- implementing this policy in respect of fraud, bribery and corruption;
- identifying, and assessing the scale, of common types of fraud, bribery and corruption risk in their area and for briefing their team about these risks (Details of Fraud Risk Assessment are available at [Fraud Risk Assessment Standards \(2022-03-25\) \(publishing.service.gov.uk\)](#));
- ensuring all of their team members have completed all mandatory anti-bribery training;
- implementing and documenting effective systems of internal control for managing and mitigating these risks, and for allocating responsibility for the operating of these controls. For example, by ensuring that a risk assessment and appropriate due diligence are performed, if there is considered to be a risk that bribery and/or corruption might occur in relation to a particular transaction, third party or territory;
- ensuring that these controls are constantly applied and that procedures are being followed, through routine checks and monitoring;
- identifying and investigating any areas in which controls are not being uniformly applied, and taking remedial action if required;
- performing thorough checks when authorising transactions such as expense claims and purchase orders;

- setting a good example – line managers should comply, and be seen to comply, with all controls;
- **promptly** reporting to the **Anti-Bribery Officer**, if a member of their team raises any concerns about suspected bribery or corruption; and,
- providing support, as and when required, to investigations of alleged acts of bribery or corruption.

The Chief Financial Officer and Internal Audit are able to offer advice and assistance regarding the implementation and documentation of effective systems of internal control.

Please also see **Appendix 4**, which provides guidance in the event of a suspected act of bribery or corruption of **Line Manager ‘Dos and Don’ts’**.

Statement of Responsibility – All Colleagues

All LTE Group colleagues are responsible for:

- complying with this policy, and ensuring that their interests, activities and behaviours do not conflict with these obligations;
- completing all mandatory anti-bribery training;
- remaining alert and vigilant to the risk of bribery and corruption;
- protecting the reputation of LTE Group;
- applying the internal controls, and rules and regulations that are designed to deter, prevent and detect fraud; and
- **promptly** reporting all legitimate concerns about suspected bribery and corruption.
- not allowing their actions to be influenced by personal likes or dislikes. LTE Group will instigate disciplinary procedures against any colleague or student who makes a false or malicious allegation against another member of LTE Group.

Please also see **Appendix 5**, which provides guidance in the event of a suspected act of bribery or corruption of **Colleagues ‘Dos and Don’ts’**.

Statement of Responsibility – External Organisations

All external organisations who deal with LTE Group, must:

- operate within the law and any specific agreements or contracts;
- comply with LTE Group’s Anti-bribery and Corruption Policy; and

- conduct themselves in accordance with usual ethical business standards, consistent with LTE Group's charitable status and public funding.

Statement of Responsibility – Internal Auditor

The Internal Auditor is **not** responsible for detecting bribery and corruption; this is the responsibility of LTE Group management.

However, the Internal Auditor can assist, by examining and evaluating the adequacy and effectiveness of LTE Group management's action to prevent, detect and investigate irregularities, including bribery and corruption.

For example, the Internal Auditor can:

- regularly review anti-bribery and corruption policies, procedures, prevention controls and detection processes making recommendations to improve these processes as required;
- discuss with management any areas which it suspects may be exposed to bribery and corruption risk;
- help determine the appropriate response to suspected bribery and corruption and to support any investigation taking place; and,
- facilitate corporate learning on bribery and corruption, bribery and corruption prevention and the indicators of bribery and corruption.

The work of the Internal Auditor should be planned to take into account consideration of fraud, theft, corruption and risk assessment, especially in those systems where there is a significant risk. Systems should be tested to ensure that the risk, both internal and external, is minimised, and the Internal Auditor should be alert to any control weaknesses that allow fraud, theft or corruption to occur.

Statement of Responsibility – External Auditor

The External Auditor is **not** responsible for detecting bribery and corruption; this is the responsibility of LTE Group management.

However, an auditor conducting an audit in accordance with ISAs (UK and Ireland) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud (including the potential impact of bribery and corruption) or error.

When obtaining reasonable assurance, the auditor is responsible for maintaining professional scepticism throughout the audit, considering the potential for management override of controls and recognizing the fact that audit procedures that are effective for detecting error may not be effective in detecting fraud (including bribery and corruption).

Appendix 1 – Code of Conduct

All those who work for, or are in contract with, the LTE Group should exercise the following when undertaking their duties:

- **Selflessness** - Should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.
- **Integrity** - Should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity** - Should, in carrying out public business, (including making public appointments, awarding contracts, or recommending individuals for rewards and benefits), make choices on merit.
- **Accountability** - Are accountable for their decisions and actions to the public and must submit them to whatever scrutiny is appropriate to their office.
- **Openness** - Should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest demands.
- **Honesty** - Have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** - Should promote and support these principles by leadership and example.

Appendix 2 – Common Areas of Risk, Red Flag Indicators and Mitigation via Controls

Examples of some common areas of risks, red flag indicators and mitigation via controls include:

- Cash
- Facilitation payments
- Gifts and hospitality
- Favours, nepotism and cronyism

Cash

Cash is one of the main ways in which a bribe can be given or received. Cash bribes may take the form of one-off payments or regular repeat payments, often linked to securing or retaining contracts or permits.

Therefore, where possible, cash transactions should be avoided. If they cannot be avoided, to mitigate the risk of bribery, stringent controls should be applied.

Red Flags	Controls
<p>May include:</p> <ul style="list-style-type: none"> • A pattern of repeated cash payments. • Receipts for cash payments not available for inspection. • A lack of detail on invoices provided. • Excessive use of petty cash. • Cash payments recorded as fees and commissions. • Evidence of cash received for works or services subsequently identified as not having been performed or delivered. 	<p>May include:</p> <ul style="list-style-type: none"> • Checks for recurrent cash expenses of similar size. • Checks on cash payments and expenses for rounded sums. • Expense transactions to be supported by information which identifies employee, recipient and purpose. • Supporting documentation for all payments. • Petty cash floats kept to a minimum or avoided, with any use strictly monitored and access restricted.

Facilitation Payments

Facilitation payments are small bribes made to public officials to speed up a process or secure something to which the payer has legal (or other) entitlement. For example, if a payment is made to have a planning or licence application approved without delay.

Red Flags	Controls
<p>May include:</p> <ul style="list-style-type: none"> • A payment is requested or solicited for the purpose of expediting or facilitating a service. • An organisation or individual gains preferential treatment through making the payment. • A payment appears to be unofficial or covert. • A payment is higher than, or over and above, the standard fee for the service being provided. 	<p>May include:</p> <ul style="list-style-type: none"> • Clear anti-bribery policy and procedures. • Bribery and corruption awareness training for all staff. • Any demands for facilitation payments recorded and reported to senior management.

Gifts and Hospitality

Offering and receiving gifts and corporate hospitality is an accepted business practice aimed at building and strengthening working relationships.

However, when such gifts or hospitality become increasingly lavish or excessive or coincide with, for example, the letting of a major contract, a line can be crossed which takes the practice into the realm of bribery and corruption. Any gift or offer of hospitality should therefore pass a 'reasonable and proportionate' test before it is considered for acceptance. **For further guidance, please see LTE Group's Gifts and Hospitality Policy.**

Red Flags	Controls
<p>May include:</p> <ul style="list-style-type: none"> • The gift or hospitality could influence the award or continuation of a contract or service. • Acceptance of the gift or hospitality could be perceived by others (e.g. regulators or media) as being a bribe. • The gift or hospitality does not fall within policy guidelines. • The gift or hospitality is excessive in value. • The recipient of the gift or hospitality is in a position of influence. 	<p>May include:</p> <ul style="list-style-type: none"> • A clearly defined gifts and hospitality policy. • Clear personal/annual limits for gifts or hospitality. • A requirement for all gifts and hospitality to be declared and authorised in advance of acceptance. • A requirement for all offers of gifts and hospitality to be recorded in a register.

Favours, Nepotism and Cronyism

Bribery and corruption in the form of exchanging favours can be particularly difficult to identify as often there is no financial transaction. Nepotism (favouring a family member) and cronyism (favouring a friend or associate) are examples where favours, such as jobs or benefits, are given to a decision maker's relatives or friends in order to gain an unfair advantage.

Red Flags	Controls
<p>May include:</p> <ul style="list-style-type: none"> • Someone associated with, or connected to, the organisation could gain an exclusive advantage through the exchange of favours. • Normal, fair or regulated selection processes could be circumvented by the exchange of favours. • Certain business or employment decisions could be made without apparent regard to merit. • A person could exploit their power and authority by offering privileged access to services. 	<p>May include:</p> <ul style="list-style-type: none"> • A robust conflicts of interest policy. • Declaration of interests as appropriate, for example within recruitment or planning processes. • Full disclosure at application stage of relatives already working in the organisation in senior positions. • Not allowing relatives of candidates to sit on their selection panel. • Awareness training for all staff, Board members and councillors in relation to bribery and corruption, fraud and conflicts of interest so they are aware of their responsibilities. • Sanctions for any breach of the relevant policies and procedures.

The above tables are illustrative and not exhaustive, and other examples of bribery and corruption also exist.

Appendix 3 – LTE Group’s Proportional Procedures

The following table provides a summary of the proportional procedures that LTE Group has implemented in response to the Ministry of Justice’s recommended six principles of compliance:

Principle	LTE Group's Response
Proportionate Procedures	In March 2023, LTE Group reviewed and refreshed its Anti-Bribery and Corruption Policy, which communicates the Group's anti-bribery stance, shows how it will be maintained, and underpins the Group's anti-bribery culture. This policy has been approved by both the Audit & Risk Committee and the LTE Group Board, and is available to all colleagues via the HUB (staff intranet). Appropriate training will also be provided (please see below).
Top level Commitment	<p>LTE Group has a zero-tolerance stance on bribery and corruption, which is articulated on page 2 of this policy. The policy communicates the Group's anti-bribery stance, and has been approved by the LTE Group Board.</p> <p>The Chief Executive Officer (CEO) is accountable to the Group Board and should ensure that responsibilities are assigned across the company for implementing the anti-bribery programme. The CEO is also responsible for setting the tone from the top and for ensuring that all colleagues feel protected when carrying out their official duties, and that they would feel confident in raising any legitimate concerns.</p> <p>In turn, the CEO has designated the Chief Financial Officer to be the Anti-Bribery Officer, who is responsible for ensuring that LTE Group is compliant with the Bribery Act 2010.</p>
Risk Assessment	Ongoing quarterly review of bribery risks performed by the Anti-Bribery Officer, as part of the review of the Finance Risk Register.
Due Diligence	<p>Procurement practices will be conducted in a fair and transparent manner and not deal with contractors or suppliers known or reasonably suspected to be paying bribes.</p> <p>Before engaging contractors and suppliers, LTE Group will undertake properly documented due diligence via appointed Business Partners.</p> <p>LTE Group will require contractors and suppliers to comply with its Anti-Bribery Policy as a minimum standard. Agreements with contractors and suppliers shall, at all times, provide for the necessary contractual mechanisms to enforce compliance with the anti-bribery arrangements. LTE Group will monitor performance and, in case of non-compliance, require the correction of deficiencies, apply sanctions, or eventually terminate the agreement.</p>
Communication (incl. training)	A new mandatory anti-bribery training module has been rolled out to all colleagues in Spring 2023 and added to the new starter induction programme.

Principle	LTE Group's Response
<p>Monitoring and Review</p>	<p>The Anti-Bribery Officer will monitor the effectiveness of this policy, and regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.</p> <p>The Anti-Bribery Officer will be assisted by the work of the Internal Auditor, which should be planned to take into account consideration of fraud, theft, corruption and risk assessment, especially in those systems where there is a significant risk.</p> <p>A formal review of the Anti-Bribery and Corruption Policy will be made every 3 years (or sooner if there are updates to legislation), and the refreshed policy presented to the Audit & Risk Committee and the LTE Group Board for approval.</p> <p>All colleagues 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 Anti-Bribery Officer, email AClose@ltegroup.co.uk.</p>

Appendix 4 – Line Managers – Dos and Don'ts

DO

- **Do** be responsive to colleagues' concerns, and treat all colleagues concerns seriously and sensitively.
- **Do** deal with the matter promptly, as any delay could cause LTE Group to experience financial losses and/or reputational damage.
- **Do** maintain confidentiality, and follow the escalation guidance set out in **Reporting Route – Option 2**.
- **Do** record carefully all relevant details, and obtain as much information as possible from the reporting member of colleagues. This should include a note of any documentary evidence that may support the allegations made.
- **Do**, if possible, take steps to minimise any immediate future losses.

DON'T

- **Don't** be afraid to seek advice from the Anti-Bribery Officer.
- **Don't** approach or accuse the individual(s) about whom the allegation has been made.
- **Don't** try to investigate the matter yourself, as there are special rules surrounding the gathering of evidence for use in criminal cases.

Appendix 5 – All Colleagues – Dos and Don'ts

DO

- **Do** report your suspicions promptly, either to the Anti-Bribery Officer, or your line manager or other responsible persons – as per the guidance on Reporting Routes. Any delay could cause LTE Group to experience financial losses and/or reputational damage.
- **Do** make an immediate note of your concerns – i.e. all relevant details, such as the date, time and name of any parties involved, and details of the conversation.
- **Do** try to safeguard evidence, as the individual(s) involved may try to destroy at the first opportunity. If necessary, try to discreetly copy documents (including electronic records).
- **Do**, where possible, try to preserve confidentiality. Only discuss with the Anti-Bribery Officer, or your line manager or other responsible persons.
- **Do** persist in raising your concerns, even if you are deterred from doing so.

DON'T

- **Don't** be afraid of raising any legitimate concerns. LTE Group will treat any matter you raise sensitively and confidentially. The LTE Group Public Interest Disclosure and Whistleblowing Policy outlines the measure of protection that may be allowed to individuals in making disclosures of potential irregularities, including fraud, corruption or impropriety.
- **Don't** confront an individual that you suspect has committed an act of bribery or corruption with accusations of wrongdoing. This may result in the destruction of evidence, and, in extreme cases, might expose you to physical danger.
- **Don't** try to investigate the matter yourself, as there are special rules surrounding the gathering of evidence for use in criminal cases.
- **Don't** tell anyone else about your concerns, other than those with the proper authority.
- **Don't** allow your actions to be influenced by personal likes or dislikes. LTE Group will instigate disciplinary procedures against any colleague or student who makes a false or malicious allegation against another member of LTE Group.

Owner: Chief Financial Officer
Group Audit Committee
Date of approval: 18th July 2023
Renewal cycle: three years