

DFID Staff Code of Practice (when dealing with External Relationships)

Introduction

The DFID Staff Code of Practice aims to clarify the key ethical behaviours and controls required in our day to day working practices when managing procurements, programmes or relationships with external partners (including Suppliers, Civil Society Organisations & Multilaterals). The Staff Code of Practice applies to all DFID employees, including HCS and SAIC employees. It also applies to secondees, agency workers and contractors who will be working within DFID. In the context of this Code of Practice, the term “staff” will therefore include anyone who falls into one of the above categories. Line managers are responsible for ensuring that anyone on their team who falls into one of these categories, understands their responsibilities and fully complies with the Code of Practice.

To protect our reputation as an organisation that always strives to do the right thing, we need everyone doing business on behalf of DFID to live up to our values and standards of behaviour. It is important to remember that, as a member of staff, you represent DFID during working hours, not yourself as an individual. Your behaviour and language should therefore be representative of DFID as an organisation and you should only seek to influence suppliers for DFID related purposes. This code sets out the standards of behaviour expected of staff and the boundaries within which all staff must operate when communicating with or managing external partners.

The Staff Code of Practice builds on the values and requirements reflected in the Civil Service Code and must be read in conjunction with:

- Civil Service Code and HMG Core Values
- Civil Service Management Code (Chapter 4).

HMG Core Values

1. **Integrity** – Obligations of public service above personal interests.
2. **Honesty** – Truthful and open.
3. **Objectivity** – Advice based on analysis of evidence.
4. **Impartiality** – Acting solely on the merits of the case.

Your Responsibilities

Read it, understand it and follow it! Under the Staff Code of Practice you must:

- Comply promptly with the mandatory requirements highlighted below.
- Understand the risks in your role and how to manage them.
- Seek advice when things are not clear.
- Make sure that any third party organisation you work with are aware that we are bound by our code and that they should act accordingly.
- Speak up. It is your duty to report any violations of the Staff Code of Practice.
- If you have line management responsibilities you have a responsibility to ensure your staff understand and comply with all of the mandatory requirements in the Staff Code of Practice. For further advice and guidance, staff should refer to our **Disciplinary Procedures**.

Mandatory Requirements

All staff must ensure they fully understand their responsibilities under the Civil Service Code and DFID Staff Code of Practice. This will be included as part of Induction Training for new staff. Current staff must ensure they read the training slides and Code of Practice available on HAGRID at the earliest opportunity. All staff must comply with the following mandatory requirements:

- Complete annual mandatory training that requires you to:
 - Read and understand the Staff Code of Practice.
 - Complete the annual Declaration of Understanding on HAGRID. Staff will receive annual reminders.
- Register mandatory information for COIs, Gifts and Hospitality on HAGRID in line with the Code of Practice. Staff will receive 6 monthly reminders to review and confirm updates or enter a nil response.

Compliance Monitoring

Compliance with the Staff Code of Practice will be monitored through:

- HAGRID annual Declaration of Understanding reports
- Head of Department / Office annual Statement of Assurance.
- Overview and spot checks of compliance.

Non - Compliance

Non-compliance with the Staff Code of Practice can result in disciplinary action, up to and including dismissal. In some cases a violation may be reported to the relevant authorities, which could also lead to legal action, fines or imprisonment.

Standards of Ethical Behaviour

Managing External Relationships

Relationships with external delivery partners, regardless of value or duration must be managed professionally. All staff involved in working with or managing external partners and delivery networks must ensure they conduct business in a professional manner at all times and in line with the **Staff Code of Practice**. Our reputation is defined by trust, integrity and achieving high quality sustainable value. Our continued success requires all staff to uphold professional standards, adhere to applicable laws and fulfil ethical obligations.

Our business judgement must always be free from bias, Conflict of Interest or the undue influence of others. Staff must declare and proactively avoid circumstances that could create an actual or perceived threat to our objectivity and professional standards. Particular care must be taken by staff who are directly involved in the management of a programme, procurement, contract or external relationship, where key stages may be susceptible to the undue influence of a third party. For example, where a delivery partner may try to:

- influence programme design, terms of reference or selection criteria to gain unfair advantage in a competition;
- obtain key programme information that is not shared with the other bidders and could give them an actual or perceived advantage in developing their bid;
- skew a competition by influencing a member of the evaluation panel to score in their favour;
- collude with a DFID member of staff, in the form of gifts or other benefits to influence the manipulation of negotiations in favour of increased supplier profits;
- influence a DFID member of staff to manipulate programme monitoring and management to cover up poor performance.

Staff who are involved in managing external relationships need to keep in view that their actions can create a perception of undue influence by a third party and that perception alone can have a significant impact on DFID's reputation and ability to deliver Value for Money. For example bidders may choose to avoid a competition where they perceive it is being influenced by one supplier as a result of seeing them on regular social outings with the DFID lead.

External partners must also be clear on the standard of conduct and working practices we expect from them. The SRO must ensure the DFID **Supply Partner Code of Conduct** is applied to external arrangements with delivery partners, including Supplier Contracts and Accountable Grants. When selecting an external partner the SRO must ensure the partner has fully demonstrated their capability and commitment to comply with the **Supply Partner Code of Conduct**. Staff should also refer to the **Due Diligence Guide**.

Conflict of Interest (COI)

A Conflict of Interest may arise where an employee has private or personal interests that may, or could be perceived to, compromise their ability to do their job. COIs may be of a personal, financial or political nature and can have an adverse effect on DFID's reputation and ability to deliver. Staff should act in DFID's best interest at all times and maintain clear lines of integrity and professionalism in their relationships with external partners. Staff and line managers must take the actions outlined below to alleviate the risks associated with actual or perceived COIs.

Staff must:

- Ensure our decisions are not influenced by personal considerations, relationships or interests and take every precaution to avoid actual, potential or perceived COIs.
- Inform line management as soon as they become aware of a COI and immediately register all actual, potential or perceived COIs on **HAGRID**.
- Ensure the Commercial Delivery Manager and the Procurement and Commercial Department (PCD) Sourcing Lead is informed immediately of any COI relating to a specific competition or supplier contract. In addition to HAGRID registration, staff involved in the selection of a delivery partner will be asked to complete a COI declaration form at key stages of a competition.
- Consult line management if unsure whether a COI exists. Each situation should be dealt with on a case by case basis and staff should refer to the **Conflict of Interest Policy** for further guidance.

Line management must:

- Review any declaration of a COI within 5 working days and agree any mitigating actions required. For example, the member of staff may be required to withdraw immediately from any decision-making or processes that may create an actual, potential or perceived COI.

COI Example - A DFID Adviser has been asked to take part in the evaluation panel for a contract competition that was recently advertised. The Adviser realises at an early stage that a close member of their family works for one of the suppliers intending to bid and will be involved in the bidding process. To ensure there is no actual or perceived COI in this situation, the Adviser must immediately alert their line manager and update the COI register on HAGRID. A course of action to mitigate any associated risks should be agreed with line management and the PCD contract lead. In these circumstances it is likely that the Adviser will be asked to step out of the evaluation process and any other aspect of the competition that has the potential to generate suspicion or a complaint from bidders.

Gifts and Hospitality

Staff must not receive benefits from a third party that may (or be perceived to) compromise their judgement or integrity. Staff must obtain line management approval prior to acceptance of any gift or hospitality and **must ensure all offers valued over £25 are registered on HAGRID, whether accepted or not.**

Gifts – Must not be accepted from individuals or organisations as a result of official duties. This includes personal gifts, rewards, benefits or bribes. The only exceptions to this include isolated trivial gifts (such as low value stationary items) or low value gifts which cannot be refused without causing offence (e.g. formal gift from recipient government). In either case the gift may only be accepted “on behalf of DFID” and kept within DFID.

Hospitality – Must not be accepted. Any exceptions to this must be approved by line management and should only be allowed where staff can clearly demonstrate it is necessary for DFID business effectiveness and is in direct connection with a business meeting (such as a working lunch that could impact on our business). Line managers must ensure any exceptions approved are not of significant value, over- frequent or over-generous. All staff must keep in view the potential to create a perception that we are being influenced inappropriately by a third party. Offers of hospitality by a personal friend from their business expense account must not be accepted in any circumstances. When recording hospitality on HAGRID, staff must also record whether they were accompanied by guests at the expense of the source.

Business Interests and shareholding

Staff must declare any business interests, including directorships, or holdings of shares or other securities which they or members of their immediate family hold, which could be furthered as a result of their official position, to their line manager at the earliest opportunity. These must also be registered on HAGRID as a potential COI and details submitted to Head of Policy, Human Resources Department. Staff must:

- Not become involved in DFID advice or decisions that could affect the value of their private investments.
- Not use information acquired through their work to advance their private financial interests or those of others.
- Not take on roles (paid or unpaid) in public or private sector organisations or NGO's funded or part funded by DFID unless an exemption has been agreed by the Director of Finance and Corporate Performance Division (FCPD). This includes directorships in companies who hold contracts with DFID, or where staff come into contact in an official capacity with an organisation or individual in which they have interest.
- Comply with any subsequent instructions from DFID regarding the retention, disposal or management of such interests. They may be required to relinquish their DFID role, with another member of staff put in their place.

Employees may hold private investments, unless the nature of their work requires constraints on this. If a shareholding may raise a question of possible COI, employees must discuss propriety of acquiring or keeping it with line management. **Contracts must not be let directly to any DFID staff.** Similarly no contracts should be let to any partnership where the DFID staff are members, except a corporation where the member of staff is a shareholder. Neither will contracts be let to companies where the DFID member of staff is a director. Staff must fully disclose the measure of their interest in the contract in order for the Permanent Secretary to consider agreeing to let the contract.

Subject to the detailed provisions of the Company Securities (Inside Dealing) Act 1985 and the Financial Services Act 1986, staff will be committing an offence if they have obtained information in their official capacity which, if published, would be likely to affect the price of securities of a particular company and to: deal in those securities, counsel or procure such a deal, impart information which employees know, or have reasonable cause to believe, will be used for the purposes of dealing or counselling or procuring another person to deal.

Use of Official Information and Knowledge

Staff must ensure they read the DFID **Sharing Information Policy** and chapter 4.2 of the **Civil Service Management Code**, before disclosing official information. Line management has a responsibility to ensure that staff are clear on the use and disclosure of official information in their area of DFID business. All HMG information must be handled with care. Improper use of official information including accidental or negligent disclosure could breach the Civil Service Code or contractual obligations of DFID staff and lead to disciplinary action or criminal

prosecution. As part of the Official Secrets Act, employees also have a duty not to disclose official information after they leave the Civil Service.

Information should only be shared where there is a legitimate business need to do so. "Business Need" should be understood to mean that the information sharing is necessary for any legitimate activity undertaken by DFID staff in conducting Departmental business. DFID information must only be shared for official DFID purposes and not for any other reason. Care must be taken to ensure the recipient is entitled to receive it. Some information held by DFID is subject to special considerations, either because of its sensitivity or because it consists of personal data.

There are strict rules about who is entitled to see Official Sensitive, Confidential, Secret and Top Secret information. Only those with a need to know the information and suitable security clearances may receive it and the information must be transmitted in accordance with the Security Manual. Refer to the DFID Information Sharing Policy for further guidance.

Staff should also ensure they understand their responsibilities under the guides for **Duty of Confidentiality** and the **Official Secrets Act** and it is expected that staff complete the **Responsible for Information** training (via Civil Service Learning).

Misuse of Position and Power

Staff must not misuse their official position or information they obtain at work to further their private interests or those of others. Power and influence is a key element in relationships with external partners and must be applied in a professional manner at all times, with a clear DFID business purpose in view. It should never be applied in an arbitrary or unfair way that could impact negatively on partner relations, DFID's reputation or effective delivery. The following are examples of how misuse of position and power could arise:

- In return for a guaranteed future position with a supplier, a DFID member of staff shares key aspects of programme design information to give the supplier unfair advantage in a competition.
- DFID staff using their position to push through a single tender contract being awarded to a supplier that is owned by a member of their extended family.
- DFID staff using their position to influence the recruitment process of an external partner e.g. requesting that a family member is considered positively in their recruitment.

The exertion of undue influence or abuses of power may also contravene legislation and are unlikely to achieve long term best value. Staff must ensure compliance with all applicable legislation in relation to anticompetitive practices and abuse of dominant position. Staff must alert line management and report all suspicions or allegations of misuse (whether it involves a colleague or an external partner) to the Internal Audit Department Counter Fraud Section (IAD CFS) immediately at fraud@dfid.gov.uk or on +44(0)1355 843747. Please also refer to the section on Anti-Bribery and Corruption below.

Business Appointment Rules

Staff must ensure they are familiar with the HMG requirements under the **Business Appointment Rules**. These rules cover appointments that crown servants propose to take up after their last day of service, and apply for 2 years after leaving the civil service. In certain circumstances staff cannot accept an external offer of employment until approved by the Advisory Committee on Business Appointments (**ACOBA**).

As part of the DFID bidding process for supplier contracts, bidders are required to declare any member of their proposed team that was employed by DFID or the Crown in the last 2 years, and must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

Anti- Bribery & Corruption

DFID has a zero tolerance to fraud and corruption in any form. Under no circumstances is it deemed acceptable for staff to utilise their position within DFID to make or obtain illegal payments for improper conduct. The introduction of the Bribery Act 2010 makes it easier for individuals to be prosecuted for bribery offences whether this is in a personal or work related capacity. We recognise the challenging operating environments in which staff work and in particular the real or perceived risk to individuals. It is important therefore that all staff read the **Bribery Act Smart Guide** to ensure they are aware of what actions might constitute an offence under the Act.

DFID Staff must:

- Not offer, pay, make, seek or accept a personal payment, gift or favour in return for favourable treatment or to gain a business or personal advantage. You must not allow anyone else to do so, on your behalf.
- Not make facilitation payments. If these are requested or have been made, you must report it to your line manager immediately.

- Ensure you know who you are dealing with by conducting the appropriate Due Diligence in line with **DD Smart Guide**.
- Ensure any arrangement with an external partner is based on and incorporates the **Supply Partner Code of Conduct**.
- Alert line management and report all suspicions or allegations of aid diversion, fraud, money laundering or terrorist financing to the Internal Audit Department Counter Fraud Section (IAD CFS) immediately at fraud@dfid.gov.uk or on +44(0)1355 843747. Please note that it is DFID policy to neither confirm nor deny the existence of a fraud case. Under no circumstances should information be provided to external parties without the express permission of the Head of IAD CFS. All enquiries should be immediately referred to IAD CFS.

Open and Fair Competition

All delivery partners should be treated fairly and even-handedly at all stages of a procurement. This means being open with all those involved, so that everyone understands the process, procedures, timescales, expectations, requirements and criteria for selection. Delivery partner confidentiality should be safeguarded, with commercially sensitive information (such as fee rates) retained in a secure place and not disclosed to external parties. Unsuccessful bidders should be debriefed with as much transparency as possible, providing meaningful feed-back on the weaker aspects of their bid. Only in exceptional circumstance should a supplier contract be awarded on a single tender basis (without competition) and only following Waiver Approval from Head of Office/ Department. High value procurements (above £100k) also require Waiver Approval from the Head of the Programme Sourcing in Procurement and Commercial Department (PCD). Staff must be able to fully justify single tender as the best value option and ensure there can be no perception of unfair or corrupt behaviour. Suppliers must be selected, contracted and managed in line with the requirements highlighted in the **Supply Partner Code of Conduct**.

Social Responsibility in the Supply Chain

When reviewing a lead delivery partner and their delivery chain it is important to ensure they are a responsible buying organisation, looking at delivery chain issues such as Modern Slavery, Forced Labour, Child Labour, Employment Relationship, Freedom of Association, Health & Safety, Wages & Working Hours and Discrimination. Staff involved in the selection or management of external delivery partners should ensure they apply the **Supply Partner Code of Conduct** and keep in view: the **UN Global Compact Guiding Principles** and the **UN Code of Practice** (on sexual exploitation and abuse in humanitarian crises). Staff will also find it helpful to refer to guidance on **Due Diligence** and the **Safeguarding Smart Guide**.