



Department  
for International  
Development



# Supply Partner Compliance Guide

## Delivering a response to DFID's Code of Conduct

V3 - June 2020



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# Supply Partner Code of Conduct - What's in it?

## **The Code of Conduct requires supply partners to follow these overarching principles:**

- ✓ Act responsibly and with integrity
- ✓ Seek to improve value for money
- ✓ Be transparent and accountable
- ✓ Demonstrate commitment to poverty reduction and DFID priorities
- ✓ Demonstrate commitment to wider HMG priorities

## **It sets out specific requirements in six areas:**

- Value for money and governance
- Ethical behaviour
- Transparency and delivery chain management
- Environmental issues
- Terrorism and security
- Safeguarding, social responsibility and human rights

## **Compliance will be monitored against supplier level and contract specific KPIs**

**The Supply Partner Code of Conduct gives DFID a mechanism to ensure supply partners are providing value for money and behaving ethically throughout their supply chains.**

The Supply Partner Code of Conduct has resulted in revisions to:

- ❑ Terms and Conditions of Contract to includes the [Code of Conduct](#). This has been applied to all contracts, amendments and retrospectively to strategic contracts awarded from September 2017.
- ❑ It is proposed that the Code will soon also become be applicable to DFID Accountable Grants and other funding mechanisms

Following this organisations with multiple arrangements (Accountable Grants / Contracts) will only be required to provide one submission based on contractual obligations only which will in turn apply to any accountable grants.

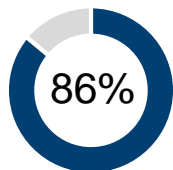




# Supporting you to Comply – Collaborative Approach

## What value does compliance add?

The introduction of the Supply Partner Code of Conduct is about improving standards throughout not only our delivery chains, but throughout the Aid sector. Most organisations seeking work in the aid sector will have many of our expectations in place and appreciate the need for integrity with public money.



### Your Compliance Score

On average, Supply Partners engaging with the Code for the first time score **86%** on their Corporate Spot Check. We are here to help you reach **100%** by sharing a detailed **Compliance Plan**.



### A Dedicated Compliance Team & Platform

We now have a **dedicated Compliance & Risk team** in place to help you comply with the Code. You can **contact our mailbox** at any time and you will be allocated a **Compliance Manager** who will help you with access to our inSPIRE platform and to upload your response documentation



### Demonstrating Compliance

**100%** Corporate Spot Check Score can be achieved via **one comprehensive response per annum**. Doing so will **reduce** your requirements throughout the year as we will only be in touch to collect specific contract data or for Deep Dives thereafter.

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### Reaching 100% isn't as difficult as you think!

We will meet to discuss your score for each area of the Code and break down what the next steps are. On average, it requires **7 actions** completed to reach a **100% Corporate Spot Check Score**.

### "It's difficult and costly to demonstrate compliance"

We want to (where reasonable) work with you to achieve compliance in areas where you may not have been able to reach standards set out within our Code. We will work collaboratively to check not only your uploaded policies and procedures via 'Spot Checks', but the practical application of them via 'Deep Dives' – This reduces the resource required by allowing you to focus efforts in the correct areas.



## Compliance Levels – Making compliance proportionate

### How do we ensure compliance accounts for a varying size of supply partners?

There are **three levels** of compliance with the Code. The lower levels were developed after consultation to **ensure the Code does not act as a barrier to smaller supply partners** working with DFID.

#### Compliance Level 1

Supply partners will be monitored against all the KPIs

- Supply partners with an individual funding arrangement value of **£1m** or above
- Two or more funding arrangements with a combined value of **£5m** or above.

#### Compliance Level 2

The funding arrangement will set out which KPIs are material and to be monitored, and which will not.

- Supply partners with funding arrangement value below **£1m**
- Two or more funding arrangements with a value of less than **£5m**

#### Compliance Level 3

Supply partners are required to adhere to the overarching Code principles and recognise, mitigate and manage risks.

- Supply partners with a funding arrangement below the EU Threshold
- Supply partners with a component of a funding arrangement with a value below the EU Threshold.
- These supply partners will not be monitored against the contractual KPIs.

### What is required for your delivery chains?

Each tier of the delivery chain is required to report assurance on the tier below based on the Compliance Levels above.



## Compliance Timeline – For supply partners new to the code

**Supply Partner** signs funding arrangement, which includes the Supply Partner Code of Conduct. A signed **Supply Partner Compliance Declaration** (Appendix 1b) to adhere to each KPI is returned as part of the signed arrangement and a copy passed to the **Compliance Team**.

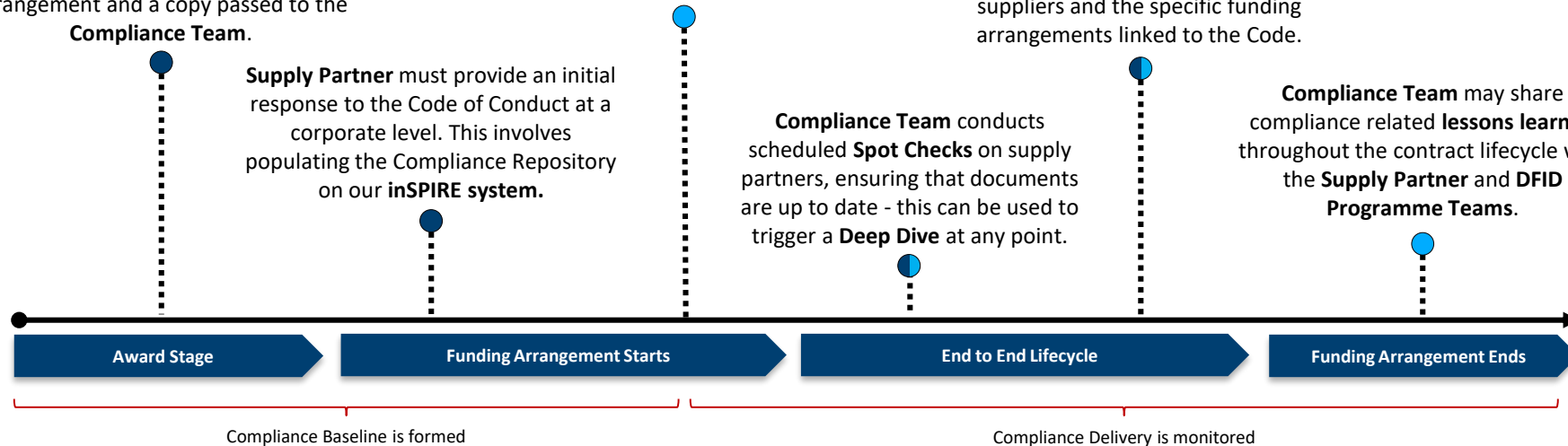
**Supply Partner** must provide an initial response to the Code of Conduct at a corporate level. This involves populating the Compliance Repository on our **inSPIRE system**.

**Compliance Team** conducts **spot check** on **supply partner response** and shares results with actions to remedy any outstanding points. **Compliance Team** will also share a **Compliance Plan** at this stage with relevant DFID Programme Team/supplier as necessary.

**Compliance Team** conducts scheduled **Spot Checks** on supply partners, ensuring that documents are up to date - this can be used to trigger a **Deep Dive** at any point.

**Compliance Team** conducts thematic **Deep Dive** assessments of suppliers and the specific funding arrangements linked to the Code.

**Compliance Team** may share compliance related **lessons learned** throughout the contract lifecycle with the **Supply Partner** and **DFID Programme Teams**.





## Supplier Response in Detail – What do you need to provide?

### Tendering Stage

Supply Partners will submit a 'Yes' response, agreeing to sign up to DFID's T&C's (which includes the Supply Partner Code of Conduct) as part of their Supplier Questionnaire response, which is part of the tendering process. Specific policies that are considered to be material to a contract may also be requested as part of the tender.

### Contract Award Stage

Supply Partner will submit a signed **Supply Partner Compliance Declaration** as part of their contract acceptance.

### Contract Start

Each supply partner (where applicable) will provide a corporate level response to the DFID Code of Conduct **within the first two months** of contract commencement. Supply Partners can make use of the **inSPIRE Platform** to display compliance with each KPI in the code. Responses should include copies of all applicable documentation - these are detailed within the questions set out in the compliance repository on **inSPIRE**.

- **inSPIRE** allows supply partners to:
  - Take ownership of compliance information submitted to DFID, reducing duplication of effort
  - Demonstrate compliance at a Corporate / HQ level for each KPI
  - Share information in real time

### Contract Lifecycle

Throughout the life of the grant, the Supply Partner will be expected to provide more in-depth, contract documentation and response to the Programme or Compliance team which will support the compliance checking procedures in place.



## ‘Spot Checks’ – What to expect?

### Activity

The Compliance Team will conduct Spot Checks on Supply Partners:

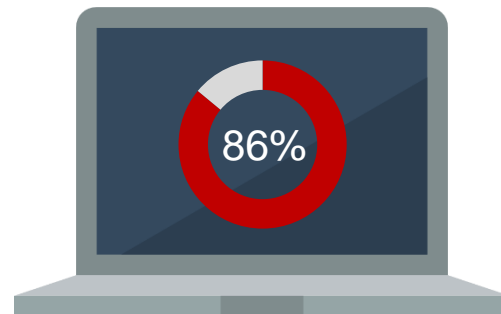
1. **At the start of a newly signed / amended contract** by assessing the Supply Partner’s initial response on the Code of Conduct.
2. **At bi-annual / annual checkpoints** (relevant to contract size and importance) throughout the contract lifecycle to ensure declarations, documents, memberships, processes, etc held are up to date.

Many of these Spot Checks will assess documentation provided at a corporate/ HQ level and one comprehensive response will apply across multiple contracts. Your organisation will receive a **corporate spot check score** which applies to high level criteria across your DFID contract portfolio.

Contract level data needs to be provided for particular KPIs on all contracts – e.g. profit % on contract and delivery chain map.

### Results

The Compliance Team will share results of Spot Check activity with the Supply Partner and appropriate programme teams within DFID. This will include clear actions to remedy any missing documentation or non-compliance and we will liaise with suppliers to agree the timescales for **reaching 100%**.







## 'Deep Dives' – What to expect?

### Activity

The Compliance Team will conduct Deep Dives on Supply Partners:

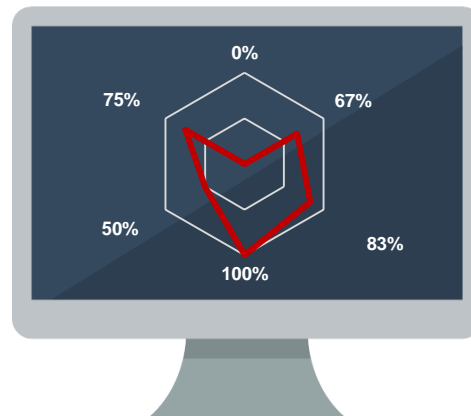
1. **As triggered by questions raised during onboarding and spot checks;**
2. **As triggered by risk level identification**
3. **At checkpoints throughout the contract lifecycle.**

These checks will be on a particular thematic area from the code (e.g. Value for Money) and will involve a **more in-depth checking** of Supply Partner activity and documentation submitted during on boarding Spot Check phase.

Supply Partners may be asked to support the provision of additional documentation relative to a particular contract in order to satisfy checks. Documents held from the supplier's initial submission will be used for these checks to avoid duplication of efforts.

### Results

The Compliance Team will share results of Deep Dive activity with the Supply Partner and appropriate teams within DFID via comprehensive reporting. This will involve setting clear actions to remedy any non-compliance, including the agreement of timescales to rectify & improve standards against each Code area.





## Delivery Chain Partners – What do you need to provide?

Direct Supply Partners are **expected to provide information on their Delivery Chain Partners** and ensure that they adhere to the Code of Conduct at the applicable [Compliance Level](#).

Direct Supply Partners should demonstrate their Delivery Chain Partner's compliance to the Code of Conduct by supporting Deep Dive activity conducted by the Compliance Team.

A **Delivery Chain Map**, that clearly demonstrates fund distribution throughout the delivery chain on a programme, will be **central to satisfying checks in this area**. This must be submitted for each contract a Direct Supply Partner enters into with DFID.





## Non Compliance – What next?

Supply Partners are required to be **open and transparent** about their compliance with the Code of Conduct. Where non-compliance exists, the Supply Partner must **work with DFID to improve** in this area.

In the event of non-compliance, the Compliance Team will follow the procedures set out in Clause 39 of the contract T&Cs, which may involve a **rectification plan** being required from the Supply Partner to bring them in line with the Code of Conduct. Both parties will also agree timescales suitable to **work towards becoming fully compliant**.

In the event of continued non-compliance after discussions with the Compliance Team, or failure to adhere to a rectification plan, DFID will take appropriate action in line with Clauses 39, 42 & 43 as set out within the contract T&Cs.

These contractual processes may also be followed if findings from Deep Dive activity are unacceptable.





inSPIRE

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Supply Partner Intelligence, Reporting & Engagement



We are delighted to announce the pilot launch of **inSPIRE** (the UK Aid Supply Partner Intelligence, Reporting & Engagement platform).

**inSPIRE** is the digital solution to support Strategic Relationship Management (SRM), Risk & Compliance.

## Why we are digitising SRM & Compliance:



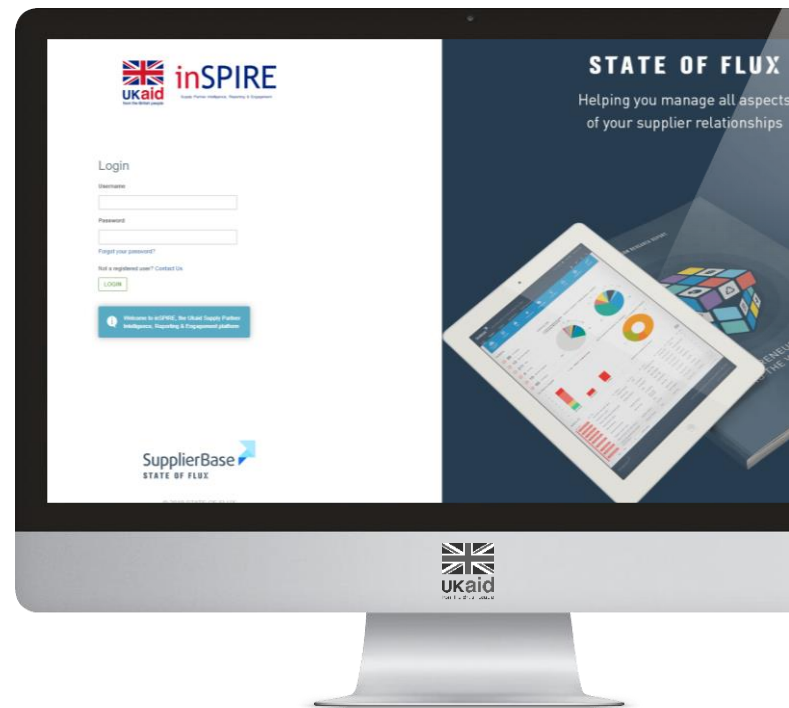
Access & Update information in ‘**real time**’



One secure, **efficient** repository for SRM & Compliance



**Streamlined** sharing word or excel files via email







## What are the benefits of using inSPIRE?

### Intelligent Relationships

inSPIRE will be accessed by multiple users and updated in 'real time' ensuring the most up to date information is held. Engagement calendars to allow you to view your SRM & Compliance engagements in one place.



### Improved Governance

All SRM and Compliance Actions can be accessed by relevant DFID & Partner users and will be held in one place.

### Performance Management

Performance scorecard assessment has been configured to reduce manual intervention for all users, maximizing efficiency via automation.



### Instant Reporting & Insight

Live dynamic dashboards showing key supplier data, including supplier overview, spend information, compliance and other supplier master data to help monitor the relationship and governance.



### Drive Value

No more time spent accessing, updating, e-mailing word documents and spreadsheets – focus can be on driving additional value instead of administration.





## What's changed for Compliance Submissions?



Supply Partners will be able to demonstrate their compliance towards the DFID Supply Partner Code of Conduct (at an HQ level), by ensuring that their most up to date policy, process, declarations and documents are up to date digitally.

One comprehensive submission to DFID will replace emails, zip folders, PowerPoint Templates and multiple uploads – and ensure documents are available in real time.

Compliance assessment will align to clear questions and requests on **inSPIRE**, with responses provided via file upload and free text fields.

Work is also underway to align DFID grant due diligence processes. The introduction of **inSPIRE** will streamline compliance, reducing duplication of requests to provide documentation.



## What's changing for Compliance Actions?



Actions will be managed via a single shared interface where teams, stakeholders and suppliers can easily connect, share information and manage output.

The current manual process of creating, maintaining and sharing both PowerPoint and Excel documents is replaced by automated actions that will notify each relevant user when attention is required.

For example, actions required to reach a 100% compliance score will be clearly defined with description, date and RAG ratings that indicate how to approach each individual task.

Using inSPIRE ensures that actions can be addressed in real time in a more timely manner with a full audit trail.



Please refer to the following documents to further aid your compliance submissions:

**1) Supply Partner Code of Conduct (Includes Declaration)**

**2) inSPIRE Platform Link**

**3) Supply Partner Compliance – inSPIRE Guidance**

**4) Supply Partner Compliance – Supplier Handbook**

You can find these documents on  
our website.

<https://www.gov.uk/government/organisations/departments-for-international-development/about/procurement>