

BRITISH COUNCIL UKRAINE

ENSURING UK PUBLIC AND
PRIVATE SECTOR STANDARDS IN
UKRAINE

AGENDA

- The British Council in the UK and Ukraine
- Management and Structure
- Governance Framework
- Financial and Operational Transparency
- Counter fraud: deeper dive
- BC Ukraine compliance

THE BRITISH COUNCIL IN THE UK

Founded in 1934

- First overseas office in 1938

Royal Charter granted in 1940

- Privy Council control of significant aspect of internal affairs

Non-departmental Public Body

- Called before Parliamentary Foreign Affairs Committee

Registered Charity

- Charity Commission scrutiny

Trading Company

- Fair competition commitment

THE BRITISH COUNCIL IN UKRAINE

UK Government's Implementing Agency for
the 1994 Cultural Cooperation Agreement

Cultural Section of the British
Embassy

Limited Liability Company

Extra-Curricular Institute

THE BRITISH COUNCIL IN UKRAINE



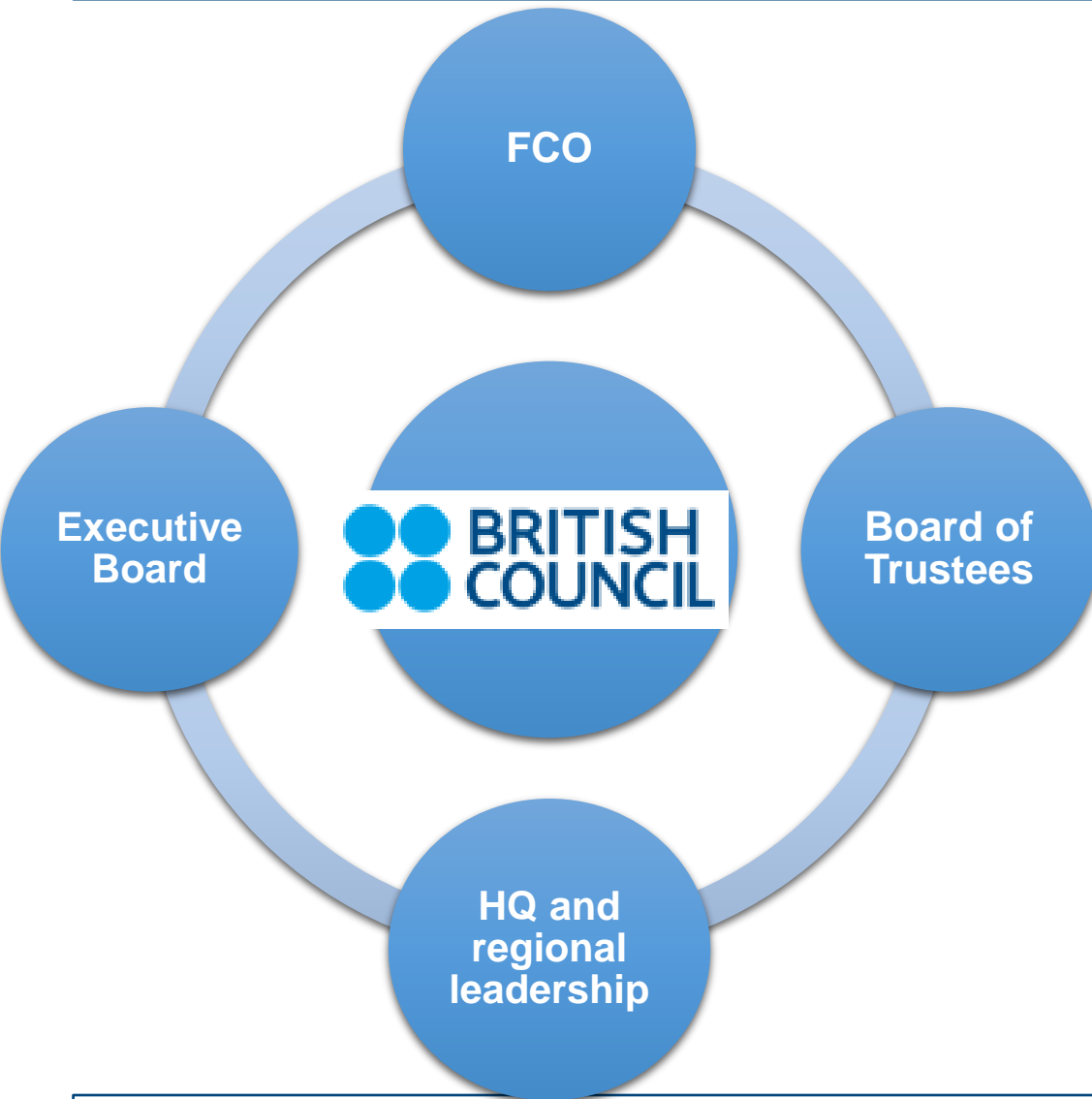
Charitable Activity: English, Education, Society, Culture

Commercial English language teaching

Examinations administration services

Consultancy services (technical assistance)

MANAGEMENT AND STRUCTURE



British Council accountable as an executive non-departmental public body to :

- Parliamentary Foreign Affairs Committee
- Foreign and Commonwealth Office
- Public Accounts Committee
- Charity Commission

GOVERNANCE FRAMEWORK



Annual Report
and Accounts
2016–17

Corporate Plan 2017–20

www.britishcouncil.org



National Audit Office



UK Parliament
Foreign Affairs
Committee



Triennial reviews



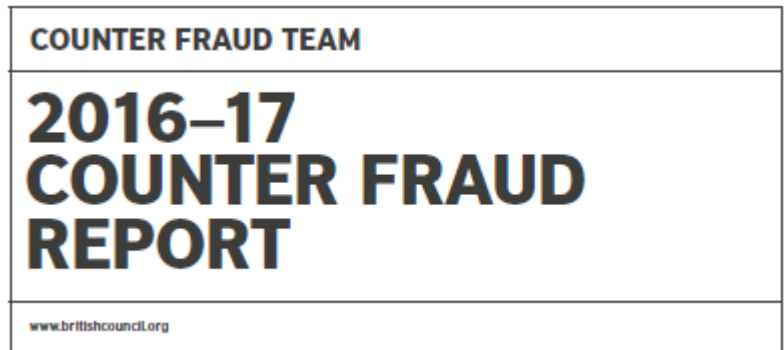
Cabinet Office



Parliamentary reviews

FINANCIAL TRANSPARENCY

- Counter-Fraud Reports
- Leadership Salaries and Expenses
- Parliamentary Expenses
- Prompt Payment Performance



<https://www.britishcouncil.org/organisation/transparency/financial-data/leadership-salaries-expenses>

Leadership salaries and expenses

Salaries

Each year, we disclose the names, job titles and salaries of members of the Executive Board in the remuneration report contained within our [Annual Report](#).

OPERATIONAL TRANSPARENCY



INTERNAL GUIDANCE

Core values and principles



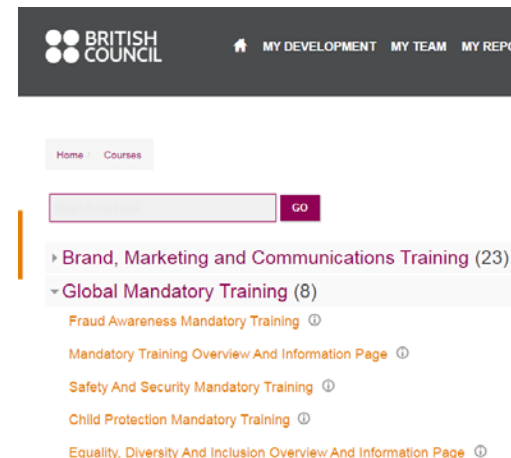
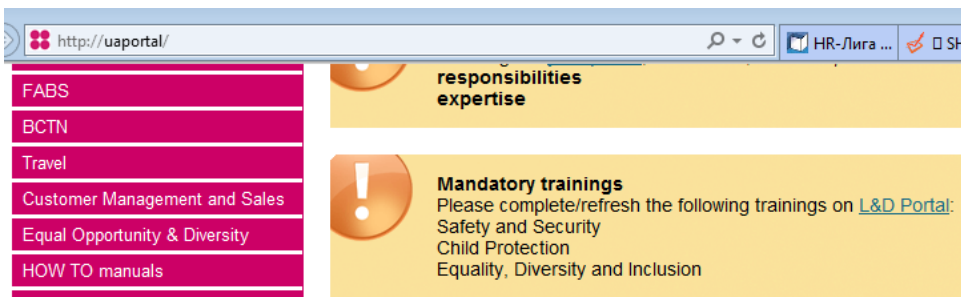
**SPEAKING-UP
POLICY**

Managing Public Money Policy

Box 1.1: standards expected of all public services

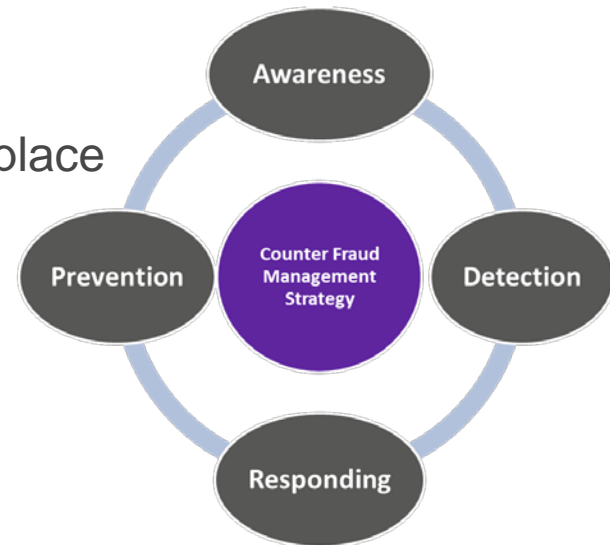
honesty	impartiality	openness	accountability	accuracy
fairness	integrity	transparency	objectivity	reliability

Mandatory trainings



RISK PROFILE DEEPER DIVE: COUNTER FRAUD

- ✓ Increased focus globally and within British Council
- ✓ Formal launch of Counter Fraud function within British Council
- ✓ Raising awareness of the fraud risks as one of key preventive measures
- ✓ Continuous communication
- ✓ Identification of risk areas and put mitigation plans in place



COUNTER FRAUD PRINCIPLES

- **Zero tolerance policy** towards fraud, bribery and corruption
- Commitment to developing an **anti-fraud culture**
- **Every staff member is empowered and supported to report** their suspicions without fear of consequences
- All incidents of fraud are **reported and managed** appropriately and proportionately
- Requires all **counterparts of the British Council** (suppliers, grant recipients, partners, contractors and agents) **to act in accordance** with counter fraud policy, including reporting suspected or actual instances of fraud, bribery or corruption.



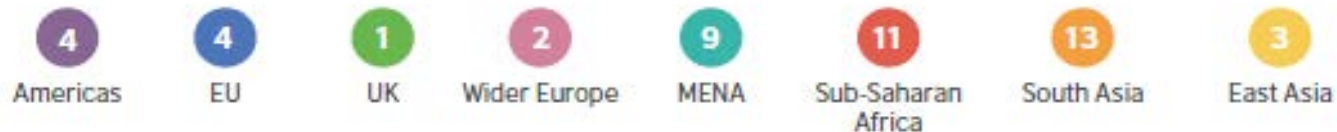
BRITISH COUNCIL



FRAUD DATA AND STATISTICS

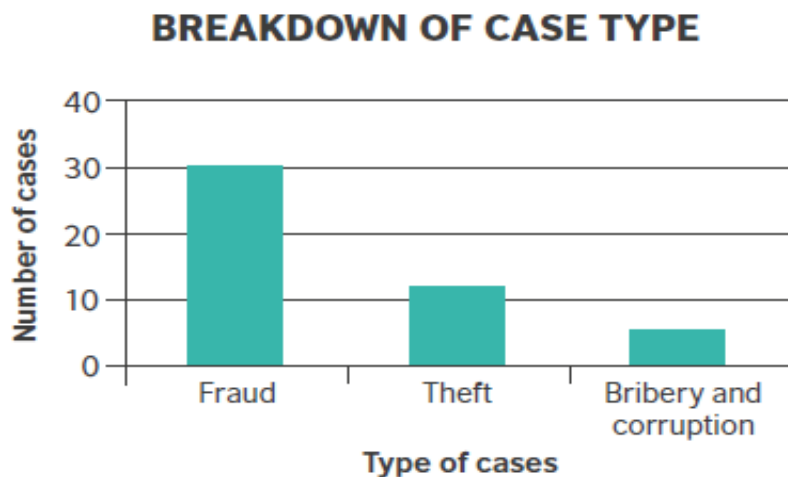
GLOBAL BRITISH COUNCIL

NUMBER OF CASES BY REGION



FRAUD DATA AND STATISTICS FOR FINANCIAL YEAR

Total cases	47
Percentage internal	64%
Losses (gross)	£104,312
Percentage recovered	39%
Members of staff dismissed	20
Cases reported to police	10



TRENDS IN LESSONS LEARNED

Put in writing

- Policies and procedures documented and up to date
- Roles and responsibilities clearly captured
- Key decisions documented and evidenced

Reconcile timely

- Timely reconciliations of income and bank
- Quick highlights of irregularities

Manage procurement

- Due diligence on vendors
- Panel selection of approved suppliers
- Vendor relationships – professional management , no transfers to personal bank accounts.

TRENDS IN LESSONS LEARNED CONT

Approver role

- Critical to ensure compliance with policies and procedures
- Expectation to question irregularities and flag incompliance

Assets control

- Possible vulnerability: lack of clear policies for managing assets
- Control over staff leaving - possible thefts and losses

Trust is not a control

- Conflict of interests – transparent management
- Over-reliance on trusting colleagues to comply without verification

BRITISH COUNCIL - TOP TIPS

- **Tone from the top** – set example and cultural tone
- Reinforce **roles of Approver and Budget holder** as a Counter Fraud measure
- **Spot checks** that processes and procedures are followed
- Ensure **clear inventory and asset-management processes** are in place

BRITISH COUNCIL - TOP TIPS

- Locally adopted global **policies** should be **documented** and consistently used
- **Empowering** traditional “**support**” **functions** to challenge appropriately
- **Continuously raise awareness** of risks: bribery, fraud, corruption
- **All** members of the **organization have responsibility** to remain vigilant and report concerns

Q&A

Links to documents mentioned during the session:

- **Code of Conduct**

http://www.britishcouncil.org/sites/britishcouncil.uk2/files/code_of_conduct_may_2016.pdf

- **Policies and key documents overview**

<https://www.britishcouncil.org/organisation/transparency/policies>

- <https://www.britishcouncil.org/organisation/transparency/financial-data>

- <https://www.britishcouncil.org/organisation/transparency/financial-data/counter-fraud-reports>

- <https://www.britishcouncil.org/organisation/transparency/reports-documents>

- <https://www.britishcouncil.org/organisation/transparency/policies/risk-management>