

EXECUTIVE COUNCIL

PUBLIC

Title:	Statement of Business Ethics
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Responsible Director:	Financial Secretary
Report Author:	Financial Secretary
Portfolio Holder:	MLA Roger Edwards
Reason for paper:	This paper is submitted to Executive Council: For policy decision
Publication:	Yes
Previous papers:	None
List of Documents:	Appendix 1 – Statement of Business Ethics

1. Recommendations

Honourable Members are recommended to approve:

- (a) Approve the Statement of Business Ethics as attached at Appendix 1;
- (b) Approve that the Statement of Business Ethics as adopted be made available to all FIG departments and suppliers;
- (c) Approve that the Statement of Business Ethics be included as a standard document within all FIG procurement documentations.

2. Additional Budgetary Implications

2.1 None

3. Executive Summary

- 3.1 A draft Statement of Business Ethics is included at Appendix A, The Statement of Business Ethics aims to provide guidance for all sectors conducting business with FIG.
- 3.2 It outlines key ethical standards and FIG expectations that those providing services to the Government will comply with these standards.
- 3.3 FIG adopts a zero tolerance to fraud and corruption and has an Anti-Fraud and Anti-Corruption Policy and Procedure to allow concerns to be raised and investigated.
- 3.4 Each principle is designed to ensure that our relationships generate best value, and are transparent and fair.

4. Background

- 4.1 In July 2014 the International Federation of Accountants (IFAC) and The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an “International Framework: Good Governance in the Public Sector” (copy attached to January 2015 paper). This framework sets out guidance for the development and setting of governance codes for the public sector though is not intended to replace national governance codes that are already in place.
- 4.2 The report set out a number of principles for good governance for an organisation and made suggestions on how to implement these in a public sector organisation, these principles are summarised below:
 - a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law;
 - b) Ensuring openness and comprehensive stakeholder engagement;
 - c) Defining outcomes in terms of sustainable economic, social and environmental benefits;
 - d) Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - e) Determining the organisations capacity, including the capability of its leadership and the individuals within it;
 - f) Managing risk and performance through robust internal control and strong public financial management;
 - g) Implementing good practices in transparency, reporting and audit, to deliver effective accountability.
- 4.3 In January 2015 CMT discussed a review of FIG’s governance framework in comparison to the principles and recommendations on the IFAC/CIPFA report and set out an action plan for the progression of areas in which FIG demonstrates weaknesses.
- 4.4 Within the agreed Action Plan Treasury were tasked with drafting a Statement of Business Ethics to be shared with departments, communicated to suppliers and to form part of FIGs procurement documentation.

5. Resource Implications – Human Resources

- 5.1 Any approved statement will be communicated to all staff via the normal line management communication process to ensure all affected staff are aware of the statement and understand their obligations under the guiding principles.

6. Legal Implications

- 6.1 None

7. Consultation

- 7.1 The report has been discussed with CMT and the Portfolio holders for Treasury.

8. Communication

- 8.1 The Statement will be shared with all FIG department and suppliers following approval by Executive Council.

Falkland Islands Government
Statement of Business Ethics



October 2016

The Falkland Island Government (FIG) values the strong business relationship that has arisen over the years with its many suppliers and contractors. FIG aims to foster a relationship which delivers the highest standards of safety, respect, performance, integrity for employees, suppliers and contractors.

This Statement of Business Ethics provides guidance for all sectors conducting business with FIG. It outlines key ethical standards and our expectations that those providing services to the Government will comply with these standards and relevant bribery and corruption laws. FIG adopts a zero tolerance to fraud and corruption and has an Anti-Fraud and Anti-Corruption Policy and Procedure to allow concerns to be raised and investigated.

Each principle is designed to ensure that our relationships generate best value, and are transparent and fair.

Guiding Principles

Transparency and Accountability

All purchasing activities will comply with relevant legislation, regulations and FIG Financial Instructions and will use objective criteria to avoid any suggestion of bias. All purchasing activities will be fully documented and accountability will be taken for purchasing decisions to ensure efficient, effective and proper expenditure of public monies. All FIG purchasing decisions are open to public scrutiny.

Ethics and Integrity

All of FIG employees will observe the highest standards of ethics and integrity (as detailed within the Seven Principles of Public Life) when undertaking purchasing activities and act in an honest and professional manner.

Value for Money

FIG will at all times ensure that purchasing decisions are made which provide best value for money. This does not always mean selecting the lowest price. FIG will balance all relevant factors including compliance with specification, quality, whole-of-life costs (including disposal where appropriate), local economic multiplier effect, reliability and timeliness when selecting suppliers.

How will FIG engage with Suppliers

FIG employees are bound by the FIG Management Code and Financial Instructions. When doing business employees are accountable for their actions and are expected to:

- Use public resources effectively and efficiently
- Deal with all individuals and organisations in a fair, honest and ethical manner
- Avoid any conflicts of interest (whether real or perceived)
- Never to seek gifts or personal benefits

All goods and services will be ordered using an approved method of purchasing.

Tenders will only be called where FIG has a firm commitment to proceed to contract although FIG do reserve the right to not to proceed with any tender or quotation so advertised.

FIG will take all reasonable steps not to disclose confidential or proprietary information unless specifically authorised to do so.

What we ask of our suppliers

FIG require all suppliers of goods and services to observe the following principles:

- To comply with all legislation and regulations relevant to the Falkland Islands
- Provide accurate and reliable advice and information when invited or required
- Declare actual or perceived conflict of interest as soon as you or your employees become aware of the conflict
- Act ethically, fairly and honestly in all your dealing with FIG
- Take all reasonable measures to prevent the disclosure of confidential FIG information
- Do not engage in any forms of collusive practice, including offering FIG employees or Members of the Legislative Assembly inducements or incentives designed to improperly influence the conduct of their duties
- Do not discuss confidential FIG business or information with the media
- Assist FIG to prevent unethical practices in business relationships by reporting such practices. Suppliers should raise concerns with either the Chief Internal Auditor or the Financial Secretary at financial.secretary@sec.gov.fk or internal.audit@sec.gov.fk

Consequences of not complying

You should be aware of the consequences of not complying with FIG ethical requirements when doing business with FIG.

Demonstrated corrupt or unethical conduct could lead to:

- Termination of contracts
- Loss of future work
- Loss of reputation
- Investigation for corruption
- Matters being referred for criminal investigation