

Gateway - The BBC Intranet

Gateway

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Third parties

The BBC Procurement team are experts in carrying out due diligence in the selection of suppliers. You should seek their support and advice throughout the process.

It's important that we know who we're dealing with and so before doing business with a new supplier or entering into a contractual commitment with a supplier we must follow the BBC's procedures. This ensures that we've considered any activities which could bring into question our impartiality and reputation, including potential conflicts of interest.

Business partners - suppliers providing long term strategic services - in particular are expected to adhere to business principles consistent with our own. Any instances of fraud or corruption by third parties will also be pursued, as appropriate. Action may include terminating the relationship.

The best approach to reducing the risk of working with third parties is to seek support and advice from **Procurement**. You should consult Procurement whenever you have any concerns or are unsure about the risks of working with a third party supplier or partner.



Assessing new suppliers and contracting
Anti-money laundering
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Conflicts of interests

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Company A or Company B?

Report query, concern or issue

If you have any issues or concerns and want to discuss them you should speak to your divisional **Anti Fraud Control Officer (AFCO)** or consult the "Report It!" page.

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Key principles

Procurement rules cover the key principles that need to be understood before selecting and contracting with a supplier. The rules include a requirement to use preferred suppliers unless specific prior approval has been given by BBC the Procurement department. These are suppliers which have undergone comprehensive evaluation and assessment and due diligence prior to selection and are contracted on terms and conditions which protect the BBC.

In addition to commercial legal (terms of trade) considerations, wider supplier assessment includes consideration of whether the company has, for example:

- The capacity to service our contract and meet acceptable standards of corporate policy and behaviours
- Involvement in any activities that could bring into question the reputation or impartiality of the BBC
- Corporate Social Responsibility policies
- Sound financial standing (credit checking)

Major strategic or high value contracts

For major strategic or high value contracts (and JVs) additional considerations may include:

Pre-contract stage

- Rigorous vetting to assess the suitability of licensees and manufacturers
- Ensuring that JV partners and strategic suppliers also adopt similar approaches to detecting fraud and corruption
- Taking reasonable steps to ensure the reliability and validity of information provided

Contracting stage

- More extensive enquiries for high value transactions in high risk territories (e.g. Russia, China and Latin America)
- Ensuring due diligence is conducted with assistance from **Finance/Procurement, Fair Trading and Legal** as necessary
- Ensuring contracts allow for penalties for unethical conduct
- Ensuring rights to audit contractors are in place
- Ensuring there is the ability to identify service providers
- Ensuring record retention policies are in place at suppliers
- Where suspicions of **money laundering** arise, ensuring that you acted in good faith and took reasonable steps to mitigate risks and have evidence of the steps you took
- Retaining records of the business deal, including steps taken to mitigate risk
- Never accepting or handling cash on behalf of the BBC or another party
- Never using the personal bank accounts of a BBC employee or agent
- Never making payments or accepting monies from a third party unrelated to the transaction

Post contract review

A range of actions should be taken post contract including the following:

- Assessment of commissions
- Ongoing monitoring of "soft money" activities
- Price matching reviews
- Using local knowledge including anti-piracy groups
- Performing spot checks on contracts including on-site visits
- Monitoring changes in company structure / ownership and the nature of the business throughout the contract period

It should also be ensured that all personnel are provided with fraud and corruption awareness **training** to encourage:

- Reporting of suspicions
- Full and thorough investigation of any allegations
- Ongoing assessment of business decisions i.e. why are contracts awarded to