



ANTI-BRIBERY MANAGEMENT SYSTEM POLICY ISO 37001:2016

This document informs about the Policy of the Anti-Bribery Management System based on the ISO 37001:2016 Standard, which has been implemented in the Municipality of Cuenca, whose compliance is mandatory. This is a translated version of the original document in Spanish and shall be deemed as reference, the Spanish version shall prevail in any case.

ANTI-BRIBERY POLICY MUNICIPAL DECENTRALIZED AUTONOMOUS GOVERNMENT OF THE CUENCA CANTON

Introduction

Bribery is one of the factors that affect the economic and social development of countries by having a direct effect on reducing country risk ratings, reducing public spending on social investment and weakening confidence in institutions.

It is important that the processes in which all types of resources have been invested are made visible to the public and to the control bodies. In such a way that we can hold officials responsible for improper acts that will be judged before the Law, society and their conscience.

Through the implementation of initiatives and best institutional practices to prevent the risk of bribery, corruption will be openly and head-on combated, resulting in better public service.

Objective

To promote a culture of honesty and good practices that will prevent, detect, confront and reduce the incidence of bribery, through the implementation of an Anti-Bribery Management System (SGAS, in its Spanish acronym), complying with the requirements of ISO 37001:2016.

To this end, the following specific objectives are proposed¹:

- To prevent the inadequate use of the resources of GAD Cuenca and/or the citizens when demanding a service.
- Generate effective competencies in the personnel for prevention of bribery.
- Communicate to stakeholders, business units and business partners about the Anti-Bribery Management System.
- To address bribery complaints effectively, in order to act in a timely manner on alleged acts of bribery.
- Continuously improve the Anti-Bribery Management System.
- Strengthen the confidence of citizens in the organization.

Thus, the Decentralized Autonomous Municipal Government of the Cuenca canton (GAD Cuenca) is committed to maintaining a position of zero tolerance towards bribery in all its forms.

¹ Review Annex A: Methods and monitoring of objective indicators

Scope

This Policy must be known and applied by every municipal server and by those who provide services to the entity (in any form of contracting), and they must not get involved in any way in bribery activities, as well as commit to understanding, accepting and applying this Policy.

The Anti-Bribery Policy will be communicated to clients, suppliers (including professional services) and business partners of the organization so that it is contemplated and respected by them in the framework of activities involving existing business relations with the Decentralized Municipal Autonomous Municipal Government of the Cuenca canton.

This Anti-bribery Policy is part of the Anti-bribery Management System established by the Decentralized Autonomous Municipal Government of the Cuenca canton and must be considered in a transversal and integral way as a contribution to the fulfillment of the anti-bribery objectives established by the organization.

In this sense, and after having made an analysis of the external and internal context of the Anti-Bribery Management System (SGAS) of the Decentralized Municipal Autonomous Government of the Cuenca canton, determined the needs and expectations of the stakeholders and reviewed the results of the risk assessment, the Scope of the System has been defined, which includes the processes declared by the organization (Annex B) and which are:

Value Adding Processes

- PLANNING AND GOVERNANCE
 - Decentralization and Delegation
 - Territorial Planning
 - Social Equity and Gender
 - Appraisals and Cadastres
 - Municipal Control
 - Historical and Heritage Areas
 - Participation and Governance
 - Mobility Management
- INFRASTRUCTURE AND PUBLIC SERVICES
 - Public Works
 - Arid and Petreous Matereals Management
 - Markets and Autonomous Trade Management
 - Audit
 - Environmental Management Commission
 - Project Execution Unit
 - Tramway Execution Unit
 - Sanctioning Administration
- HUMAN DEVELOPMENT
 - Culture, Recreation and Knowledge Management
 - Social and Productive Development
 - Cantonal Rights Protection Board

Enabling processes for consultancy

- Syndication
- Social Communication Management
- Risk Management
- International Relations and Cooperation
- Institutional Strategic Development
- Internal Audit

Enabling support processes

- Financial Management
- Administrative Management
- Public Procurement Management
- Human Talent Management
 - Safety and Health at Work
- ICT's
- General Secretariat

The Internal Audit process is not part of the scope of the SGAS of the Decentralized Autonomous Municipal Government of Cuenca canton, because it is an external process that is carried out by the General State Comptroller's Office.

The above stated Scope defines the limits and applicability of the Anti-Bribery Management System.

Provisions

With the purpose of preventing, detecting and facing bribery, the Decentralized Autonomous Municipal Government of Cuenca canton establishes this Policy to facilitate awareness and adequate and appropriate anti-bribery training for municipal servants, whose compliance is mandatory.

In this sense it is available:

- Bribery in any form within the organization² is prohibited, and is understood to be the offer, promise, delivery, acceptance or solicitation of an undue advantage of any value, directly or indirectly, as an inducement or reward for an individual to act or refrain from acting in connection with the performance of his or her duties or those of others;
- Compliance with the anti-bribery laws applicable to the Decentralized Autonomous Municipal Government of the Cuenca canton will be ensured; therefore, any knowledge of non-compliance with this policy must be reported to the Senior Management.
- Socialization processes should be maintained throughout the Decentralized Municipal Autonomous Government of the Cuenca canton regarding the Anti-Bribery Management System.

² An organization should be understood as the group of people that make up GAD Cuenca, considering that they act on its behalf, inside or outside its facilities.

- The effectiveness of the anti-bribery objectives based on this policy, which have been defined in each of the processes of the Decentralized Autonomous Municipal Government of the canton of Cuenca, will be periodically reviewed, and that they are in accordance with the risk analyses carried out periodically.
- The requirements of the anti-bribery management system based on ISO 37001:2016 will be met at the relevant functions and levels and all necessary actions will be taken for the improvement of the system.
- Raising concerns in good faith or on the basis of a reasonable belief, in confidence and without fear of reprisal; will be promoted through system procedures.
- Care will be taken to ensure the authority and independence of Senior Management, the Anti-Bribery Compliance Function, through previously established channels.
- In case of breach of the policy, all actions that are effective in maintaining the integrity of the system will be taken, either by a regular body or by a complaint of any kind (according to the regulations in force).
- It will ensure the proper use of the resources of the Decentralized Autonomous Municipal Government of the Cuenca canton and / or citizens when demanding a service.

Specific provisions

In order to contribute to anti-bribery compliance, procedures will be established for

- ✓ Gifts, Donations and Similar
- ✓ Due diligence
- ✓ Investigation of bribery and resolution of concerns
- ✓ Improve inadequate anti-bribery controls
- ✓ Implementing anti-bribery controls by partner-controlled and non-partner-controlled organizations
- ✓ Implementing financial and non-financial controls

Pedro Palacios Ullauri
MAYOR OF CUENCA

Annexes

Annex A: Method for measuring and monitoring indicators of the objectives

ANTI-BRIBERY OBJECTIVES	INDICATOR NAME	FORMULA	GOALS		MEASURING INSTRUMENT	MEASUREMENT PERIOD	RESOURCES	RESPONSIBLE
			OBJECTIVE	CRITICAL				
Generate effective skills in the staff for prevention of bribery	Training plan compliance	% compliance with training plan	90%	70%	Training timeline	Annual	<ul style="list-style-type: none"> Human. Technological. Financial. 	<ul style="list-style-type: none"> Human Talent / Anti-Bribery Compliance Function (FCA)
	Generated competencies	Internal evaluation result of the execution of your process	90%	70%	Evaluation internal of performance			
Communicate to the interested parts, units of business and Business partners about the Anti-bribery Management System	Compliance with communication plan	% compliance of the communication plan	90%	70%	Communication plan	Semiannual	<ul style="list-style-type: none"> Human. Technological. Financial. 	<ul style="list-style-type: none"> Communication Management / FCA
	Effective communication	Result of the surveys about the SGAS (internal and external)	80%	60%	Survey measuring the understanding of the SGAS			
Dealing effectively with allegations of bribery	Attention to complaints	Complaints attended / complaints presented	90%	70%	Report of complaints.	Quarterly	<ul style="list-style-type: none"> Human. Technological. Financial. 	<ul style="list-style-type: none"> FCA Senior Management. AD
	Effectiveness of the tool	Complaints						
Acting in a timely manner on suspected acts of	Bribery investigations.	(Bribery investigations carried out) / (Total complaints)	100%	90%	Bribery investigations.	Annual	<ul style="list-style-type: none"> Human. Technological. Financial. Physical. 	<ul style="list-style-type: none"> FCA Director of Human Talent

bribery		received)						
Continuously improve the Anti-bribery Management System	Continuous improvement	Trend of non-conformities noted in the SGAS	10%	50%	Internal Audits	Semiannual	<ul style="list-style-type: none"> • Human. • Technological. • Financial. • Physical. 	<ul style="list-style-type: none"> • FCA
<p>Strengthen citizens' trust in the organization</p> <p>This indicator has been analyzed and will be fulfilled through the implementation and maintenance of the SGAS, however, a single measurement calculation is not feasible for this indicator.</p>								
<p>Prevent the inadequate use of the resources of GAD Cuenca and/or the citizens when demanding a service</p> <p>This indicator has been analyzed and will be fulfilled through the implementation and maintenance of the SGAS, however, a single measurement calculation is not feasible for this indicator.</p>								

Annex B: Map of Municipal GAD processes in Cuenca



Annex C: Definitions

Bribery.- the offer, promise, delivery, acceptance or solicitation of an undue advantage of any value (which may be financial or non-financial in nature), directly or indirectly, and regardless of location, in violation of applicable law, as an inducement or reward for a person to act or refrain from acting in connection with the performance of that person's duties.

SGAS.- Anti-bribery Management System; set of elements of an organization interrelated or interacting to establish policies, objectives and processes to achieve these anti-bribery objectives.

Governing Body.- the group or body that has final responsibility and authority for the activities, governance and policies of an organization, and to which senior management reports and is accountable.

Senior Management.- person or group of people who manage and control the system in an organization at the highest level.

Anti-bribery compliance function.- persons with responsibility and authority for the operation of the anti-bribery management system.

Stakeholder.- a person or organization that may affect, be affected by, or be perceived to be affected by a decision or activity

Business partners.- external party with whom the organization has, or plans to establish, some type of commercial relationship.