

## **Where does the buck stop in controlling and preventing bribery and corruption?**

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Good morning ladies and gentlemen. Where does the buck stop? I would dearly love to know. One of the constant challenges of an advocacy-based organisation like Transparency International is knowing where to direct our limited resources. We can usually work out what we should be advocating, based on our research. There are a range of tools available for doing the advocacy, from trying to interest the media and creating public pressure, to discreet high-level conversations with the leaders of business and politics. But given the resources available – in the UK we have a staff of fewer than forty people – identifying where to direct the advocacy is a key question.

In a plural democracy there are many candidates and many opportunities: regulators, parliamentarians, ministers, civil servants, law enforcement officials, ombudsmen, business leaders, to name but a few. You could also argue that every single member of the public with a vote, or consumer with spending power, holds responsibility.

I want to pick out two areas of the UK that are not functioning as well as they could. Not because I think the UK is much worse than the rest of the world; but because I think they illustrate where improvements can be made that would also be useful elsewhere.

The first is open data. And in particular government and public spending. In order to work out where the buck stops, you need information, which means transparency. For example, our research has shown there is one London council, in which there have been corruption investigations, with several transactions totalling over £30 million pounds, in which it is not possible to identify which organisation won the bid on public tenders.

Given the well-known corruption risk around large public contracts, it is astonishing that such information is not in the public domain. The principles of open contracting – information about what services are being delivered, the contractual conditions they should be delivering, and who is responsible for delivery – should be a safeguard against corruption, and in part because they allow external parties to determine where the buck stops, and (to extend the metaphor) what the buck should have been spent on.

You would think this is legally required, and in some cases it is. But who is checking the myriad public spending agencies in the UK are doing what they are meant to be doing? Generally nobody. Since the abolition of bodies like the Audit Commission and Standards for England, it needs community groups, civil society organisations and members of the public – but they can only do so if there is a commitment to transparency.

Even worse, transparency is not required over lots of areas of public spending. For example, although a large proportion of public expenditure is now contracted out, Freedom of

Information requirements only extend to the public sector. It would be logical to extend this to any provider of public services; and without doing so, there is a risk that corruption will take hold.

So my first message is this: transparency around basic things like public expenditure is extremely important. We need to know where the buck stops in order to hold those in power to account. A lesson Transparency International has learned the world over is that once corruption takes hold, it is very hard to root out. Much easier to put in place simple but robust defences in the first place.

My second area of examination is the role of the UK's Anti-Corruption Champion. Lots of countries have anti-corruption agencies or anti-corruption centres. The UK has an Anti-Corruption Champion. I'd like to be able to tell you who it is. But we don't know. It has been fairly typical for incoming governments to take a few weeks to appoint a Champion, as they realise there needs to be one and look around for someone to fill the role.

Since the post of Anti-Corruption Champion was created in 2004, six people have filled the role. It started off being held by a cabinet minister; and more recently has been held by a distinguished former front-bencher but with no ministerial status. Does that mean the role will now be quietly dropped?

The UK does not have many of the anti-corruption roles that exist in other countries. It does not have an anti-corruption agency, or a single anti-corruption prosecutor, or even a government minister with corruption as an official part of their portfolio. On the contrary, we have sixty-six separate bodies with some responsibility for corruption, plus forty-five police forces. Since 2014, we have had a national anti-corruption plan, bringing together the disparate approaches and targets of different government departments, but with no individual empowered to make sure things actually got done.

There are pros and cons of having a focussed approach to corruption, such as having an Anti-Corruption Agency. They can provide a centre of excellence, push through actions – including prosecutions – that may be politically unpopular, stimulate education in the field, ensure that adequate research exists, systematically engage all stakeholders including both public and private sector, provide an overview of strengths and weaknesses in the system so that early corrective action can be taken, and make sure that corruption has sufficient profile and priority that it is not neglected. On the other hand, as British civil servants typically argue, letting each department have responsibility for anti-corruption approaches in their own domain gives them ownership of the problem, and makes it more likely that anti-corruption action will be successful.

The post of Anti-Corruption Champion was created to fill some of the gaps left by the UK's decentralised approach. While some Champions have done a very bad job, the rationale for the post is still sound. In fact, we need it more than ever – but perhaps in a slightly different form.

Why more than ever? Because the threat level is increasing. A sudden change of government, a vast number of anticipated changes to laws and regulations resulting from

Brexit, economic uncertainty along with pressure to generate inward investment from any source, the impetus to trade with parts of the world where corruption levels are high, the global security threat, cut-backs in law enforcement and areas of public institutions that are considered marginal such as compliance or audit functions, the sense from the referendum that injustice and inequality are prominent in the country at large: this is fertile ground indeed for corruption to thrive. We therefore need a Champion who understands this landscape and knows how to respond to it.

The Champion's post has three functions: internal coordination, external representation and accountability. Given the decentralised approach and the sixty-six different responsible bodies, coordination is key. The Champion chairs the inter-ministerial anti-corruption group. They need to take this seriously, and have enough clout to get senior colleagues round the table and commit to action. Someone who does not sit in Cabinet is likely to find this more difficult.

Accountability is the big gap. Who is responsible for holding the government to account for its anti-corruption promises – or the absence of them? This role theoretically belongs to the Champion, but those in the post have shown little appetite for taking on their ministerial colleagues since Hilary Benn. A model that is being actively discussed in UK anti-corruption circles is derived from one of Theresa May's actions as Prime Minister. When tackling slavery, she created an Independent Commissioner. Why not do the same for corruption?

My second message is this: in many countries, it is clear where the buck stops for corruption, at least in theory. In the UK, the role of Anti-Corruption Champion was created to fill a vacuum. That post remains important, and it needs the right person in the job. It may also need to be supplemented by an Independent Commissioner. What it lacks at the moment is an announcement.

I will sum up by repeating myself, following Winston Churchill's principle of public speaking: 'If you have an important point to make, don't try to be clever or subtle. Use a pile driver. Hit the point once, then come back and hit it again. Then hit it a third time – a tremendous whack.'

Here is my tremendous whack. The UK does fairly well on global corruption indices. Post-referendum, with political and economic uncertainty added to existing threats on issues like security, corrupt capital flows and organised crime, the corruption risk is rising for the UK. Simple mitigation measures, put in place now, can help to head off problems that would end up undermining our society, our democracy and our economy. For that we need transparency and an effective Anti-Corruption Champion.

A strong appointment with a brief to provide a world class strategy, perhaps coupled with an independent accountability mechanism, would show that the Prime Minister is living up to what she has been saying. At Transparency International, we await with great interest the new government's decisions on these key areas.