



RAG Strategists Advisory Note 7

“Shaping and sharing best practice in infrastructure anti-corruption”

PRECCA (2004) Section 34A / “Adequate Procedures” Defence / What Procedures?

Corruption prevention procedures should be designed to mitigate risks and deter unethical conduct by “associated persons”. These procedures may vary based on the organisation’s specific risks, but should include key areas such as:

- Top-level management involvement to ensure leadership commitment.
- Corruption risk assessment procedures to identify vulnerabilities.
- Due diligence on “associated persons”, both existing and prospective.
- Regulations on gifts, hospitality, promotional expenses, charitable and political donations, and facilitation payments to prevent unethical practices.
- Employment policies covering recruitment, terms, disciplinary actions, and remuneration.
- Governance of business relationships, ensuring compliance in contractual agreements.
- Financial and commercial controls, such as bookkeeping, auditing, and expenditure approvals.
- Transaction transparency and disclosure to promote accountability.
- Decision-making procedures, including delegation of authority, separation of functions, and conflict of interest avoidance.
- Enforcement measures outlining disciplinary actions for anti-corruption breaches.
- Corruption reporting mechanisms, such as whistleblowing channels.
- Implementation strategy for applying corruption prevention policies across projects and departments.
- Communication and training on anti-corruption policies and procedures.
- Monitoring, reviewing, and evaluating corruption prevention measures to ensure effectiveness.

These anti-corruption procedures collectively strengthen an organisation’s ability to prevent corruption, ensure compliance, promote ethical business conduct and provides for overall demonstrable trust to the private and public sectors and foreign investors

Advisory Note 7 prepared by RAG Strategists (Pty) Ltd

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