SANS 1734:2016

Anti-bribery Management Implementation Guide

Demonstratable Trust

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....trust is the new global currency.

Background

SANS 1734 is the recognized standard for anti-bribery management in South Africa. It helps organisations put in place measures to address bribery risks in relation to their operations and activities.

As such the structure of the SANS 1734 Anti-Bribery Management System (ABMS) framework encourages organisations to adopt risk-based policies, procedures and controls in order to avoid potentially corrupt business and demonstrate good governance.

This guide will help you understand that adopting an ABMS is easier than you think. By partnering with RAG Strategists you can implement the requirements of the standard within your organisation and as a result demonstrate your commitment to ethical business practices and protect your corporate reputation.

Demonstrating your ethical behaviour

SANS 1734 is appropriate for use by all organisations whether in the private, public and voluntary sectors. While it is applicable to all industry sectors, the standard has been of particular interest to organisations in industries with a greater exposure to bribery risk, such as chemicals, construction, defence, engineering, healthcare, mining, pharmaceutical and utilities.

Of course the bribery risk facing an organisation will vary according to a number of factors such as the size of the business, the countries and sectors in which it operates, and the nature, scale and complexity of its operations.

Whilst the standard cannot provide assurance that no bribery has occurred or will happen in relation to the organisation, it does establish that the business has implemented reasonable and proportionate measures to mitigate this risk.

Getting started

Firstly, you need to understand the standard and the task in hand.

Purchasing a copy of the SANS 1734 standard is the first step. (This can be purchased at www.sabs.co.za)

Next the focus is on appointing a project champion and building a supportive team, as well as ensuring that you get commitment and buy-in to the project from the organisation as a whole. It is important that they all understand why you are implementing the ABMS and the wider benefits it will bring.

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Understanding SANS 1734

The costs of bribery are very high for an organisation in terms of money wasted, funds misappropriated, projects not properly or safely carried out, business interruption and above all reputational damage.

SANS 1734 aims to help organisation implement 'adequate procedures' to address the following bribery risks in relation to an organisation's activities:

- Bribery in the public, private and voluntary sectors
- Bribery by the organisation, or by its personnel or others acting on its behalf or for its benefit
- Bribery of the organisation, or by its personnel or others acting on its behalf or for its benefit
- Direct or indirect bribery (e.g. a bribe paid or received through or by a third party)
- Bribery within the country in which the organisation is based, and bribery in other countries in which the organisation operates
- Bribery of any value, whether large or small (including facilitation payments)
- Bribery involving both cash and non-cash advantages (including excessive corporate hospitality)

Understanding the Plan-Do-Check-Act principles

The Plan-Do-Check-Act (PDCA) cycle is the operating principle of many management systems standards, including SANS 1734. By following this cycle, you can effectively manage and continually improve your organisation's effectiveness.

PLAN

Establish objectives and draft your plans (analyse your organisation's current system, establish overall objectives, set interim targets for review and develop plans to achieve them)

DO

Implement your plans

CHECK

Measure and monitor your actual results against your planned objectives

ACT

Correct and improve your plans to meet and exceed your planned results

Whether you are the managing director setting the direction of the business, or an individual focusing on a specific task, the PDCA cycle is very useful in achieving continual improvement.

Plan –
defining your policy, objectives & targets

Planning

Your critical first step is to get top level management committed to the introduction of the anti-bribery management system (ABMS). The organisation then needs to:

- Allocate responsibility for planning of the ABMS to an appropriate leader
- Appoint competent personnel to conduct a risk assessment to understand the bribery risks faced by the business
- Assess how the ABMS should be implemented in the organisation
- Write the anti-bribery policy
- Design or modify policies, procedures and controls for the ABMS
- Determine the necessary resources to implement the ABMS
- Prepare an implementation plan with clear responsibilities and timelines

Scope of the ABMS

You need to determine the scope of the ABMS taking into consideration the level of bribery risks faced, the nature and scale of the activities your business undertakes, countries in which the organisation operates and what regulatory or contractual obligations you must adhere to.

Do –
implementing and living your ABMS system

You now have the commitment and direction from management and the necessary resources to do the job. Now it's time to put your plan into action.

Anti-bribery policy and ABMS

You will need to prepare and adopt an anti-bribery policy. This could simply be a brief statement that communicates your organisation's stance on bribery and outlines what you want the ABMS to achieve i.e., to prevent bribery, and if it does occur, ensure it is detected, reported and dealt with accordingly. Your ABMS must be reasonable and proportionate to the complexity of your business and the risks faced.

Communicating the policy and ABMS

Top management needs to communicate the existence of and their support for the anti-bribery policy, the statement and the ABMS. Procedures need to be put in place to record that employees and business associates have read and agree with the policy and statement. Where possible you must also make the policy and statement visible externally.

Education, training and/or guidance

You must ensure that anyone responsible for implementing the policy, or who are likely to encounter bribery as part of their role, have the appropriate knowledge and training. They must fully understand the impacts and their duties in relation to potential incidents of bribery.

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Management responsibility

Your senior management needs to define the levels of responsibility and assign a suitably experienced full time / part time manager to oversee the implementation of the organisation's ABMS and ensure ongoing compliance. This may be a shared responsibility where the organisation has subsidiaries.

Provision of resources

Make sure that the organisation provides the necessary resources, in terms of funding, equipment, materials and people to ensure the ABMS is a success.

Risk assessment

You must have procedures in place to assess the general bribery risks facing your business and whether your system is adequate to reduce identified risks to an acceptable level. These must be frequently revisited in relation to proposed new projects, business associates or international activities and appropriate action taken where the level of risk is unacceptable.

Due diligence

You will need to implement a procedure for undertaking due diligence before entering into a relationship with a business associate if the risk assessment shows that the associate poses more than a negligible risk. This review must be repeated as the relationship develops.

Do –
implementing and living your ABMS system

Implementation of an ABMS by controlled organisations and business associates

You must ensure that all organisations over which you have control also implement an ABMS and where you have no control over your business associate and it is reasonable to do so, that steps are taken to require business associates to implement an ABMS.

Employment procedures

Where possible, your employees should be 'vetted' to gauge whether they are appropriate for employment before joining the organisation. They should be given a copy of the policy and declare any conflict of interest which must be recorded. Your organisation should put in place safeguards to avoid unethical behaviour and disciplinary procedures defined for any breach of policy.

Gifts, hospitality and donations

Your policy must prohibit the offer or receipt of such items where they are intended or are likely to impair the independence of the recipient or could be perceived to be for the purpose of bribery.

Facilitation payments

Again the policy should prohibit these and give guidance to employees about the action they should take if this occurs.

Delegated decision making Process

Where decision making is delegated, your management will need to establish a process based on the perceived risk and value of the transaction.

Anti-bribery contract terms

Make sure you implement procedures and a contract between business associates which includes the prohibition of bribery as far as is reasonable.

Financial, procurement and other commercial controls

Your business will need to implement appropriate controls to minimize the risk of unethical behaviour by any organisation or person acting on its behalf.

Raising concerns

You need procedures in place for the confidential reporting of attempted, suspected or actual bribery or any breach of the ABMS to an appropriate person within the organisation.

Investigating and dealing with bribery

Your organisation will have procedures in place to investigate and take action regarding any detected breach or weakness in the ABMS.

Documenting the ABMS

You will need to keep detailed records of the policies, procedures and controls of the ABMS as well as any actions taken under the management system and issues which arise.

Check and Act –
measurement review and improvement of your ABMS

Review by full time / part time compliance manager

Your company's ABMS must be assessed at regular intervals by the full time / part time compliance manager to ensure it is adequate to manage potential bribery risks and is being implemented effectively.

Internal audit

Your organisation will be required to undertake impartial internal audits on a regular basis to ensure that the business is complying with its ABMS policy and ABMS and ensure that any corrective actions or improvements arising out of the internal audit programme are documented. Unlike other management systems there is no explicit requirement to audit against all the requirements of the standard. The purpose of the internal audit is to identify any indication of bribery, non-compliance with the policy or ABMS and to highlight any failures or weaknesses.

Top management review

Your senior management needs to ensure the on-going adequacy and effectiveness of the ABMS to the business as it evolves. The review should be based on the full time / part time compliance manager's report, internal audits undertaken, employees' reports and actual incidences.

Improvement of the ABMS

You will need to define a procedure to continually improve the ABMS as a result of reviews, audits and management reviews. All proposed changes must be assessed by the full time / part time compliance manager to ensure the effectiveness of the ABMS is not compromised. Further guidance on how to establish a successful ABMS can be found in the Annex of the standard.

10 tips on making **SANS 1734** work for you

ONE
Top management commitment is vital if the system is to be introduced successfully. Make sure senior managers are actively involved, approve resources and agree the key processes of the business.

TWO
Review systems, policies, procedures and processes you have in place at the moment. Then compare those with what SANS 1734 asks for. You may be surprised how much you already do. The standard will allow you to keep the things that work for you while refining those that don't.

THREE
Make sure you have good internal communication channels and processes within the organisation. Your employees need to be involved and kept informed of what's going on.

FOUR
Give some thought to how departments work together. It's important that the people within your organisation don't work in isolation but work as a team for the benefit of the customers and the business.

FIVE
Don't ignore the impact that introducing these systems will have on your key stakeholders including suppliers. Speak to them to gain insight as to how they feel improvements could be made.

SIX
Clearly lay out a well-communicated plan of activities and timescales. Make sure everybody understands them and their role in achieving them.

SEVEN
Consider using your IT systems or software to manage your system and documentation more efficiently. The nature and complexity of your documentation will depend on the scope of the system, the size of an organisation, the nature of its activities and the organisational culture.

EIGHT
Use competitions and incentives to encourage input – for example an incentive for the first completed anti-bribery process. Make the achievement of SANS 1734 engaging and fun. This will increase motivation.

NINE
Train your staff to carry out internal audits of your system. Auditing can help with an individual's development and understanding as well as providing valuable feedback on potential problems and opportunities for improvement.

TEN
And lastly if you feel you are doing something just for the sake of the standard and it doesn't add any value to you as a business – question whether it's necessary.

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Your pathway to achieve
SANS 1734

Get in touch with us

We can discuss what you need and recommend the best services for you.
www.ragstrategists.co.za or 082 447 0808

Commence with "Pre-Assessment Registration"

Once we have received your completed application form, we'll assign you a consultant who knows your specific industry sector and will be your point of contact throughout the process. This includes an optional gap analysis, also called a self-assessment of your existing management system against the requirements of SANS 1734. That way we can help you identify any omission or weaknesses that need resolving before moving on – saving you time and money.

Equip your staff with the necessary skills

Whether you're seeking to implement an ABMS or would like to increase your general awareness of the standard, we have a range of workshops and training courses available to assist you.

Formal assessment and issue of your certificate

Our formal "RAG V&V" assessment includes verification & validation against the SANS 1734. An initial review of your newly implemented SANS 1734 ABMS manual requirement. Any necessary adjustments/amendments are then made to your ABMS and resubmitted for re-assessment and certificate issue.

"RAG V&V" Certification and beyond – promote your certificate and your business

Once the assessment has been successfully completed, we'll issue your certificate, clearly explaining the scope of your ABMS. The certificate is value for 12 months and your ABMS needs to be reviewed annually by way of a Conformance Review to ensure renewal.

Use your "**RAG V&V Certificate**" to promote your business

Independent assessment by RAG Strategists will assure you and your key stakeholders that your ABMS meets the requirements of SANS 1734:2016.

Before the formal "RAG V&V" certification assessment, you can perform a self-assessment (a review of what you currently do compared to the SANS 1734 requirements) to help identify the areas that need to be tackled to achieve your "RAG V&V" certification smoothly.

When your "RAG V&V" certification has been awarded by RAG Strategists you have a market differentiator. RAG Strategists also works with you to promote your newly acquired achievement.

For more information visit: https://ragstrategists.co.za/verification-validation/ or call +27 (0)82 447 0808 now to start your journey to a becoming a healthy and trustworthy business.

Supporting you on your journey to building organisational trust.

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