



RAG Strategists Advisory Note 6

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

PRECCA (2004) Section 34A / “Adequate Procedures” Defence / P1 Proportionality

The term 'procedures' refers to both corruption prevention policies and the actions that put them into practice. Policies define an organisation's stance on anti-corruption, guide its maintenance, and fosters an anti-corruption culture. While essential for preventing corruption, policies are insufficient unless effectively implemented.

Corruption prevention procedures should be proportionate to the risks an organisation faces, with an initial risk assessment being essential. While the size and complexity of the business play a role, smaller organisations may still face significant risks and require more extensive procedures than others. However, small businesses generally need less extensive procedures than large multinational companies.

The level of corruption risks an organisation faces depends on the type and nature of its associated persons. If no risk is identified with an associated person, no procedures are needed for that relationship. However, if significant risks are associated with third parties, like agents negotiating with foreign officials, more extensive procedures would be required. While organisations must have procedures to address a range of risks, courts will likely focus on the adequacy of procedures aimed at preventing corruption by the specific associated person involved in the offense.

Corruption prevention procedures can be standalone or part of broader corporate policies, such as those for recruitment or managing public procurement tenders. Regardless of the approach, these procedures should effectively support the organisation's anti-corruption objectives across all functions. While applying these procedures to existing associated persons may be challenging, it is advisable to approach this gradually using a risk-based approach, considering what is practical and the level of control over current arrangements.

Advisory Note 6 prepared by RAG Strategists (Pty) Ltd

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Contact: Anton Krause

Mobile: 082 4470808

E-mail: anton@ragstrategists.co.za
www.ragstrategists.co.za

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