

Integrity Management Workshop for Frontline Staff of the Testing & Certification Industry

Hong Kong Business Ethics Development Centre, ICAC

29 June 2018



Outline

- Importance of Professional Integrity
- Legal Requirements & Administrative Controls
- Corruption Prone Areas in the T&C Industry
- Your Roles in Corruption Prevention
- Services Provided by HKBEDC

Importance of Professional Integrity

Tested in Hong Kong
Certified in Hong Kong

3 Tests of Professional Integrity

Legal Test

Compliance Test

Sunshine Test



Legal Test



Prevention of Bribery Ordinance (POBO)

Cover both public
servants and private
sector employees

Protect the interests of
different stakeholders

Prevent abuse of office
between Agent and
Principal

Ensure fair play

Section 9 – Corrupt Transactions with Agents

Agent (Employee)

Without **A**pproval from principal (Employer)

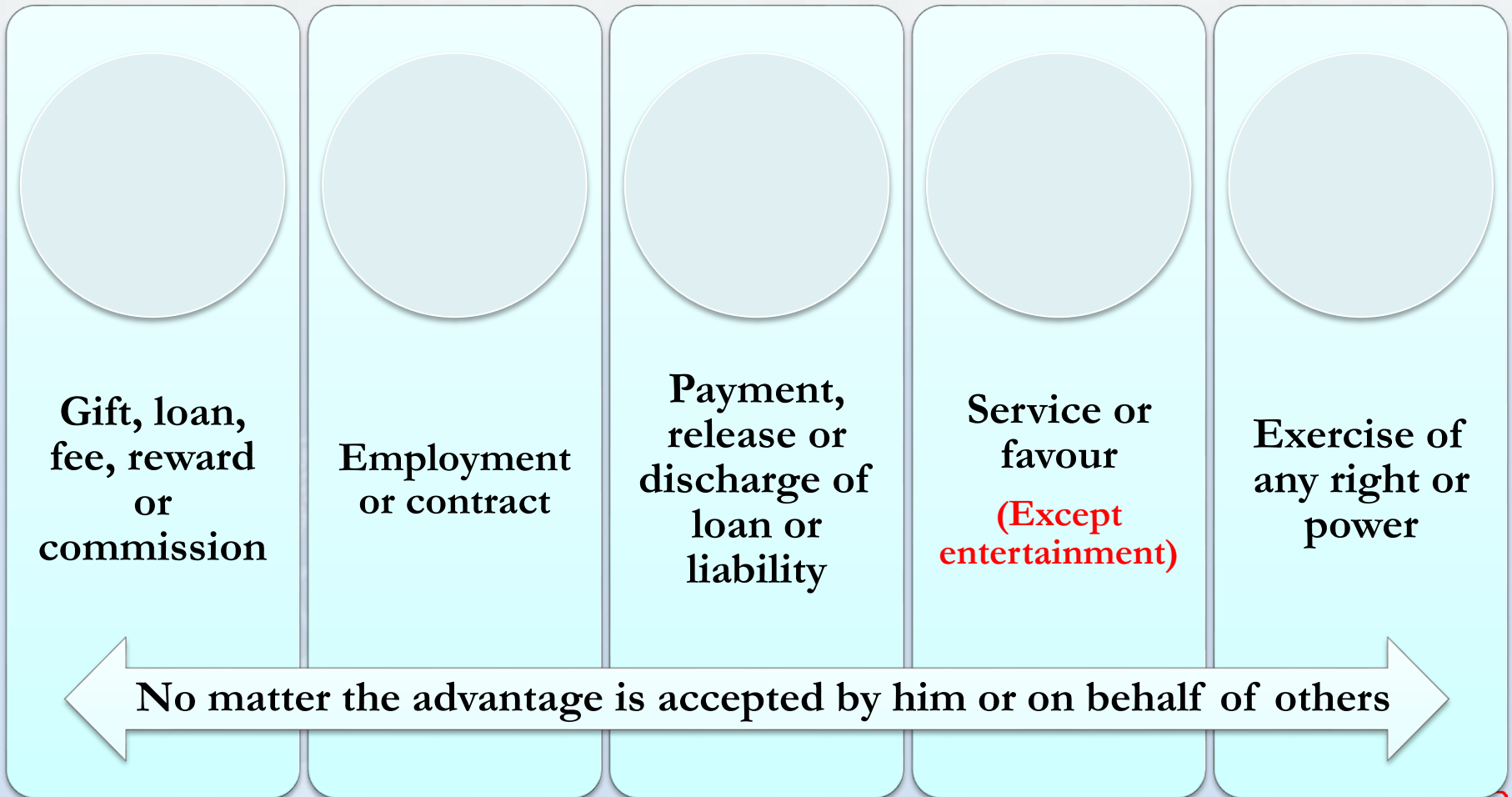
Solicits / accepts **A**dvantages

An **A**ct in relation to principal's (employer's) business

Maximum penalties:

7 years' imprisonment and HK\$500,000 fine

Advantages



Entertainment

- The provision of food or drink for consumption on the occasion
- Any other entertainment provided at the same time

Frequent / lavish entertainment

May result in :

- * Conflict of interest
- * Obligatory position
- * Sweetening trap

Principal's Approval

- Be given by the **recipient's** principal before the advantage is accepted
(e.g. employer, board of directors, **but not the direct supervisor**)
- If the advantage is accepted without prior approval, the acceptor should make application **as soon as reasonably possible**
- Employees' **Code of Conduct** – Stipulate the policies on, among other things, acceptance of advantages by employees

Essential Elements of a Code of Conduct

- Acceptance of Advantage
- Offer of Advantage
- Entertainment
- Records, Accounts and Other Documents
- Outside Employment
- Conflict of Interest
- ...

Conflict of Interest

*When **private interests** compete or conflict with interests of **organization or official duties***



Conflict of Interest

What are Private Interest?

- Financial and other interest of
 - The staff member himself
 - Family or relations
 - Personal friends
 - Organisation / association with personal or social ties
 - Any person to whom the staff member owed favour or obligated

Managing Conflict of Interest

✓ Avoid

✓ Declare



Section 19

No defence even if:

The advantage is customary in any
profession / trade / vocation / calling



Section 11

No defence even if:

The recipient:

- * did not actually have such power / right to carry out the act;
- * did not in fact do so; or
- * had no intention to do so

Section 9(3) – Using False Information to Deceive Principals

Any agent (employee)

Use false / erroneous / defective receipt, account or other document

With an intent to deceive his principal (employer)

Maximum penalties:
7 years' imprisonment and HK\$500,000 fine

Section 8 – Bribery of Public Servants by Persons Having Dealings with Public Bodies

Any person

Without lawful authority / reasonable excuse

While having dealings with any government department of public body

Offers an **advantage** to any **public servant** employed by that department / public body

Maximum penalties:
7 years' imprisonment and HK\$500,000 fine

Compliance Test



Administrative Controls over Malpractices

HKAS Regulations and
Supplementary Criteria

International Standards

e.g. ISO 17025/ 17020/
17021/ 37001

Professional Code of Ethics

e.g. HKTIC, HKICA, HKIE

Company's Code of Conduct

Sunshine Test



Sunshine Test

- Perception of others
 - Can I disclose to, or openly discuss the situation with others (e.g. supervisor, colleagues)?
 - Would others doubt my integrity or accuse me of abuse or impropriety?

Corruption Prone Areas in the T&C Industry



Corruption Prone Areas in the Testing and Certification Industry

- Acceptance of advantage
 - Fabricate test results / forge test reports
 - Meddle with samples
 - Expedite testing and certification process
 - Guarantee a passing accreditation / certification result
 - Subcontract testing and certification, and related services
 - Procurement
- Offer of advantage
 - Obtain business

Corruption Prone Areas in the Testing and Certification Industry

- Other areas of concern:

- Entertainment
- Confidentiality
- Conflict of interest
- False claim of reimbursement



Your Roles in Corruption Prevention

- Abide by the laws, professional standards and company's code of conduct
- Should not accept entertainment from organisations under assessment
- Avoid and declare conflict of interest
- Stay vigilant against malpractices and corruption
- Report suspected corruption or other crimes (e.g. deception and money laundering) without hesitation

Report Corruption

In-person

Report Centre or 7 Regional Offices

24-hour Hotline

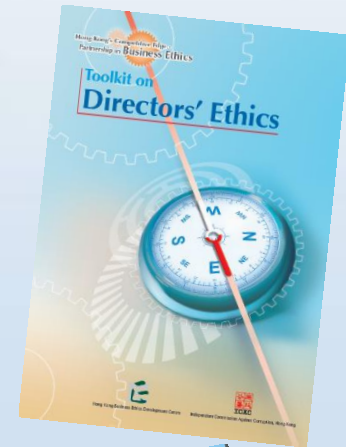
25 266 366

Mail

GPO Box 1000, HK

Services Provided by Hong Kong Business Ethics Development Centre

- Arranging training on business / professional ethics and corruption prevention
- Formulating / reviewing codes of conduct
- Offering advice on system control
- Producing practical guides



Services Provided by Hong Kong Business Ethics Development Centre



Tel : 2587 9812

Website : www.hkbedc.icac.hk

Email : hkbedc@crd.icac.org.hk



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[Anti-corruption Workshops for Testing and Certification Organisations](#)

One of Hong Kong's key strengths is the high level of integrity of the Hong Kong society as a whole, which gives confidence to users of our testing and certification (T&C) services. Maintaining a high level of professional integrity is of utmost importance to the T&C industry and...

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The Hong Kong Business Ethics Development Centre continues to serve as a supporting organisation for the Annual Banking Conference (Conference) this year and encourages banking executives and related professionals to join the event. The Conference is an annual event organised by...

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Small and medium enterprises (SMEs) often have business dealings with public servants in their day-to-day activities. The Hong Kong Business Ethics Development Centre (HKBEDC) has recently produced a feature article to remind SME operators of the relevant anti-corruption provisions to take heed...

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Disclaimer

This Powerpoint material aims at providing general guidance on the common corruption risks and preventive measures in the private sector and does not purport to deal with corruption issues that may arise in any given situation. Description and explanations of the legal requirements under the relevant Ordinances and the recommended practices are necessarily general and abbreviated to make this Powerpoint material easy to understand from the layman's angle. Users of this Powerpoint material should refer to the original legislations or seek ICAC's advice as and when necessary. While we endeavour to ensure the accuracy of the information in this Powerpoint, no statement, representation, warranty or guarantee, expressed or implied, is given by us as to the accuracy, completeness or appropriateness of such information for use in any particular circumstances. The ICAC is not responsible for any loss or damage whatsoever arising out of the use of this Powerpoint material or in connection with any information contained in this Powerpoint material. The copyright of this Powerpoint material is owned by the ICAC. The PowerPoint material may be reproduced for non-commercial use provided that the source of the material is identified and the copyright status acknowledged. For any enquiries, please contact Hong Kong Business Ethics Development Centre (www.hkbedc.icac.hk).