



# ANTI-BRIBERY AND CORRUPTION POLICY



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Institute of Certified Public Accountants of Cyprus*

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## DEFINITIONS

Definitions	Explanations
<b>Bribery</b>	Refers to the offering, giving, soliciting, or receiving of any item of value (i.e. gift, money, loan, fee, reward or privilege, discounts, travel etc) as a means of influencing the actions of an individual holding a public or legal duty. This type of action results in matters that should be handled objectively being handled in a manner best suiting the private interests of the decision maker.
<b>Being bribed</b>	It is an offence to request, agree to receive or accept a financial or other advantage with the intention that, as a consequence, a relevant function or activity is performed improperly
<b>Improper Performance</b>	When a person a) acts contrary to good faith (e.g. breach a legal or contractual requirement (e.g. favour one bidder over another in a procurement decision) b) take advantage of a position of trust (e.g. divulge confidential information)
<b>Corruption</b>	The abuse of entrusted power for private gain. Corruption can be classified in three ways depending on the amounts of money lost and the sector where it occurs i.e grand, political, petty
<b>Facilitation Payments</b>	Covers payments made to officials to obtain or speed up routine services which the officials are required to provide

## **1. Purpose**

Institute of Certified Public Accountants of Cyprus “ICPAC” (the “Institute”) conducts its business fairly with honesty and transparency and this must be reflected in every aspect of our business affairs. Management is committed to ensure adherence to legal and ethical standards. The action and conduct of Institute Directors, Managers and employees as well as others acting on the Institute’s behalf is essential to maintaining these standards. To that end, all Institute’s personnel, including members, auditors and contractors as well as suppliers and any other form of associates involved in Institute’s business must be familiar and comply with this Anti Bribery and Policy.

Bribery, and other forms of corruption, is a criminal offence in most countries and bribery acts expose the Institute its employees to the risk of prosecution, fines and imprisonment, as well as endangering ICPAC’s reputation.

The Institute values its reputation for ethical behavior and for financial integrity and reliability. It recognizes that over and above the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Even the suggestion of corruption may damage our reputation and may also bring the personal integrity of individuals into question.

This policy has been adopted by the Council and is communicated to everyone involved to ensure their commitment to it. The Council applies a "**zero tolerance**" approach to acts of bribery and corruption by any of our employees or any business partners.

Any breach of this policy will be regarded as a serious offence by the Institute and it will result in disciplinary action. The Institute encourages all employees to report any suspicious activity that may violate this policy. A confidential and discrete way to report any violations or suspicious activity is in place.

## **2. Policy**

The Institute is committed to prohibiting the offering, promising, giving, accepting or soliciting of an advantage (monetary or not) as an inducement for an action which is illegal or a breach of trust or for performing functions or activities improperly or to reward persons for already performing their activities improperly. In this framework, the following principles should be applied:

### **General Principles**

- i. **Management:** The Institute’s Management is committed to maintaining a culture in which bribery is never acceptable and intends that its zero-tolerance policy is clearly communicated to all employees and all relevant third parties. Management needs to engender a truly transparent and ethical compliance culture that encourages accountability and detects and discourages any form of bribery.

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- ii. **Gifts & Hospitality:** Payments and hospitality promised or offered to/from a customer, vendor, business partners and associates or any third parties for any projects are not generally allowed unless they fall within a reasonable bound of value and occurrence (reference in the code of conduct) and cannot be perceived to affect the outcome of a business transaction. Paying excessive travel and entertainment expenses on behalf of the Institute to obtain and/or maintain business may be interpreted as bribery.
  - iii. **Charitable Contributions and Sponsorships:** Sponsorships and charitable contributions should be according to the Institute's policy and procedures. Charitable Contributions and sponsorships are not to be used as cover for bribery.
  - iv. **Political Activities & Contributions:** Funds, property or facilities of the Institute must not be used to provide support for, or contribute to, any political organization or political candidate.
  - v. **PEPs:** All prospective relationships and transactions with PEPS must be approved by Council.
  - vi. **Fees for Services:** Fees for services (e.g. Associates and Members etc), forming part of an official fee structure, is not a bribe. Facilitation payments to third parties under certain circumstances can be considered bribes.
  - vii. **Public Officials:** Government and public official interactions require heightened care, diligence and transparency and a need for appropriate disclosures and approvals ahead.
  - viii. **Payments & Financial Controls:** Institute's expenses and payments procedures and authorization processes require a clear understanding of why payments are made and to whom. We have similar expectations from our third parties. All books and records must be kept and falsifying records to conceal a bribe is a criminal offense.
  - ix. **Human Resources:** All human resources practices including recruitment, training, performance evaluation and recognition reflect the Institute's commitment to this policy.
  - x. **Code of Conduct:** The code of IESBA should be strictly followed.
  - xi. **Personal Conflict of Interest:** Any personal Conflict of Interest or perceived Conflicts should be properly disclosed and managed as per relevant policy.

The following steps are taken to assist in the assessment, prevention and detection of bribery:

i) **Risk Assessment**

The Institute assesses the nature and extent of its exposure to potential external and internal risks of bribery & corruption by persons associated with it. The risk assessment should be fully documented and updated on a periodic basis to reflect the risks and risk appetite of ICPAC. Devoting sufficient skilled resources and expertise to this task is essential. The assessment may form part of a general risk assessment or specialized only in relation to Bribery & corruption with Management and Directors overseeing it.

ii) **Due Diligence**

The Institute applies due diligence procedures taking a proportionate and risk based approach, in respect of persons who perform or will perform services on its behalf.

ICPAC will maintain adequate procedures to:

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- Carry out due diligence checks before appointing new employees or agents.
  - Scrutinise expenses claims.
  - Ensure that any corporate hospitality given or accepted is proportionate and reasonable.
  - Avoid dealing with contractors and suppliers known or reasonably suspected to be paying bribes or being involved in corrupt activities.
  - Perform strict due diligence on associated persons/third parties in order to (a) identify the associated person and validate their credentials and background and (b) confirm the suitability of their specific skills and experience for the role they will be performing.
  - Ensure that contracts of employment reflect the Institute's policy and make clear that disciplinary proceedings, including proceedings leading to dismissal for gross misconduct, will result if an employee is engaged to bribery or corruption.

### iii) **Communication**

- ICPAC establishes effective internal and external communication in relation to Bribery and Corruption. We conduct business in a transparent, accountable and fair manner and these principles should be reflected via all relevant communication channels (external e.g. website, agreements/contracts etc. and internal e.g. codes, procedures etc.)
- A clear message is given from the Council and Management that ICPAC operates a policy of zero tolerance to bribery and corruption.
- The Institute will ensure that the policy and the procedures for preventing bribery and corruption are communicated effectively to the staff and to those performing services (e.g. outsourcing contracts should include clauses on anti-bribery issues) for ICPAC.
- The prevention, detection and reporting of bribery is a personal responsibility of each and every employee of the Institute and this is stated in the terms of employment and other suitable channels of communication.

### iv) **Accounting & Record Keeping**

- The Institute maintains available for inspection accurate books and records that properly and fairly document all financial transactions.
- The accounting and record keeping practices are regularly reviewed to provide assurance on their design and effectiveness.

### v) **Training**

Staff receives adequate training on anti-bribery and corruption issues, policies and procedures. These include:

- Providing good quality, standard training on anti-bribery and corruption for all staff.
- Providing additional anti-bribery and corruption training for staff in high risk positions.
- Add anti-bribery to induction courses.

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vi) **Reporting**

The Institute sets out procedures to encourage the reporting of any suspicions of bribery and corruption, as well as ensuring that appropriate procedures are in place to process sensitive information, investigate accordingly and implement any control enhancements.

Any request for an improper payment or any indication that a person might be making corrupt payments or that a person has an intention or intends to violate this policy, should be reported immediately. Reporting by personnel should be made through their manager or, directly to Audit Committee or Compliance Officer.

If it comes at anybody's attention/knowledge that anyone is involved in bribery, this must be reported immediately. It doesn't matter whether the person involved is a colleague, customer or supplier.

vii) **Monitoring and review**

ICPAC monitors and reviews procedures designed to prevent bribery & corruption and makes improvements where necessary.

viii) **Procedure & Policies**

Overall ICPAC has implemented proportionate procedures to ensure adherence to the above principles. Such should include detailed written policies & procedures for:

- Charitable contributions & donations.
- Code of Conduct (gifts).
- Recruitment processes.
- Outsourcing.
- Procurement policies.
- Fraud Policy.
- New Business approvals process.
- Conflict of Interest Policy.

### **3. Roles & Responsibilities**

All responsibilities should be clearly assigned, explained and monitored (please refer to Appendix 1).

**RESPONSIBILITIES IN RELATION TO ANTI- BRIBERY AND CORRUPTION**

Council	The Council is responsible to oversee the Group`s compliance with this policy. An integral element is to set out "The tone from the top". This can be done in writing and should set clear behavioral expectations and standards.
General Manager	The General Manager has the final responsibility to implement and ensure adherence to this policy (as assigned to him by the Council and form part of his duties & responsibilities) throughout the Institute and the imposition of remedial action. If any event refers to General Manager then it is escalated to the Council.
Officers	The Officers have the ultimate responsibility and accountability for adherence to this Policy within their Divisions (as first Line of Defense).
Remuneration and Recruitment Committee	<ol style="list-style-type: none"> <li>1. Incorporate Anti-Bribery and Corruption to the Code of Conduct and Ethics</li> <li>2. Perform due diligence checks before appointing new employees.</li> <li>3. Train employees on anti- bribery and corruption issues and add the provisions of this policy to the induction courses.</li> <li>4. Design and implement disciplinary procedures.</li> </ol>
Institute Procurement	<ol style="list-style-type: none"> <li>1. Making this policy available to business partners and associated persons.</li> <li>2. Incorporate in the outsourcing contracts terms on anti-bribery and corruption.</li> <li>3. Perform due diligence checks before appointing new agents/outsourcing partners/vendors.</li> </ol>
Regulatory Committee	<ol style="list-style-type: none"> <li>1. Updating this policy as and when required.</li> <li>2. Providing guidance, support and advice across the on compliance with this policy.</li> <li>3. Train employees on anti- bribery issues and adding the provisions of this policy to the induction courses.</li> </ol>

Risk Committee	<p>Risk Committee as a second line of defence should perform enhanced controls to assess all risks (both internal and external) and determine a cost effective to the determination anti-bribery and corruption programme.</p> <p>Assess the nature and extent of the exposure to potential external and internal risks of bribery within the Institute. The assessment should be periodic, informed and documented.</p>
Audit Committee	<p>Audit Committee, as the third line of defense, is responsible for incorporating the Anti-Bribery policy in its procedures and must assess whether appropriate controls are in place for adherence to this policy.</p>
Legal advisors	<p>Legal Advisors are responsible for providing general advice to the Group on relevant legislation and for providing support, guidance and advice to Business Units/Subsidiaries in relation to legal issues.</p>
Personnel	<p>All personnel of the Group are responsible for complying with this policy and its related procedures. If any employee becomes aware or suspects that an activity or conduct which has taken place could be considered a bribe or corrupt, then they have a duty to report it immediately. Any such incidents should be reported to their direct Supervisor/ Line Manager or via the Whistleblowing Line.</p>