Fostering Integrity in the Private Sector

UNCAC – Open-ended Intergovernmental Working Group on the Prevention of Corruption

Vienna, Austria – August 27-29, 2012
Institutional Framework:

CGU is the Internal Audit Unit and the Anti-Corruption Agency of the Brazilian Federal Government
Main Prevention Actions

• Increased Transparency
• Incentive to Social Control
• Management Strengthening
• Education for Ethics and Citizenship
• Public Spending Observatory
• Public-private cooperation
• Implementation of International Conventions
• Improved Legal Framework
• Studies and research on corruption
• Access to Information
The Ethos Institute of Business and Social Responsibility

Brazilian non-governmental organization created with the mission of mobilizing and helping companies to manage their businesses in a socially responsible way, making them partners in the construction of a fair and sustainable society.

www.ethos.org.br
Fostering Integrity in the Private Sector - Timeline

2006
- Launch of the “Clean Company” Campaign
- Launch of the Business Pact for Integrity and Against Corruption

2007
- Creation of the National Debarment List - CEIS

2008

2009
- Chat with Entreprises & Website: Integrity in the Private Sector
- MoU – CGU/ETHOS/UNODC

2010
- Bill on Liability of Legal Persons sent to the Congress
- Launch of the Pro-Ethics List
Business Pact for Integrity and Against Corruption

- Multi-sector
- Over 400 member companies, both local and multi-national
- Initiated by the Ethos Institute, Patri, UNODC, UNDP and the Brazilian Committee of the UNGC
- Supported by the Office of the Comptroller General of Brazil
National Debarment List - CEIS

- Launched in December, 2008
- Consolidated Data from Federal, State and Municipal Public Administration
- Both legal and natural persons
- Easy-to-reach information
- User-friendly
### National Debarment List - CEIS

#### EMPRESAS SANCIONADAS - TODAS

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**Informação não disponível, favor verificar junto ao Órgão sancionador.

Pesquisar: Entre com o texto [OK]

3.703 ineligible and 3.041 suspended
Initiatives Implemented through the CGU - Ethos Partnership

- **Handbook on Fighting Corruption in the Private Sector**: aimed at strengthening the dialogue between the public sector and the private sector to support private initiatives to promote integrity.

- **Distance course** on the handbook.

- **Handbook and distance course for SMEs** (small- and medium-sized enterprises), inspired on the experience of the “Transparency for Colombia-Rumbo Pymes”.
Chat with Entreprises

Objective
Hold workshops for raising awareness of companies concerning the promotion of ethics and integrity and the prevention of corruption

Workshops
2010 – 10 States
2011 – 8 States

Audience so far
More than 600 entreprises

Outcomes
Creation of Working Groups, strengthening of partnerships, development of handbooks, adoption of integrity measures by entreprises, etc.
Joint project of CGU and the Ethos Institute: a list of companies that invest in ethics and integrity measures and adopt good governance and corruption prevention practices. Companies apply voluntarily.

The primary objectives of the list are to contribute towards:

- Bringing companies together for their role and responsibility in combating corruption
- Establishing an environment of integrity and trust, leveling the playing field
Investir em ética é um bom negócio.

O Cadastro Empresa Pró-Etica é uma iniciativa da Controladoria-Geral da União e do Instituto Éthos de Empresas e Responsabilidade Social que objetiva divulgar nomes de empresas engajadas na construção de um ambiente de ética e confiança nas relações empresariais, inclusive naquelas que envolvem o setor público.

Solicite a adesão ao Cadastro
Office of the Comptroller General of Brazil

Pro-Ethics List online

O Cadastro Empresa Pró-Etica

O Cadastro Nacional de Empresas Comprometidas com a Ética e a Integridade - Cadastro Empresa Pró-Etica, é uma iniciativa da Controleladoria-Geral da União e do Instituto Ética que avalia e divulga as empresas voluntariamente engajadas na construção de um ambiente de integridade e confiança nas relações comerciais, inclusive naquelas que envolvem o setor público.

O Cadastro dará visibilidade às empresas que compartilham a ideia de que a corrupção é um problema que deve ser prevenido e combatido não só pelo governo, mas também pelo setor privado e pela sociedade. Ao se cadastrar, a organização assume o compromisso público e voluntário, para o governo e a sociedade, de que adota medidas para prevenir e combater a corrupção dentro de sua instituição, em favor da ética nos negócios.

Saiba mais

www.cgu.gov.br/empresaproetica
Pro-Ethics List

- Launched on December 9th, 2010
- Based on internationally recognized good practices from TI, ICC, OECD, WB, RESIST, UNGC
- Multi-stakeholder Steering Committee
Pro-Ethics List’s requirements

- Company has to be signatory to the Business Pact for Integrity and Against Corruption
- Company must not be in the National Debarment List
  - CEIS
- Response to the Questionnaire
  a. 100% of mandatory items (29)
  b. 50% of desirable items (18 out of 36)
- Signature of a Commitment Statement
Pro-Ethics List’ process

1. Request to access the system
2. Password receipt
3. Questionnaire response / upload of proving documents/information and submission
4. Conformity analysis by the List’s Executive Secretariat / draft report
5. Approval of/validations by the Steering Committee
Pro-Ethics List – conformity areas

- Ethics and conduct
- Internal control
- Relationship with the public sector
- Capacity-Building and Training
- Transparency
- Collective actions
Examples of questions

- **Institutional Commitment**
  Does the company disclose its commitment to ethics and integrity and not to convenant with corruption? *(mandatory)*

- **Involvement of the Senior Management**
  Is the company’s senior management committed with ethics and integrity? Does it get involved in actions related to the topics? *(mandatory)*

- **Code of ethics/conduct**
  Does the company have a code of ethics/conduct or equivalent document which sets forth values and conducts employees and stakeholders are to follow? *(mandatory)*

- **Ethics Committee**
  Does the company have an ethics committee or an area in charge of dealing with ethics issues? *(mandatory)*
Examples of questions

▪ Audit
  Does the company have an internal control unity or area in charge of performing this activity? (mandatory)

▪ Reporting Channels
  Does the company have channels to receive reports from employees, stakeholders and external public? (mandatory)

▪ Risk Management
  Does the company have a policy to prevent and manage fraud and corruption risks? (desirable)

▪ Rules of Conduct
  Does the company have clear rules of conduct for the relationship with the public sector in order to prevent acts of corruption? (mandatory)

▪ Prevention of Conflicts of Interest
  Does the company have policy and rules to prevent conflicts of interest between public and private? (obrigatório)
Examples of questions

- **Financial Reports**
  Does the company disclose its financial reports? *(mandatory)*

- **Tenders and contracts**
  Is there any provision on the transparency policy to publish information about participation in tenders and contracts with the government? *(desirable)*

- **Signature of the Business Pact**
  Is the company a signatory to the Business Pact for Integrity and against Corruption? *(mandatory)*

- **Other collective actions**
  Is the company part of other collective actions aimed at preventing and combating corruption through association with other companies / entities? *(desirable)*
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## Companies on the Pro-Ethics List

(3rd round so far)

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Thank you!

Aureliano Vogado R. Junior

aureliano.junior@cgu.gov.br

www.cgu.gov.br  @cguonline  /cguonline
CONTROLADORIA-GERAL DA UNIÃO

Setor de Autarquia Sul,
Quadra 1, Bloco A
Edifício Darcy Ribeiro
CEP: 70070-905
Tel: (61) 3412-7241

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