

INSTITUTIONAL INTEGRITY – DAILY CHALLENGE OR MATTER OF COURSE? RECOMMENDATIONS FOR EFFECTIVE MEASURES TO PREVENT, IDENTIFY AND ADOPT ENFORCEMENT MEASURES AGAINST CORRUPTION IN THE ROAD SECTOR

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ABSTRACT

This paper provides an overview of the interactions between institutional corruption and integrity within organisations engaged in the roads sector. Based on a conceptual model the paper mainly sets out potential measures for preventing corruption, for better identifying corrupt behaviour, and ultimately for undertaking enforcement action against those involved in corrupt practices. These measures are summarized in the so called “Tool-Kit”, which highlights examples of measures which organisations can deploy to promote integrity and reduce the potential for corruption, either by their own staff or partner organisations in their supply chain. Practical relevance is provided by selected examples of anti-corruption measures that are already successfully implemented within different organisations.

This paper outlines the main findings of the PIRAC Technical Committee B.1 Working Group 1 “Institutional Integrity” (2008 – 2011). Further information and detailed descriptions of the measures can be found in the Final Report by PIARC's TC B.1 "Institutional Integrity" Working Party which will be available in 2011 and discussed further at the Mexico Congress [1].

1 QUESTIONNAIRE SURVEY OF CURRENT PRACTICE [1] [2]

The evidence base on current policy and practice around institutional integrity and tackling corruption in the road sector is relatively incomplete. Within this context Technical Committee B.1 has undertaken a questionnaire survey to assess the current international situation. The overarching goal was to identify the existing international situation governing business ethics, specifically in terms of anti -corruption measures and guidelines, for Road Administrations worldwide, and their implementation and effectiveness within different organisations and management systems.

The questionnaire survey “Organisational Integrity – Principles, Policies and Practices related to Preventing, Identifying and Tackling Corruption” was a major part of the overall work programme. The analysis was also intended to help to identify examples for best practices case studies which provided the basis to set out key principles, critical success factors and implementation issues. The findings of the survey have been published in [1] and [2].

2 CONCEPTUAL MODEL – THE CYCLE OF INTEGRITY [1] [3]

Building on the findings of the questionnaire survey a cyclical model which describes the procedure for preventing or tackling corruption on various levels and at various stages has been developed. This model comprises several stages whose reciprocal interactions and induced effects can be depicted in two opposing directions.

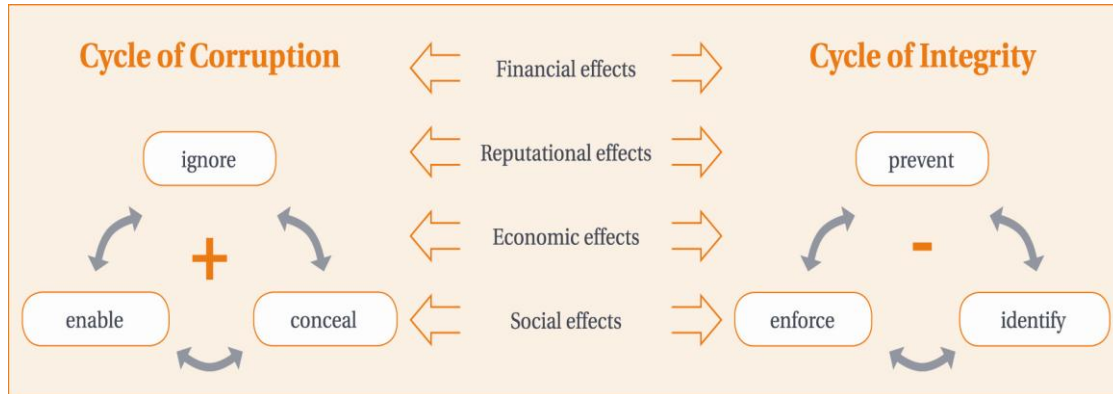


Figure 1 – Cycle of Corruption - Cycle of Integrity

2.1 Cycle of Corruption

The cycle of corruption starts with the issue of corruption being ignored. The organisation does not implement any countermeasures. There is no reaction to incidents of corruption and the organisation does not generally recognise the topic as an issue. In many cases the subject of corruption is trivialised or it is asserted that there is most certainly no corruption in the organisation; there is therefore no need to implement measures. By "actively" ignoring the subject the first steps towards corruption have been consciously facilitated.

The second stage is conscious concealment of corrupt activities. Although corrupt activities in the organisation are known, no countermeasures are taken. On the contrary, results are consciously falsified, for example, to deceive (external) monitoring bodies and thus conceal corrupt activities. The failure to introduce effective counter measures can also be instrumental in concealment.

The third and final stage is the intentional planning and execution of corrupt activities. Conditions are consciously created that enable systematic implementation of corruption. These include tendering systems that restrict competition or promote collusion, exclusion of monitoring bodies, conscious creation of "problems" to compel payments (e.g. bribes) from organisations and the use of corrupt activities across several management levels (a system of distribution to accessories and participants). Such systems enable various employees to act in a corrupt manner without having to particularly fear the consequences.

2.2 Cycle of Integrity

The cycle of integrity offers the opposite paradigm to the cycle of corruption. In this case the subject of corruption is recognised as an issue by the organisation and appropriate measures are taken. The positive, self-reinforcing cycle starts with active prevention of corruption. These preventative measures include, for example, developing employee education and awareness at all levels, development of transparent, inclusive and accountable management systems, specification of open procurement and order

processing processes, effective project management arrangements, and measures to improve employee identification with the organisation and its values.

The second stage is concerned with creation of appropriate framework conditions, which enable and promote timely detection of any cases of corruption. The most important measure is the development and application of active monitoring systems as part of management systems. These must be implemented at all levels of the organisation (project, departmental and corporate). Furthermore, systems for notifying suspicious cases, for example so-called “whistle blowing” processes, are developed.

The third stage deals with rigorous enforcement of specific sanctions against cases of corruption that have occurred within the organisation. Clear measures for dealing directly with cases of corruption are to be defined as part of corporate policy, and rigorously implemented in the case in question. For individual staff, depending on the nature and seriousness of the offence, these may include verbal warnings, internal disciplinary action, termination of contract, or notification of the authorities for civil proceedings or criminal prosecution.

2.3 Interactions within the System

The model described above is characterised by various intrinsic system interactions. On the one hand these occur within the cycle itself. In this regard it is essential for there to be equal focus at all stages in order to create a comprehensive and effective system. Conversely, it is not productive if an organisation concentrates exclusively on prevention, but the accompanying identification or enforcement measures are not equally mature. It is also worth emphasising that the system in question is a dynamic one, which is to be regularly adapted to current knowledge.

Furthermore the two directions of the cycle also interact with each other as a result of the effects induced. These effects are mainly financial, reputational, economic and social ones. The effects in question will be stronger or weaker depending on which direction of the cycle is more marked. However, it can generally be said that quantification of the impact of corruption is extremely complex and carries substantial uncertainties.

3 INSTITUTIONAL INTEGRITY TOOL-KIT [1] [3]

Based on the cycle of corruption and cycle of integrity models, findings from international studies and work by bodies such as Transparency International, a comprehensive tool-kit of anti-corruption measures has been devised, in order to effectively and efficiently implement the cycle of integrity within an organisation. Division of the essential anti-corruption measures into the relevant fields of prevention, identification and enforcement is characteristic of this overview.

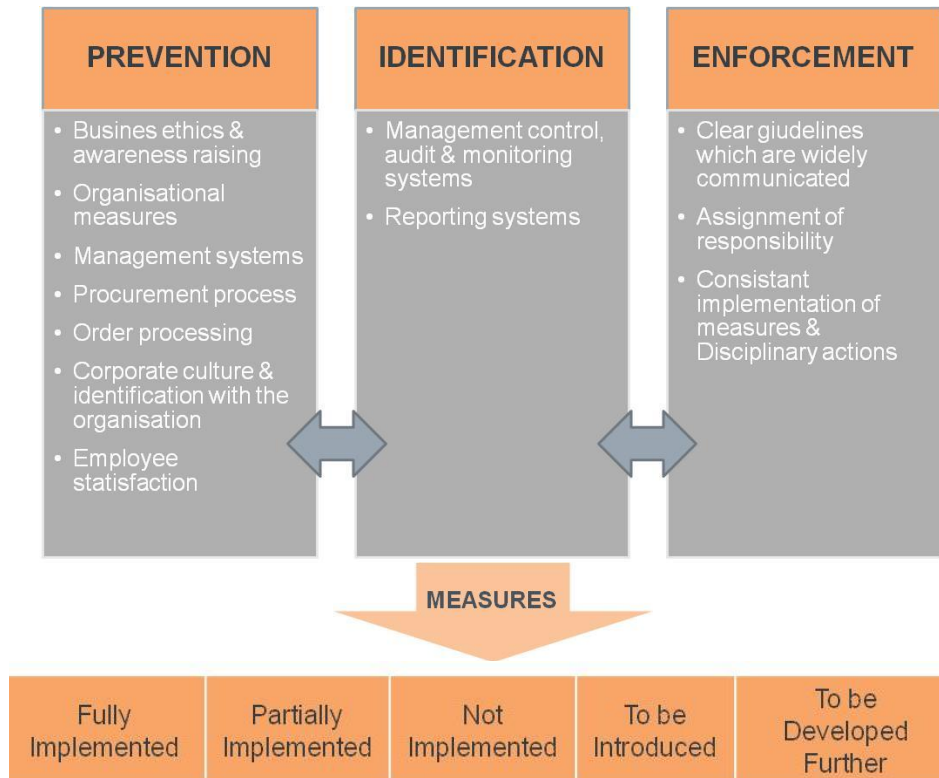


Figure 2 - The Tool-Kit (schematic presentation)

The tool-kit can be used as a checklist for an organisation intending to implement active, coordinated measures as part of the cycle of integrity. It must be stressed that it is not always necessary or sensible to implement all measures depending on specific local conditions. Organisation-specific priorities and development and implementation plans must be developed instead.

The full version of the integrity toolkit including its theories and detailed descriptions of the measures could be found from [1].

The following theories and measures are empowered by selected successful implementation examples of different organizations. Within the working group implementation examples of Austrian Motor- and Expressway Financing Company (ASFINAG), the Swedish Transport Administration, the Australian New South Wales Roads Traffic Authority (now part of Transport New South Wales), Hungarian Directorate of Road Management and Coordination (DRMC), the Centre for Economic Development, Transport and the Environment of Finland, the US Missouri Department of Transportation (MoDOT), the Department for Environment, Transport, Energy and Communications for Switzerland (ASTRA), the Japanese National Institute of Land and Infrastructure Management (NILIM) and Transport for London (UK) have been analysed. These examples are field reports and show how different measures to prevent, identify or enforce against corruption could work within organisations. Of course the measures named are just a representative selection and don't show all measures that are already in place within the organisations.

3.1 Measures for the Prevention of Corruption

3.1.1 *Development of Business Ethics and Anti-Corruption Strategy – Awareness–Raising and Educational Measures*

Theory: In many cases there is a lack of awareness about the definition, nature and consequences of corrupt behaviour. Awareness-raising measures therefore need to be provided as a priority for all employees and, if possible, for all contractors.

Measures integrated within the toolkit under this category include:

- ethics guidelines;
- ethics workshops and other dissemination events;
- internal and external corporate publications;
- self-tests for employees;
- signature of an anti-corruption agreement;
- anti-corruption report; and
- integrity declaration by tenderers.

Examples:

Ethics guidelines do exist in most of the analysed organizations. These ethic guidelines are summaries of the organisation's mandatory and legal policies and practices in the areas of business ethics and anti-corruption applicable to all departments and all employees. These documents contain clear definitions of what constitutes corruption and rules of conduct in the context of encountering perceived or actual corrupt behaviour. Basic understanding of the organisation's ethics philosophy is defined and sources of further advice, information and support are mostly provided. In many cases the policies include specific examples of actions deemed to be corrupt behaviour or not. Therefore the attempt is made to define boundaries between the acceptable and the forbidden within the scope of general legal regulations.

The New South Wales Roads and Traffic Authority (Australia) - now part of Transport New South Wales -, publishes a range of corporate policy statements as part of its human resources manual, including a number that relates specifically to ethical behaviour. One policy concerns bribes, gifts and other benefits and sets out that staff must not solicit or accept a bribe or substantial gifts or benefits of any kind. They may not accept a gift or benefit that could reasonably be perceived as having been provided with the intent of influencing the carrying out of their duties. Money or alcohol may not be accepted regardless of quantity or value. The policy includes specific examples so that employees are in no doubt as what is and what is not acceptable. Where gifts are accepted, they must be approved by a director and recorded in a formal Gifts and Benefits Register.

ASTRA (Switzerland) provides a very comprehensive anti-corruption guideline that assumes all relevant regulations and information that exist within the organisation. There is also reference to legal regulations.

The Japanese National Public Service Ethics Board (NPSEB) publishes documents on ethics to make officials who work for ministries and relevant organisations further understand ethics codes. One of these documents is a leaflet that contains specific examples and Q&As. In this leaflet it is defined what National public officials are not allowed or at what expense or circumstances are allowed to (e.g. receive money, goods, and real estate from stakeholders, receiving hospitality or traveling with stakeholders).

NPSEB also distributes a business-card size card that states essential points on ethics codes as a constant reminder to officials of ethics codes.

In Finland the Unit Transport & Infrastructure is subject to the ethic guidelines of the Ministry of Finance. The guidelines deal with the topics hospitality, benefits and gifts and are generally binding to all civil servants and government officers. More precise directions can be provided if necessary by the various administrative sections.

The regular completion of ethics workshops and other dissemination events for the training of employees and for the internal discussion of current issues, overview of the current regulatory framework and consequences are also widely used within the organizations. Of course they differ in scope and application. For example within the Swedish Transport administrations there is a compulsory one-day- training for managers and exposed groups that teaches how to handle concrete situations using the internal rules. Also within ASFINAG (Austria) there are compulsory ethic-workshops that have to be passed verifiable by every employee. These trainings focus on general awareness raising and specific actual examples and are continuously updated. MoDOT (USA - Missouri) provides ethic and fraud briefings to its employees. ASTRA (Switzerland) offers special trainings for project managers.

Explicit coverage of issues relating to business integrity and tackling corruption in corporate literature, including publicising specific examples of corruption within the sector, country or discipline and a clear "zero tolerance" message to employees, suppliers and other stakeholders are part of the managing culture within ASFINAG (Austria). The information is disseminated within the organisation through intranet, news folders, is discussed at workplace meetings and in the annual company and sustainability report.

An integrity declaration by tenderers is a fixed part during tender procedures within ASFINAG (Austria), MoDOT (USA - Missouri) and ASTRA (Switzerland). All tenderers have to sign and submit an integrity declaration including a stated clear understanding of the sanctions arising from the discovery of corrupt behaviour or inducements as part of their tender.

The Swedish Transport Administration furthermore sends a letter to the suppliers, kindly asking them not to send gifts to the employees at the administration (prior to Christmas or Easter). The intention is to protect the name and reputation of the organisation and to communicate the approach of a strict business relationship without irrelevant benefits.

The Local Government Group Transparency Programme (UK) is a part of the Government pledge on greater transparency across public sector through publishing certain information on salaries of senior management posts, spending over GBP 500 (approx. EUR 574) and details of contracts by January 2011.

3.1.2 Organisational Measures (at Organisation and Project Level)

Theory: Creating an appropriate organisational framework enables many opportunities for corrupt behaviour to be prevented, since a number of people need to be involved in all relevant decisions.

- two (or more) person control principle;
- signature regulations;
- substitution arrangement;

- job rotation;
- disclosure of secondary employment or other commercial links;
- disclosure of close personal relationships; and
- involvement of service departments.

Examples:

ASFINAG (Austria) features fully implemented and highly developed organisational measures. Relevant decisions at project and organisational level, especially those involving tendering and other commercial and financial transactions, are explicitly made by two or more people by an "originator" and "approver" arrangement. These proceedings are defined within a signature regulation, that is based on the hierarchical structure of the organisation. The greater significance of a decision, the more senior the officer required to sign it off. Similar regulations exist within ASTRA (Switzerland).

Furthermore there is compulsory disclosure of intended secondary employment by employees or of commercial or other links to other organisations with potential for conflict of interest. The superior must check for conflicts of interest and approve the activities. The special service department for procurement has to be involved in the planning and tender process and when an order is extended. This special division controls the compliance with relevant legal and organisational regulations.

Transport for London (UK) publishes the Declaration of Interests of the Board Members and Senior Management Officers in the public domain. The Declaration includes linkages of the person and his/her close family with which has a contractual agreement with TfL, shareholdings in companies, involvement in non-profit making organisations, directorships of companies (paid and unpaid), office or position (including companies, trade associations and industry forums), potential interest on land ownership. Remuneration of the Board Members and Senior Management Officers are also listed in the company Annual Report.

MoDOT (USA - Missouri) provides a special conflict of interest policy regarding secondary employment and personal relationships. In this course also within ASTRA (Switzerland) exist compulsory regulations furthermore the rotation of the evaluation team within the procurement process is compulsory.

As the two (or more) person control principle is concerned there are regulations how to meet business operators within the Japanese National Institute of Land and Infrastructure Management (NILIM). Therefore officials shall avoid meeting business operators at their desk privately. A meeting room shall be used with the attendance of more than one official. If only one official is available, prior approval must be obtained from the head of the officials' department and business operators must be met in the meeting room with the door open.

3.1.3 Development or Further Development of Management Systems

Theory: The better developed the management and control systems of an organisation, the easier it is to implement effective anti-corruption measures, the higher the likelihood of uncovering cases of corruption and the lower the readiness of employees to act in a corrupt manner. Measures included in the toolkit under this category include:

- project plan and information system;
- risk management system;
- cost management system;
- project management; and
- project sign-off.

Examples:

Within ASFINAG (Austria) the named management systems are fully implemented and highly developed. Based on the actual requirements and needs the systems are enhanced and adopted. Furthermore in 2010 a new Project Risk Management System has been implemented. This system increases the transparency of delicate issues and includes specific risk checklists for topics and areas at risk of corruption. The system standardises the identification and valuation of project risks and provides a transparent reporting to the management.

MoDOT (USA – Missouri) provides a so called Site Manager System that is an online diary for project management and cost management on the micro and macro levels.

3.1.4 Specification of Procurement Processes

Theory: Being at risk of corruption, the procurement process in particular needs to be developed and regulated in an unambiguous way, using clear and comprehensive processes. Clear regulations must prevent "misinterpretations" by employees with clear "gateway" arrangements on key decisions. Measures included in the toolkit are:

- standardisation of the invitation to tender;
- procurement - deviation from the standard;
- notification requirement and duty to obtain consent;
- evaluation process of tenders;
- in-depth tender evaluation of prices;
- in-depth internal tender evaluation of large projects;
- opening of tenders by committee;
- documentation and potential publication of all tender award decisions; and
- variety of tenderers to promote competition.

Examples:

ASFINAG (Austria) applies a high developed procurement process that is a main part of the organisational quality-management system. The process comprises all measures named in the toolkit and is fully standardized. The organisational regulations are based on the existing legal requirements and sometimes they are even made more strict.

As part of the continuously enhancement of the regulations special "data-rooms" have been implemented in 2010. Therefore tender-evaluations at a triggerpoint of 20 Mio € are exclusively done in this data-rooms. Data-rooms are subject to firm restrictions and can be used and entered just by a selected number of users. Furthermore since 2010 tenders can just be made online and also the whole procurement proceedings are executed online. This Online –System guarantees audit-proof workflows and facilitates the compliance with regulations. At the moment a guide-line with compulsory specifications to hold hearings is being developed. All this regulations are disseminated to the employees through special trainings.

MoDOT (USA Missouri), ASTRA (Switzerland) and the Swedish Road Administration provide comparable procurement guidelines that define formal bid solicitation, review, evaluation and analysis processes. Within ASTRA anti-corruption is an exceptional topic within the procurement trainings. Furthermore 10% of all procurements run special anti-corruption audits.

In Finland the Unit Transport and Infrastructure also runs a detailed and compulsory procurement process in the organisational intranet. This process provides step-by step instructions starting from preparation of the tender process up to the final inspection of the actual work.

In Slovakia there is a legal requirement on compulsory disclosure of contracts, orders of goods and services, and invoices since 1 of January 2011. State and public entities are liable for applying it. As a provision of this regulation the Slovak Road Administration releases contracts in the Central Register of Contracts (maintained by the Government), the order of goods and services and invoices are released at the webpage of the Slovakia Road Administration.

3.1.5 Development in the Area of Order Processing

Theory: All areas in order processing where corruption may occur must be defined sufficiently clearly so that misunderstandings can be avoided and so that all employees are aware of areas that are at risk of corruption. Measures included in the toolkit are:

- development of guidelines for the settlement of services; and
- development of guidelines for additional orders.

Examples:

ASFINAG (Austria) provides a special service department for procurement affairs. This department is responsible for the further development and specification of processes, guidelines and codes of practice for the award, evaluation and settlement of services and additional orders. These activities are based on actual requirement needs, legal regulations as well as on findings of relevant case-studies.

MoDOT (USA - Missouri) has a special claim committee and a standardized process and forms for supplemental contract orders.

3.1.6 Corporate Culture and Improved Identification with the Organisation

Theory: The more developed the corporate culture, and the higher the degree of employee identification with the values of the organisation, the less willing employees will be to engage in corrupt activities. Measures include:

- corporate culture;
- stronger identification with the organisation;
- role model effect of senior management; and
- positive mistake culture.

Examples:

The corporate strategic vision and the mission statement of ASFINAG (Austria) are based on the following defined corporate values: customer-orientation, reliability, responsibility,

team-orientation and estimation. These values found the corporate culture and furthermore define the way in which employees interact with each other within the organisation (open criticism and open and respectful communication) as well as to how employees behave towards those outside. This corporate attitude is continuously promoted to staff in different ways. For example there is a special value-leaflet, the computer screen-savers are adopted with strategic vision, the values and mission statement and a business size card that states the values & mission statement was provided to all employees. Furthermore the development and implementation of the corporate culture is an utmost issue within internal newsletters, intranet postings & employee newspapers as well as within PR and media relations.

In terms of prevention themes around "integrity," "honesty" and "respect" are also part within job interviews.

An open communication and respectful handling of identified mistakes is defined by a special guideline. The avoidance of a "blame culture" and recognition of mistakes as an opportunity to learn in the continuous improvement process (CIP) are main issues.

MoDOT (USA-Missouri) has a One Team Agreement and Value Statements that address the corruption issues. The Value Statements and Tangible Results (strategic objectives) have recently been revised with online input from the employees.

The role model effect of senior management also plays a key role in defining the corporate culture. The management must "lead by example," avoiding any suspicion of actual or perceived behaviour which is corrupt or liable to bring the organisation's reputation into disrepute. Senior managers should consider their positions if found to be indulging in, condoning or covering up corrupt activities. Therefore the Swedish Transport Administration gives the staff the opportunity to ask questions and discuss matters about ethics and morals via intranet-chat with the top managers.

Quality governance and responsible risk management are an integral part of SANRAL's (South Africa) organizational culture – with every employee and director being a custodian of the core values of service excellence and integrity. These values SANRAL strive to nurture and uphold for all its stakeholders. Board members and management are committed to the achievement of high standards. SANRAL endeavours to create an environment of trust and openness and encourages a culture of individual accountability. In the final analysis, SANRAL accepts that it is the people, especially those who wield power, that make or break the practice of good governance.

3.1.7 Increasing Employee Satisfaction

Theory: The higher the level of employee satisfaction within the organisation, the less willing employees are to engage in corrupt activities. Among dissatisfied employees, the likelihood of corruption is much higher. Measures included in the toolkit are:

- basic salary levels, terms and conditions;
- personal recognition and respectful feedback;
- clear job and personal objectives;
- dealing with suggestions for improvement;
- employee appraisals;
- improving the working environment and conditions;
- team building;

- anti-bullying measures;
- preventing burn-out syndrome;
- employee counselling and access to assistance; and
- performance-related pay.

Examples:

The basic pay within ASFINAG (Austria) reflects costs of living and are competitive with equivalent organisations in the public and private sector. It is ensured that all employee pay is in line with contractual terms and conditions and is paid on time. This guaranteed income reduces the need for additional income. To increase employee satisfaction and motivation the model of performance orientated pay is used for higher performing employees. Therefore pay is relating to the degree of responsibility and achievement of agreed personal and corporate results, taking into account personal commitment and performance, and payment for overtime.

Based on a guideline every employee has to make an annual compulsory appraisal interview with the senior. Central issue is to provide respectful and honest feedback about the employee's successes and failures in order to significantly increase personal recognition and satisfaction. A clear assignment of tasks for all employees, including regular critical reflection on objectives, prevents overload and dissatisfaction is also guaranteed due to this interviews.

In order to recognise and appreciate employees' suggestions for improvement that could have advantages for the organisation an Innovation and Ideas Management-System including an annual competition has been implemented.

Active team-development to strengthen cohesion within teams and departments and across departments is an integral part of ASFINAG's organisational culture. Effective teamwork promotes positive cooperation and also increases the chance of corrupt activities by individuals being noticed and reported by other members of the team.

MoDOT (USA – Missouri) verifies the adequacy of pay on all positions by a compensation study every three-years. This includes comparing salary and benefits for similar positions in the private sector and other public organizations.

The employees receive supervisor feedback on performance twice each year. The past three years performance pay for higher performing employees has been offered. The Performance Plus program offered teams of employees pay incentives for saving money in critical performance areas.

There is a best practices system called Solutions at Work within MoDot. The program evaluates and shares best practices put in place by department employees. Employee award range from \$75-\$300 or 4-12 hours leave time.

Furthermore MoDOT includes a section on bullying in its Workplace Aggression training for supervisors and employees. As Burn-Out is concerned a professional counseling services through the Employee Assistance Program is offered.

3.2 Measures for the Identification of Corruption

3.2.1 *Development of Management Control and Monitoring Systems*

Theory: One of the most important conditions to identify corruption is a "total" (comprehensive) control system as a part of the management system in the organisation. The system to take enforcement action against corrupt behaviour can only be as good as the system to identify corruptive behaviour. Measures within the toolkit include:

- further development of systems of control;
- internal control at project level;
- internal control at department level;
- internal control at organisation level;
- internal audit; and
- external audit and control.

Examples:

Within ASFINAG (AUSTRIA) the named control-systems are fully implemented and highly developed. Based on the actual requirements and needs the systems are enhanced and adopted by the management and special departments (internal audit unit, the project controlling unit and the special department for procurement).

Internal control systems with different focus are implemented at project, department and organizational level. An ongoing self-monitoring by the project and department management using reporting, key figures, checklists, deviation analysis and random detailed checks to early detect irregularities, deviations or corrupt behaviour are regulated by different internal guidelines.

The compliance of processes with quality management standards is done by a special internal audit unit according to an annual audit concept.

External audit and control units are introduced with delicate and large orders/projects as an additional control body with a reporting obligation. The main duty of this external control is the identification of incorrect or corrupt practices and outcomes.

Additional the Austrian court of audit checks selected projects and activities. The audit findings and follow-up reports get implemented and monitored and therefore guarantee a continuous improvement process and development of the systems. Auditreports are provided continuously to the management.

Transport for London's (UK) Anti Fraud and Corruption Policy provides the mechanism to audit, check and take extracts from any document or record of contractors and sub-contractors as a part of a contract and service agreement on an open-book basis. This audit can cover aspects including costs and expenses, sub-contracts, claims related to compensation events, and financial arrangements.

MoDOT (USA – Missouri) has an Audit and Investigation Unit that monitors the control systems and projects regularly. External audits are also done continuously. Furthermore an annual report is provided to the Senior Management.

3.2.2 *Systems to Report Suspected Cases of Corruption*

Theory: To encourage employees to announce suspected cases it is necessary to install reliable reporting systems. Each system to prosecute corrupt behaviour can only be as good as the system to identify it in the first place. Systems to detect corrupt behaviour within the toolkit include:

- contact for suspected cases of corruption;
- "ombudsman/ethical person of trust";
- anonymous reporting systems ("whistle blowing");
- other internal reporting systems ("whistle blowing");
- external reporting systems; and
- notification of price fixing, cartel behaviour or anti-competitive practices.

Examples:

The creation of points of contact for employees affected by or involved in suspected cases of corruption and or the nomination of specific internal persons of confidence is essential. Absolute discrete approach during a suspected case helps to provide confidence in each employee. Within ASFINAG (Austria) there is a person of confidence for external claims and one contact-person with a highly acceptability and position of trust by all employees for internal claims.

The Hungarian Directorate of Road Management and Coordination (DRMC) has adopted an ethical code that requires Co-workers to report to senior management instances where they believe conflicts of interest, bribery or other improper behaviour to exist. Where such behaviour relates to an employee's line manager, a more senior manager has to be approached.

The New South Wales Roads and Traffic Authority (Australia) encourages the staff by a policy to report suspected corrupt conduct, maladministration or serious waste of public money internally or to an external investigating body. Action under the latter is covered under the Protected Disclosures Act 1995 that aims to ensure that staff who wish to report suspected corrupt behaviour, can do so with confidence that claims will be properly investigated and with legal protection from reprisals from the perpetrators. An internal Ethics Helpline provides further advice and support.

As an aid to its objective of spreading the message of zero tolerance to all malpractice, SANRAL (South Africa) subscribes a fraud hotline service that is operated by a service provider independent of SANRAL. This whistle-blowing service, is available for anyone, within the organization or external, to anonymously report on suspected wrongdoing and incidences that could harm the organisation's operations and reputation.

MoDOT (USA – Missouri) has an own investigation section and an anonymous internal hotline for reporting fraud and corruption. The employees can also do report allegations external to the United States Department of Transportation Inspector General's Office. As part of audits and investigations, MoDOT utilizes a contract monitoring section that monitors anti-competitive activities, price fixing, and market allocations.

Within ASTRA (Switzerland) the reporting system is very high developed and comprises all measures named in the toolkit. An intranet chat with the ombudsman enables an anonymous reporting. The ombudsman has to adhere strict regulations.

3.3 Measures for Enforcement Action against Proven Cases of Corruption

3.3.1 *Definition of Clear Guidelines*

Theory: Very clear regulations do not just deter employees from becoming involved in corrupt activities; they also provide senior management with a clear framework and support them in dealing with proven cases of corrupt activity by employees or representatives of suppliers and other stakeholders correctly and consistently. The toolkit therefore includes measures for:

- clear and transparent regulations for dealing with suspected cases of corruption; and
- standardised procedures, systems and processes.

Examples:

The definition of clear and transparent regulations in the event of corrupt behaviour, and their widespread dissemination to employees and others is necessary. These regulations should clearly set out sanctions to be taken against individuals and organisations if corrupt activities are uncovered and proven. MoDOT (USA – Missouri) therefore provides the Personnel Manual online in a wiki format with policy discussions and procedures.

The New South Wales Roads and Traffic Authority (Australia) has fixed their regulations within an ethic policy. Therefore the RTA may take disciplinary action (including termination of contract) against any staff member found to be breaching the policy. Breaches may also be reported to the police and/or the Independent Commission Against Corruption (ICAC). The Policy is supported by a documented procedure for staff wishing to make a protected disclosure, how these will be dealt with and how outcomes will be reported back to staff.

3.3.2 *Assignment of Responsibility for Handling Cases of Corruption*

Theory: Where corruption is discovered, instigated by, or affecting, individuals within the organisation, investigation and decisions on resulting action must be independent, transparent and clear. The organisation should therefore assign specific responsibility for taking final action, whether within management structure or independent of it. The toolkit therefore includes provision for:

- appointment of an independent investigator and decision maker on sanctions; and
- communication of results of investigations to the individuals concerned or the wide organisation.

Examples:

The Japanese National Institute for Land and Infrastructure Management (NILIM) has a discipline committee that consists of 17 internal members including the Director General, and 3 external members: a civil engineering professor, a professor who has experience working for the Board of Auditors, and a lawyer. The committee discusses whether or not to make revisions or updates to the regulations and training programs regarding ethics and discipline. The regulations include also the item of reporting.

Upon confirming or receiving information about corrupt behaviour, officials shall report that fact to the discipline committee or lawyers who serve as a contact point established

outside the NILIM so that officials can report anonymously. The Director General shall conduct investigations to confirm the facts and take the necessary action, which includes punishing any officials involved in the corruption and developing measures to prevent such corruption from recurring.

ASFINAG (Austria) intends to establish an ethic board within the company compliance group. The main business of this board is to force and coordinate the strategic development of the anti-corruption strategy and processes, giving consultation on ethical matters and also to be a forum for preparing decisions in complicated and sensitive matters related to ethics and morals.

The results of investigations are communicated to the entire organisation and are reflected within internal department meetings and are discussed as case-studies at ethic-workshops.

A comparable ethic board is also intended to be adopted within the Swedish Transport Administration.

3.3.3 Consistent Implementation of Measures (Internal)

Theory: If consequences set by the organisation, and defined within guidelines, are not executed in practice, employees or suppliers may lose their fear of individual consequences if they engage in corrupt behaviour. The toolkit therefore advocates the following options for enforcement action against corruption should it be discovered:

- informal warning;
- formal warning (left on record);
- formal disciplinary procedure;
- request for employee to leave post/consider position;
- dismissal with or without notice, and penalties or termination of contract;
- disciplinary procedures against senior managers (if they fail to act on cases of suspected corrupt behaviour); and
- reference to the authorities for civil proceedings or criminal prosecution, for employees found guilty on the basis of available evidence.

Examples:

Within ASFINAG (Austria) the consequences set by the organisation depend on the scope of the accusation and are always drawn in clearance with the HR-Department, the legal-department and the works council. Because of the “zero-tolerance” strategy informal warnings are not given within the organisation. Because of this in the event of suspected cases in accordance with predefined guidelines disciplinary procedures are run. Up to now in all cases the employees have been dismissed without notice.

Where a supplier or tendering organisation has been found complicit in corrupt activities they are suspended and the contract is terminated. In serious cases, the supplier concerned may be disbarred from bidding for future contracts for a set period of time or permanently.

MoDOT (USA – Missouri) has a progressive discipline process that goes from verbal warning to dismissal. Contractors found to be guilty of corruption are not allowed to bid on future contracts.

4 IMPLEMENTATION AND FURTHER DEVELOPMENT OF THE TOOLKIT

It is recommended that the toolkit of anti-corruption measures should have the active support of all those organisations in the roads sector wishing to take active measures in terms of improved integrity. Numerous discussions during the course of research show that organisations must take active measures to prevent or discourage corruption in the first place, but also to identify specific cases of corrupt activity and then to undertake rigorous enforcement activity. It is important, however, for measures in the different areas to be coordinated depending on the respective framework conditions, and developed in a balanced relationship.

As well as providing a basis for action from first principles, the toolkit can also be used for a comprehensive situation analysis of existing measures that are already being planned or implemented within organisations. In the toolkit a distinction is made between the following categories:

- measures are fully implemented;
- measures are partially implemented; and
- measures are not implemented.

On the basis of this situation analysis, gaps can be identified and the need for future measures can be derived. In the toolkit a distinction is also made between the following categories for measures:

- to be introduced; and
- to be developed further.

Once this analysis is undertaken, and potentially reflecting the perceived or actual level of corrupt practices and behaviours within the organisation, the next step in implementation within the organisation is to develop a detailed action plan. Within the action plan the measures could be ranked in order of likely effectiveness, cost and overall priority. It is also recommended that each measure is assigned an individual sponsor (e.g. department or manager) and an implementation date. In order to be able to implement measures in a traceable way, they need to be defined as specifically and in as much detail as possible and must be clearly demarcated. As well as road administrations themselves, it is recommended that this includes key supply chain partners.

5 RESUME/CONCLUSIONS

The evidence presented in this paper reveals that there are a range of approaches already in use to prevent and combat corruption across the road sector, although the perceived effectiveness and efficiency of different measures appears to vary quite widely. In order to reduce or prevent corruption on a long-term basis, companies must, above all, focus on the development and implementation of coherent and comprehensive anti-corruption measures on a systematic and multi-tiered basis.

A final recommendation is the active ongoing development of management systems within organisations concerned with the roads sector. Analyses have shown that organisations with highly developed management systems are far less susceptible to corruption than organisations without clear structures and detailed processes.

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