Area / Industry: Generic **Subject: Corporate Integrity and Governance**

Identification				Evaluation			Mitigation			
Subject	Work Process / Item[1]	Integrity Risk[1]	Inherent Risk Level[2&3] (A)	Existing Practices	Mitigating Factor[4] (B) (if the practices meet the criteria of mitigating factor)	Residual Risk Level[3] (C=A-B)	Proposed Control Measure(s)[1]	Action By	Mitigating Factor[4] (D)	Revised Risk Level[3] (E=C-D)
Corporate Integrity and Governance	Control over offering, solicitation and acceptance of advantages and entertainment	Solicit / accept advantages from persons / organisations having business dealings with the company with a corrupt motive	3							
		Accept frequent / lavish entertainment from persons / organisations having business dealings with the company	3							
		Offer advantages to any person for influencing him in any dealings, when conducting business with the company	3							
		Offer advantage to staff of public bodies / government departments / bureaux with which the company has business dealings	3							
	Handling of Conflict of Interest	Conceal / abuse conflict of interest	3							
	Handling of Confidential Information	Disclose classified information of the company without authorisation	3							
		Misuse company information for personal gain	3							

The worked examples (including the integrity risks, work processes/items, their corresponding inherent risk levels, and the recommended control measures) are compiled based on the analysis of previous ICAC cases and are by no means exhaustive and not intended to substitute any legal, regulatory or contractual requirements

Summary of Integrity Risks and Control Measures on Corporate Integrity and Governance

<table>
<tr><th>Subject</th><th>Work Process/Item</th><th>Integrity Risk</th><th>Inherent Risk Level</th><th>Control Measures</th><th>Type</th></tr>
<tr><td rowspan="6">Corporate Integrity and Governance</td><td rowspan="6">Control over offering, solicitation and acceptance of advantages and entertainment</td><td>Solicit / accept advantages from persons / organisations having business dealings with the company with a corrupt motive</td><td>3</td><td rowspan="3">Lay down an integrity policy<ol type="i">
prohibiting employees / agents from soliciting, accepting and offering advantages and accepting frequent / lavish entertainment from persons / organisations having business dealings with the company
prohibit employees / agents from offering advantages to public officials with business dealings
Ensure employees / agents are aware of the policy and the subsequent updates (e.g. by way of inclusion of the policy into the employment contract, regular re-circulation of the policy, undertaking to signify understanding to the policy)</td><td rowspan="3">Preventive</td></tr>
<tr><td>Accept frequent / lavish entertainment from persons / organisations having business dealings with the company</td><td>3</td></tr>
<tr><td rowspan="2">Offer advantages to any person for influencing him in any dealings, when conducting business with the company</td><td rowspan="2">3</td></tr>
<tr><td rowspan="2">Establish a whistleblowing mechanism for staff to report suspected corrupt practices and explicitly state the forbiddance of retaliation against personnel reporting in good faith</td><td rowspan="2">Detective</td></tr>
<tr><td rowspan="2">Offer advantage to staff of public bodies / government departments / bureaux with which the company has business dealings</td><td rowspan="2">3</td></tr>
<tr><td>Organise integrity management training for staff and directors
Upload the integrity policy and requirements on company website</td><td>Educational</td></tr>
</table>

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Subject	Work Process/Item	Integrity Risk	Inherent Risk Level	Control Measures	Type
	Handling of Conflict of Interest	Conceal / abuse conflict of interest	3	• Lay down an integrity policy to require staff to avoid, declare and manage any conflict of interest, including - i. documentation requirements ii. authorities to receive the declaration forms and handle the declared conflict of interest iii. guidelines to facilitate the authorities to decide the mitigating actions for the declared conflict of interest (e.g. factors of consideration) • Ensure employees / agents are aware of the policy and the subsequent updates (e.g. by way of inclusion of the policy into the employment contract, regular re-circulation of the policy, undertaking to signify understanding to the policy)	Preventive
				• Assign an officer to monitor and check the submission and completeness of the declaration forms • Establish a whistleblowing mechanism for staff to report irregularities concerning conflict of interest and explicitly state the forbiddance of retaliation against personnel reporting in good faith	Detective
				• Organise integrity management training for staff and directors, highlighting conflict of interest	Educational

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Summary of Integrity Risks and Control Measures on Corporate Integrity and Governance

Subject	Work Process/Item	Integrity Risk	Inherent Risk Level	Control Measures	Type
	Handling of Confidential Information	Disclose classified information of the company without authorisation	3	• Lay down an integrity policy – i. specifying the requirements for the confidential keeping of information ii. restricting access to the classified information (e.g. assigning authorised users with unique user IDs and passwords, and access rights commensurate with their duties) iii. require staff to sign an undertaking on keeping information in strict confidence • Ensure employees / agents are aware of the policy and the subsequent updates (e.g. by way of inclusion of the policy into the employment contract, regular re-circulation of the policy, undertaking to signify understanding to the policy)	Preventive
		Misuse company information for personal gain	3	• Make use of digital technology to detect leakage of confidential information • Establish a whistleblowing mechanism for staff to report irregularities and explicitly state the forbiddance of retaliation against personnel reporting in good faith	Detective
				• Organise integrity management training for staff and directors, covering confidentiality	Educational

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