



RÉPUBLIQUE  
FRANÇAISE

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AFA  
Agence Française Anticorruption

# NATIONAL DIAGNOSTIC SURVEY OF ANTI-CORRUPTION SYSTEMS IN BUSINESSES



**2020 Survey results**

**-Private Sector Support Department-**

# Foreword



**CHARLES DUCHAINE**

*Magistrat, Directeur de l'Agence française anticorruption*

*Magistrate and Director of the French Anti-Corruption Agency*

The French Anti-Corruption Agency (AFA) helps relevant authorities and persons to prevent and detect offences of corruption, influence peddling, bribery, unlawful taking of interest, misuse of public money. The legislator has accordingly tasked the AFA with preparing a national multiannual anti-corruption plan.

The first thrust of this plan (2020-2022 National Multiannual Anti-Corruption Plan), endorsed by the government in early 2020, is to gain a clearer picture of corruption in France as it stands today,

In February 2020, therefore, the AFA launched in association with French trade federations a national diagnostic survey of thousands of businesses in all economic sectors to assess the maturity of their corruption prevention and detection systems.

The diagnostic survey's findings, shared with you in this document, cover all business populations from SMEs and mid-tiers to large corporations, both subject and not subject to the compliance obligations of Article 17 of the Sapin II Act.

They show that businesses feel they have a clear understanding of corruption offences and that 70% of them have set up a prevention system. However, these systems still present too many shortcomings in terms of risk mapping and third-party due diligence. The position of the compliance officer also warrants strengthening.

Small mid-tiers and SMEs (not subject to the compliance obligations stipulated in Article 17 of the Sapin II Act) are lagging somewhat behind in the deployment of their prevention systems.

We, at the AFA, are aware that these businesses do not always have either the human or financial resources or the expertise to set up effective anti-corruption systems. We will therefore be scaling up our actions to assist them in this.

Some economic sectors are particularly well represented in the population of survey respondent businesses. The representativeness of the respondent businesses will enable us to share with the relevant sectors the information that concerns them.

This diagnostic survey is set to be the first in a series regularly monitoring changing perceptions of corruption and the operationalisation of corruption prevention systems in French businesses.

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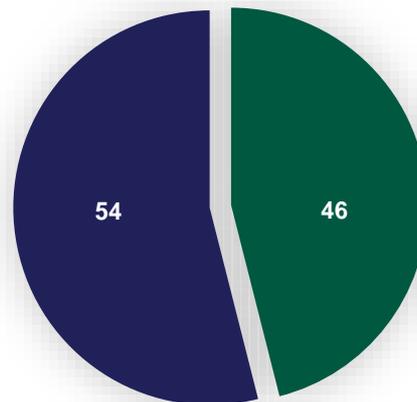
# National diagnostic survey respondent businesses

## An almost equal proportion of small and large businesses

Working in association with the trade federations, the AFA sent out an anonymous questionnaire on anti-corruption systems set up in the workplace to nearly two thousand businesses of all sizes and sectors.

Respondent businesses are shared virtually equally between mid-tiers and large businesses subject to Article 17 and small mid-tiers and SMEs not subject to Article 17.

Type of business



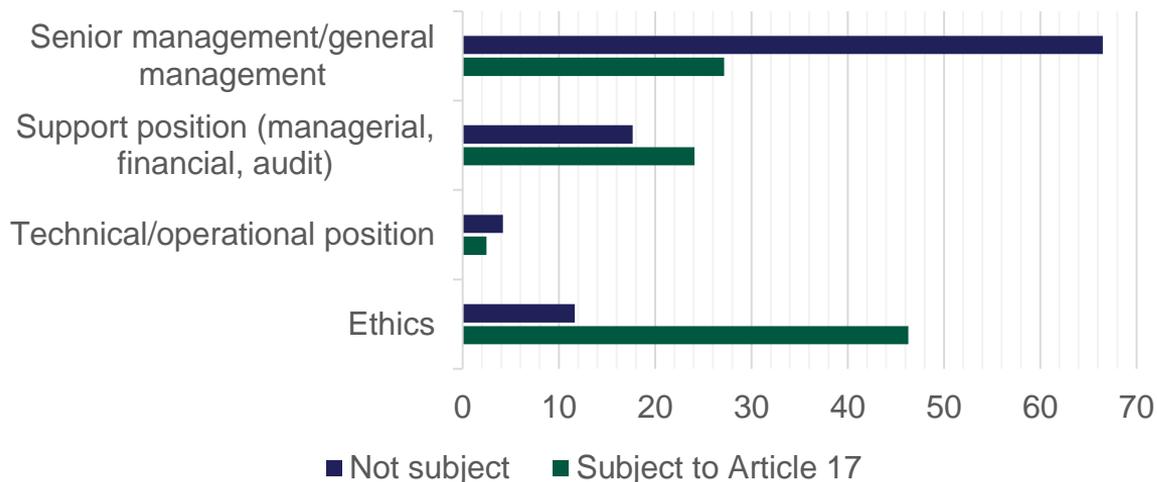
■ Subject to Article 17   ■ SME/VSB/small mid-tier not subject

# National diagnostic survey respondent businesses

## Most respondents are managing directors or experts in ethics

Half of the respondents in the businesses subject to Article 17 hold ethics-related positions whereas most of the respondents in the businesses not subject to Article 17 are managing directors.

### Respondent's position in the organisation



# Knowledge of corruption

## Respondents feel they have a clear understanding of corruption

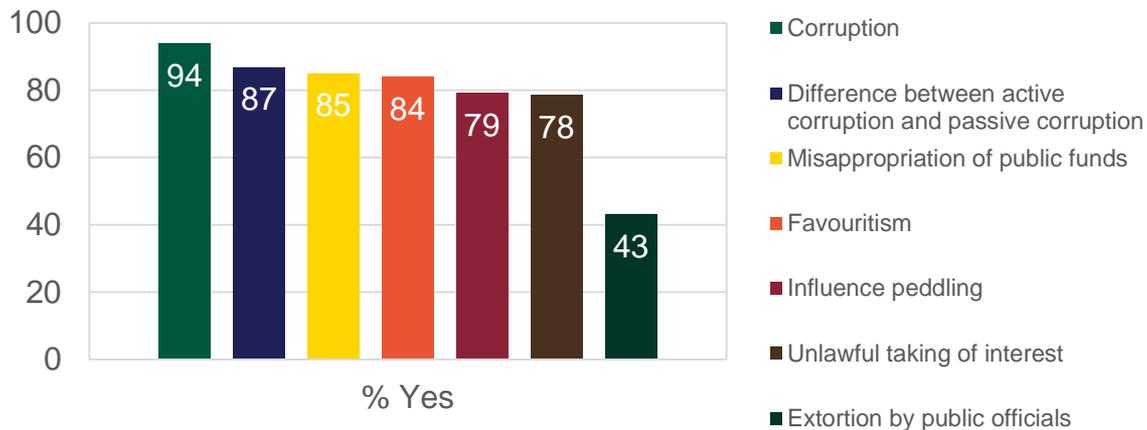
The vast majority of respondents feel they understand all the corruption offences, including the difference between active corruption and passive corruption.

*Do you think you understand what the corruption offences are?  
**Test your knowledge by taking our quiz***

*Find out about all the subtleties of these offences from our  
**infographic***

***Take our MOOC to train yourself up***

### Understanding of the definition of corruption offences



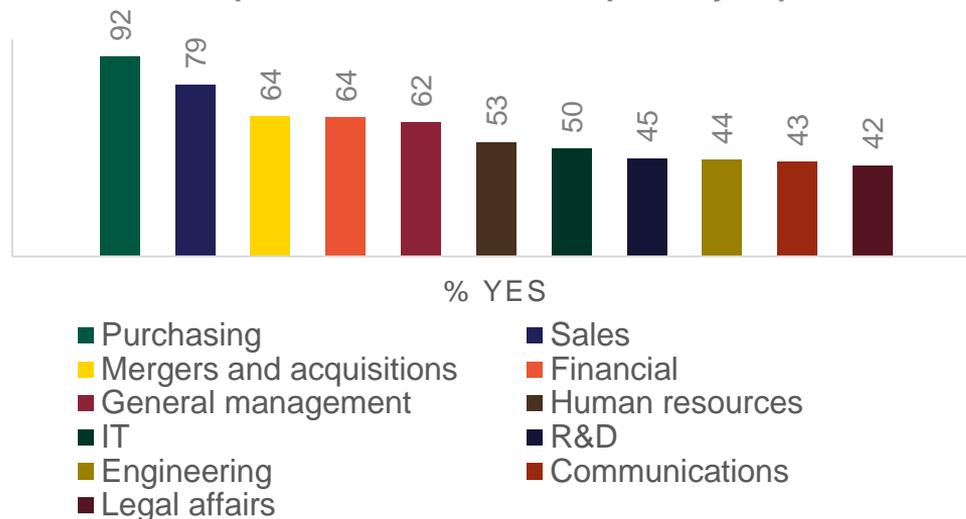
# Knowledge of corruption

Purchasing and sales lead the board of departments considered at risk ... but some departments slip under the due diligence radar

In general, players consider that some departments are more exposed to the risk of corruption than others, especially purchasing and sales which are covered by the Sapin II Act. Other departments such as the legal affairs, engineering, communications and R&D departments slip under the business's anti-corruption radar.

See [the AFA guidelines](#) for more information on corruption risk mapping and its coverage based on activity.

Perception of the risk of corruption by department

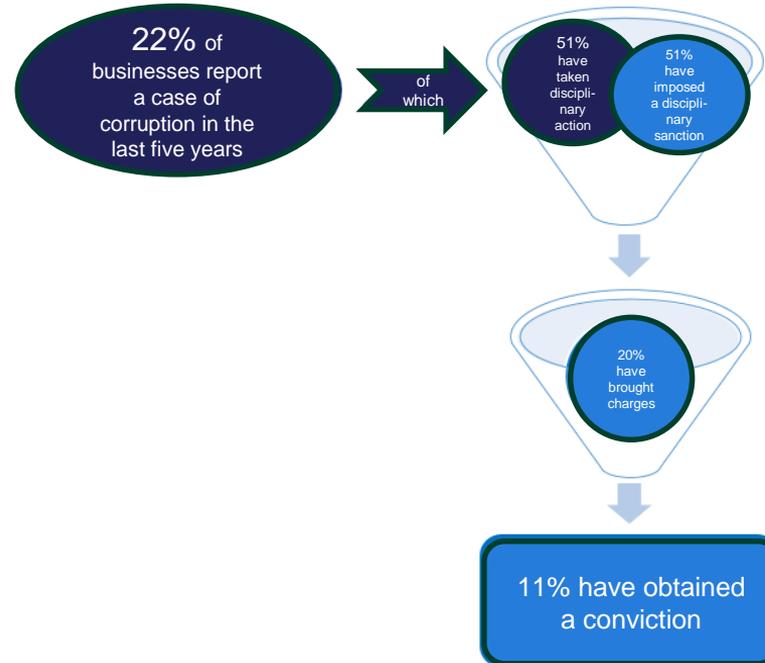


# Anti-corruption system maturity

Nearly one-fifth of businesses report a case of corruption in the last five years

Although 22% of the businesses report cases of corruption in the last five years, only 51% of them have taken disciplinary action, with disciplinary sanctions imposed in all cases.

However, just 20% of those that imposed disciplinary sanctions also brought criminal charges.

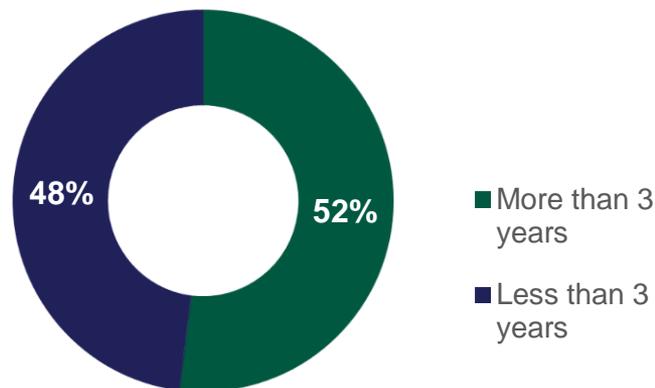


# Anti-corruption system maturity

70% of businesses have set up an anti-corruption system

In nearly half of the businesses that have set up an anti-corruption system, the system is less than three years old. The other half set up their anti-corruption system prior to the Sapin II Act.

Where an anti-corruption system has been set up, it has been operational for

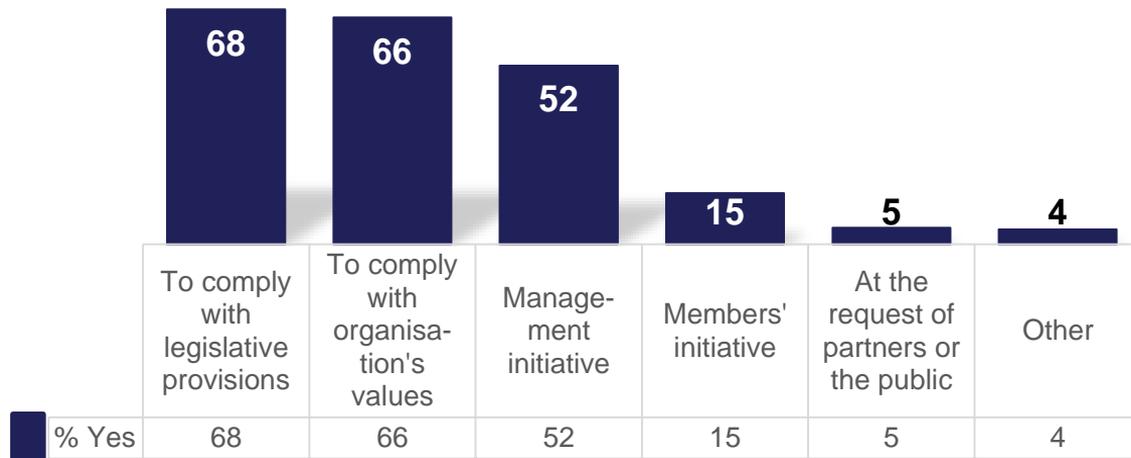


# Anti-corruption system maturity

70% of businesses have set up an anti-corruption system

Systems have been set up to comply with the legislative provisions in the majority of cases and on the management's initiative in half of all cases

System set up



# Anti-corruption system maturity

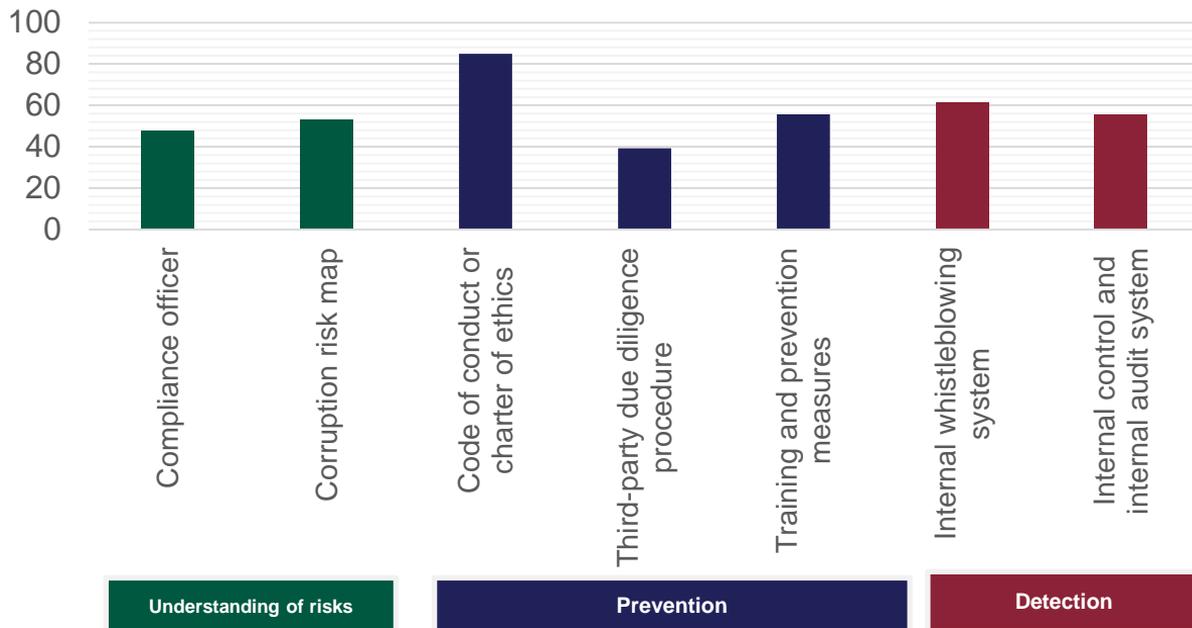
## Anti-corruption systems are too patchy

Although most of the businesses (85%) have a code of conduct or charter of ethics, few have:

- A compliance officer (48%);
- A risk map (53%);
- A third-party due diligence procedure (39%);
- Training and prevention measures (56%);
- An internal whistleblowing system (61%);
- Or an internal control system (56%).

As stated in the **AFA guidelines**, the anti-corruption system is made up of interdependent components, all of which are essential.

Maturity of the anti-corruption system



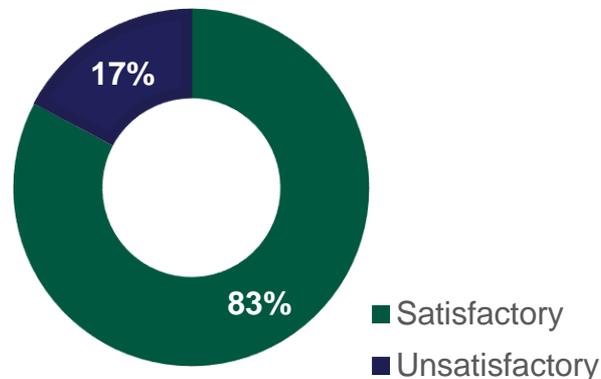
# Anti-corruption system maturity

## Systems regarded as suitably updated

The vast majority of businesses that have set up a corruption prevention system consider that it is suitably updated. This perception is shared by both managing directors and compliance officers.

As stated in [the AFA guidelines](#), the anti-corruption system is made up of interdependent components that need updating regularly.

### System updated since operationalisation



# Anti-corruption system maturity

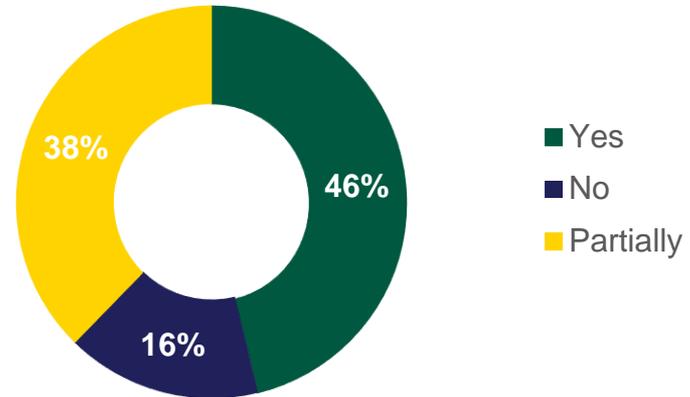
## The risk of corruption is not entirely integrated into business procedures

The risk of corruption is entirely integrated into business procedures in just 46% of the businesses.

16% of them do not factor it in at all.

As stated in [the AFA guidelines](#), integration of the risk of corruption into the business's procedures is an element that serves as evidence of management's commitment.

Risk of corruption integrated into business procedures



# Anti-corruption system maturity

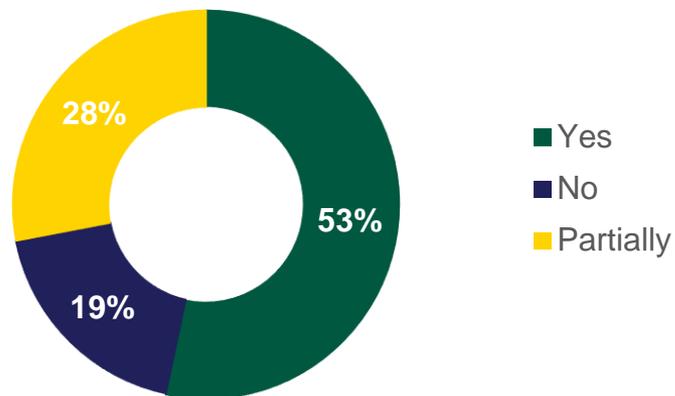
## Incomplete hierarchical awareness of corruption

Nearly 50% of businesses do not raise awareness of the risk of corruption across all their hierarchical ranks.

To be more precise, only 64% of businesses subject to Article 17 raise awareness across all their hierarchical ranks.

As stated in [the AFA guidelines](#), all staff should be aware of the risk of corruption.

Awareness raised of risk of corruption across all hierarchical ranks

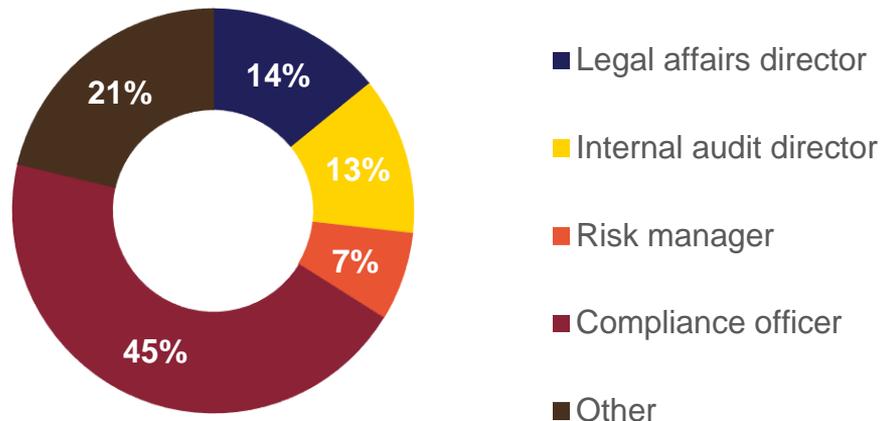


# Anti-corruption system maturity

Half of the businesses have a compliance officer responsible for steering the system

Only 45% of the businesses have a compliance officer to steer the system, which is overseen by another, not exclusively dedicated, department in 55% of cases.

The system is steered by



# Anti-corruption system maturity

There is little involvement by compliance officers in the business's strategic decisions

Despite nearly 70% of the businesses having a compliance officer reporting to general management, the compliance officer's involvement in decision-making remains patchy. Only 25% of the businesses allow for compliance officers to give their opinions on the organisation's strategic projects, and compliance officers have a seat on the management committee in just 28% of cases.

For more information on compliance officers and their position, see [the AFA's Practical Guide: The Corporate Anti-Corruption Compliance Function](#).

## The compliance officer



# Focus on SMEs and small mid-tiers

**Businesses below the cumulative thresholds stipulated by Article 17 of the Sapin II Act may well not be bound to introduce anti-corruption compliance measures, but it is in their interest to set up a corruption prevention and detection system.**

**A small business may find itself the subject of third-party due diligence conducted by a business partner subject to Article 17 of the Act or by a financial partner (bank or investor)**

**The implication of a company in a corruption scandal can have serious financial, commercial and human repercussions. Corruption is therefore a factor of economic insecurity and can weaken the business's competitiveness, especially considering that a company trading internationally can be charged with corruption by a foreign authority.**

**An anti-corruption system, however, protects companies against the risk of their reputation being stained and a decline in the value of their business.**

**Irrespective of business size, the anti-corruption measures to be put in place depend above all on a strong management commitment to sound business practice and control of all the risks of corruption to which it is exposed in view of its line of business, its geographical location, its interactions with third parties, etc.**

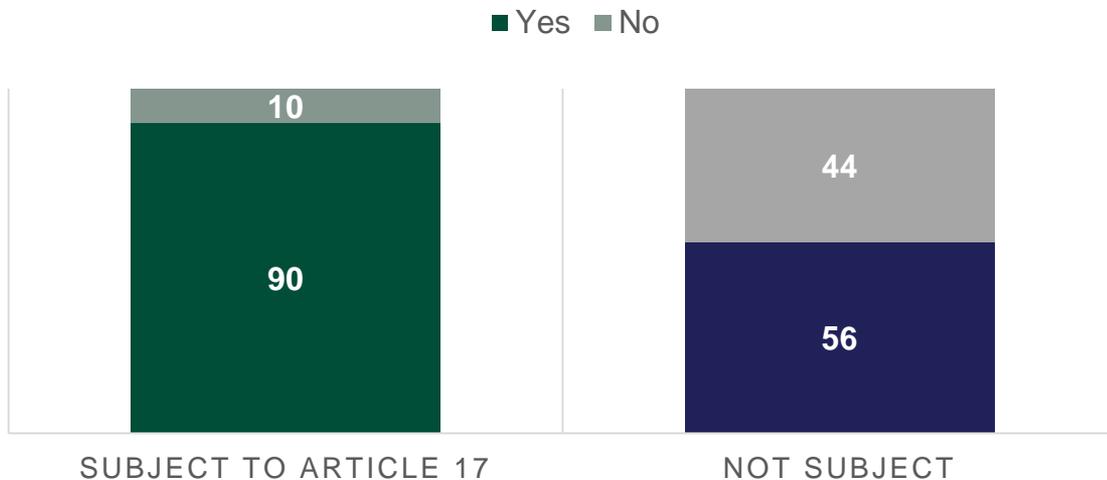
**The national diagnostic survey provides elements to assess the anti-corruption prevention culture in SMEs and mid-tiers not subject to Article 17 of the Sapin II Act.**

# Focus on SMEs and small mid-tiers

## SMEs and small mid-tiers believe they are relatively free from the risk of corruption

The issue of corruption had been addressed in the work environment in the last six months by 56% of the respondents in businesses not subject to Article 17. A full 91% of the businesses subject to Article 17 had addressed the issue in the last six months. In both cases, however, the feeling of having an understanding of the phenomenon is comparable, whereas it is raised less in businesses not subject to Article 17.

### Issue of corruption addressed in the work environment in the last six months



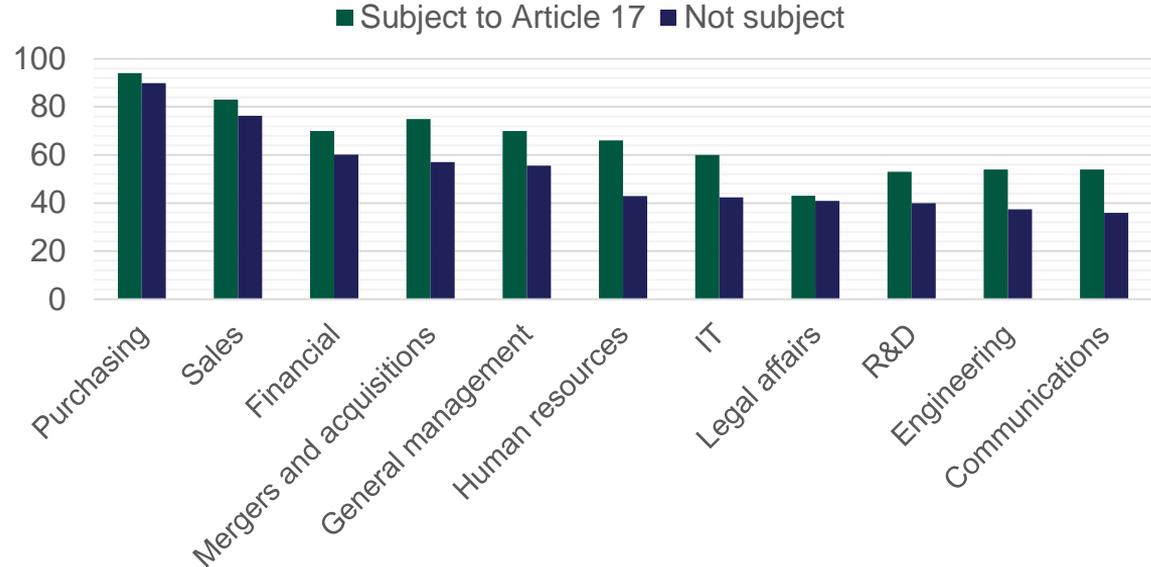
# Focus on SMEs and small mid-tiers

## The due diligence radar fails to pick up certain departments

In general, respondents consider that certain departments are more exposed than others to the risk of corruption, especially those covered by the Sapin II Act. Some departments such as the legal affairs, engineering, human resources and R&D departments, regarded as not or barely exposed, are off the sweep of the business anti-corruption due diligence radar.

See the [AFA guidelines](#) on corruption risk mapping for more information on corruption risk mapping and coverage.

Perception of the risk of corruption by department



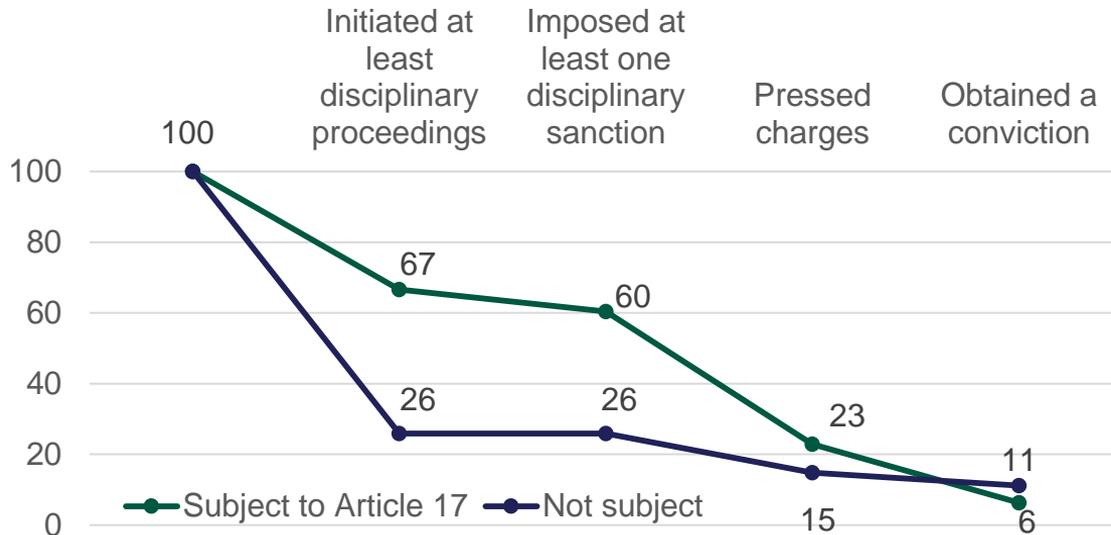
## Focus on SMEs and small mid-tiers

### Nearly two-thirds fewer disciplinary sanctions in SMEs and small mid-tiers in cases of corruption

More cases of corruption are found in businesses subject than in businesses not subject to Article 17: 34% versus 13.5%

Businesses not subject to Article 17 do not often impose sanctions on perpetrators of corruption: just 26% of businesses not subject to Article 17 encountering a case of corruption in the last five years had initiated at least disciplinary proceedings as opposed to 67% of businesses subject to Article 17.

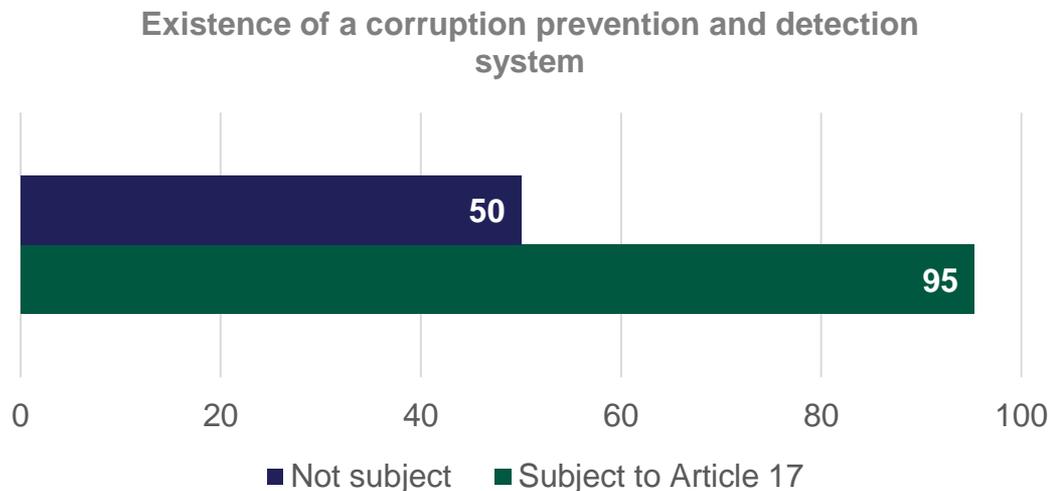
Business response in cases of corruption



# Focus on SMEs and small mid-tiers

Only half of SMEs and small mid-tiers have an anti-corruption system

Just 50% of businesses not subject to Article 17 have a prevention system, compared with 95% for the businesses subject to Article 17.

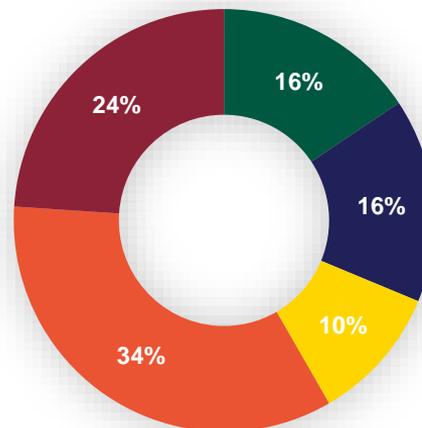


# Focus on SMEs and small mid-tiers

## Responsibility for steering the anti-corruption system varies by business

Responsibility for steering the corruption prevention and detection system varies in businesses not subject to Article 17, whereas this role is assigned to the compliance officer in over 50% of the businesses subject to the article.

The anti-corruption system is steered by



■ Legal affairs director

■ Internal audit director

■ Risk manager

■ Compliance officer

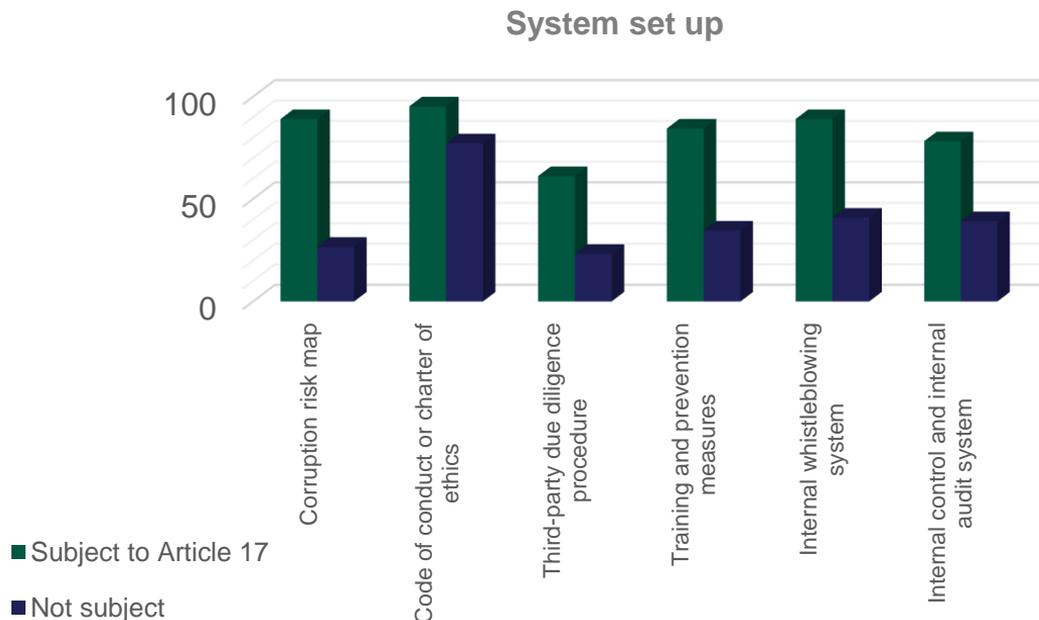
■ Other

# Focus on SMEs and small mid-tiers

## SMEs and small mid-tiers lag far behind in setting up anti-corruption systems

Although the majority of small mid-tiers and SMEs have a code of conduct or charter of ethics (77%), very few of them have:

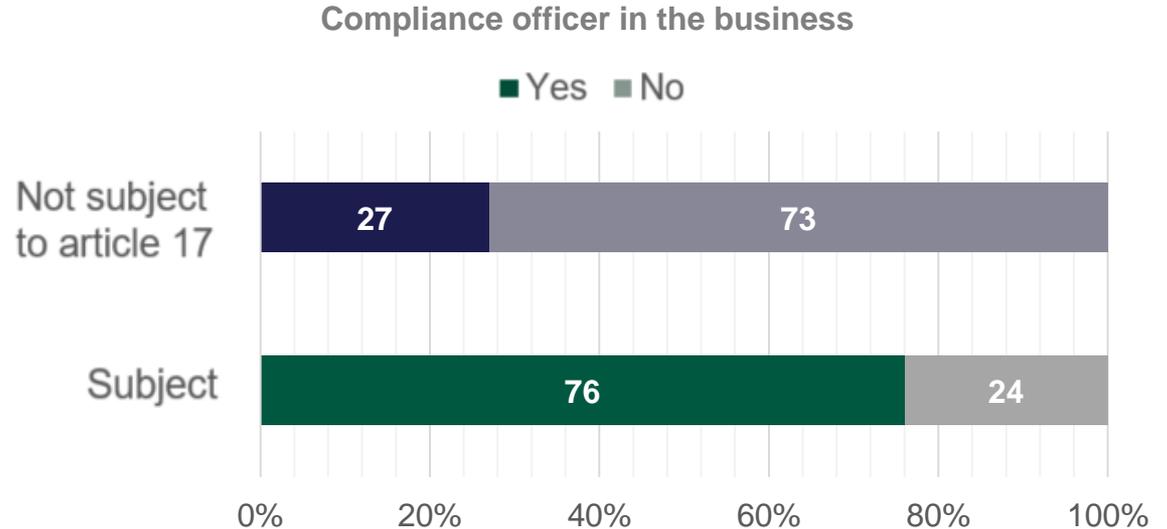
- A risk map (27%);
- A third-party due diligence procedure (23%);
- Training and prevention measures (35%);
- An internal whistleblowing system (41%);
- Or an internal control system (39%).



# Focus on SMEs and small mid-tiers

## Few SMEs and small mid-tiers have a compliance officer

Only 27% of businesses not subject to Article 17 have a compliance officer, as opposed to 76% of businesses subject to the article.

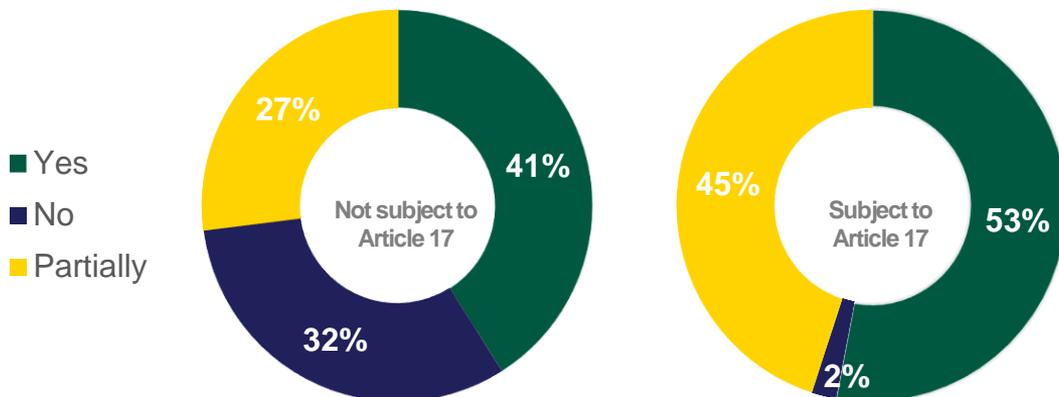


# Focus on SMEs and small mid-tiers

## A definite lag in taking on board the risk of corruption

Over one-quarter of businesses not subject to Article 17 do not factor the risk of corruption into their recruitment, bidding or merger and acquisition procedures, compared with just 2% of businesses subject to the article.

### Risk of corruption integrated into business procedures



# Acknowledgements

The AFA is grateful to the trade federations for their support in circulating this diagnostic survey and to all the participants for their valuable contribution.



**National diagnostic survey of anti-corruption  
systems in businesses**