

Company standard

# **Internal Anti-Corruption Program**



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## 1 Purpose

The purpose of this corporate standard is to adopt the Internal Anti-Corruption Program of VTÚ (hereinafter referred to as “IPP VTÚ”) as a tool for creating and strengthening the anti-corruption climate, which constitutes a system of documents, processes, roles and timetables, which ensures, manages and develops the overall anti-corruption climate in the society, and which serves to manage corruption risks in VTÚ. At the same time, the role of the PN is to set up an inspection and evaluation mechanism so that this PN is not just an isolated static document. It follows the PN-35 Code of Conduct of Vojenský technický ústav, s.p.

## 2 Scope of application

The company standard is valid and binding for all departments and employees of the VTÚ, who participate in the implementation of the activities defined by this VTÚ and for persons performing activities on the basis of agreements carried out outside the employment relationship, insofar as it results from the provisions of labour legislation or from concluded agreements.

## 3 Terms, definitions, abbreviations, symbols

### 3.1 Terms and definitions

#### 3.1.1 The concept of corruption

According to the RRIPP, corruption can be ‘... characterized as a relationship between two parties (whereby, even in this contractual relationship, there may be more than one entity within one party), in which one party breaches its obligations, in particular it abuses a certain power (abuse of power also includes abuse of position), for which it obtains an unjustified advantage for itself or another, either on its own initiative or on the initiative of another person, while the other party also obtains an unjustified advantage for itself or another, and there is a link between the breach of duty and the unjustified advantage.

*The corruption is usually perceived in the business environment of the Czech Republic as bribery, or rather a phenomenon that opens the doors of clerical offices and ensures or accelerates handling matters. However, it is actually a much broader negative social phenomenon affecting many areas of public administration and causing considerable economic losses to the society. While there is no single generally applicable definition of corruption, definitions of corruption are used in the literature and in common international practice, generally in the context of the environment and the subject matter covered.’*

Corruption as a negative social phenomenon is characterized by a high degree of latency (hiddenness) due to the inherent nature of this behavior: unlike, for example, violent crimes, neither party to a corrupt relationship has an interest in revealing this criminal behavior, and therefore both parties are motivated to cooperate in covering up this crime. Often external manifestations, warning signs are the only indicators of this behavior. For their well-arranged overview see [Annex 1](#).

#### 3.1.2 Types of corruption

According to some sources<sup>1</sup>, corruption can be divided into minor (or “administrative”) corruption and major (“political”) corruption associated with the theft and misuse of public funds. The following table summarizes the differences between these types of corruption:

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<sup>1</sup> Strategy, p. 7.

Characteristics	Minor corruption (‘administrative’)	Major corruption (‘political’)
Relationship between briber and bribed	Situational character	Systemic, upcoming, long-term activity
Amount of funds affected by corruption	Small funds, mostly cash	Large resources
Financial transfers	Physical transfer or transfer of money	Funds travel a difficult way; it can be an exchange of different types of goods
Degree of organization	No networks, secrecy relatively low	Network of social relations required for implementation
Detection by common inspection methods	Violations easily traceable	Violation hard to trace; may not be present
Detection and investigation	Deployment of operational equipment is efficient, investigation simple; the problem: the number of cases	Very complex, necessary cooperation of various authorities, often only a part of organized corruption can be prosecuted

### 3.1.3 Corruption and Criminal Law

Although the concept of corruption is not defined by the Czech legal system, according to some sources<sup>2</sup>, corruption crimes within the meaning of Act No. 40/2009 Coll., the Criminal Code, as amended, in particular include

*‘acceptance of a bribe (Section 331), bribery (Section 332), indirect bribery (Section 333), machinations in insolvency proceedings (Section 226), infringement of competition rules [Section 248(1)(e)], negotiation of an advantage in the award of a public contract, in a public tender and at a public auction (Section 256(1) and (3)), conniving in the award of a public contract and in a public tender [Section 257(1)(b) and (c)], or conniving in a public auction [Section 258(1)(b) and (c)]...*

*Crimes that have the characteristics of corrupt behavior in certain special situations may also include, for example, crimes of breach of duty in the management of property of others (Sections 220 and 221) and misuse of information and position in the course of business (Section 255). In addition to accepting bribes, bribery and indirect bribery, the government’s strategy against corruption for 2011 and 2012 further listed crimes closely related to corruption, namely abuse of office (Section 329) and negligent obstruction of office (Section 330)<sup>3</sup>.”*

### 3.1.4 Corruption risk

Corruption risk usually refers to the possibility of corrupt behavior with negative effects on the sphere of the enterprise.

Corruption risks must first be identified and then assessed in terms of likelihood and impact in the risk assessment process of corrupt behavior. This will determine the degree of materiality of the inherent corruption risk.

The degree of materiality of the residual risk is then determined by assessing the effectiveness of existing inspection measures in mitigating inherent corruption risk.

<sup>2</sup> Strategy, pp. 7-8.

<sup>3</sup> However, under the above definition a corrupt negligent offence is difficult to think of. There will always be at least indirect intent in relation to fault.

According to some sources<sup>4</sup>, the fight against corruption as a negative social phenomenon can be understood as an *“active activity aimed at moving a particular system from one point to another, with a difference between these points precisely in the extent of corruption in the functioning of that system. This systemic movement can then be triggered by changing the balance between the potential benefit of corrupt behavior and the risk of it being detected and sanctioned.”*

*“Anti-corruption strategy is [then] a collection of tools and processes to move from one point of the corruption balance to another point of equilibrium with a lower level of corruption.”*

### **3.1.6 Conflict of interest**

Conflicts of interest are very often mentioned in relation to corruption. Interests in this context mean

- on the one hand, personal (private) interests, where a personal interest is one that confers a personal advantage on the subject of that interest or avoids any possible reduction in property or other benefits<sup>5</sup>; and
- on the other hand, the interests which the subjects of those personal interests are obliged to promote or defend by virtue of their position or office.

Conflicts of interest include, but are not limited to:

- employees<sup>6</sup> of the enterprise, their relatives or people with whom employees of the enterprise have another type of personal relationship (such as friends) perform work for the entity or have another personal (e.g. business) interest in the entity that is a client or supplier of the enterprise or that otherwise participates in business relations with the enterprise (hereinafter referred to as a "third party"); or
- employees of the enterprise have another personal interest that affects the performance of their tasks arising from work in the enterprise.

The fact that there is a potential conflict of interest does not automatically exclude a third party from being related to the enterprise. However, where there is a conflict of public interest with personal interest, the subject of those interests shall not prioritize his personal interest over the interests which he is obliged to promote and defend<sup>7</sup>. At the same time, however, it must be clear from the situation that the third party did not receive any advantage as a result of its relationship with the employees of the enterprise.

For this reason, the following procedures are generally established for situations where there is a risk of conflict of interest:

- the employees concerned must, to the maximum extent permitted by law, report to their superiors situations giving rise to actual or perceived conflicts of interest;
- the superiors of the employees concerned are then responsible for resolving the actual or suspected conflict of interest;
- a person having a conflict of interest may not participate or be otherwise involved in the decision-making to which the conflict of interest relates;
- resolution of conflicts of interest must be properly documented.

## **3.2 Abbreviations**

AP	Action plan <sup>8</sup>
BKO	Defense White Paper

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<sup>4</sup> ZEMANOVIČOVÁ, D.: Protikorupčná stratégia. In Transparentná miestna samospráva. Transparency International – Slovakia, Bratislava 2004, page 18.

<sup>5</sup> See, for example, Section 3 (1), second clause of the Act No. 159/2006 Coll., on conflicts of interest.

<sup>6</sup> Includes persons in non-employment status to the enterprise.

<sup>7</sup> See Section 3(1), first sentence, of Act No. 159/2006 Coll., on conflicts of interest.

<sup>8</sup> Issued usually for a given calendar year, submitted by the Minister of Justice

HP	General counsel
IPP	Internal Anti-Corruption Program
IS	Information system
BŘ	Security Director
M-KC	Quality and Certification Manager
SAO	Supreme Audit Office
o. z.	Branch
PISM	Representative of the integrated management system
PN	Company standard
RIPP MO	Ministry of Defense Internal Anti-Corruption Program
RRIPP	Framework departmental internal anti-corruption program
S-PVM	Specialist for labor relations and salaries
SŘ	Administrative Director
SÚ	Administrative Section
VTÚ, s.p.	Military Technical Institute, state enterprise

### **3.3 Symbols**

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## **4 Powers and responsibilities**

### **4.1 Company Director**

- It is responsible for the issuance and overall implementation of this PN.

### **4.2 Directors of enterprise headquarters and branch managers**

- They regularly evaluate IPP VTÚ.
- They are responsible for implementing this PN in practice.

### **4.3 Management members**

- They are required to familiarize subordinate employees with this PN and train them in this respect.
- They perform individual tasks set out in this PN.
- They identify corruption risks in their workplaces.

### **4.4 Administrative Section**

- Guide point for sending and evaluating IPP VTÚ.
- It prepares an overall evaluation of the implementation of the IPP VTÚ and a proposal for its update, including proposals from the VTÚ Anti-Corruption Commission.

## 5 Internal Anti-Corruption Program of the Military Technical Institute

### 5.1 Introduction

Government Resolution No. 752 of 2 October 2013 approved the *Ministry Internal Anti-Corruption Program* ("RRIPP")<sup>9</sup>, an outline based on Task 6.2.1 of the *Departmental Internal Anti-Corruption Programs* of the document *From Corruption to Integrity – The Government's Strategy Against Corruption for 2013 and 2014* ("Strategy"). The latest valid government document, the *Government Concept Against Corruption for the years 2023 to 2026*<sup>10</sup> (the "Concept"), following on from the previous document, lists departmental anti-corruption internal program (the "RPIP") as an important part of the government's fight against corruption. Action plans against corruption for a given calendar year are a concrete tool for implementing the above documents.

The aim of this task is to unify the existing anti-corruption programs of central administrative offices and other offices subordinated to individual ministries, which will ensure a standardized form of fighting corruption – the creation of a system of documents, processes, roles and timetables that ensures, manages and develops the overall anti-corruption climate in the civil administration<sup>11</sup>.

The syllabus of the RRIPP was the basis for the drafting of the RIPP MO, which was approved by the Minister of Defense and issued on 23 April 2018 under No. 104834/2018-8694. update on 3 May 2022, Ref. MO 123706/2022-8694

The statutory body of the VTÚ, which is its director, is aware of the enormous consequences that the unaddressed threat of corruption can cause. In this context, the VTÚ places particular emphasis on protecting the assets it manages, adhering to the highest ethical standards, legal and internal regulations and supporting the reporting of suspected corrupt acts that are done in good faith. The enterprise management does not tolerate corrupt conduct, internally or externally, and will use all available legal measures against persons, who commit or attempt to commit such conduct. Nor will any retaliatory measures against whistleblowers of corrupt conduct be tolerated. Management of the enterprise shows recognition of the activities of whistle-blowers when their reporting contributes to the detection of the perpetrator.

IPP VTÚ is based on the principles of

- actively promoting the anti-corruption stance and IPP VTÚ from the level of the enterprise management,
- zero tolerance of corrupt behavior in VTÚ,
- a comprehensive approach to managing corruption risks,
- interconnections with the RIPP MO Concept and Binding rules and
- coordination of anti-corruption policy with other ministries and other bodies (law enforcement authorities, NKÚ, etc.).

### 5.2 Creating and strengthening an anti-corruption climate

One of the core areas of the IPP VTÚ is this chapter, which aims to create an environment, in which corrupt behavior is rejected and the protection of state property is emphasized.

#### 5.2.1 Promotion of anti-corruption stance

The focus of the promotion of the anti-corruption stance by management members of the enterprise is based on the perception of fighting corruption in the company as one of its important tasks. Management members of the enterprise realize that the most important thing is to eliminate

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<sup>9</sup> Amended by Government Resolution of 13 November 2013 No. 851 on the *Information on status and manner of performance of tasks contained in the Government Strategy against Corruption for 2013 and 2014 and on updating this Strategy*, amended by Government Resolution of 21 December 2015 No. 1077 and amended by Government Resolution of 29 November 2017 No. 853.

<sup>10</sup> Adopted by Government Resolution of 17 December 2018 No. 855., updated March 2023

<sup>11</sup> Submission report to RRIPP.



the effects of systemic conditions for corruption. The management of the enterprise undertakes to promote acts that reject corruption, emphasize the importance of protecting state property and minimizing any damage that could be caused by the illegal actions of others.

The declaration of an anti-corruption stance and appeal for reporting of corrupt behavior is also part of the commemoration of International Anti-Corruption Day on 9 December.

*Task 5.2.1a:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Actively promote an anti-corruption stance at the workplace.	all management members	employees	continuously

*Task 5.2.1b:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Emphasize the investigation of suspected corruption and the establishment of adequate disciplinary and other measures if the investigated facts are established.	all management members	employees	continuously

## **5.2.2 VTÚ Code of Conduct**

The VTÚ Employee Code of Conduct (hereinafter referred to as the "Code of Conduct") is anchored in the enterprise standard PN-35. The Code of Conduct defines and promotes desirable standards of conduct and conduct for employees in relation to the public and co-workers. It is a summary of the core values and principles of ethical behavior, creating a basis for public trust. The Code of Conduct governs the mechanism for receiving submissions and expressing the parties' concerns about infringements. As a follow-up to this mechanism, the Anti-Corruption Commission of the VTÚ has been established, and the notification mechanism includes the regulation of whistle-blower protection (prohibition of retaliatory measures), even for cases, in which suspicion is not proven. See Chapter 5.2.4. and [Annex 4](#) of the VTÚ Anti-Corruption Commission for more details.

*Task 5.2.2a:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Promote the content of the Code of Conduct to subordinate employees and actively promote and monitor compliance.	all management members		continuously

*Task 5.2.2b:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Evaluate the effectiveness of the Code of Conduct, its promotion and explanation of its content to the employees of the enterprise and, if necessary, propose its updating or other ways of promotion.	VTÚ Anti-Corruption Commission	all management members	always on 31. 12.

## **5.2.3 Training employees in the fight against corruption**

Education in combating corruption is divided into several levels. The education program for the particular calendar year is prepared by HP, which is also responsible for the implementation (provision) of planned activities and evaluates them as a part of the regular evaluation of IPP.

*Task 5.2.3:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Conduct regular training of employees to fight corruption on set dates	HP	S-PMV	continuously

#### 5.2.4 System for reporting suspected corruption

The system for reporting suspected corruption is currently based on general rules for handling petitions and complaints. System for reporting suspected corruption in the enterprise:

- ▶ personally (management member, HP)
- ▶ electronically (fill in the form located on the intranet under Other → Suggestions, which is anonymous and does not allow to identify the sender)
- ▶ in paper form with the possibility to file it anonymously.

Task 5.2.4a:

Task description	Gestor	Cooperation	Deadline
Promote a system for reporting suspected corruption.	HP	all management members	continuously (management meetings)

Task 5.2.4b:

Task description	Gestor	Cooperation	Deadline
Submit to the director of the enterprise a report on the activities of the Anti-Corruption Commission of the VTÚ for a calendar year, which shall include in particular the number and manner of handling the submissions suspected of corrupt conduct.	VTÚ Anti-Corruption Commission		always 31.1.

#### 5.2.5 Protection of whistleblowers

The principle of whistle-blower protection is to establish procedures and rules that provide support and protection to persons in good faith alerting of possible corrupt or other illegal or unethical conduct. The protection of whistleblowers includes the prohibition of retaliation against the whistleblower. Protection of whistleblowers in terms of ensuring their anonymity will be guaranteed through the system for reporting suspected corruption under Chapter 5.2.4.

Task 5.2.5:

Task description	Gestor	Cooperation	Deadline
Promote and ensure the protection of whistleblowers.	VTÚ Anti-Corruption Commission	all management members	continuously

### 5.3 Transparency

The specific objective in this area is to deter corruption by increasing the likelihood of its detection. RRIPP further develops the transparency requirement towards active disclosure of information on public funds and on structure and competences when making decisions in the enterprise. Transparency strengthens public control over the management of public funds.

#### 5.3.1 Publication of information on public funds

Within the transparent disclosure of information on the use of public funds, the VTÚ publishes:

- ▶ **procurement**, through the Appropriate Publication Portal and the National Electronic Instrument. With public contracts supplier information and the information on the concluded contract is published if this obligation is imposed by Act No. 134/2016 Coll., on Public Procurement, as amended, or internal regulations, while in legally anticipated cases the actual price paid and some subcontractors are also published. Public procurement archives and currently announced public procurements are available to the public. Furthermore, VTÚ publishes information on public procurement in the Public Procurement Information System operated by the Ministry of Regional Development ([www.isvz.cz](http://www.isvz.cz)).
- ▶ **business financial information**, periodically in annual reports for the previous year
- ▶ **funds spent on** advisors and advisory bodies through the MoD summary material

Task 5.3.1:

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
On the website <a href="http://www.vtusp.cz">www.vtusp.cz</a> update the published information.	SŘ	particular management members	continuously

### 5.3.2 Disclosure of other information

Within the framework of transparent disclosure of information, VTÚ also publishes:

- ▶ the structure of the enterprise, within the framework of the Annual Activity Report
- ▶ Code of Conduct and Internal Anti-Corruption Program
- ▶ Integrated Management System Policy

## 5.4 Corruption risk management and inspection monitoring

The specific objective in this area is to set up effective control mechanisms and ensure effective detection of unethical or illegal (especially corrupt) behavior. Active management of corruption risks helps to identify areas with increased potential for corruption and to examine and strengthen the existence and functioning of inspection mechanisms. These are those areas of the decision-making process where the outcome of the decision may be undesirably influenced by a poorly set-up inspection and control system. Properly configured control and inspection mechanisms specifically prevent and reduce the risks of negative phenomena.

Corruption risk assessment includes identifying and evaluating corruption risks in all business activities, creating a corruption risk map (catalogue), establishing a corruption risk management strategy and taking measures to reduce the likelihood or impact of corruption risks.<sup>12</sup>

### 5.4.1 Corruption Risk Assessment

The assessment of corruption risks of VTÚ is divided into 5 stages with individual activities. Responsibility for the performance of activities in each stage is divided as follows:

- Stage 1 - Current status (management members)
- Stage 2 - Identification of corruption risks (management members)
- Stage 3 - Corruption Risk Assessment (management members)
- Stage 4 - Inspection and control mechanisms (management members)
- Stage 5 - Identification of key corruption risks (HP)

The assessment of corruption risks at VTÚ takes place once a year.

The description of the assessment of corruption risks at each stage is as follows:

#### **Stage 1 – Current status**

- **Organizational structure analysis**
- **Company standards analysis**
- **An analysis of anti-corruption measures**
- **Detection of perceptions of corruption and corruption risks** - e.g. interviews with employees, media, internal audit findings, NKÚ conclusions

#### **Stage 2 - Identification of corruption risks**

- **Identification of corruption risk areas** - e.g. public procurement, contracting, information security, funding
- **Identification of existing corruption risks**

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<sup>12</sup> For details, see the Explanatory Memorandum to the RRIPP, Part 3.

- **Creation of a table *Catalogue of corruption risks and measures to minimize them*** (according to [Annex 3](#))  
At this stage, it is necessary to fill in the columns “Risk area” and “Risk” in the *Catalogue of Corruption Risks* table per workplace.

### Stage 3 - Corruption Risk Assessment

- **Significance assessment of corruption risks**  
At this stage, the columns ‘Probability of occurrence of risk’, ‘Risk impact level’ and ‘Significance of risk’ need to be entered in the *Catalogue of Corruption Risks* table.

The scores given in Table A and Table B shall be used to complete the first two columns above.

Table A — Probability of occurrence of risk

Scores	The occurrence
5	Almost certain
4	Likely
3	Possible
2	Unlikely
1	Almost excluded

Table B — Risk impact level

Scores	The occurrence
5	Devastating
4	Major
3	Substantial
2	Of little consequence
1	Virtually none

The formula for calculating the materiality of corruption risks is as follows:  
*risk materiality = risk probability x risk impact rate*

#### Explanation of terms:

"Probability of occurrence of risk" - the possibility of occurrence of an event in the future, i.e. the probability that unethical or illegal (especially corrupt) conduct will occur.

"Risk impact level" – the impact of unethical or illegal (especially corrupt) behavior can be direct (e.g. amount of bribery, financial loss of VTÚ, gain for the briber) or indirect (e.g. social harm, reputational risk – negative media coverage, immaterial harm).

"Significance of risk" – is obtained by multiplying the score of the probability of risk occurrence with the score of the degree of risk impact.

### Stage 4 — Inspection and control mechanisms

- **Identification of inspection and control mechanisms** to help eliminate each corruption risk listed in the *Catalogue of Corruption Risks* table.
- **Assessment of identified inspection and control mechanisms** in terms of adequacy of their settings in enterprise standards.

- **Identification and possible implementation of corrective measures** based on identified deficiencies, i.e. strengthening of inspection and control mechanisms.

At this stage, the column 'Risk minimization measures' needs to be completed in the *Catalogue of Corruption Risks* table. Thus, for each corruption risk, measures to eliminate must be indicated, i.e. in addition to the relevant laws, relevant enterprise standards must also be indicated for corruption risks. These internal documents are incorporated into the table by reference with the exact availability of the current version (e.g. web). Proposals for remedial measures must also be made for each corruption risk.

**Stage 5 - Identification of key corruption risks**

- **Creating a summary table of *Catalogue of Corruption Risks***  
Completed tables *Catalogue of Corruption Risks* are collected from individual workplaces by HP. The aim of the collection is to find a unified opinion on the significance of corruption risks in the VTÚ.
- **Creating a corruption risk map**
- **Identification of key corruption risks**

*Task 5.4.1a:*

Task description	Gestor	Cooperation	Deadline
Identify corruption risks within annual risk mapping.	HP	all management members	always on 31 December of the calendar year

*Task 5.4.1b:*

Task description	Gestor	Cooperation	Deadline
Conduct questionnaire surveys at selected workplaces focused on perception of corruption by own employees. Use the generalized results to improve management work and, if necessary, to focus inspection activities.	HP	all management members	once a year

**5.4.2 Monitoring of inspection mechanisms detecting corruption**

Regular testing of inspection and control mechanisms in areas of significant corruption risk is important to determine how effective these mechanisms are for identifying and detecting corruption.

It must be the duty of all management members to maintain for their workplace a list of places with an increased risk of corruption (so-called important places), summaries of activities with a real risk of corruption and measures to prevent it, including the obligation to update and specify the lists always on the basis of implemented organizational, mobilization and dislocation changes, at a frequency of at least once a year.

*Task 5.4.2:*

Task description	Gestor	Cooperation	Deadline
Test inspection and control mechanisms for how effective they are in identifying and detecting corrupt behavior and, if necessary, propose strengthening these mechanisms.	HP	all management members	continuously

**5.4.3 Investigation of risk areas**

Regular investigations of areas where the risk of corruption is assessed as significant shall be carried out to identify and evaluate the facts indicating the occurrence of corrupt behavior. The outcome of the investigation should reflect the evaluation carried out by employees carrying out tasks in the relevant risk areas and by employees – inspection experts.

The duty of all management members must be to indicate emerging sources and forms of corruption behavior, to analyze them, to continuously update specific anti-corruption organizational and technical measures, in particular identified activities associated with the risk of corruption and specific measures specified therefor.

The internal inspection plan for a particular calendar year is drawn up with regard to risk areas – procurement, asset management, arms handling and disposal, etc.

*Task 5.4.3a:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Investigate areas where the risk of corruption is assessed as significant.	all management members	HP	continuously

*Task 5.4.3b:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
Transmit control/audit findings identifying corruption risks to the enterprise director.	HP		continuously

## **5.5 Procedure in case of a suspected corruption**

The particular objective in this area is to minimize the losses caused by corrupt behavior and prevent the recurrence of a similar corruption scenario. At the same time, RRIPP stresses the need for an urgent response to suspected corruption, which increases the likelihood of its successful detection. RRIPP considers a thorough analysis of the causes of corruption to be essential to strengthen preventive mechanisms to reduce the risk of recurrence of corruption.

### **5.5.1 Procedures for investigating suspected corruption**

The investigation, which aims to gather facts to assess suspected violations of the law and, if necessary, determine the next steps if these suspicions prove reasonable, is currently governed by setting up a process for internal inspection (PN-17).

Remedial measures RRIPP means *regulating internal regulations, taking disciplinary measures and dealing with damages*. In this context, it is possible to mention PN-05 Working Rules and PN-01 Organizational Rules. Clause 5.4.3 of the Organizational Rules provides that management members ... *are entitled to assign work tasks to subordinate staff, to organize, direct, control and evaluate their work and to give them binding instructions for this purpose*, emphasizing the obligation to consistently remedy identified deficiencies and to ensure that no breach of discipline occurs and to make claims for damages.

The aim of this measure must be to guarantee a VTÚ employee the right to file complaints, suggestions, tips and other submissions warning of conduct contrary to legal regulations or company standards or warning of unethical conduct or suggesting improvement measures. Any employee who points out unethical or any illegal behavior, but only if they do so in good faith, should not fear any retaliation. In other words, if a VTÚ employee warns (reports) about unethical behavior of colleagues or other conditions in a state enterprise (suspected corruption, violation of the Public Procurement Act, etc.), he will not be sanctioned for this decision. That is provided, however, that he acted in good faith, not to harm another person. It is important to protect whistle-blowers and rid society of the impression that they are delators and informants.

*Task 5.5.1:*

<b>Task description</b>	<b>Gestor</b>	<b>Cooperation</b>	<b>Deadline</b>
In an event of confirmed corrupt behavior, analyze the causes of corruption and determine whether there is a similar risk elsewhere in the enterprise, or suggest strengthening control mechanisms to prevent and detect similar behavior in the future. Inform the enterprise director of the confirmed case and the steps taken in relation to it.	HP	head of concerned workplace	immediately after investigation

### 5.5.2 Follow-up measures

Following the previous measures, the state-owned enterprise undertakes to properly examine each submission, even if anonymous. If the submission (especially the complaint) is found to be justified, appropriate measures must be taken to remedy (either at the level of systematic action or at the level of personnel) and, if possible, to take measures to prevent such infringements from happening again in the future. Therefore, the management of the company declares its readiness to take adequate corrective measures in the event of a finding of misconduct (PN-17).

## 5.6 Assessment of internal anti-corruption program

According to RRIPP, the aim of this part of the IPP VTÚ is to “*improve internal anti-corruption program and enable coordination of anti-corruption activities.*”

The area of IPP VTÚ assessment is specified in three sub-areas: *evaluation of internal anti-corruption program, annual reports on internal anti-corruption program and updating internal anti-corruption program.*

### 5.6.1 Assessment of internal anti-corruption program

The basic pillar of this anti-corruption measure is that a management member of an enterprise designated under Article 5.4.2 quantitatively and qualitatively assesses:

- a) fulfilment of obligations arising from the IPP VTÚ (its individual parts),
- b) the effectiveness of such fulfilments,
- c) implementation of remedial measures,
- d) where appropriate, he proposes updating IPP VTÚ within the workplace he manages.

Task 5.6.1:

Task description	Gestor	Cooperation	Deadline
Evaluate the fulfilment of the IPP VTÚ in terms of the quality and timeliness of the fulfilment of specified tasks and overall topicality (with the status as at 31 December of the calendar year) and, if necessary, propose its updating. Send this information to HP.	Designated management members	HP	always by 31 January

### 5.6.2 Report on the implementation of the internal anti-corruption program

SÚ evaluates information from individual organizational units and prepares a *Report on IPP VTÚ fulfilment* accordingly.

The following information is included in the IPP VTÚ Compliance Report:

- a) the state of implementation of anti-corruption measures and, where appropriate, a plan of remedial measures,
- b) information on the level of anti-corruption education (training system and scope);
- c) content of the catalogue of detected and evaluated corruption risks;
- d) number of suspected corruption identified and the results of their examination,
- e) the outcome of the evaluation of the effectiveness of the IPP VTÚ (its individual parts), including corrective actions if necessary.

Task 5.6.2:

Task description	Gestor	Cooperation	Deadline
Prepare the IPP VTÚ Fulfilment Report and submit it for approval to the enterprise director.	HP	section directors, directorates and directors of branches	always by 31 January

### 5.6.3 Update of internal anti-corruption program

The IPP VTÚ shall be updated when the IPP VTÚ Compliance Report or any other activity within the enterprise indicates a need to improve anti-corruption measures. Furthermore, the IPP VTÚ is updated in relation to the current wording of the Government Anti-Corruption Concept, or other relevant documents related to the fight against corruption, adopted by the Government or the Ministry of Defense, which are also binding for organizations where the Ministry is their founder.

Task 5.6.3:

Task description	Gestor	Cooperation	Deadline
Prepare a draft update of the IPP VTÚ and forward it to the enterprise director for approval (together with the IPP VTÚ Compliance Report).	HP	all management members	always by 31 January, if necessary at any time during the year

## 6 Record documentation

LIST OF RECORDING DOCUMENTS				
Title of document	Responsible for processing	Place of storage	Assumed/date of receipt	Shredding character/time limit
Record on PN studying	Particular management member	Management member		

Tab. 1 List of recording documentation

## 7 Related documents

PN-01	Organizational rules
PN-02	ISM Handbook
PN-03	Documented information management
PN-05	Working regulations
PN-07	Signature Rules
PN-08	Administrative security
PN-09	File and Shredding Regulations
PN-17	Internal control, internal audits, preventive and corrective measures
PN-35	VTÚ Code of Conduct
Other valid documents and standards (according to currently valid PN, ZN) + records	



## 8 List of tables

Tab. 1 Seznam pořizované záznamové dokumentace ..... **Chyba! Záložka není definována.**

## 9 List of images

Not used.

## 10 List of annexes

<a href="#">ANNEX 1</a> Corrupt conduct indicators	18
<a href="#">ANNEX 2</a> Anti-corruption decalogue of employees of the enterprise	20
<a href="#">ANNEX 3</a> Catalogue of corruption risks and measures to minimize them	21
<a href="#">ANNEX 4</a> VTÚ Anti-Corruption Commission	23

## 11 Changes, archiving and shredding

HP is responsible for implementing the change management of this PN. M-KC o. z. is responsible for making changes to the company portal and for archiving the original of this PN. VTÚLaPVO in cooperation with SŘ.

This PN is assigned the shredding character A for the original.

As of the effective date of this PN, management members shall train and familiarize subordinate employees with the individual provisions of this PN.

## 12 Distribution slip

PN is available at the enterprise portal in the enterprise IS and is accessible to all employees of the enterprise.

## INDICATORS OF CORRUPTION

The indicators are indications and warning signs. **Their increased presence is not yet any evidence, but should lead to increased attention on the part of co-workers and management members.**

### General warning signs

- the costly lifestyle of those involved in the process;
- secondary employment without appropriate consent or notification;
- rejection of career progression outside the current job title, resistance to role changes or transfers, especially if they are linked to improvement or at least the prospect of improvement in pay;
- spending too much time at work, refusing leave;
- increasing seclusion, sudden changes in behavior towards colleagues and superiors;
- decreasing identification with supervisors and tasks;
- circumvention or 'disregard' of regulations; increasing number of 'small irregularities'; deviations from transaction and operational procedures and their subsequent documentation;
- failure to respond to suspicious moments and events or tolerance of infringement;
- social problems, personal weaknesses (addiction to alcohol, drugs, gambling);
- frequent personal contacts between the employee and the counterparty related to the decision-making activity;
- visits by counterparties only when 'their' department employee is present;
- the absence of conflicts with counterparties where they normally arise;
- friendly tone or conspicuous backtracking when dealing with the counterparty;
- other "too friendly" attitude in relation to counterparties;
- hospitality from third parties (special purchasing conditions, vouchers for restaurants and shops, invitations to private or business events of business partners);
- lack of inspection at places where there is a risk of corruption;
- repeated submissions directed at particular individuals;
- oral agreements in lieu of written arrangements, lack of an audit trail showing progress;
- concentration of tasks with one person;
- lack of transparency.

### "Manorial nobility" - like decision-making

- incomplete case documentation, loss of documents from the file;
- non-exclusion from decision-making, even if there is a clear reason to do so;
- different assessments of the case and decisions by various parties in proceedings involving the same substance;
- unusual decisions without understandable or clear justification;
- granting an authorization without the candidate obtaining related permissions or consents;
- decisions that are taken in an unusually short time;
- attempting to influence decisions which fall outside the competence of the person concerned and which affect important interests of third parties;
- abuse of the right to the detriment of the addressee of the decision in order to extort a bribe for the standard procedure.

### Public procurement

- the subject of the contract is obviously unnecessary performance;
- lack of market research showing the preliminary contract price and the range of relevant suppliers;
- the distribution of partial performance contracts in order to circumvent the approval process or the obligation to carry out the procurement procedure;
- using types of proceedings which, by nature, restrict open competition, unless justified in the case;
- the qualification criteria contain conditions that exclude relevant competitors;
- evaluation criteria allow for non-reviewable evaluation;
- unusual characteristics of the tenders (bid prices only slightly different from the expected price, bid prices very similar, or significantly different — in relation to the subject matter of performance);
- the winning bid is higher than the internal price estimate, if any, or the market price level;

- the overall increase in purchase prices;
- unsuccessful tenderers then participate in the performance as subcontractors;
- the relationship of the persons involved in the award of the contract or persons close to them to the tenderers;
- 'rotation' of suppliers in the performance of contracts;
- one tenderer wins the majority of contracts;
- conclusion of long-term contracts without transparent selection under unfavorable terms;
- substantial or repeated exceeding the estimated value of the contract, additional work;
- acceptance of performance that does not comply with the contract in terms of quality or quantity (non-application of complaints and contractual penalties);
- repeated supply failures, high repair costs;
- missing documents for contracts.

### **Disposal of state property**

- the object of the sale or lease is clearly the necessary property;
- acceptance of the offer after the deadline; this tenderer wins;
- unusual characteristics of bids (round amounts, bid prices only slightly different from the assumed price, bid prices very similar or significantly different — in relation to the subject matter of the disposition);
- the winning bid is lower than the price estimate, if any;
- overall decrease in sales revenues;
- the relationship of the persons involved in the sale to the tenderers;
- resale of assets to a third party, who did not participate in the original competition;
- one acquirer acquires the majority of the assets;
- inconsistencies between billing, contract, winning bid and competition terms.

**ANTI-CORRUPTION DECALOGUE OF EMPLOYEES OF THE ENTERPRISE**

1. **To fight corruption, start with yourself.** In life, you may find yourself in a situation where the dangers of corruption are hard to resist. Start fighting corruption with yourself by assessing your weaknesses and possible situations you may encounter while performing work and service tasks.
2. **Prevent the possibility of a corrupt relationship by your behavior and actions.** When interacting with others, establish tactfully yet clearly such conditions and rules of conduct that should make it clear that you will reject any attempt at corruption. How you do this depends on your personality and cannot be prescribed.
3. **If you believe that someone is going to ask you to be prioritized over competitors, call your colleague as a witness** (according to the principle of multiple eyes).
4. **Reject any attempted corruption immediately and report it immediately to the appropriate authorities (your superiors or law enforcement bodies).** Doing so will both help you avoid any suspicion of corruption and allow legal proceedings to be initiated against those, who commit corruption. By reporting corruption, you are also protecting your colleagues, who might be contacted by that person if he is unsuccessful with you.
5. **Work so that your work can be reviewed at any time.** Your workflow should be transparent enough for your colleague to continue your work at any time. Do not keep secondary files to preclude the appearance of dishonesty.
6. **Strictly separate your work and private life.** If you conclude that there is a conflict between your job responsibilities and your private interests in the performance of a particular job, please inform your supervisor.
7. **As employee supervisor, make sure to create working conditions for your employees where the risk of corruption is minimized.** If an employee contacts you with information that there is a conflict of interest or a risk of bias in the performance of a specific task, respond immediately and decide, for example, by releasing such an employee from the task.
8. **Support your workplace in detecting and explaining corruption. Report cases of corruption to your colleagues if you have credible information to do so.** However, avoid any suspicion of your colleagues without a particular reason.
9. **Think about the risks of corruption at your workplace and suggest that your employer takes necessary measures.** Report cases of correct action against corruption.
10. **Get trained and expand your knowledge on corruption prevention.** Take advantage of the employer's offer for training and further education on existing forms of corruption, dangerous situations, preventive measures, criminal law, as well as employment law consequences of corruption.

CATALOGUE OF CORRUPTION RISKS AND MEASURES TO MINIMIZE THEM

Risk area	Risk	Risk minimization measures	Probability of occurrence of risk	Risk impact level	Significance risks
Public procurement	Prioritization of tenderers	Setting transparent selection criteria, eliminating personal contact with applicants, intensified inspections, setting up internal procedures for handling complaints and objections, ...	X	Y	$X \times Y$
Inspection activities	Affecting the outcome of inspections	Multi-member composition of the Audit Committee, elimination of conflicts of interest, collective assessment of the appeal, ...	X	Y	$X \times Y$
Disposal of state property	Divestment of assets on terms unfavorable to the department but favorable to a third party	Clear definition of responsibilities, multi-step decision-making, increased inspection, ...	X	Y	$X \times Y$
Provision of subsidies	Affecting the way the request is handled	Publication of complete conditions of the selection procedure, elimination of personal contact with applicants, collective assessment, publication of results of the grant procedure, ...	X	Y	$X \times Y$
Administrative proceedings	Abuse of discretion in decision-making	Reduction of personal contact with applicants, intensification of inspection activities, multi-stage assessment, ...	X	Y	$X \times Y$
Personnel work	Prioritizing applicants for employment/service	Multi-member selection boards, establishing transparent criteria, publishing selection results, ...	X	Y	$X \times Y$
Dealing with damage	Manipulation of investigations leading to waiver of damages and decision to waive recovery	Clarification by a multi-member body, exclusion of bias, checking the results of damages clarification, ...	X	Y	$X \times Y$
Complaint handling	Affecting the outcome of the complaint	Handling by a multi-member authority, exclusion of bias, monitoring of results, ...	X	Y	$X \times Y$

**WARNING:**

1. If an internal audit has been carried out at a particular workplace which has detected corruption risks, the head of that workplace is obliged to take this into account during his own evaluation and attach an extract from the audit findings report to the prepared list.
2. Where a need arises from the corruption risk assessment, the list shall also include information on the proposed own monitoring activities.

**Notes:**

1. The specimen only **indicates possible** risk areas, identifiable risks and measures to minimize them.
2. **Risk** can be understood as the risk of an event occurring that may negatively affect the achievement of the stated objectives (by definition, it is synonymous with danger or threat). The event may be a non-recurrent phenomenon, a change in trend, an increase in variability, an occurring state, etc.
3. **Probability of risk** refers to the possibility of an event occurring in the future.
4. The **impact of risk** can be classified as direct material (amount of bribe, loss of profit, amount of loss, etc.) or indirect immaterial (social danger, loss of reputation, etc.).
5. The **relevance of risk** corresponds to the product of its probability and impact. It can range from 1 to 25.
6. **Variables X and Y** represent the assigned value 1 - 5 on the rating scale NONE (corresponds to 1) – LOW (corresponds to 2) – MEDIUM (corresponds to 3) – HIGH (corresponds to 4) – CRITICAL (corresponds to 5).

**VTÚ ANTI-CORRUPTION COMMISSION**

Art. 1

In order to actively involve the VTÚ management in dealing with issues related to the fight against corruption, as a manifestation of anti-corruption attitude and to monitor compliance with the VTÚ Code of Conduct, the VTÚ Director establishes the VTÚ Anti-Corruption Commission (hereinafter referred to as the "Commission") consisting of:

- a) the Chairman appointed by the Director of VTÚ;
- b) members: directors of the enterprise headquarters;
- c) Secretary: a member of staff assigned to a systemized post at the VTÚ designated by the Chairman of the Commission.

Art. 2

Membership of the commission is irreplaceable.

Art. 3

In particular, the Commission shall carry out the following tasks:

- a) assess cases of confirmed retaliatory conduct against whistle-blowers of corrupt conduct and propose solutions to the Director of VTÚ;
- b) proposes further forms of combating corruption;
- c) discusses
  - proposals for extraordinary updating of the PN – Internal Anti-Corruption Program and PN – VTÚ Code of Conduct
  - evaluation of the effectiveness of the VTÚ Code of Conduct;
  - the content of the Catalogue of Corruption Risks (see Annex 3);

Art. 4

In particular, the Chairman shall perform the following tasks:

- a) convene meetings of the Commission;
- b) manage the proceedings, set its agenda and determine the order of the discussed issues;
- c) draft conclusions on the issues under discussion;
- d) approve the minutes of meetings;
- e) inform the Director of VTÚ of the Commission operation.

Art. 5

In particular, the Secretary shall perform the following tasks:

- a) administer convening, preparing and organizing meetings;
- b) prepare written minutes of the course and conclusions of the negotiations and distribute them to the members of the Commission;
- c) supervise the implementation of the agreed conclusions of the meeting and evaluate their implementation;
- d) ensure all administrative work and archiving of documents related to the activities of the Commission.

Art. 6

Members shall perform in particular the following tasks:

- a) participate in negotiations;
- b) prepare documents for negotiations;
- c) comment on and make proposals on the issues under discussion;
- d) ensure the implementation of the agreed conclusions within their competence.

Art. 7

Members are entitled to invite an expert to the meeting to discuss the issue. They shall inform the Chairman of the Commission in good time in advance.

Art. 8

1. The Commission shall meet at least once during the calendar year. Cases that need to be discussed urgently and there is no realistic regular meeting of the commission are dealt with per rollam.
2. Meetings are closed to the public. Where experts are invited, they shall only take part in the discussion of the matter to which they are subject.
3. The Commission is competent to act if an absolute majority of all members are present.
4. The conclusions of the meeting are approved by the Commission by consensus. If no consensus is reached, the Commission member, who disagrees, shall submit a reasoned draft own solution, which the Chairman shall put to a vote. If the proposal is not approved, consensus has been reached.
5. In the event of a vote, the consent of an absolute majority of the members present is required. In the event of a tie, the Chairman's vote shall decide.
6. Written minutes will be taken of the meeting, which will include the adopted conclusions. The minutes will be approved by the Chairman.
7. The approved minutes shall be submitted by the Chairman in the form of an internal communication to the VTÚ Director.