When intermediary governance failed across businesses and borders

Rolls-Royce plc | United Kingdom | Conduct across seven jurisdictions | Conduct over more than 20 years | DPA approved 2017

UK FINANCIAL TERMS	SUSPENDED COUNTS	JURISDICTIONS	CONDUCT PERIOD
£510.25m	12	Seven	More than 20 years
S01	S01 | S02	S01	S01

DOCUMENTED EVENT

On 17 January 2017, the High Court approved a Deferred Prosecution Agreement between the Serious Fraud Office and Rolls-Royce plc and Rolls-Royce Energy Systems Inc. The suspended indictment contained 12 counts covering conspiracy to corrupt, false accounting and failure to prevent bribery. The conduct resolved by the DPA spanned seven jurisdictions, three Rolls-Royce business divisions and more than 20 years. The UK financial terms included disgorgement of £258.17 million, a financial penalty of £239.08 million and £13 million towards the SFO's costs. [S01 | S02]

NFRISK SCENARIO ADAPTATION - NOT AN EXTERNAL FINDING

Intermediaries are engaged across businesses and jurisdictions, while due diligence, payment approval, escalation and central visibility are fragmented enough for improper conduct to persist.

STRESS-TEST QUESTIONS

01 Can every intermediary payment be traced to approved services and independent evidence?

02 Where are red flags aggregated across divisions and jurisdictions?

03 Who can stop payment or renewal when due diligence is incomplete?

04 Does assurance test beneficial ownership, service substantiation and payment logic together, rather than as separate controls?

CONNECTED RISK

Conduct & Governance Risk (primary)
Financial Crime & Control Integrity (contributing)
Data & Control Integrity (contributing)

FRAMEWORK RELEVANCE

Basel event-type lens: Clients, Products & Business Practices
NFRisk maps bribery-related intermediary conduct to the Basel event type covering clients, products and business practices. This is an analytical mapping, not a court classification. [S03]

NFRISK PRACTITIONER INTERPRETATION

Intermediary control must join appointment evidence, beneficial ownership, service substantiation, payment logic, red-flag escalation and cross-business aggregation. Longevity alone is not evidence of integrity.

PRIMARY-SOURCE REGISTER

S01 High Court of Justice of England and Wales (2017)
Serious Fraud Office v Rolls-Royce plc and Rolls-Royce En...
S02 UK Serious Fraud Office (2017)
Rolls-Royce plc Deferred Prosecution Agreement
S03 COSO / Basel Committee / NIST (2017)
Authoritative risk-management framework referenced in the...

EVIDENCE BOUNDARY Official findings are separated from the institutional scenario, framework interpretation and NFRisk practitioner view.