

Integrity and Ethics in the New Normal

Developing a Robust Compliance Framework



Compliance Pressures

Reputation, as well as corporate purpose, will become increasingly important as calls grow for businesses to play their part in solving the problems of people and the planet. Businesses will increasingly need to adopt a long-term stakeholder approach to their business models in order to remain relevant.

Incorporating non-financial considerations will become a mainstay of business planning and decision-making as more and more companies implement frameworks for environmental, social and governance (ESG) factors into their business models. For businesses, this means not only demonstrating ESG credentials, but also establishing a clear purpose, which is in line with the UN Sustainable Development Goals.

Going forward, the call for greater corporate transparency on ESG issues will only amplify as ESG factors prove themselves not just to be non-financial considerations, but also material drivers of financial performance and business resilience.

Pressure will continue to come not just from legal compliance, but also from customers, the workforce, supply chains, society and shareholders. Businesses will need to focus their attention on the following corporate behaviours:

				
Customers	Workforce	Supply Chain	Society	Shareholders
Delivering fair competition, reliable, trustworthy digital ecosystems and transparency around products and services.	Diversity and inclusion, employee wellbeing, upskilling and retraining, and fair executive remuneration.	Developing partnership models, providing a fair chance for new market entrants and adhering to human rights across the supply chain.	Demonstrating support to communities and people's wellbeing, paying a fair share of taxes, validating ethical use of data and stewardship of the environment.	Continuous innovation, sustained investments and sustainable shareholder returns.

In addition, the increasingly complex regulatory regime has increased the exposure faced by businesses. This is particularly acute, as the regime extends to actions of third parties acting on a business' behalf, in particular within their supply chain.



Developing a Robust Compliance Framework

The consequences for a lack of robust compliance programmes are very real, including unlimited fines, loss of operating licences and damage to the business' reputation. Businesses will require a well-designed and well-implemented compliance programme to help mitigate substantial risk, which is also able to detect/address systemic weaknesses. Governance is critical and it has to be on the boardroom agenda.

A robust global compliance framework requires you to benchmark, assess, implement and/or maintain effective compliance programmes to prevent, deter and detect violations of legal and regulatory requirements or internal policies across the full spectrum of business integrity risks, including:

Anti-tax evasion (corporate tax offence)	Modern slavery
Bribery and corruption	Money laundering
Competition	Reputation
Data privacy	Sanctions
Environmental	Sexual harassment (safeguarding)

Key Compliance Checklist

We have developed a quick checklist to support you to assess your compliance against a number of risk factors that affect your business.



Stage 1: Risk Assessment/Evaluation

In relation to ABC, sanctions, AML, modern slavery, anti-tax evasion, environment, safety and health, data privacy, fraud, governance and supply chains/products, have you:	
	Yes/No
Conducted a review to identify which businesses should be a part of this compliance enhancement programme (newly acquired companies will be subjected to this process as part of the M&A diligence process)?	
Identified the risks that are relevant to the business' activities and mapped them against the controls in place to manage each of these risks?	
Undertaken a desktop review with your head of legal and/or head of compliance, as well as interviews with relevant functional heads of ops, to identify the areas/people most exposed to risk (typically heads of HR, commercial, procurement and marketing)?	

Stage 2: Review/Design of Policies and Procedures

In relation to the review and design of your policies and procedures, have you:	
	Yes/No
Developed a process for document requests for policies and procedures pertaining to relevant risks?	
Developed policies and processes for the code of conduct (ABC, conflict of interest (including hiring practices), gifts and hospitality, anti-competitive conduct, political donations, due diligence (third parties), charitable donations and reporting/escalating issues)?	
Undertaken a desktop review of policies and procedures?	

Stage 3: Gap Analysis

In relation to identifying gaps in your compliance programme, have you:	
	Yes/No
Assessed the equivalence of the policies and procedures with the standard required across the business?	
Outlined the mitigation steps for any identified gaps?	

Stage 4: Third Parties

In relation to the third parties you work with, regarding diligence procedures, screening, red flags review, and roles and responsibilities, have you:	
	Yes/No
Undertaken advisory on pre-acquisition diligence, if relevant (including source of funds and litigation risk)?	
Reviewed or designed a due diligence procedure for onboarding third parties?	
Undertaken a third-party screening* process (for red flags including corruption, sanctions, politically exposed persons, etc.)?	

*This screening process should exist at the corporate level to provide ongoing support to business activities across your business. The screening capability should be provided by a third party and be independent.

Stage 5: Governance Review

In relation to ongoing governance review, have you:	
	Yes/No
A designated risk committee with a clear structure and approach?	
A process or framework for periodic reporting and escalating issues?	

Stage 6: Training of Key Personnel

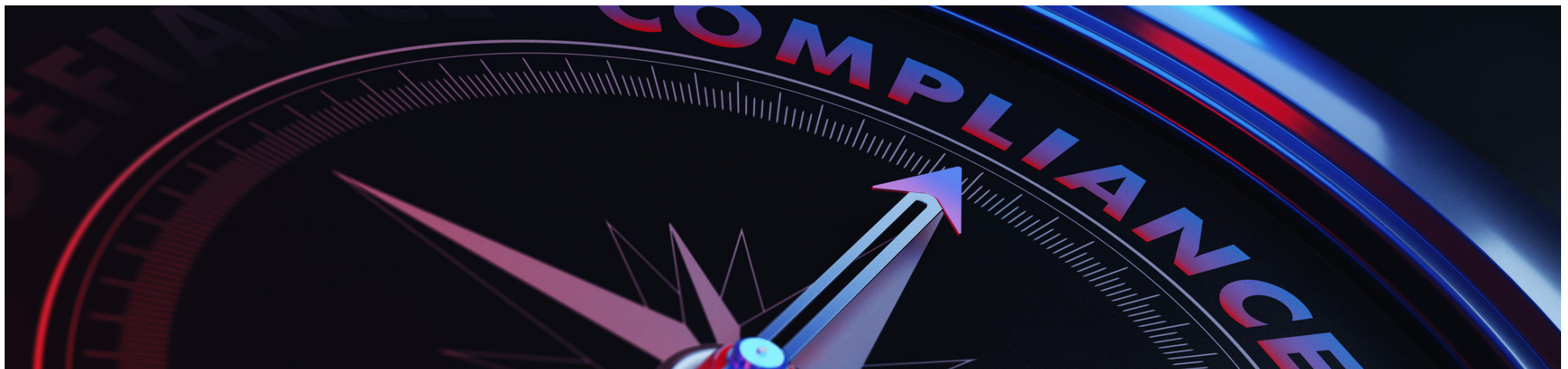
In relation to the ongoing training of key personnel, have you:	
	Yes/No
Undertaken ethics and values-based decision-making training?	
Delivered targeted risk-based training?	
Undertaken scenario-based exercises?	
Undertaken issue/crisis management training?	

Stage 7: Monitoring

In relation to monitoring, have you:	
	Yes/No
Implemented monitoring and assurance processes to be carried out across relevant risk areas to confirm effectiveness of controls?	

Stage 8: Benchmarking

In relation to benchmarking, have you:	
	Yes/No
Conducted an exercise to measure the approach against organisations with similar characteristics (including size, global footprint, sector, turnover, etc.)?	



Our Approach

We adopt a holistic approach to business integrity risk. We assist in creating comprehensive compliance programmes and/or enhancing a company's existing programme to effectively manage risk and meet regulatory requirements.

Pricing

Our pricing allows for flexibility and is driven by the level of risk and, therefore, complexity of the compliance programme required.

This risk-based structure enables our clients to take a proportionate approach to compliance, to ensure that they are doing what they are legally required to do, but doing so in a cost-effective and proportionate way.

To provide clients with the comfort of certainty, we are open to agreeing fixed-fee arrangements as appropriate.

Any remediation or investigation work will be the subject of separate billing arrangements.

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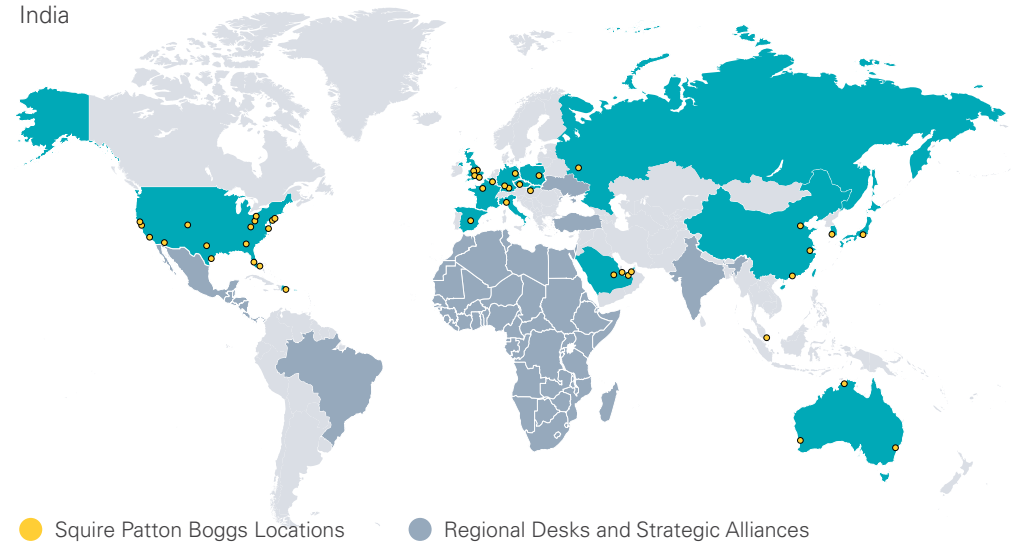
We Are Where You Are 45 Offices in 20 Countries

Our Locations

Abu Dhabi	Cleveland	Houston	New Jersey	Santo Domingo
Atlanta	Columbus	Leeds	New York	Seoul
Beijing	Dallas	London	Palo Alto	Shanghai
Berlin	Darwin	Los Angeles	Paris	Singapore
Birmingham	Denver	Madrid	Perth	Sydney
Böblingen	Doha	Manchester	Phoenix	Tampa
Bratislava	Dubai	Miami	Prague	Tokyo
Brussels	Frankfurt	Milan	Riyadh	Warsaw
Cincinnati	Hong Kong	Moscow	San Francisco	Washington DC

Regional Desks and Strategic Alliances

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