

A Unique Journey to Compliance

Solutions for Small and Medium-Sized Companies

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► Agenda

Compliance challenges facing today's businesses

Case study – 'We need a compliance system...'

Resilience strategies and risk mitigation solutions

#1

Compliance challenges facing today's businesses

Control Risks

3

▶ Compliance challenges facing today's businesses

Internal

- ▶ Finding the necessary people
- ▶ Integrating compliance into governance structures
- ▶ Changing mind-sets and time-honoured habits
- ▶ Funding

External

- ▶ Corruption
- ▶ Sanctions and export controls violations
- ▶ Anti-trust
- ▶ Fraud
- ▶ Data theft and cyber-extortion

#2

Case study – ‘We need a compliance system...’

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The starting point

- ▶ A medium-sized business in Europe
- ▶ Operations in Europe, the Americas and Asia
- ▶ No formal compliance structures
- ▶ Some policies and procedures in place
- ▶ Low awareness of implications of extra-territorial anti-corruption legislation
- ▶ Need for compliance recognised by board and shareholders

▶ Case study – Building blocks for a compliance system

The journey to a 'good practice' compliance system

- ▶ Setting the foundations
 - Determining the organisational self-image
 - Defining roles and competencies
 - Identifying and assessing the right risks
 - Building the structure
 - Designing the rules and guidance
 - Putting communications channels in place
 - Preparing the roll-out
- ▶ Putting on the roof and landscaping the gardens
 - Getting the message across
 - Training
 - Roll-out review

▶ Case study – Getting the foundations right

Answering the important questions

- ▶ What kind of a company are we?
 - Doing as you're told or thinking for yourself
- ▶ What is the remit of compliance?
 - Just because it comes with a fine does not mean it's a compliance problem
- ▶ What are the compliance risks?
 - Find and assess

▶ Case study – Safety nets are stronger than walls

Designing the compliance system

- ▶ Policies and procedures
 - More guidance and fewer prohibitions

- ▶ Communications channels
 - Who to ask for advice?
 - How to report concerns?

- ▶ Preparing the roll-out
 - Who does what?
 - Designing the training programme
 - Making sure of delivery
 - Getting and acting on feedback

▶ Case study – Bringing compliance to life

Getting the message across

- ▶ Communicating the new system
 - Tone from the top
 - Using multiple channels
 - Don't forget customer and suppliers...

- ▶ Training
 - Terrific training turns theory into practice

- ▶ Review and feedback
 - Making sure the message has spread
 - Starting the continuous improvement process

▶ Case study – ‘Yes, but...’

Some comments on common concerns

- ▶ ‘It will cost too much’
- ▶ ‘It will stop us doing business’
- ▶ ‘It is impossible to implement’

#3

Resilience strategies and risk mitigation solutions

▶ Resilience strategies and risk mitigation solutions

Ensuring that the system lives and functions

- ▶ Keep working on the 'compliance culture'
 - Work ethic trumps paper policies

- ▶ Keep fostering awareness
 - Keep periodic training and communication fresh
 - Keep listening

- ▶ Be seen to act on concerns
 - Respond to reported concerns
 - Protect whistleblowers from retaliation
 - Take clear and visible steps to remedy issues and incidents

Outward-facing measures

- ▶ Send a clear message to customers, suppliers and stakeholders

- ▶ Make use of right to audit and compliance clauses

- ▶ Conduct risk-based third party due diligence