

Answer on Question #53463, Management / Other

Explain the implementation process for an effective corporate compliance programme.

Explanation:

The organization must have established compliance standards and procedures to be followed by its employees and other agents that are reasonably capable of reducing the prospect of criminal conduct. An effective compliance program is one that is developed and implemented in good faith and that ultimately yields intended results: detection, deterrence, and education. Implementing and maintaining an effective compliance program requires a substantial commitment of time, energy and resources.

However, it is important to note that there is no one program that will work for every enterprise.

There are seven elements that are fundamental to a credible and effective compliance program, regardless of the particular model adopted, its level of complexity or the size of a business. The essential elements that should be incorporated in every program are:

- 1 Management Involvement and Support;
- 2 Corporate Compliance Risk Assessment;
- 3 Corporate Compliance Policies and Procedures;
- 4 Training and Education;
- 5 Monitoring, Auditing and Reporting Mechanisms;
- 6 Consistent Disciplinary Procedures and Incentives for Compliance;
- 7 Compliance Program Evaluation.

Management includes the ability to act in the interests of the business, including compliance with relevant legislation and regulations. Management should identify and assess compliance risks of the main business entities and implement appropriate systems to manage these risks. Leaders must foster a culture of compliance in the business, and actively participate in the program for compliance. It must be assigned to the Compliance Officer, responsible for the business compliance program, which does business under the relevant issues and concerns that relate to compliance with regulations. The Board of Directors shall be fully responsible for the choice and the reasons for which will be the basis for the dismissal of the Compliance Officer. Management (The Board of Directors) should be informed in case of any irregularities in the implementation of the compliance program.

The next element is the Corporate Compliance Risk Assessment. At this stage, it needed to be carried out a detailed assessment of the potential risks, which are often faced by companies. As a consequence, thorough risk analysis would enable to correct design strategies that address the risks. Risk management is important in order to adequately address the breadth

of the potential impact of non-compliance risk. Compliance, in conjunction with management, should work to identify the key legal risks facing the business. The proportional risk approach provides the flexibility to include specific methods to the compliance program. Business should be aware of the nature of the risks, their changes depending on this should change the way of business development and compliance program and must be flexible enough to allow him to adapt. Merger or a new marketing campaign can change or add new risks that must be considered. The compliance officer should regularly review job descriptions and speak with employees to ensure that the requirements of their job descriptions have not changed in a way that introduces new risk factors for the position.

Crucial to the success of the program plays the development and document policies and procedures, taking into account the business operations. Policies and procedures of conformity should be developed in such a way directly related to business and employees daily activities. These procedures of compliance assurances must establish internal controls to prevent violations occurred. All employees must be immediately notified of any changes in the program, and policies and procedures should be available to all employees and managers.

The effective corporate compliance program includes ongoing training and communications staff at all levels. A major objective of a compliance program is to prevent contraventions of the Acts. Education and training should demonstrate, in a practical way, how compliance policies and procedures affect daily activities. Management should also play an active role in delivering compliance messages to employees, reinforcing their support for the program, by taking the necessary compliance training themselves, sending emails supporting the compliance program and referring to the program during meetings, presentations and other speaking opportunities.

The next important stage is the Monitoring. Monitoring refers to the ongoing procedures implemented to prevent contravention of the Acts. A business should take the opportunity to verify whether any of its internal or external practices may potentially contravene the Acts. Practice compliance audit vary depending on the type of business and the specific risks that managers are dealing with. Audit may include a review of paper and computer files of staff that are in a position to engage in, or be exposed to, conduct in potential breach of the Acts. Enterprises should take whistleblower reporting seriously and take action, including where appropriate reporting to competent authorities, in response to reports from internal or external whistleblowers. Reporting a concern or cooperating in an investigation should be guaranteed the strongest of protections from retaliation by others in the business, including management.

An enterprise should ensure that all employees at every level understand that failure to comply with its compliance policy and procedures and anticorruption laws will result in disciplinary action, ranging from minor sanctions to more severe punishment, for example, where consistent with applicable law, publicizing disciplinary actions internally, to termination of employment where appropriate. Consistent disciplinary demonstrate the seriousness with which the business views conduct in breach of the Acts and its commitment to compliance. Management should to create an incentive system for staff at all levels to adhere to and actively support the business' compliance program. An enterprise must have appropriate and clear

disciplinary procedures; it must apply them fairly, consistently and promptly across the enterprise; and discipline must be proportionate with the violation.

Finally, it should be considered the Compliance Program Evaluation. A program's ability to deliver its core objective must continuously be assessed. It is also necessary to monitor new developments in the law and business activities to determine their impact on the program. Evaluating a compliance program on a regular basis will ensure that it is achieving its goal of promoting compliance. The compliance officer should be given the responsibility and authority to undertake this review and to make the necessary changes to the compliance program. The review should extend to include the resources provided by the business to support the compliance program.