

Journey to a successful anti-corruption compliance program

STEP 1: COMMITTING TO COMPLIANCE



"A risk-based approach is essential in defining both the appropriate scope of compliance programs and of verification."

– Transparency International Verification of Anti-Corruption Compliance Programs

Top-down commitment

- Compliance should be considered integral to the organization's success overall
- Make compliance another function like marketing or sales
- Ensure the compliance of each business unit



Financial commitment

- A strong investment in compliance programs and procedures shows you take anti-bribery and anti-corruption seriously



Anti-corruption policy objectives

- Comprehensive
- Short and easily understood
- In a format that answers employees' questions
- In compliance with relevant legislation (FCPA, UK Bribery Act, UNCAC, OECD, etc.)

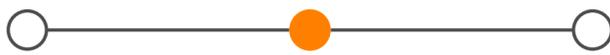


Employee guidance

- Offer guidance on how your employees should deal with specific situations
- Provide online training for some employee levels (consider live training tailored to any unique circumstances of the business)



STEP 2: RISK ASSESSMENT OBJECTIVES



"The primary objective of the corruption risk assessment is to better understand the risk exposure, so informed risk management decisions may be taken."

– OECD Anti-Corruption Ethics Handbook

A good Risk Assessment involves a process of constant monitoring and input.

Points to consider include a company's:

- Geographic locations
- Business partners
- Business sectors
- Transaction types

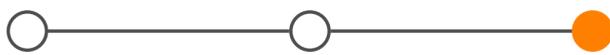


The Risk Assessment should be a living document that is:

- Constantly revised
- Kept up to date
- Benchmarked against



STEP 3: RESEARCH AND REPORTING



Over the past two decades, there has been substantial progress by companies in developing and implementing anti-corruption programs. Such programs are vital to the success of international efforts to combat corruption."

– Transparency International

Metrics

Relevant and regularly reported metrics, such as:

- Percentage of partners that have
 - Completed the due diligence process
 - Added the necessary anti-corruption terms to contracts
 - Been through a risk ranking assessment
 - Ranked high-risk on a particular characteristic
- Percentage of compliance training target the business unit achieved
- Regular reporting of performance against agreed-upon metrics



Due diligence

Your due diligence should be measurable and actionable:

- Collect and analyze information about third parties
- Allow third parties to explain any worrisome information
- Undertake added measures for third parties that are deemed high risk, such as
 - Transaction monitoring on
 - all transactions
 - transactions that pass a certain threshold in value
 - transactions that contain certain elements (e.g., transactions with government)
 - Payment monitoring
 - Closer scrutiny
 - Revised contract terms
 - More frequently refreshed due diligence



Contract negotiation

Build in the right to cancel the contract should you discover that your third party or partner is breaching anti-corruption regulations. Other helpful measures could include:

- Cancellation without penalty and without notice if needed
- Stronger representations and warranties for higher-risk parties
- Annual certification that the third party hasn't breached anti-corruption legislation
- Ongoing tracking of the partner's performance against the contract requirements
- The right to audit the third party's books if a problem is identified



Controls and documentation

Your business's existing financial and internal controls may overlap anti-corruption procedures, such as:

- Checks and approval procedures on invoice payments
- Payment anti-fraud controls
- Sanctioned or barred persons list-screening
- Books and records controls on payments made



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