



Our Perspective

Compliance 2.0, part 2: Policies, Processes and Training

It is no secret that many courts around the world have used a company's "values, ethics and beliefs", combined with its "structures and control systems" (Source: ISO 19600:2014, 3.19) to determine its commitment to the Compliance cause. So, if you have the fundamental structure for Compliance 2.0 in place, and Board-level buy-in means that you are ready to spread the word internally, what are the best steps to embedding a "Compliance Culture" in your organisation?

The 2014 ISO Guidelines break the process down into five main sections:

- Establish
- Develop
- Implement
- Evaluate
- Maintain

Establish your issues and principles

As a business or organisation, the first question you should ask yourself is "where are your potential risks?". These can be both internal and external - for example, when employing senior members of staff on a global scale, or moving into a developing market where a local partner is a legal requirement.

These areas of risk need to be considered with your own good governance principles in mind. Establish what your organisation considers to be a red flag in each risk scenario.

Develop and document your internal policies

Once you have considered your areas of risk and what could constitute a problem, agree and document the steps to verifying that you have done your due diligence and are complying with both external regulations and internal policies.

This needs to be done for each internal department, and for each potential area of risk, and is often done as a visual flow chart to aid decision-making.

Policies should include guidance on when to involve external providers for due diligence reporting. Often this is when objectivity or local knowledge are particularly important.

Emphasis should also be placed on the potential for third-party misconduct. Where an agent is working on your behalf, ignorance is not a defence and suitable processes for obtaining verifiable background checks should be in place.

It is important to recognise that new risks will be identified as an organisation, and the environment it operates in, evolve. Policies need to address how employees highlight these new risks and include them in future Compliance processes.

Implement - communicate this to your staff

Training for all staff is essential so that they recognise how to apply your policies in real-life scenarios and cascade this down to colleagues.

Document the training attended by each accountable staff member, and ensure it is regularly (and relevantly) updated through an internal Continuing Professional Development programme.

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Further reading & reference:

- Preview of the ISO 19600:2014 Compliance Management Systems - Guidelines <https://www.iso.org/obp/ui/#iso:std:iso:19600:ed-1:v1:en>
- The Brave New World of Compliance 2.0, Kasalana White Paper 6, May 2016. <http://www.kasalana.com/story/the-brave-new-world-of-compliance-2-0>

Evaluate and maintain your systems

Compliance is not a static discipline, so carry out regular checks on your processes to ensure that they are fit for purpose and producing the results you need. Adjust and improve them based on the outcome of these evaluations.

The next steps

If you have the fundamentals of corporate structure and culture set up as above with best practice in mind, and have established your internal policies, processes and training programme, the next step to consider is:

- Reporting channels for compliance concerns

This will be the subject of part 3 in the *Our Perspective* Compliance 2.0 series, available in April 2017.

Kasalana Resources

Kasalana publishes quarterly issues of *Our Perspective* covering subjects relevant to our industry. These and our more in-depth White Papers can be found in the Knowledge Centre on our website at www.kasalana.com/knowledge-centre.

If you prefer to receive publications by email, please contact us at info@kasalana.com.

Consultation meetings:

If you would like a free consultation with *Kasalana*, please email info@kasalana.com, or call +44 (0)1580 212832, quoting reference OP14C.

Who we are

Formed in 2005, *Kasalana* is a specialist corporate intelligence company that conducts investigations globally on behalf of clients across all industries. We are experts in enhanced due diligence, background checks and litigation support, solving complex issues on behalf of our clients through investigation. Our clients include FTSE100, FTSE 250 and Fortune 500 corporations, global financial institutions, major law firms and leading private equity houses.

Prior to forming *Kasalana*, *Sam Pope* was Head of Business Intelligence, Deputy Director of Corporate Investigations and EMEA Director of Fraud & Forensic Services for a leading global security risk management company, where he led a team of 40+ investigators. A former defence journalist, Sam has extensive experience of investigating fraudulent activity including asset misappropriation, bribery and corruption, securities and investment fraud, regulatory and anti-trust violations. He frequently works in close collaboration with clients' other professional advisers. He is a member of the American Society for Industrial Security and the Association of Certified Fraud Examiners.

Gareth Crooker joined *Kasalana* in 2010 after working as Director of Corporate Investigations, South-East Asia, for a leading global security risk management company. He has been a business risk consultant for more than 20 years and specialises in pre-investment and compliance-driven due diligence and corporate intelligence. Gareth has also conducted bespoke research and analysis into the political, commercial and security risk environment in Europe and the Former Soviet Union. As well as his native English, Gareth has near-fluent French and Spanish, together with basic Italian and Dutch.

Why we do what we do

At *Kasalana* we have a client-centric approach to intelligence and believe in giving our clients what they need. The information we supply is openly asked for and freely given, and all our work is overseen by senior consultants with many years' experience in their field. With an ethical approach to investigation, we support improvements in global business practices and security.

All our intelligence is individually sourced and produced at the time of commissioning to answer the specific needs of our clients. We work honestly and transparently using a global network of resources to provide timely and accurate information to international clients. To read case studies, please go to www.kasalana.com.

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