



Hogan
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Your ABC of AB&C

Benchmarking your compliance program

Benchmarking your compliance program

Risk assessment questions

Contact us

Complying with anti-bribery and corruption regulation is becoming increasingly complex for companies seeking to compete in a global marketplace. Ongoing developments in many jurisdictions around the world continue to create new challenges. From Asia to Europe and the U.S., regulation is continuing to get tougher.

In order to stay competitive whilst at the same time manage the risks, global businesses need to be able to answer certain key questions. What do the regulators expect? What are other organizations in your sector doing? What else can you do to improve your compliance when faced with limited budgets and team members?

Our benchmarking model allows you to see what advanced, intermediate and basic compliance programs look like. It covers twelve key areas of focus for corporates – from gifts & hospitality, to training, the role of HR, to facilitation payments and use of third parties.

Our recent report *Steering the Course* highlighted important areas of concern for global multinationals striving to stay ahead of the game with some surprising statistics: 57% of 600 chief compliance officers surveyed said commercial pressure is one of the biggest challenges of the job, 59% fear losing their job if targets aren't met, and 66% say their company is better at developing guidelines than implementing them. Worryingly, 58% said it's impossible to know if they are doing enough, and 59% believe the only way to know if you're compliant is to be investigated; clearly the job of navigating the increasingly complex global compliance landscape is not an easy one.

While this benchmarking model is not all-encompassing and the requirements of each organization will be very different, we hope it will provide useful guidance on general standards, and allow you to benchmark your program against them. For an in-depth and bespoke assessment please get in touch with our global anti-bribery and corruption team by emailing: ABC@hoganlovells.com. For more information and to read *Steering the Course*, please visit hoganlovellsabc.com.



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Risk assessment questions

The following factors will have a significant impact on how much focus you should give to different areas of the business.

If you are planning to complete the benchmarking model for assessment by the bribery & corruption team at Hogan Lovells, **please answer the following questions:**

*Please note that this assessment is not to be treated as legal advice and cannot be relied on. The assessment is provided without any representation or warranty (express or implied) as to its accuracy. Accordingly you must not rely on the assessment as an alternative to legal advice from your lawyer or attorney. Entering into this assessment does not create a solicitor/client or attorney/client relationship and Hogan Lovells does not owe a professional duty towards you, save as may be expressly agreed between us.

1

How many offices does your organization have?

2

Do you use third parties?

Yes

No

If yes, how many third parties?

3

Which sector do you operate in?

4

Do you have offices or third parties based in any of these jurisdictions?

Latin America

Asia

Africa

Be realistic in your assessment of your compliance program. Remember that ultimately it could be reviewed by an objective and potentially cynical prosecutor. If a prosecutor has a reason to review the compliance program and believes that it does not reflect a compelling commitment by the company to ensure compliance with the law, the prosecutor's views (whether reasonable or unreasonable) may substantially affect the treatment that the company will receive.

This assessment tool is, however, only a starting point.* There are many other factors that need to be assessed.

1 | Tone from the top

The tone from the top establishes an organization's guiding values and influences its ethical climate. Senior management should promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

They should also be knowledgeable about the content and operation of the compliance and ethics program, including anti-corruption policies, and exercise reasonable oversight as to the implementation and effectiveness of that program.

Basic	Intermediate	Advanced
<p>Management always places commercial success ahead of compliance and ethical considerations, which are not discussed in the context of business decisions.</p> <p>Leaders are proactive as regards ensuring that the employees behave in an ethical manner.</p> <p>There is no clear compliance and ethics program or vision. Dated or inadequate policies or statements may exist, but they are never discussed by management. Educating employees on compliance and ethics issues is not a priority.</p> <p>The Board of Directors is not involved in the compliance and ethics program and are unaware of any related initiatives. The CEO considers his own personal moral compass to be sufficient to lead the business.</p> <p>There is no individual responsible for compliance or ethics, and there is little or no leadership regarding compliance and ethics. There is no individual accountability. Management may view compliance and ethics as solely within the realm of HR or Legal. Compliance resources are generally lacking, and employees are uninformed.</p>	<p>Compliance and ethics are perceived to be connected to, and not inconsistent with, commercial success. Senior managers view promoting ethical conduct as part of their responsibilities.</p> <p>Management articulates and describes the organization's culture with respect to its values, purpose, and ethical commitments. Relevant policies exist, and they are discussed with employees. There is zero tolerance for bribery or corruption.</p> <p>The Board of Directors exercises oversight and takes the compliance and ethics program seriously.</p> <p>A specific individual(s) is delegated operational responsibility for the compliance and ethics programs and given appropriate resources. The responsible individual(s) reports to high-level personnel and the Board or the Audit Committee. There may also be teams with ethics and compliance responsibility within the business, but they are not part of an integrated function.</p>	<p>Senior management emphasizes the importance of compliance and ethical conduct as a core value and strategy that is critical for continued commercial success and this is clear to all employees. Leaders incorporate the vocabulary of compliance and ethics into their communication with employees.</p> <p>Ethical behavior and compliance are considered an essential leadership competency. Senior management and the Board of Directors openly support ethics and compliance initiatives, even if they are controversial. There is zero tolerance for bribery or corruption, and that policy is actively promoted. Leaders are clear that core ethical values must always be put ahead of the pursuit of profit.</p> <p>Compliance and ethical issues are a standing item in senior leadership and Board of Directors meetings, and the Board is regularly apprised of related initiatives and developments.</p> <p>Compliance and ethics are fully integrated into all organizational operations, specific individual(s) have delegated operational responsibility for specific compliance programs, including anticorruption. Resources are abundant, and all employees are aware of them.</p> <p>A key leadership quality requires a full understanding and application of ethical standards in the business.</p>

Contact us

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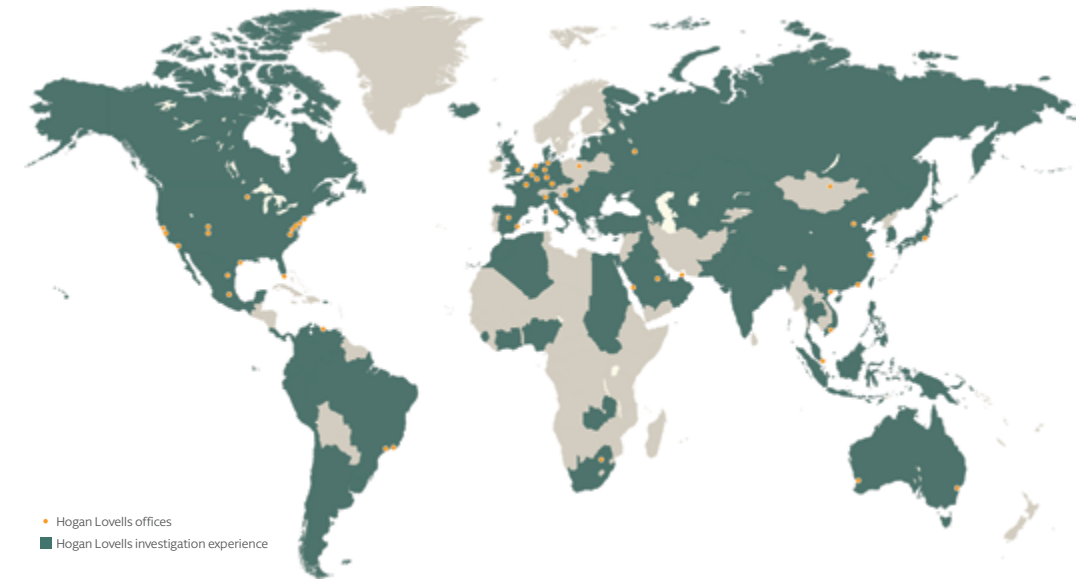
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