

Compliance Training Principles



May 2011

Compliance Code Principles

- Integrity
- Conflicts of Interest
- Confidentiality
- Anti-bribery
- Fair Marketing

Compliance Code

- Is a core component of Member's strategy
- Senior managers should be required to make a written statement of compliance each year
- Knowledge of the Code and compliance should be part of staff annual performance evaluation

Compliance Code

- Should be audited internally by divisional quality and compliance personnel as part of the Quality Management System

Compliance Code

- Audited externally by 3rd party auditors
 - Head office audit
 - Sampled Member sites

Compliance Code

- Breaches should be investigated
- Abusers should face disciplinary action
- Fundamental to membership of IFIA

Integrity

- Reports must reflect **actual** findings
- Tolerances must not be abused

Integrity

- Correct methods applied
- Reports must not be improperly changed
- Reports must remain confidential

Confidentiality

Member shall treat all information received in the course of provision of its services as business confidential to the extent that such information is not already published, generally available or otherwise in the public domain

Conflicts of Interest

Employees shall be free of Conflicts of Interest such as ownership or involvement in outside interests that could influence or adversely affect the employees' performance or Company's reputation

Conflicts of Interest

Care must be taken where divisions or subsidiaries of Member share clients or work for each other

Anti-bribery

- Employees are prohibited from offering, soliciting giving and receiving bribes
- All indirect routes for bribes are prohibited

Fair Marketing

- Marketing must be:
 - Truthful
 - Not deceptive
 - Not Misleading, or likely to be so
 - Consistent with applicable law
 - Fair
- Applies to both Member marketing **AND** to comments on other IFIA Members

Fair Marketing

- Member network, affiliations, resources and services provided must be presented:
 - Accurately **and**
 - Unambiguously

IFIA Member Guidance Notes for Training Staff

- How should Members' staff behave?

Your Part in Compliance

- Comply
- Report
 - If requested or pressured to breach
 - If you observe a breach
 - Where it is substantially likely that a breach could occur

Report Breaches.....

- To your superior – if you believe he/she is not involved
- To your Compliance Officer

(Insert Compliance Officer contact details here)

Reporting Breaches

- You may report anonymously on the secure email address or the independent telephone line
 - Please be specific – give dates, names, references
 - Do not make general accusations, they cannot be investigated
 - Your career should not suffer as a result of reporting!

Reporting Breaches

- Ensure you **DO** report breaches
- Do **NOT** make malicious reports
- Do report Personnel/Human Resource issues using the **NORMAL** channels

Compliance Code

- Breaches should be investigated
- Abusers should face disciplinary action
- Fundamental to membership of IFIA

What Happens After You Report?

- There will be an investigation
- If any individuals are found to have broken the Code, the Company should take action under its Zero Tolerance Policy

What Happens After You Report?

- If requested, your anonymity will be preserved, to the extent possible
- Your career should NOT be affected

Compliance Code Rules

- Integrity
- Conflicts of Interest
- Confidentiality
- Anti-bribery
- Fair marketing

Compliance Code Rules – Penalties for Offenders

Infractions of the Member Compliance Code should result in disciplinary action up to and including dismissal

Compliance Code Rules - Implementation

Training guide for staff

Compliance Code Rules

When clients apply pressure:

Employees should politely decline to abuse tolerances or change findings at the request of clients and should immediately report the details of the communication to their manager

Compliance Code Rules

- **Integrity**
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Compliance Code Rules - Integrity

- Reports must reflect actual findings
- Tolerances must not be abused
- Correct methods must be applied
- Reports must not be improperly changed

Compliance Code Rules

- Integrity
- **Conflicts of Interest**
- Confidentiality
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Compliance Code Rules – Conflicts of Interest

Employees shall be free of Conflicts of Interest such as ownership or involvement in outside interests that could influence or adversely affect the employees' performance or the Company's reputation

Compliance Code Rules – Conflicts of Interest

Care **MUST** be taken where divisions or subsidiaries of a Member share clients or work for each other

- Employees may not break the Code within their division under pressure from a client or colleague to preserve a client relationship in another division or subsidiary
- Any such pressure should be reported to your manager or, if they are involved, to your business stream Compliance Officer

Compliance Code – Conflicts of Interest

Employees

- Must NOT own an interest, or have a position in:
 - a client
 - a supplier OR
 - a competitor
- Not directly
- Not indirectly through any intermediary

Compliance Code – Conflicts of Interest

Employees

The exception is where the holding is through a stock exchange

BUT

The holding must not either:

- grant significant influence OR
- create undue dependence

Compliance Code – Conflicts of Interest

Employees

- Employees are prohibited from directly conducting business with:
 - their family OR
 - any organisation with which their family is associated
- Where the Member conducts business with an entity or person related to an employee, the employee shall not be directly involved and the entity shall be subject to no preferential treatment by virtue of the connection
- Employees may not recruit members of their own family unless with prior approval from their senior manager

Compliance Code Rules

- Integrity
- Conflicts of Interest
- **Confidentiality**
- Anti-bribery
- Fair marketing

Compliance Code – Confidentiality

You have signed a non-disclosure agreement as part of the Code of Ethics sign-off document

‘Member shall treat all information received in the course of provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain’

Compliance Code – Confidentiality

- Authorised access
- Stored in designated areas
- Disposed of securely

Compliance Code Rules

- Integrity
- Conflicts of Interest
- Confidentiality
- **Anti-bribery**
- Fair marketing

Compliance Code – Anti-bribery

- Employees are prohibited from offering, soliciting, giving and receiving bribes
- All indirect routes for bribes are prohibited
- Offers of bribes must be reported

Compliance Code – Anti-bribery

Gifts, Hospitality and Expenses

Shall not:

- Influence or appear to influence a contractual or materials transaction
- Serve or appear to serve as an inducement to act improperly

Compliance Code – Anti-bribery

Gifts, Hospitality and Expenses – Received or Offered

The Rules

- Made for the right reasons
- Without obligation
- Without expectation
- Made openly
- With regard to the perception of other involved parties

Compliance Code – Anti-bribery

Gifts, Hospitality and Expenses – Received or Offered

The Rules

- Reported
- Reasonable in value
- In compliance with the Code
- Infrequent

Compliance Code – Anti-bribery

Gifts, Hospitality and Expenses – Received or Offered

How do I comply?

- Do not ordinarily accept or offer gifts with a value exceeding US \$25
- Do not receive or offer gifts more than twice per year from or to a single party
- Report the receipt or offering of gifts outside these rules to your manager for a decision on whether they shall be accepted, surrendered or disposed of
- Managers shall refer to the business stream Compliance Officer for guidance as necessary and may be audited

Compliance Code – Anti-bribery

Hospitality and Entertaining

When providing or receiving hospitality employees shall act reasonably. As a guideline, the value of entertainment should not generally exceed an amount that would be considered acceptable by the Member for subsistence when on business

Compliance Code – Anti-bribery

Accounting

- Must be accurate and unambiguous
- Off-books accounting is prohibited

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- This applies both to member marketing **AND** to comments on other IFIA members

Compliance Code – Fair Marketing

The member's network, affiliations, resources and services provided must be presented:

- accurately AND
- unambiguously

To Summarise - Your Part in Compliance

- Comply
- Report:
 - If requested or pressured to breach
 - If you observe a breach
 - Where it is substantially likely that a breach may occur

If you are in doubt about the Compliance Code

Please enquire on the email help line:

(insert member email help line contact details here)

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