

What Should Be in Your Compliance Code

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Compliance Code Objectives

- Reducing the likelihood of violations
- Projecting your Commitment to business ethics and integrity to employees, the public and the Government
- Get “benefit of doubt” if violation occurs



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What Every Code Should Include

- A Prelude Message from the President/CEO that sets the Tone From the Top of the importance of ethics and integrity
- A Statement of the Company's Core Values
- A Commitment to Stakeholders –Code should explicitly emphasize the company's commitment to shareholders, customers, suppliers, employees, local community, etc.



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What Every Code Should Include

- Examples –the Code should provide practical applications of the policies and principles outlined in the Code
- Presentation and Style – The language should be easy to understand and the layout should be appealing to the reader (i.e., informal and engaging)
- Availability –Code should be readily accessible to both employees and the public



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What Every Code Should Include (cont'd)

- Topics Addressing Employee Issues
 - Equal Employment Opportunity, Workplace Harassment, Protecting Employee Confidential Information, Alcohol and Drugs, Health and Safety, Personal Conflicts of Interest, Giving or Accepting Gratuities/Gifts
- Topics Addressing Company Assets and Financial Integrity
 - Use of Company Assets, Protecting Information and IP rights, Maintaining Accurate and Complete Books and Records, Disclosure of Material Information, Insider Trading



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What Every Handbook Should Include (cont'd)

- Topics Specific to Government and International Business
 - Export and Import Compliance, Bribery and Kickbacks, Foreign Corrupt Practices Act, Recruitment of Government Employees, Political Contributions and Lobbying, Truth in Negotiations Act, CAS



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Effective Policies and Procedures

- Current
 - Policies need to be reviewed and updated at least annually and whenever there is a change in the relevant law
- Accountability
 - Every policy needs to have an “owner” - someone who is responsible for implementing and updating the policy
 - Needs to be coordination/Synergy between drafter and “owner” of policy



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Effective Policies and Procedures (cont'd)

- Accessible
 - Policies should be readily accessible. If available on an intranet site, need to be sure to delete old policies and make sure there is not duplication
 - Clear, concise and simple – should be easy to understand
- Certification
 - Have employees sign certifications that they read and understood the policy (and retain certifications)



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Reporting Mechanisms and Addressing Allegations of Misconduct

- Reporting mechanisms: Hotlines, Emails, Mail
- Anonymous and Confidential
 - Let employees know that anonymous is truly anonymous, but that reporting anonymously may limit the company's ability to investigate and respond to the complaint
 - Eliminates ability to get more information and to clarify actions to employee



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Reporting Mechanisms and Addressing Allegations of Misconduct

- Reports should include the business group or unit or person(s) involved in the alleged conduct, all relevant factual information regarding the allegations, and contact information of reporter (unless made anonymously)
- Identify to whom to report a violation (Compliance Officer, in-house or outside counsel)



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Role of the Compliance Officer

- Crucial to the success of the Compliance Program
- Overseeing the implementation of the company's code of conduct and ethics and all policies and procedures and training program
- Conducting periodic reviews of the code, policies and training programs
- Developing and maintaining internal reporting mechanisms
- Responding timely and proportionately to any reports



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Compliance Review

- Attached is a Compliance Program Self Evaluation Tool with weighted scoring used by Ethisphere Council Magazine in evaluating "Government Contractor Ethics Program Ranking"
- Retain outside, independent experts to review your compliance program (privileged and confidential)
- Select topics to review
 - Revenue generators, areas with past problems, new areas of compliance, areas of core business, etc.
- Review policies and procedures to ensure they are current, clear, accurate, and complete.



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Compliance Review

- Develop questionnaires or surveys for employees to explain how tasks are performed.
- Interview employees to determine if policies are being followed and are effective.
- Identify gaps and overlaps in the policies
- Provide key findings and recommendations for corrective action.

