

# Anti-Corruption Compliance Function: Role, Responsibilities and Accountabilities

## Introduction

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While the board and senior management have ultimate responsibility for an organization's anti-corruption compliance program, companies with effective programs have assigned responsibility for their program's day-to-day oversight and implementation to a qualified person and given that person the independence and resources, human and financial, to get the job done. That person's responsibilities will include ownership of the anti-corruption program, leading implementation and improvement efforts, and reporting to senior management on how the program is working. Whether that person has sole responsibility or works with a group or team of people, without a strong compliance manager or "function" with visible commitment and support from senior leaders, an organization's efforts to implement an effective program may fall short. Determining who will fill this role, then, is a critical part of your program's success.

### Who should lead the compliance function?

An executive-level person should lead the compliance function. This person should have strong **leadership and managerial skills** and the standing within the organization to garner respect and effect change. The **status** of the person appointed to the role sends a powerful message about the organization's commitment to compliance. And whether the job is full-time or part-time, it should be something the person is officially assigned to do. As a practical matter, this means that the board or senior management have officially assigned personnel specific **authority** and provided a mandate to undertake the role.

Other important requirements are **competence, independence, and resources** to do the job.

Competence should be determined by appropriate education, training and experience. This should include education and training in key anti-corruption issues and risks, as well as requirements of relevant applicable legislation. Education, experience or training in management systems and business processes is also needed if the person is unfamiliar with those topics. When thinking about competence, keep in mind the list of responsibilities discussed below and make sure that each one is covered.

An effective compliance function is one that is not controlled by operations and is independent from management so that its mission is not hampered or compromised by other business considerations. A best practice is to create independence by giving the function direct reporting access to the board of directors (or equivalent body) or committees of the board.

Of course, the function must have sufficient personnel and dedicated resources – based on the organization's assessment of its corruption risk – to perform all required tasks. Providing sufficient resources demonstrates that anti-corruption compliance is viewed as an important aspect of the organization's operations.

### Size

There is no "correct" size or composition of an anti-corruption compliance function, but rather should be determined by your organization's size, structure, complexity and bribery risk profile.

In small organizations, the role may begin as the part-time responsibility of one person. It may start as a full-time role or grow into it over time. In larger organizations, the compliance function may be the full-time responsibility of a group of people.

Some organizations form a “cross-functional” team with representation from a range of business areas that routinely deal with anti-corruption (such as legal, finance, risk, procurement/sourcing, etc.). Having this type of a team can be particularly helpful in ensuring that the function has the skill set necessary to do the job; all relevant risks are identified and addressed; the program is practical; and it is embedded in operations. Another advantage of having a cross-functional team is that you can bring in a range of competencies and technical skills to ensure your program’s effectiveness. Whether you have a formal cross-functional team, getting input into your program’s design and implementation from a variety of roles can help ensure that it is effective.

## **Responsibilities**

As noted above, the role or function’s overall responsibility is to oversee the development, implementation and improvement of the compliance program and to report to senior management about the program’s effectiveness. What is encompassed in that is not necessarily fixed, but will evolve as your program develops and matures.

If your compliance manager or function is one person, it is particularly important to ensure that person has all the necessary competencies to carry out the role.

The following is a list of specific tasks that should be a formal part of the job:

- Lead or participate in an evaluation of your company’s anti-corruption risks.
- Oversee the development and implementation of policies, procedures and controls (i.e., the program) to address identified risks.
- Communicate within the company the importance of ethics and compliance.
- Encourage a “speak up” culture within the organization.
- Provide guidance to employees and other stakeholders.
- Coordinate with other business units such as human resources, internal audit, and finance to ensure the program is operationalized.
- Lead due diligence of third parties and transactions.
- Lead in developing and participate (with Human Resources for example) in implementing anti-corruption training.
- Lead or coordinate investigations.
- Monitor the program internally and of key third parties.
- Coordinate with internal audit, if relevant.
- Analyze data for risks, trends, etc.
- Based on monitoring results and other inputs, develop a plan to improve your anti-corruption program, setting goals and timelines for improvement.
- Report to senior management and the board (or equivalent) on the current state of the anti-corruption efforts, highlighting areas of concern to be prioritized for improvement.

### **Key questions:**

- Which senior-level person should lead the organization's compliance program?
- Which other personnel/business functions should have a role?
- Does the person have status, authority, competence, independence and resources?
- Do your employees and others know how to reach the compliance manager or function?

Next are some ideas for an organization that is just forming a compliance function.

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## **Initial Tasks for Forming and Launching a Compliance Function**

1. Send a communication from senior management to all employees on the designation of an anti-corruption compliance manager/formation of the anti-corruption compliance function and its purpose to improve anti-corruption efforts.
  2. Determine whether you will include personnel from a range of business areas within the function.
  3. The anti-corruption compliance manager should be appointed by company senior management. He or she should be a competent and qualified senior company representative with enough authority to address senior management and the board of directors (or equivalent) and to influence business unit managers.
  4. Define the logistics for the function—frequency of meetings, duration of position on the team, reporting lines, modes of communication, etc.
  5. Identify general improvement areas for the anti-corruption program. This could be by country, risk, or based on past experience.
  6. Prioritize areas for improvement.
  7. Develop and implement a work plan including timeline, resources needed, and responsible parties.
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## **Communicating to Employees**

We recommend periodically reiterating your commitment to compliance and ethics both internally with employees and externally with business partners. The following is a sample communication that you can adapt to your organization to inform your employees about the purpose and importance of your anti-corruption program.

This letter could be timed for informing your employees about an improvement or change to your anti-corruption policies or procedures, or you could send it while that process is underway. What is important is that your employees receive regular communications from senior management on the importance of ethics and compliance. We encourage you to modify this for your needs and follow up with a blog, intranet article, and/or another regular communications vehicle.

**Subject: Your role in preventing corruption**

Dear Colleagues:

COMPANY NAME is committed to conducting itself responsibly, ethically, and with integrity. The invaluable reputation we have earned with our customers, investors and business partners relies on this promise. I am writing to reiterate our commitment, and to outline all of the different ways we can all contribute to creating a fair and productive business environment.

I want COMPANY NAME to be known as a company that places the highest value on the way it conducts business. Our zero tolerance policy toward corruption has helped us build trust and confidence among investors, customers, business partners, and the public. Ethical business is good business, and ensuring that COMPANY NAME maintains the highest standards of ethics and compliance is every employee's responsibility. I've provided a list of steps you can take below:

- We have developed a set of comprehensive policies on preventing corruption, which you have all received and acknowledged. Please review these carefully and think about how they affect your responsibilities.
- ANTI-CORRUPTION COMPLIANCE MANAGER NAME and [the team, others, etc.] is taking the lead to establish new systems and procedures for preventing corruption. I hope that you will work with the team to improve our management of corruption risks.
- You now have access to a mailbox for the anti-corruption compliance function so you can ask questions on corruption prevention and offer ideas. It is [ANTICORRUPTION@COMPANYNAME.COM](mailto:ANTICORRUPTION@COMPANYNAME.COM). Please don't hesitate to contact the team.
- We will soon be developing new training and intranet resources on preventing corruption. Please be on the lookout for more information.
- We have an anonymous reporting hotline available to all employees who are concerned about potential misconduct. That number is XXX-XXX-XXXX.
- We will be providing mandatory training on anti-corruption policies and procedures for all employees. Please be on the lookout for more information.

Your role in protecting the reputation of our company is absolutely critical. I hope you will join me in our efforts to help make COMPANY NAME a leader in corruption prevention as part of our ongoing commitment to responsible business practices.

Sincerely,

CEO NAME