

# Committing to Certification: Challenges vs Opportunities

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# NAME AND SHAME



Corruption  
must be  
spotted

<https://campaignsoftheworld.com/print/transparency-international-corruption-must-be-spotted/>

# NAME AND PRAISE



Integrity  
shall be  
distinguished

# NAME AND PRAISE: How to Gain?

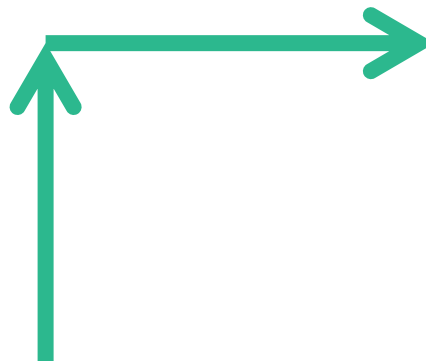


## Step 1



Joined the UNIC =  
Self-assessment  
of compliance by a new  
member

Certifies UNIC membership  
And commitment  
to constantly improve  
compliance and integrity level



## Step 2



UNIC Certification of  
Compliance = Assessment  
of compliance by selected  
independent experts

Certifies the right  
to use UNIC logo



# SELF-ASSESSMENT: Step 1

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Joining the UNIC =  
Self-assessment of  
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Certifies UNIC membership  
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improve compliance and  
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Internal procedure to:

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- Understand the organization's culture
- Establish risk faced by organization
- Identify areas for improvement

# SELF-ASSESSMENT: Step 1

## How to conduct a self-assessment:



- Two or three individuals
- Trustworthy, respected, not involved in operations
- Experienced or assisted
- Internal or external
- Confidentiality
- Report submitted to CEO



On 9 October 2017 at the Founding Meeting of the Network, **Jean-Pierre Méan** is making a presentation of Self-Assessment Questionary

# UNIC CERTIFICATION: Step 2

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UNIC Certification of Compliance =  
Assessment of compliance by **selected independent experts**

Certifies the right to use the UNIC logo

# UNIC CERTIFICATION: Step 2



## IT CONFIRMS THAT UNIC MEMBER



Has identified its compliance risks



Has developed a procedure / policy to prevent corruption



Has implemented a risk-based policy and procedures to prevent corruption properly and in line with UNIC Standard



Is being guided by it and its principles in daily work



**DOES NOT GUARANTEE THAT A UNIC MEMBER**

does not have and will not have corruption in future

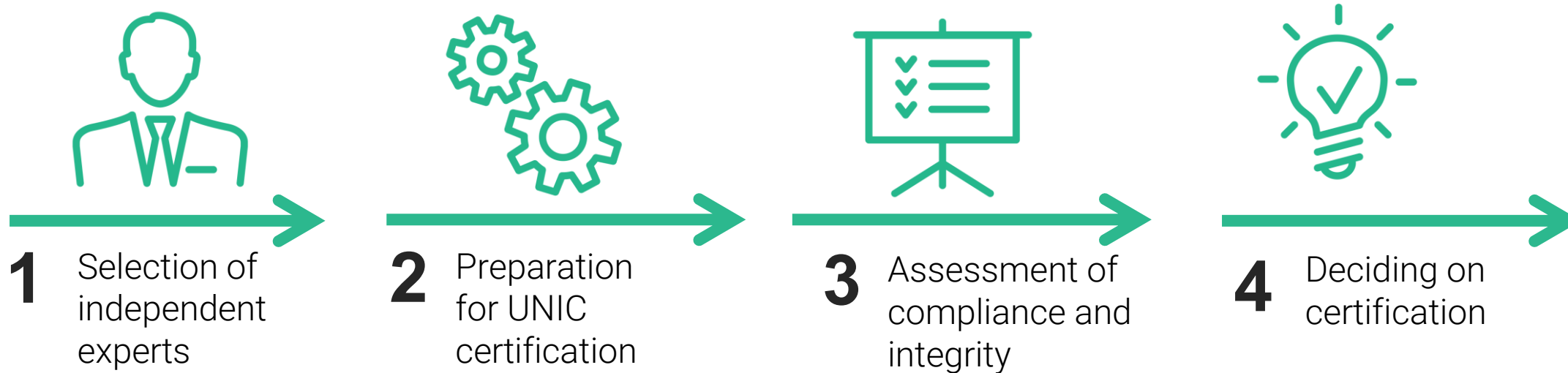


**DOES NOT CONSTITUTE** investigation of compliance violations of employees of UNIC member



# STAGES OF CERTIFICATION

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# SELECTION OF EXPERTS



## INDEPENDENT EXPERTS SHALL BE SELECTED IN 2 STAGES:

1

Technical  
assessment

Based on the preliminary  
proposal and takes into  
account:

- Qualification
- Experience
- Team composition

2

Financial proposals  
assessment

Based on the financial proposals  
from the shortlisted experts:

financial  
proposal



125% of the lowest  
offered  
approximate value

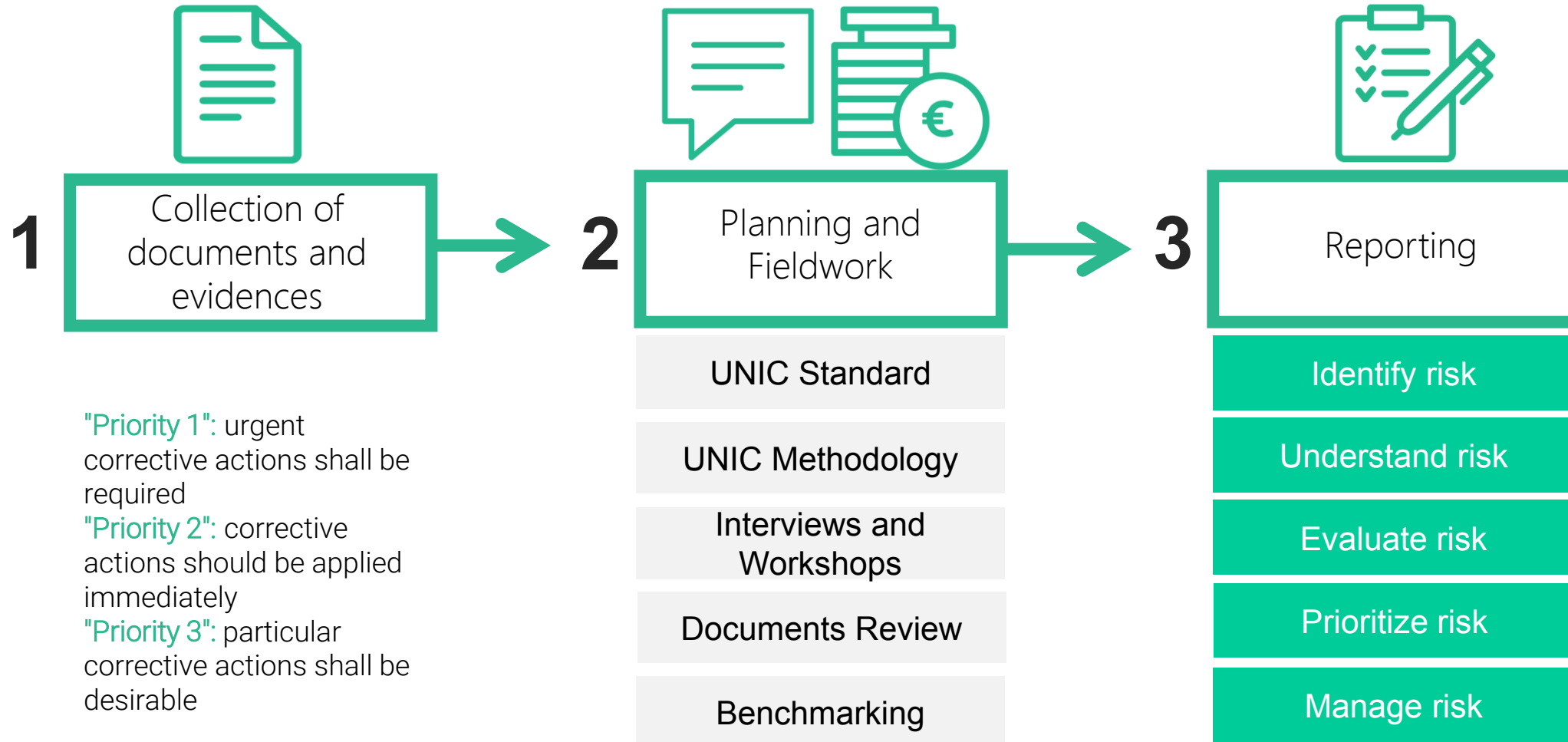


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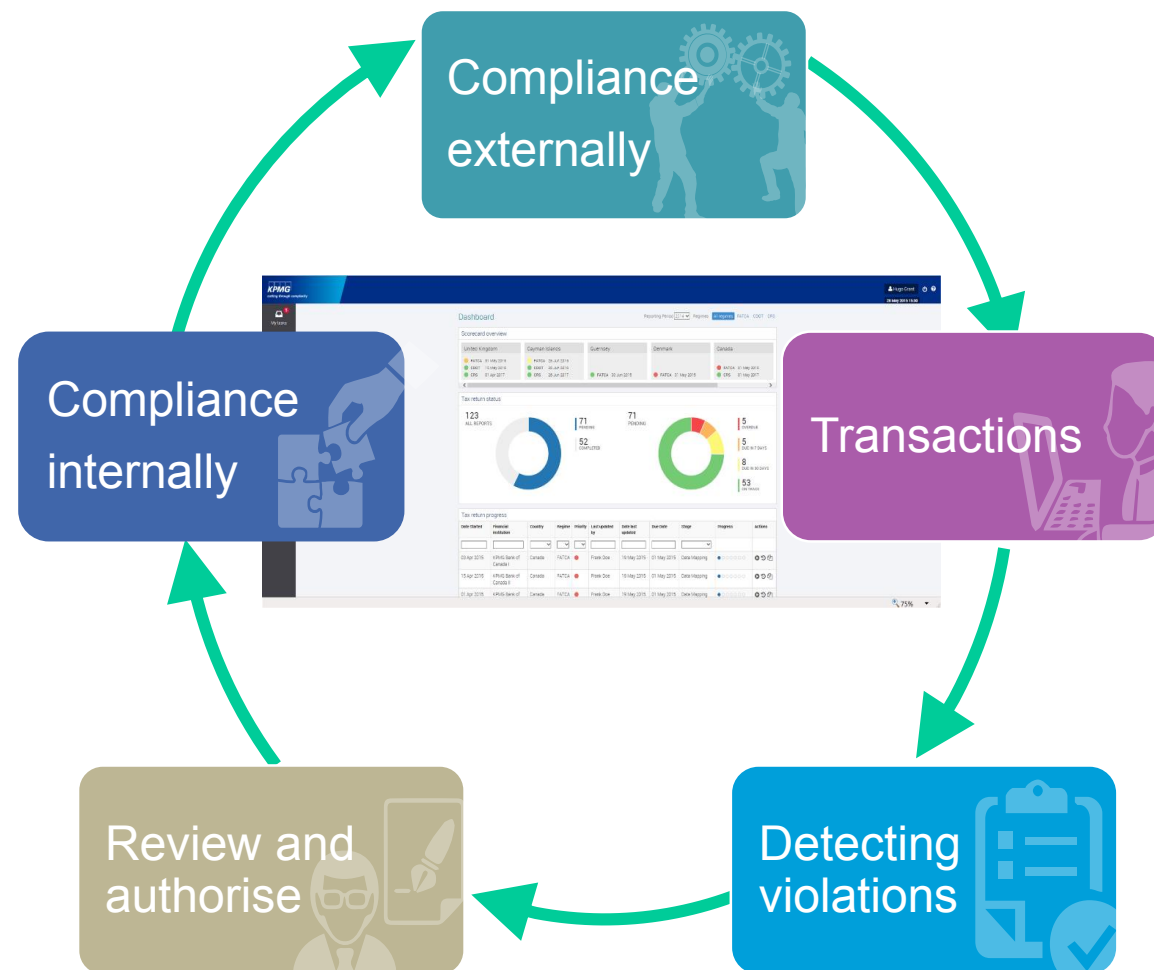


PENDING

# ASSESSMENT



# ASSESSMENT SCOPE



# ASSESSMENT SCOPE

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## SAMPLE:

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### Compliance externally

Does the company have a policy for how it conducts business with agents and other intermediaries?

- Intermediaries' contracts allow to review files for compliance with screening requirements
- Policy requiring third parties to produce proof that they are checking their employees/counterparties
- The relevant intermediaries' policy was checked
- Third party's incentive model against compliance risks
- Policy on how often screenings are required to be done by the third party
- How the company monitors the third parties in question



# DECISION MAKING



**UNIC**  
Ukrainian Network  
of Integrity and Compliance



Granting authorization to use UNIC logo



Decisions of the Executive Committee



Owner's preliminary permit



Checking by open sources of information



Independent Expert Report with recommendations "Priority 3"



## CERTIFICATE

### Company

UNIC Member  
has successfully passed  
an assessment of compliance  
and integrity level  
by an independent expert

# BENEFITS OF CERTIFICATION

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## RIGHT TO USE LOGO

- To mark goods, works, services
- In the media landscape (use in business documentation, on a website, etc.)



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## RECOGNITION

- It's benchmarking (you know whether you have done the right things, so it's the demonstration to yourself of the effectiveness of your system)
- By other market participants for a high level of business integrity and compliance



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## INCREASED LEVEL OF CONFIDENCE

for:

- New counterparties
- Investors
- Lenders

# CHALLENGES

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For now, it is not so popular...

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**Lead or Leave:** You should be the agent of changes. For this, you should understand the role you can play in the practical application of incentives / sanctions in private / public sectors

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We do not know where to start...

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**Grow or Go:** UNIC is an educational platform providing its members with key tools required for improving compliance and getting closer to certification

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What if my company fails certification...

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**Name and Shame:** The results of certification are confidential. All participants of the process are bound by a non-disclosure agreement. Even if your company fails, remember that the main benefit of certification is first of all that it's benchmarking

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# CHALLENGES

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We are afraid that it could invite state authorities' attention...



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It is costly...



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We see value but we don't see immediate benefits...

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**Prepared and Equipped:** It is true that the certification does not constitute «*per se*» a defense against prosecution however, it confirms that the company has all procedures in place to prevent undue prosecution. It is not going to be an absolute defense - any judge will want to convince himself of the effectiveness of the prevention measures that have been put in place, but it will help

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On average, non-compliance cost is 2.65 times the cost of compliance\*.

*\*Adjusting total cost by organizational headcount (size) yields a per capita compliance cost of \$222 per employee. Adjusting total cost by organizational headcount (size) yields a per capita non-compliance cost of \$820 per employee.*

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## Let us discuss in more detail

# DRIVING VALUE FROM BENEFITS

Going beyond the typical **sanctions-only approach** in motivating your **business partners** to adhere to your anti-corruption standards, you could consider offering:





# DRIVING VALUE FROM BENEFITS

Going beyond  
the typical  
**sanctions-only**  
**approach** in  
motivating to  
adhere to higher  
compliance  
standard



# INTEGRITY MUST BE DISTINGUISHED



Every piece of your [compliance] program needs to be tied to the actual operations of the company, said Hui Chen, the compliance counsel at the US Department of Justice (DOJ)





# Thank you

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