



# **Integrity Chamber Sint Maarten**

## **Advice on the Compliance Officer**

April 2024



## Table of Contents

<b>1. Introduction</b>	<b>4</b>
1.1 Preface	4
1.2 Rationale	4
1.3 Methodology	4
<b>2. Relevance</b>	<b>5</b>
<b>3. The Compliance Function</b>	<b>6</b>
3.1 Importance	6
3.2 Tasks	7
3.3 Knowledge and skills	8
3.4 Independence	8
<b>4. Resources and Support</b>	<b>9</b>
4.1 Resources	9
4.1.1 Training	9
4.1.2 Office space	9
4.1.3 Mobile phone and ICT-facilities	9
4.1.4 Safe/vault for storage	9
4.1.5 Compliance dropbox	9
4.1.6 Budget	10
4.2 Support	10
4.2.1 Support from the top	10
4.2.2 Collaboration	10
4.2.3 Positive organisational culture	10
4.2.4 Compliance team	10
4.2.5 Internal awareness campaign	11
<b>5. The (Annual) Compliance Program</b>	<b>11</b>
5.1 Risk assessment	11
5.2 Staff training	12
5.3 Internal policies	12
5.4 Reporting	13
5.5 Document management	13
<b>6. Advice</b>	<b>14</b>



**Attachment A: Example risk assessment model ..... 16**  
**Attachment B: Example overview of categorized integrity misconducts ..... 18**  
**Attachment C: Example Compliance Officer profile..... 19**



## 1. Introduction

### 1.1 Preface

The Integrity Chamber is authorized to give advice and make proposals on policies to generally improve integrity throughout government and its entities. The basis for this authorization is found in Articles 16 through 18 of the National Ordinance Integrity Chamber.

By giving advice and making proposals, the Integrity Chamber strives to fill gaps and address procedures aimed at bettering the functioning of government and its entities and ultimately the overall administrative infrastructure of the country.

### 1.2 Rationale

Pursuant to Article 16, paragraph five, of the National Ordinance, the Integrity Chamber is specifically tasked with rendering an advice or proposal on Compliance Officers.

In this advice, the Integrity Chamber specifically advises the Government owned entities, TelEm Group of Companies (TelEm), the Princess Juliana International Airport Operating Company (PJIAE), Sint Maarten Harbour Holding Company (Harbour), Gemeenschappelijk Elektriciteitsbedrijf Bovenwindse Eilanden (N.V. GEBE), and Windward Islands Airways International (WinAir), on the role and responsibilities of the Compliance Officer, within the integrity infrastructure. The integrity infrastructure consists of two (2) aspects, namely (i) all integrity-related legislation and regulations (policies and procedures), and moral codes or principles of the organisation and (ii) all additional elements necessary for the fulfilment of organisational objectives.

While this advice references specific Government owned entities, other Government owned entities are not excluded. The Integrity Chamber believes that this advice can also serve as a guide to Government and other organisations in improving their internal integrity infrastructure.

### 1.3 Methodology

For the purpose of this advice, the Integrity Chamber (1) conducted desk research on literature, national and international legislation and regulations, (2) conducted field research by consulting professionals in the field of compliance, and (3) met with representatives of TelEm, PJIAE, Harbour, N.V. GEBE, and WinAir.

## 2. Relevance

Compliance and the office of the Compliance Officer gained momentum in the early 1990s, particularly within financial institutions. Currently, however, it is on the agenda of more and more organisations, and organisations worldwide are employing Compliance Officers to ensure compliance to regulatory and legal requirements, as well as internal policies.

The function of the Compliance Officer is more commonly found in organisations that must adhere to specific (national and international) regulatory requirements in their industry. The specific industries in which the previously mentioned Government owned entities function, demand compliance to specific regulatory requirements. For this reason, while some Government owned entities do not have a compliance officer, the compliance function is to a certain extent embedded in the organisation. Introducing compliance officers can strengthen compliance to industry requirements and can assist in identifying and establishing the appropriate tools to protect the organisation, its employees, clients, and stakeholders.

Compliance was traditionally only engaged when issues within the organisations had already surfaced, as a second line of defence.<sup>1</sup> However, over the past years, there has been a rise in the demand for Compliance Officers as regulations become more complex, policies more stringent, and laws ever-changing. Organisations must protect their clients, stakeholders, employees and themselves from misconducts perpetrated by both external and internal sources. This requires the organisations to change their culture and structure and reposition the Compliance Officer, designating them as a central guiding/strategic force in business and technological decisions.

In addition, the compliance function has evolved to include compliance to ethical standards, and internal policies and procedures related to integrity. Compliance Officers also play a crucial role in educating employees about expected behaviour and compliance requirements and minimizing compliance issues down the line.

In light of this, the Integrity Chamber has decided to advise Government owned entities on the role, responsibilities, and importance of the Compliance Officer within their organisation, with a focus on integrity.

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<sup>1</sup> The three (3) lines of defense model provides guidance for effective risk management and governance within an organisation. First line of defense is management and the third line is internal audit.

## 3. The Compliance Function

### 3.1 Importance

Compliance can be defined as the act of an organisation meeting its obligations, by complying to (mandatory) laws and regulations, and (voluntary) internal policies and procedures. It is important that Compliance Officers are in the forefront, working with the organisation to identify and establish the appropriate controls needed to protect an organisation, its clients, stakeholders, and employees. This will minimize the occurrences of integrity issues and improve the internal integrity infrastructure of the organisation.

The Compliance Officer is therefore an essential part of the integrity infrastructure and can have the following benefits for the organisation:

#### a. Enhancing trust with clients and stakeholders

Clients and stakeholders are more likely to trust the organisation and its services when the organisation complies with the applicable legislative framework. This occurs as clients and stakeholders understand that the law protects their interest and that the standards set by an organisation also take into account their preferences and expectations.

#### b. Improving organisational image

When an organisation demonstrates compliance and enhances the trust with its clients and stakeholders, this can result in a positive organisational image, avoidance of negative publicity, expansion of the client base (locally and internationally), and increased client satisfaction. This can ultimately lead to an increase in revenue.

#### c. Improving compliance with internal processes

Compliance Officers can improve the organisation's internal processes by ensuring that each employee understands and follows the standards, codes, and organisational procedures in place. This enhances organisational operations, guarantees quality levels, and ensures the safety of employees. Compliance Officers can also create training programs to improve compliance with internal processes, which can lead to increased employee trust, and a healthier and more attractive work environment for current and future employees.

#### d. Reducing and avoiding risk

Compliance and integrity risks can be reduced and/or avoided by improving adherence to internal and external rules and regulations. Integrity and compliance management helps organisations to manage risks, investigate alleged misconducts, and measure the implications when issues arise. Therefore, appointing a Compliance Officer within an organisation that emphasizes both compliance and integrity improves good governance.

**e. Reducing and avoiding the chance of fines and penalties**

When companies are in violation of the law, regulatory bodies can impose a fine and/or penalty which can lead to further detrimental consequences, such as reputational damage or financial constraints. A Compliance Officer can work with the organisation to reduce and/or prevent the risk of violating the law, thereby reducing the chance of receiving a fine or penalty.

**f. Providing objective advice to Managing and Supervisory Boards**

The Managing and Supervisory Boards are ultimately responsible for the organisation being compliant with the applicable legislative framework. The Compliance Officer advises the Managing and Supervisory Boards on compliance issues and safeguards their objectivity in their decision making.

### 3.2 Tasks

The role of a Compliance Officer can be divided in three (3) categories:

**1. Prevention**

The Compliance Officer prevents compliance issues by:

- Creating a compliance program;
- Keeping abreast of internal and international compliance standards;
- Coordinating, reviewing, monitoring and updating policies and procedures of the organisation;
- Communicating the organisation's key ethical principles and compliance regulations within the organisation in an effective manner by providing trainings to and ensure awareness of the Managing and Supervisory Board and staff;
- Adhering to (regulatory) reporting guidelines and meeting or setting deadlines; and
- Acting as an advisor on compliance queries from the Managing and Supervisory Board and staff.

**2. Detection**

The Compliance Officer detects compliance issues by:

- Auditing processes, practices, and documents proactively to identify weaknesses/ compliance risks in order to ensure corrections and prevent future violations.

**3. Response**

The Compliance Officer responds to compliance issues by:

- Carrying out investigations following allegations of compliance and policy infraction; and
- Advising Managing and Supervisory Board on enforcement in case of compliance infringements.

### 3.3 Knowledge and skills

To fulfil the task of a Compliance Officer, certain knowledge and skills are required. While the specific qualifications of a Compliance Officer can vary based on the organisation and the industry, the following knowledge and skills are recommended to successfully execute the role of a Compliance Officer:

- **Integrity:** The compliance function must be carried out with strong moral principles. The Compliance Officer is therefore expected to be honest, trustworthy, and of strong moral character. They also need to be confident and resilient in order to do the right thing when faced with tough situations.
- **Business acumen:** Compliance Officers need to have an understanding of the industry in which they operate and be well-versed with the needs of the organisation.
- **Regulatory and technical knowledge:** Compliance Officers must keep up to date with regulatory changes within their industry, what is driving these, and the cause and effect for the organisation.
- **Critical/ Analytic thinking:** Compliance Officers must be able to analyse data in order to make strategic decisions.
- **Effective Problem-solving skills:** The Compliance Officer must be able to help the organisation deal with changes in regulations or laws that can lead to challenges within the organisation. The Compliance Officer needs to understand the possible impacts on the organisation and help the organisation solve problems.
- **Interpersonal skills:** The Compliance Officer must be approachable and engage the organisation and stakeholders in a way that encourages fellow colleagues to be forthcoming and share information on (potential) compliance risks, while encouraging a no-blame culture.
- **Communication skills:** The Compliance Officer must be able to effectively communicate, both verbally and in writing. Effective communication lets everyone know what is expected from them, and why. It also helps in the development and embedding of a good compliance culture within an organisation. Communication skills also include, being transparent, being an effective listener, having negotiation skills and being influential.

### 3.4 Independence

The Compliance Officer must fulfil their role independently from the daily operations of the rest of the organisation. Independence allows the Compliance Officer to function with a clear mandate to identify, solve and prevent issues. Compliance Officers also obtain their independence by having a direct reporting line to the top management. This minimizes interference and ensures that top management receives unfiltered/unbiased information.

Independence can be achieved by:

- Reporting directly to the Managing Board, with the ability to report to the Supervisory Board or work with the audit department, if necessary;
- Not assuming operational responsibilities in the areas that they control/monitor, to avoid conflicts of interest. However, the Compliance Officer may provide advice to operations, if needed;





- Having full and unrestricted access to information, documentation, etc., when required, to confirm adherence to compliance requirements; and
- Having the right to initiate (on own initiative) investigations, when deemed necessary.

## 4. Resources and Support

Compliance Officers require resources and support for the effective execution of their tasks and responsibilities.

### 4.1 Resources

The following resources are recommended for the effective execution of the Compliance Officer's tasks and responsibilities:

#### 4.1.1 Training

Training and courses may be necessary for the Compliance Officer before starting their role, as well as repeated refresher courses during their term. These trainings and courses are essential to understand the tasks and the skills needed to become an effective Compliance Officer. Trainings are also important to keep up with the constant evolving role of the compliance function. A training program should be in place and executed accordingly.

#### 4.1.2 Office space

The Compliance Officer should have access to office space where confidential conversations can be held. The location should be private and discreet. When selecting a location, attention should be placed on the following aspects: activity or movement in the vicinity of the location, proximity to other offices, the ability to eavesdrop, etc.

#### 4.1.3 Mobile phone and ICT-facilities

The Compliance Officer should be provided with a mobile phone. This will allow the Compliance Officer to be easily accessible, however it should be used solely for the assigned tasks. A designated (secure) desktop/laptop with its own (secure) e-mail address should also be provided to protect confidential information.

#### 4.1.4 Safe/vault for storage

A Compliance Officer should be provided with a safe place to store confidential information, such as a safe/vault. The safe/vault must meet international safety and security standards.

#### 4.1.5 Compliance dropbox

A system should be put in place where correspondence/letters or any other form of physical communication meant for the Compliance Officer, whether anonymous or not, is received and only opened by the Compliance Officer. An example is the placement of one or more mailboxes on the premises of the organisation.

#### 4.1.6 Budget

There should be a compliance budget to cover the costs of fulfilling regulatory obligations. The budget has to specify the resources required to implement policies, practices, and controls to guarantee adherence to applicable laws, rules, and industry standards for the organization's activities.

### 4.2 Support

In addition to the above resources, the Compliance Officer needs the following support for the effective execution of their tasks and responsibilities:

#### 4.2.1 Support from the top

In order for compliance and integrity to be the most effective in an organisation, the Managing and Supervisory Boards need to lead by example. They are accountable for setting a culture and standards that should be viewed as an integral part of the organisation's business activities. Without the support from the top and a commitment to implementing an effective control framework, the Compliance Officer's journey will be plagued by obstacles. Therefore, the importance of having Managing and Supervisory Boards with a level of compliance expertise cannot be overstated.

#### 4.2.2 Collaboration

The role of the Compliance Officer involves interaction with almost all other departments of an organisation, such as legal, human resources, risk management and internal audit. Therefore, in order to achieve compliance, it is essential for the Compliance Officer to establish and manage key relationships and to receive support from the various departments within the organisation. It is nonetheless vital that the compliance function retains its independence.

#### 4.2.3 Positive organisational culture

It is important to have an organisational culture where employees feel safe to open up to the Compliance Officer and report misconducts and compliance matters. As Sint Maarten is a small island, employees are very much interrelated on different levels within the society. Because of the interrelated relationships, people are not easily inclined to report compliance breaches and issues. Management must therefore create an atmosphere of trust and allow the Compliance Officer to carry out their duties in an independent and objective manner.

#### 4.2.4 Compliance team

The role of a Compliance Officer can be isolating when navigating complex regulatory and organisational issues and making decisions that may impact their colleagues and the entire organisation. It is therefore recommended that the Compliance Officer is supported by a compliance team. The compliance team can provide varying perspectives and assist in keeping up with the constantly evolving regulations. The team would also assist "the head of Compliance", who is responsible for the execution of the compliance program and has a centralized overview of all compliance matters within the organisation.

#### 4.2.5 Internal awareness campaign

It is important to communicate the role, responsibilities, and limitations of the Compliance Officer to employees within the organisation. This can be done by:

- **Informing employees of the appointed Compliance Officer:** Inform management and staff on the person assigned the role of Compliance Officer, their availability and accessibility, the compliance issues/misconducts that can be discussed and/or reported, and the procedure to report compliance issues and breaches.
- **Anchoring the function of the Compliance Officer in internal policies:** Internal (integrity-related) policies, such as a Code of Conduct, are important for employees to understand their rights and obligations and what is considered unacceptable behaviour. Affixing the awareness of the Code of Conduct and other internal (integrity-related) policies with the role and tasks of the Compliance Officer, will ensure that employees have a better understanding of the reporting possibilities.
- **Inviting the Compliance Office to internal meetings:** The Compliance Officer should also be invited to internal organisational meetings when necessary. These meetings can be used to introduce the Compliance Officer and get employees acquainted with the function.

## 5. The (Annual) Compliance Program

Once a Compliance Officer has been appointed within an organisation, he/she must establish and carry out his/her tasks and responsibilities according to an annual compliance program. This program should be risk-based and subject to oversight and approval by the Managing Board. The program should be updated annually and regularly reviewed. The compliance program should consist of the following elements:

### 5.1 Risk assessment

The objective of a risk assessment is to achieve risk-based compliance with legislation and regulations. It is also a precondition for the adequate development of ethical and sound business operations. Risk management will not have a clear focus if organisations have insufficient knowledge of possible risks or make unfounded assumptions about them. The ultimate goal of the risk assessment is to establish a clear overview of the risks of the organisation, which can serve as a steering document for the Managing and Supervisory Boards. Once the risks have been evaluated, actions can be taken to minimize the level of risks where necessary.

A risk assessment can be conducted in the following order:

- **Step 1: Prepare and identify:** Each risk must be identified with possible scenarios, which will then be scored on likelihood and impact.
- **Step 2: Analyse:** Assess for each risk, which control measures are in place and whether these measures are effective.

- **Step 3: Determine required measures:** If the risk analysis shows that control measures need to be improved, it should also be specified in an overview and include a time schedule for mitigating actions.

During every step it should be verified whether the risks are within the boundaries of the organisation's risk appetite and, if not, it needs to be decided to avoid or mitigate them. An example of a risk assessment model is enclosed as Attachment A to this advice.

## 5.2 Staff training

The Compliance Officer is responsible for preparing an annual compliance training program for staff, the Managing and Supervisory Board members, and others who conduct business on behalf of the organisation. This program will clarify the parameters of acceptable and ethical behaviours within the organisation, and enable participants to remain up to date with, and understand these parameters.

Examples of trainings that can be provided are:

- Introduction training for new employees (which is an ideal opportunity to introduce new employees to the organisation's norms and values);
- Recurring trainings for employees on compliance matters;
- Specialized training for staff with high-risk roles where their expertise has to be kept up to date; and
- Annual (mandatory) training for employees on integrity misconducts and the reporting of compliance issues and breaches. See Attachment B for an overview of categorized integrity misconducts.

## 5.3 Internal policies

The Compliance Officer is responsible for auditing and monitoring policies, standards, procedures and reporting mechanisms to help ensure that the organisation remains compliant with the applicable rules, regulations, processes, and the ethical standards within an organisation. This includes monitoring and evaluating of the policies, standards, and procedures. The Compliance Officer must also ensure that the documents are communicated to all employees and readily available when needed by external auditors or other stakeholders.

From an integrity perspective, at least the following needs to be in place:

- **Code of Conduct:** The Code of Conduct provides guidance to employees on prevailing or essential norms and values, their associated governing rules, and expected behaviours. The Code of Conduct also serves as a guide or shortlist for the Compliance Officer and employees on their rights and obligations and on what behaviours are unacceptable within the workplace.
- **Other integrity-related regulations:** In addition to the Code of Conduct, policies describing the tasks and responsibilities of employees, and other integrity-related regulations must be documented. These regulations are essential for providing guidance to employees.

Examples include:

• Function descriptions	• Travel expense policy
• Employee handbook	• Gift policy
• Conflict of interest policy	• Use of company systems and internet conduct policy
• Safety and security policy	• Anti-bribery and corruption policy
• Social media policy	• Whistle-blower policy
• Devices policy (mobile phone, laptops etc.)	• Donation and sponsorship policy
• Confidentiality Policy	• Confidential Advisor <sup>2</sup>

## 5.4 Reporting

The Compliance Officer is responsible for preparing, issuing, and distributing written compliance reports to the Managing Board (as determined by the compliance program). Periodic status reports should also be provided to the Supervisory Board. Compliance issues and breaches and other matters that require immediate attention should be communicated to the Managing Board and the Supervisory Board. The Compliance Officer should also provide a review of issues and breaches and recommend solutions to enhance compliance.

## 5.5 Document management

All documents must be stored appropriately. Physical documentation should be stored in a designated area. Files should be kept under lock and key and only accessible to the Compliance Officer and the Management Board. Files should be kept available to the supervisor(s), internal and external auditors and other authorities who are authorized to view this information. The organisation must also comply with the legally required minimum time period for which documents have to be saved.

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<sup>2</sup> Reference is made to the Integrity Chamber's advice on the Confidential Advisor dated May 2021.



## 6. Advice

In the previous chapters, the Integrity Chamber outlined the importance, role and responsibility of the Compliance Officer, the necessary resources and support needed, and the content of the compliance program to be executed.

The Integrity Chamber recognizes the role of the Compliance Officer as a required component within the integrity infrastructure of an organisation and advises the Government owned entities to implement the following:

### **a. Define the tasks and responsibilities of the Compliance Officer within the organisation**

The tasks of the Compliance Officer - preventing, detecting, and responding to compliance matters - must be well defined. The responsibilities should include the compliance to ethical standards and integrity related policies and procedures within the organisation. The mandate of the Compliance Officer must be clear to management, employees, and stakeholders. It is also important to emphasize that the Compliance Officer must fulfil its role independently and objectively.

### **b. Establish a Compliance team**

The Integrity Chamber advises all Government owned entities to appoint at least one (1) Compliance Officer within their organisation, as the head of Compliance. In addition, the Integrity Chamber advises the Government owned entities to work towards the establishment of a Compliance team. The Compliance Officer(s) must be selected and appointed based on the necessary knowledge and skills that are needed to become effective in the role. For this, a profile of the Compliance Officer has to be established and used when requesting or selecting applications for the position (see Attachment C for an example).

### **c. Establish and implement an annual compliance program**

The Compliance Officer must establish and carry out its tasks and responsibilities according to an annual compliance program which consists of the following components: a risk assessment, employee trainings, policies and procedures, reporting, and document management. The compliance program is subject to an annual review and oversight by the Managing Board.

### **d. Provide the necessary resources and support to the Compliance Officer(s)**

Compliance Officers must be provided with the necessary resources and support. The following resources are recommended by the Integrity Chamber and should be made available to the Compliance Officer for the effective execution of their tasks and responsibilities: trainings, office space, mobile phone, ICT-facilities, storage facilities, a compliance dropbox, and sufficient budget. The Compliance Officer also requires support from the top and the cooperation from other departments within the organisation.



**e. Execute an internal awareness campaign**

The role of the Compliance Officer will not be effective if employees are unaware of their existence. Executing an awareness campaign on the role, responsibilities, and limitations of the Compliance Officer within the Government owned entities is necessary. This can be done by (i) informing the employees on the appointment of the Compliance Officer (ii) anchoring the function of the Compliance Officer in internal policies and (iii) inviting the Compliance Officer to internal meetings.

**f. Evaluate the effectiveness of the compliance program**

Evaluation of the effectiveness of the compliance program is of the utmost importance. This allows for adjustments to be made to the role, tasks, responsibilities, or procedures of the Compliance Officer where necessary.

## Attachment A: Example risk assessment model

A risk assessment can be done in various ways, for example through attendance at appropriate committee meetings, effective monitoring activities, performing risk and control assessments, and most importantly, by encouraging staff to proactively raise potential risks with the Compliance Officer. Below is an example of a risk and control assessment.

### Risk Assessment Score

This example is based on a '6- Steps to Risk Assessment' model and uses numerical values to calculate the levels of risk. A value of 1-5 is assigned for the likelihood of the risk causing harm, and a value of 1-5 for the severity of the harm should it occur (1 being the lowest value, 5 being the highest). The two (2) figures are then multiplied to achieve a risk rating score: L (Likelihood) x S (Severity) = R (Rating).

Likelihood		Severity	
Rating	Guide words	Rating	Guide words
1	Extremely unlikely	1	No/Minor harm
2	Unlikely	2	Moderate harm
3	Likely	3	Serious harm
4	Extremely likely	4	Major harm
5	Almost certain	5	Catastrophic

### Risk Rating Key

The risk assessment score is used to determine the risk rating key. The risk rating key depends on the risk appetite of each individual organisation. However, the following overview can serve as an example.

Score:	Risk Level:	Description:
1-4	Very Low	No further action is necessary. Existing controls must be maintained.
5-10	Low	No immediate action is needed. However, additional controls are required if they can be implemented at very low cost (in terms of time, money and effort). Actions to further reduce these risks are assigned low priority. Arrangements should be made to ensure that the controls are maintained.
11-15	Medium	Action is needed. It should be considered whether the risks can be lowered, taking the costs of additional risk reduction measures into account. The risk reduction measures should be implemented within a defined time period. Arrangements should be made to ensure that the controls are maintained, particularly if the risk levels are associated with harmful consequences.
15-20	High	Urgent action is needed.



		Substantial efforts should be made to reduce the risk. Risk reduction measures should be implemented urgently within a defined time period, and it might be necessary to consider suspending or restricting a certain activity, or to apply interim risk controls, until this has been completed. Considerable resources might have to be allocated to additional controls. Arrangements should be made to ensure that the controls are maintained, particularly if the risk levels are associated with extremely harmful consequences and very harmful consequences.
20+	Very High	Immediate action is needed. Substantial improvements in risk controls are necessary to reduce the risk to an acceptable level. Work activity should be halted until risk controls are implemented that reduce the risk. If it is not possible to reduce the risk, work should remain prohibited.

### Example

#	Function Group	Subject	Risk scenario	Control mechanisms in place	Current risk level	Further control mechanisms recommended	Action by whom	Action by date	Completed date								
1	All staff	Confidentiality	Leaking of Confidential information	Code of Conduct	<table border="1"> <tr> <td>L</td> <td>S</td> <td>R</td> <td>Risk rating</td> </tr> <tr> <td>4</td> <td>4</td> <td>16</td> <td>high</td> </tr> </table>	L	S	R	Risk rating	4	4	16	high	Trainings	Compliance Officer	August 2024	July 2024
L	S	R	Risk rating														
4	4	16	high														
2																	
3																	

### Definitions

<b>Risk assessment</b>	A systematic examination of risks in 6 steps: 1) Identify the function group 2) Identify the subject, 3) Identify the possible risk scenario, 4) Evaluate the risk (by examining current controls and recommending further controls), 5) Record the assessment, and 6) Review the assessment.
<b>Function group</b>	Group of employees who are vulnerable or could be exposed to the risk.
<b>Subject</b>	The topic of the potential risk.
<b>Risk scenario</b>	A possible scenario that may occur regarding the risk.
<b>Likelihood</b>	The chance that a risk could cause harm.
<b>Severity</b>	The extent of the damage if occurred.
<b>Risk</b>	The probability of a risk actually causing harm.
<b>Controls</b>	Measures introduced or installed to reduce to a minimum the possibility of harm to persons, organisation, etc.



## Attachment B: Example overview of categorized integrity misconducts

A list of misconducts may be compiled utilizing existing legislation and regulations, and prevailing norms and values. Below is an example of possible integrity misconducts. This list is not exhaustive.

<b>Financial irregularities</b>
Embezzlement
Fraud
Corruption/Bribery
Theft
Conflicts of interest
Incompatible functions and activities
Misuse of organisational resources
Abuse of power/authority
Giving and receiving of gifts

<b>Undesirable manners or behaviours</b>
Discrimination
Aggression and violence
Sexual misconduct
Intimidation
Misuse and manipulation of information
Misconduct outside of work
Invasion of privacy
Violation of confidentiality
Dereliction of duty
Violation of legislation/regulations



## Attachment C: Example Compliance Officer profile

A Compliance Officer ensures the organisation functions in a legal and ethical manner while meeting its business goals. The Compliance Officer is responsible for developing compliance programs, reviewing applicable (internal and external) rules and regulations that apply to the organisation, and advising management on possible risks and (integrity) misconducts.

### The Compliance Officer has the following responsibilities:

- **Prevention**
  - Creating a compliance program;
  - Keeping abreast of internal and international compliance standards;
  - Coordinating, reviewing, monitoring and updating policies and procedures of the organisation;
  - Communicating the organisation's key ethical principles and compliance regulations within the organisation in an effective manner by providing trainings to and ensure awareness of the Managing and Supervisory Board and staff;
  - Adhering to (regulatory) reporting guidelines and meeting or setting deadlines; and
  - Acting as an advisor on compliance queries from the Managing and Supervisory Board and staff.
- **Detection**
  - Auditing processes, practices, and documents proactively to identify weaknesses/ compliance risks in order to ensure corrections and prevent future violations.
- **Response**
  - Carrying out investigations following allegations of compliance and policy infraction; and
  - Advising Managing and Supervisory Board on enforcement in case of compliance infringements.

### The Compliance Officer should embody the following qualities:

- Strong moral values
- Considered trustworthy by staff and management
- Easily approachable, social, and accessible
- Operates effectively and dares to be independent
- Has a balanced personality and know how to deal with conflict

### Knowledge and skills:

- Bachelor's degree in law, finance, business management, or a related field
- Good knowledge of legal requirements and procedures
- Ability to work independently and as part of a team



- Excellent documentation and communication skills (verbal and written).
- Able to provide impactful trainings to the Managing and Supervisory Boards, staff, and third parties that conduct business on behalf of the organisation
- Interpersonal skills to ensure positive working relationships between the different departments and with external stakeholders
- Highly analytical with strong attention to detail
- Effective in problem solving and decision-making
- Understanding of the organisational structure of the organisation

### **The nature of the role of the Compliance Officer ensures that:**

The role is fulfilled independently from the daily operations of the rest of the organisation. This independence is achieved by:

- Reporting directly to the Managing Board, with the ability to report to the Supervisory Board or work with the audit department, if necessary;
- Not assuming operational responsibilities in the areas that it controls/monitors in order to avoid conflict of interest. (However, the Compliance Officer may provide advice to operations, if needed);
- Having full and unrestricted access to information, documentation, etc. if required to confirm adherence to compliance requirements; and
- Having the right to initiate investigations on own initiative, when deemed necessary.

### **Resources**

The Compliance Officer will be provided with the resources necessary for the effective and efficient execution of this role (training, personal office space, mobile phone, ICT-facilities, etc.).

