



Ethics and compliance

A strong ethics and compliance model should form part of any approach to enterprise risk management. Organizations must develop and strengthen compliance functions and methodologies due to the expanding scope and complexity of compliance activity and increased attention from senior leadership, regulators and the authorities.

Challenges and demands placed on Compliance functions

Companies should establish core compliance fundamentals to allow for the effective performance of their compliance function.

The International Organization for Standardization (ISO) proposed new standards ISO / DIS 37301 that outline the following **five key elements** of an effective compliance management system:

- Compliance obligation
- Compliance risk assessment

- Compliance policy
- Training and communication
- Performance evaluation

The U.S. Department of Justice Criminal Division, in its Evaluation of Corporate Compliance Programs 2020, indicates that beyond compliance policies and procedures companies **should create and foster a culture of ethics and compliance that requires commitment by leadership.**

Each compliance program is different: there is no “one-size-fits-all” because every organization is unique.

But everyone should be asking:

How can we design an effective compliance program that prevents and detects wrongdoing and how do we embed it across the company's operations and workforce to make ethical and compliant conduct 'business as usual'?

Other questions you may consider are:

Does our compliance program function effectively? How can we do better?

Why do we have all of these internal functions, program controls but still continue to encounter significant occurrences of integrity risk failures?

Are we applying the program earnestly and in the most efficient manner whilst reducing the burden on the frontline business?

How comfortable are we that we have a consistent ethics and compliance culture? Does all our workforce have and apply the same values

What do we offer?

We know how to implement a compliance function from scratch, to seamlessly integrate a corporate compliance program into a company's business processes and instill a compliance mindset in its employees. Our proprietary compliance control tools have already proven their effectiveness in the market.

Our core Ethics and Compliance services include:

Policies and procedures: we review, edit and draft general and specific compliance policies and procedures, which allow an organization to achieve a program that is not only compliant, but also reflect the nature and needs of your business. Common policy examples include:

- Code of ethics / code of conduct
- Anti-corruption
- Conflict of interest
- Gifts and hospitality
- Interacting with government officials
- Procedures for organizing charitable events
- Selecting and vetting business counterparties
- Rules for holding tenders
- Anti-corruption clauses for inclusion in employment agreements and contracts with third parties
- Supervisory protocols and procedures

Risk assessments: we assess fraud and bribery risk, identifying and evaluating risk areas for the early stages of compliance, assess the current controls in place to mitigate the risks and determine where to focus your efforts. Our team can also assist in building a roadmap to an effective Compliance function, recommend improvements and create action plans to address identified gaps.

Hotline: we develop, operate and support dedicated 24/7 whistleblowing reporting in Kazakh, Russian and English across three channels: email, website and phone. We conduct individual training sessions for management and interactive training for frontline employees. We prepare internal

communications including the launch message from CEO, compliance themed posters, digests covering recent legislative changes and FAQ section on your website.

Compliance reviews: we analyze a wide range of data and interviewing employees to identify potential violations and weaknesses in internal business processes, as well as the preparation of appropriate recommendations. Our experienced team will analyze company's business processes for compliance with company policies and procedures, as well as relevant anti-corruption laws, including US Foreign Corrupt Practices Act, UK Bribery Act and other relevant laws and regulations. We also assist in identifying gaps in employees' knowledge and in business processes, improving existing internal controls and expanding employees' understanding of existing policies and procedures.

Training: we provide bespoke fraud training for employees at all grades.

Legal diagnostic: we help you to manage your regulatory pipeline by determining the legal requirements to which you are subject, locally and internationally (e.g. ABC, AML, HSE). We regularly refresh so you are up to date.

How can a business benefit from compliance?

An enhanced business reputation: your counterparties, business partners and the general public will have an increased trust in the company's activities knowing that your compliance function works.

Reputation is measured not only by how it complies with legislation and its Code of Conduct but how it measures up to consumer and public expectations, which can be wide-reaching.

The ability to monitor and manage the risks inherent in regulatory non-compliance: company will be provided with the insight to sense, identify and remediate compliance risks, as well as enables leaders to seize opportunities and keep pace with compliance risks in an evolving business environment.

Protection from fraud and corruption, as well as minimization of financial losses and penalties

Corruption is the most prevalent fraud scheme in small and large Organizations



Effective controls include:

- Hotline
- Training
- Proactive analytics

*Source: ACFE, Report to the Nations, 2020 Global Study on Occupational Fraud and Abuse

The Deloitte difference

Why do so many businesses trust Deloitte to guide them through Ethics and Compliance? Our methodology provides you with flexibility to meet your requirements and the expectations of your key stakeholders and maximizes value for money. Your company can rely on Deloitte, since we offer:

Experienced team: Our dedicated Forensic CIS practice opened in 2006. Since then, we have built a team of 100 full-time professionals across the Russian-speaking region to become the leading Forensic practice in Kazakhstan and the CIS with specialists based in Atyrau, Almaty, Nur-Sultan, Moscow and other CIS countries.

Risk based approach: Tried and tested approach to assessing fraud, bribery and corruption risks at large organizations, leveraging regulatory expertise, controls and process knowledge, with real world experience, to identify practical opportunities for improvements.

Cutting edge tools and technology: Advise on how to digitalize compliance functions and activities, to integrate data and activities across the organization and enable you to do more with less. We provide and build tools to augment your processes. Deloitte Discovery can bring great value in providing technology and client centric solutions, defensible quality, cost predictability, and experienced resources.

Fraud, ABC and compliance experience: Dedicated specialists in conducting all types of fraud, bribery and corruption and compliance culture assessments and investigations. Proven track record in delivering fraud and ABC risk assessments and wider compliance projects at a range of organizations.

Industry expertise: Our dedicated CIS team has access to experts globally to provide insights and knowledge on every aspect that might affect your compliance programme. We have practical experience of working with different compliance functions across a variety of industries.

Policies and procedures experience: We have experience of reviewing, editing and drafting compliance policies and procedures for a number of clients across the CIS. Each set is unique to the client, taking into account their approach, culture and requirements.

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