

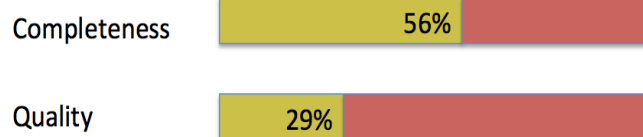
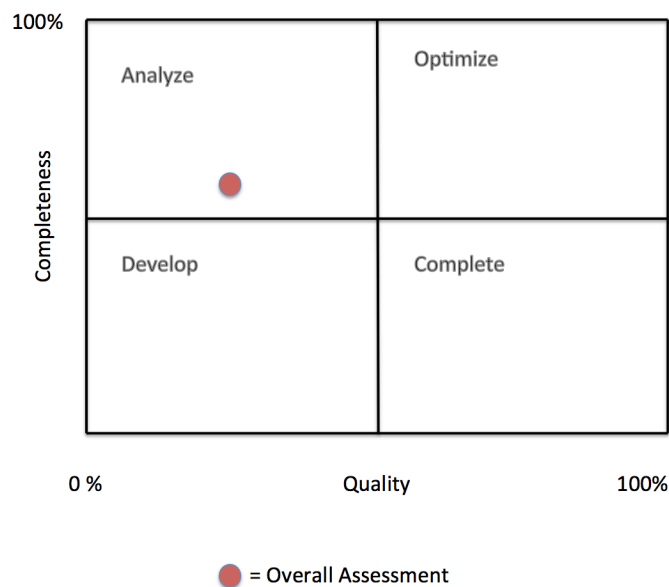
Steinbeis-Compliance & Integrity Monitoring ©

The Necessity to Monitor Compliance

Corporate entities, just like individuals, are required to play by the rules of society. Non-compliance can be costly and leads to criminal and civil liability for the corporation itself, its officers and its directors, and to reputational damage. When allegations of misconduct are raised, corporations need to be able to prove that they have a carefully designed, managed and evaluated their compliance organization.

It is a core obligation of those governing the corporation that its members are acting within the boundaries of the law and do not cause material or reputational damage.

Design and extent of a compliance management system can vary from entity to entity. Steinbeis Compliance-Monitoring shows where an entity stands and where it can be expected to perform in future. It provides an assessment of a corporation's degree of compliance.



Compliance Management Strategy

A best-practice approach based on current standards of laws and academia needs to provide:

- **Risk Assessment** – Recognize compliance risks before a violation occurs
- **Prevention** – Avoid violations and create awareness with staff and business partners
- **Damage Limitation** – Early detection of existing or potential violations
- **Corporate Culture** – Create a tone at the top, which emphasizes a culture of compliance
- **Sustainability** – Involve all stakeholders

Steinbeis-Compliance & Integrity Monitoring[®] takes all relevant factors into account, which impact a compliance organization. It is applicable to entities of all sizes, small medium and large corporations. Adequacy is scalable.

Measuring and Comparing Compliance

Objective external assessments can determine systems gaps and ascertain, whether an existing compliance management system is adhered to.

Steinbeis-Compliance & Integrity Monitoring[®] provides you with a reliable assessment as to whether your entity is positioned in accordance with best-practice standards and has reached an optimal effectiveness and efficiency.

The assessment leads to recommendations for short- and mid-term improvements geared towards increasing and optimizing the compliance level. Having undergone the Steinbeis-Compliance & Integrity Monitoring[®] the entity sets a sign – both internally and externally – that it has evaluated compliance thoroughly.

Results of Steinbeis Monitoring

An entity is adequately positioned if its compliance management system qualifies for the top right Quadrant (“Optimize”). Yet, a best-practice approach requires regular if not continuous re-assessment to ensure that the optimum position is being maintained.



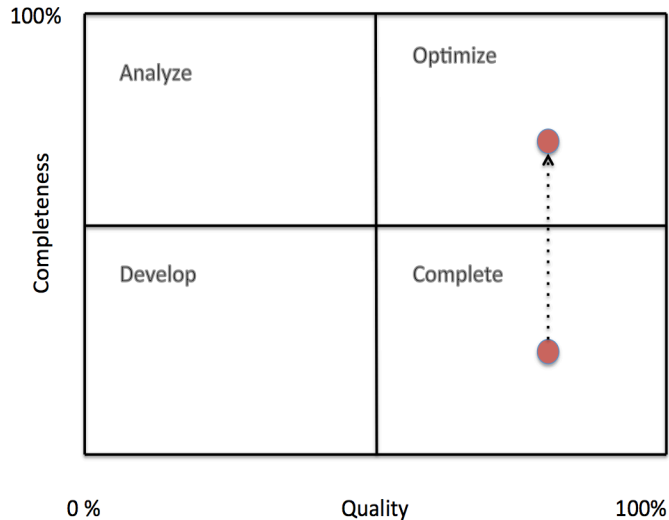
From Analyze to Optimize:
Increasing the quality of
compliance measures

Should an entity find itself in the top left quadrant (“Analyze”) this entity would have designed and implemented many steps towards compliance, but the quality of these measures, design and/or implementation, might be lacking.



Increasing quality and/or
quantity by introducing
more compliance proce-
dures and extending
existing ones

If the results of Compliance-Monitoring indicate a position in the bottom left quadrant (“Develop”), the compliance system lacks structure and implementation and is not sustained or sustainable.



From “Complete” to “Optimize”: Introduction of additional effective and efficient compliance measures

Entities often find themselves in the bottom right quadrant (“Complete”) when their compliance organization is in the process of getting established. Only some elements have been introduced, but are of high quality in design and implementation.

Methodology

The basis of the monitoring approach is an assessment of the existing compliance organization, the implementation and enforcement of compliance procedures as well as the ability to react to situations of non-compliance and lack of sustainability.

The process starts by taking an inventory of existing compliance procedures. This is followed by the development of tailored evaluation criteria and a suitability analysis. This involves the examination of documented compliance procedures and interviews with individuals responsible for and involved in the compliance organization. This allows taking into account the specifics of an individual entity. The result of the process is a weighted average overall assessment visualized in a four-quadrant graph.

Steinbeis-Compliance & Integrity Monitoring[®] allows for an ongoing assessment of further developments and transparent documentation of progress. It also allows benchmarking with industry standards and to show the client, where specific improvements can lead the entity in its overall score.

Expertise and additional services

The School of Governance Risk and Compliance is federally accredited in Germany as a Research and Education institute, which is part of Steinbeis Hochschule, a university situated in Berlin and Stuttgart, Germany. As such, the School works with a network of experts in the fields of economics, law, forensics and empirical research.