Overview of Compliance Advisory Capabilities

Skillsoft – StoneTurn Partnership

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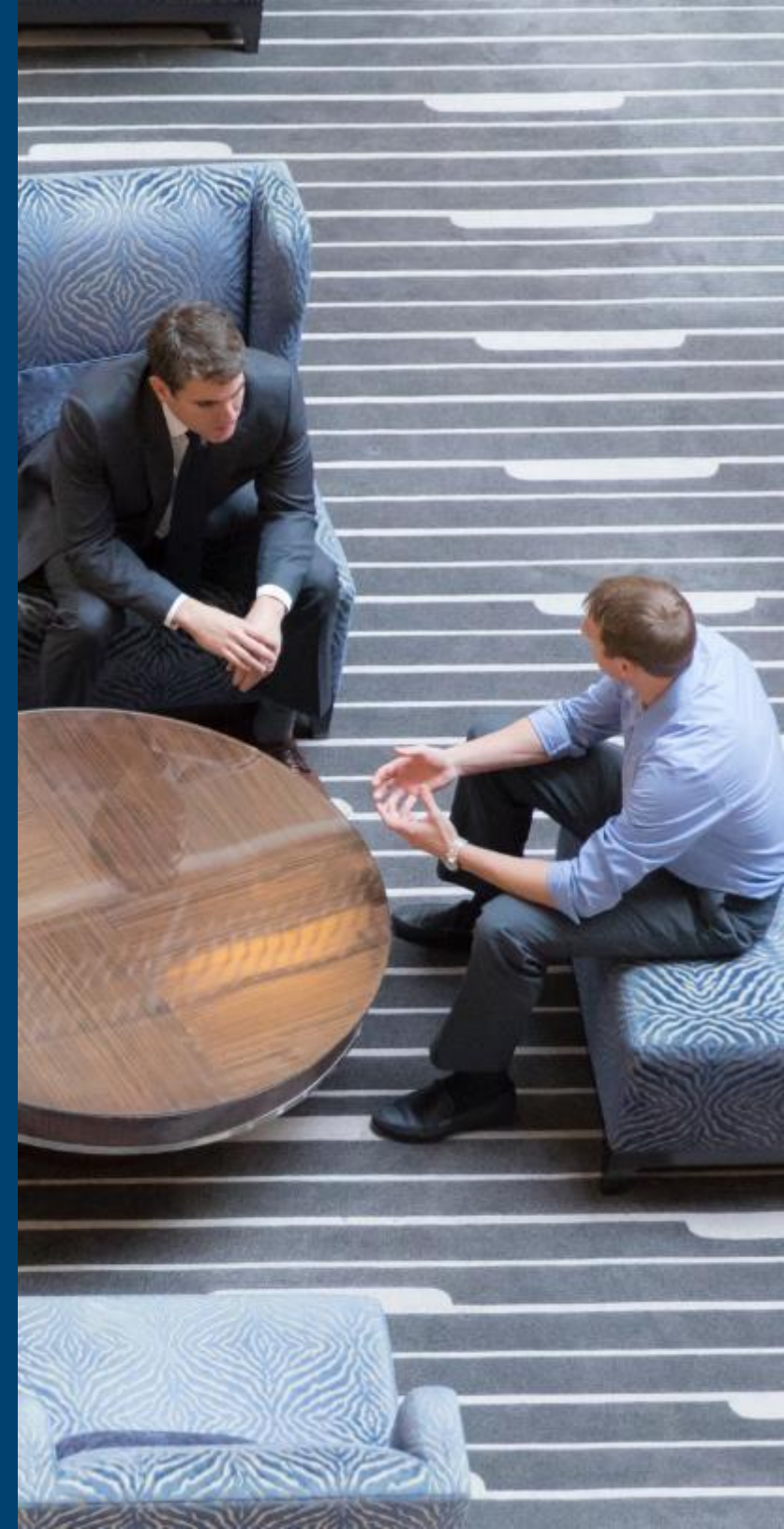February 2021

StoneTurn, a global advisory firm, assists companies, their counsel and government agencies on regulatory, risk and compliance issues, investigations and business disputes. We serve our clients from offices across the U.S., U.K. and in Germany, Brazil and South Africa, assisted by a network of senior advisers around the world.

Turn to Us

Who We Are

StoneTurn brings decades of hands-on experience to help companies and their counsel thrive in a changing business and regulatory landscape. Specifically, our team includes:

- Former National Forensics Practice Leaders from large public accounting firms, CPAs and experienced forensic accountants;

- Former DOJ, SEC, CFIUS, PCAOB, IRS, U.K. FCA, U.K. SFO and ICE Exchange senior professionals;

- Former federal and state prosecutors;

- Fellows of the Institute of Chartered Accountants in England & Wales;

- Experienced Arbitrators, Chartered Institute of Arbitrators;

- Accredited Mediators, Centre for Effective Dispute Resolution;

- Former CFOs, COOs, CLOs, General Counsel and Chief Compliance Officers;

- Trusted monitors, independent consultants and forensic advisers to leading global organizations.

MOST OF THE Am Law 100 & LEADING U.K. FIRMS

WE WORK WITH

Federal, State & Local GOVERNMENT AGENCIES

NEARLY A THIRD OF THE Fortune 500

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How We Help

Through our Practice Areas, we offer clients exceptional expertise, a lean and efficient approach, trusted advice, unprecedented responsiveness, and an overall experience not found at other firms. We assist in:

Litigation

Investigations

Compliance & Monitoring

Valuation

Forensic Technology

Data Analytics

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Compliance Framework

StoneTurn's global Compliance practice assists clients to implement and/or maintain effective compliance programs designed to prevent, deter and detect violations of legal and regulatory requirements or internal policies across several compliance risk areas.

Our deep subject matter expertise enables us to counsel clients on their specific compliance risks. We leverage substantial regulatory/government agency, and former in-house compliance experience to implement practical, risk-informed compliance program enhancements.

Our Capabilities Include:
- Risk Assessments
- Control Environment / Internal Control Testing
- Transactional Testing via Forensic Data Analytics
- Remediation and Monitoring
- Third Party Diligence / Program Development

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Compliance Service Offerings

- Enterprise-wide and targeted risk assessment approaches
  - Risk identification, risk mapping, and/or recommendations for enhanced risk management
  - Including financial, operational, and regulatory/legal compliance risk assessments
- Compliance program design and implementation
- Compliance assessments and evaluations
- Compliance training
- Compliance remediation
- Development of third-party compliance/due diligence programs
- Internal and government-initiated investigation support
- Monitorships
- Program evaluation and review, including program effectiveness reviews
- Pre- and post-deal due diligence
- Post-transaction assessment and compliance program integration
- Governance culture and related compliance structure
- Boards of Directors and Audit Committee presentations and reporting (including Board roles and responsibilities)
- Disclosure and reporting

We routinely assist companies in evaluating a specific risk area, compliance program, or element of a compliance program.

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Key Compliance Offerings

StoneTurn Offering	Offering Detail
1. **Risk Assessments:** Identify and assess key risks areas, evaluate existing risk mitigation measures, and recommend risk and compliance program enhancements to minimize key risks.	Regulator guidance makes clear that Risk Assessments are a necessary element of all effective compliance programs: • StoneTurn assists companies in evaluating the maturity of their ERM/risk practices by considering a broad spectrum of potential risks. • In addition to their historical focus on financial, operational and legal/regulatory risk, regulators are increasingly focused on controls over **reputational and conduct risk.**
2. **Compliance Program Review, Benchmarking and Enhancement:** Identify and assess potential risks and compliance gaps and assist with the design, implementation and/or enhancement of an effective compliance program.	Depending on client need, can be: • (1) a **targeted gap analysis** of one or many components of StoneTurn's Compliance Framework, or • (2) a **full evaluation (including program implementation assistance)** of an organization's Ethics & Compliance program
3. **Code of Conduct – Benchmarking and Enhancement Review:** Assess a company's code of conduct and provide recommendations on how to incorporate industry and other best practices and mitigate exposure to risks	StoneTurn has deep experience with the review, enhancement and creation of Codes of Conduct, policies and other governance content with a focus on: • Anti-fraud, anti-bribery & corruption, anti-harassment, third party due diligence, speak-up culture, and reporting and remediation best practices

Key Compliance Offerings

4. **Third Party Compliance Program Evaluation, Development and Enhancement:** Evaluate, develop and/or enhance a company's third party compliance program to minimize risks posed by illegal, unethical or unmonitored third-party conduct.

StoneTurn advisors work with clients to ensure their third party compliance program **addresses and mitigates risks posed by third party misconduct**, including development and enhancement of:
- Third party due diligence processes;
- Monitoring and periodic third party reviews; and
- Vendor codes of conduct.

5. **Global Compliance Advisor:** StoneTurn can assist companies as a Global Compliance Advisor to provide day-to-day advisory support on a retainer basis. Quickly deploy a proven compliance team with in-house chief compliance officer experience to help companies handle all of their compliance program support needs and to help with Board, management and investor/stakeholder confidence in the compliance program.

The StoneTurn compliance experts provide clients **as-needed insights** on compliance risk areas and issues as they arise including:
- Incident response;
- Third-party due diligence reviews;
- Board reporting; and
- General compliance questions and inquiries.

Code of Conduct Benchmarking and Assessment

- StoneTurn assists organizations evaluate the effectiveness of their Code of Conduct by understanding each company's unique risk profile, corporate values, revenue drivers and strategic objectives.

- Our benchmarking and assessment process allows organizations to level-set their Code against industry and other best practices and provides Legal and Compliance leadership with a roadmap to a practical, fit-for-purpose and employee-friendly Code of Conduct.

- Components of this service offering include:
  - Interviews with compliance, legal and other relevant personnel
  - Focus groups, where necessary
  - Risk assessments and organizational governance mapping
  - Qualitative and quantitative peer comparison (industry and non-industry specific)
  - Report of recommendations (practical roadmap including implementation schedule)

Code of Conduct Drafting Services

- Building off our benchmarking offering or as a standalone service, StoneTurn will draft or assist with the drafting of bespoke Codes of Conduct that reflects your organizational values and objectives while meeting regulator expectations.

- StoneTurn-written Codes are concise, employee-friendly and responsive to your organization's risk profile.

  o We develop codes to be easily-digestible, suitable for periodic and bite-sized training or compliance communications and, perhaps most importantly, readily convertible into a digital, interactive Code of Conduct platform.

- Components of this service offering include:

  o Drafting of Code
  o Assistance with Board and Senior Leadership support

  o Culture Surveys and Focus Groups (optional)
  o Assistance with Conversion to Interactive Code/ECP

Roadmap: Year One (by Priority and Timing)

Higher priority

Lower priority

Priority Rank	Recommendation	Suggested Timing	Implementation Effort Required	Code Element
Tier 1	(KPO) Add provisions on Conflicts of Interest, Anti-Bribery, and Anti-Harassment	*Three Months*	Medium	Risk-Responsive Content
	(KPO) Include introductory letter from senior leadership (CCO or CEO)	*Three Months*	Easy	Culture, Values and Tone
	(KPO) Revise content from "shall/shall not" to values-based language	*Three Months*	Medium	Culture, Values and Tone
Tier 2	Integrate photographs and other graphical elements into code	*Three Months*	Easy/Medium	Engaging, Accessible and Informative
	(KPO) Build in hyperlinks to related policies and procedures	*Three Months*	Easy	Navigability
	Translate Code of Conduct into local languages for global facilities (Spanish, Portuguese, Chinese)	*Six Months*	Medium	Engaging, Accessible and Informative
	Develop Code review and enhancement process	*One Year*	Medium	Ongoing Review and Enhancement
	Prepare Code communications and training plan	*Three Months*	Medium	Training and Education
Tier 3	Integrate Code training into onboarding and annual training process	*Six Months*	Medium	Training and Education
	Create central landing page on company intranet for Code and other compliance resources	*Six Months*	Medium	Navigability
	Consider implementing interactive code of conduct	*One Year*	Medium	Engaging, Accessible and Informative
	Integrate review of Code accessibility into risk assessment	*One Year*	Medium/Hard	Ongoing Review and Enhancement
	Continually communicate Code and compliance communications	*Ongoing*	Easy	Training and Education
	Refresh Code to reflect new risks, policies or procedures	*Ongoing*	Medium	Ongoing Review and Enhancement

Sample Deliverable
Code of Conduct Review

Recommendations by Implementation Effort

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	Recommendations	Implementation Effort Required	Suggested Timing
Key Program Opportunities	1. Strengthen acquisition risk assessment and compliance program integration	Medium 🟡	Year One
	2. Clarify third-party risk by conducting an inventory of third parties	Difficult 🔴	Year One
	3. Review the trade-related risks	Medium 🟡	Year One
	4. Document a 18-month compliance audit plan	Medium 🟡	Year One
Best Practices Priority One: Core Practice	1. Increase compliance messaging by senior leaders	Easy 🟢	Year One
	2. Provide consistent anti-corruption compliance resources to employees at all levels	Easy 🟢	Year One
	3. Ensure government interactions are properly handled and systematically tracked	Easy / Medium 🟢	Year One
	4. Ensure local compliance incidents or allegations are appropriately tracked and escalated	Easy 🟢	Year One
	5. Provide anti-corruption compliance training at onboarding	Easy 🟢	Year One
	6. Enhance compliance training and expand live training	Medium 🟡	Three-Year Plan
	7. Monitor labor union interactions and payments	Easy / Medium 🟢	Three-Year Plan
	8. Strengthen anti-corruption controls for Company Unit A	Medium 🟡	Three-Year Plan
	9. Increase oversight of trade associations	Easy 🟢	Three-Year Plan
	10. Regularly update internal policies to reflect issues, risks, and regulatory developments	Medium 🟡	Three-Year Plan
Best Practices Priority Two: Strategic Options	11. Update the local risk assessment process to address anti-corruption or FCPA risk	Easy 🟢	Year One
	12. Provide anti-corruption compliance materials to third parties	Medium 🟡	Three-Year Plan
	13. Review supply chain and logistics to streamline processes and identify risks	Medium 🟡	Three-Year Plan
	14. Review and refresh the compliance protocols around the key partnership	Medium/Difficult 🟡	Three-Year Plan
	15. Assess impact of IT system and infrastructure on anti-corruption risk management	Difficult 🔴	Three-Year Plan
	16. Address corruption risks faced by certain front-line employees	Medium 🟡	Three-Year Plan

Sample Deliverable Compliance Program Review

Thank You

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