Elevating the compliance function to drive value to your business

Risk Assurance

Middle East
Essential information

What does compliance actually mean and how is it different from governance?
Governance and compliance can be viewed as two sides of the same coin. Governance relates to how an organisation is managed and controlled at the highest level. Compliance is how to ensure policies, procedures, laws and regulations are adhered to and monitored.

What are the consequences of non-compliance?
In a complex and fast paced environment, stakeholders expect compliance functions to protect organisations. Failure to do so could result in severe consequences including reputational damage, fines, imprisonment, sanctions, breach of trust, loss of customer relationships and could ultimately negatively impact growth and profitability. Conversely, strong compliance programmes can help executives confidently take risks and seize new market opportunities.

Should I be concerned about compliance if I am an unlisted or private sector company? Which sectors are most impacted?
The need to meet compliance obligations applies to organisations in all sectors – government, financial services, private businesses and not for profit. All organisations have an obligation to demonstrate that they are managed in the best interests of their stakeholders.

At what stage in the evolution of our business should compliance become a focus?
In today’s increasingly complex, unpredictable and digital world, keeping abreast of changes in laws and regulations, and updating your policies and procedures is essential to ensuring your continued license to operate. The sooner your compliance organisation model is geared up to confront these challenges, the more resilient your operating model will be.

Does compliance add cost? How can we balance cost versus benefit?
Compliance monitoring is an essential element of your risk management process and a part of your second line of defence. If the concept of compliance can be firmly embedded in your organisational DNA, the latest tools and technologies can enable an effective and efficient defence against unforeseen events.
What good looks like

Strategically aligned
An effective compliance programme is one that is aligned to the organisation’s overall objectives and strategy. The compliance function should be an essential party to strategic decision making.

Simplistic
A leaner and less complicated compliance programme will deliver the desired effects through its simplicity and clarity. More importantly, it will be recognised by the business as an enabler, not a distractor.

Fit for purpose
A fit-for-purpose programme should vary in its complexity and depth to reflect the organisation’s needs and structure; and at the same time meet its compliance requirements.

Sustainable
Sustainability is a key characteristic of a successful compliance programme, ensuring that investments and initiatives continue to benefit the organisation over the long term.

Holistic
A successful compliance programme adopts a holistic, integrated approach to deal with compliance incidents or situations, rather than focusing on individual components such as policy or training.

How we can help at PwC

We offer a range of services that are designed to enhance compliance management processes, as well as to support best practices in this area.

1. Compliance function organisation structure
2. Identify compliance requirements from laws, regulations, contracts, internal policies and procedures
3. Post implementation support
   - Framework/obligations update
   - Technical support
4. Assess user requirements
   - Post in system selection
   - Support in implementation
   - Bespoke PwC compliance offering
   - Other leading GRC tools
5. Policy and Charter defining roles
6. Undertake compliance reviews
7. Maintenance and support
8. Compliance manual outlining scope, risk assessment, training and communication, reporting, monitoring and testing
9. Compliance risk assessment and prioritisation (impact/likelihood)
10. Alignment with ISO 19600: 2014 requirements
11. Framework development
12. Monitoring and reporting
13. Additional services
What you gain

**Peace of mind**
Knowing that your systems and processes are up to date and geared up to meet your legal and regulatory obligations will mitigate the risk of potential financial and legal penalties, operational disruption, revocation of licenses, reputational damage and possible claims against directors and officers of the company.

**Confidence to take calculated risks and drive market opportunities**
By positioning compliance as a key enabler of corporate strategy, compliance professionals can help management establish critical connections between compliance and revenue enhancement, brand protection, customer acquisition and retention, asset protection, lower costs and increased profitability. Doing this enables compliance professionals to contribute towards the ‘desired state’ through aligning people, processes and technology.

**Enhanced risk management**
Regulators are increasingly looking for assurance that an organisation is capable of identifying blind spots and other vulnerabilities that could undermine the risk management environment. A dynamic compliance function that can look beyond legal and regulatory compliance requirements will be well placed to drive value.
What is your current compliance maturity level?

- **Unreliable Level 1**
  - Unpredictable compliance environment – absence of compliance framework

- **Informal Level 2**
  - Compliance framework is not formally designed and is not adequately documented
  - Compliance management mostly people dependant
  - No formal compliance training or communication

- **Standardised Level 3**
  - Compliance framework is designed and in place
  - Framework has been documented and communicated to process owners
  - Deviations from compliances may not be detected

- **Optimised Level 4**
  - An integrated regulatory compliance framework with continuous monitoring by management with regular improvement
  - Automation and tools used to support compliance process

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Compliance empowerment

Emerging

Compliance integration

Lack of focus

Comprehensive compliance