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POLICY MANAGEMENT, GOVERNANCE AND LEVERAGING YOUR CULTURE

June 16, 2021

Panelists

Michael Volkov

The Volkov Law Group

Willem Wellinghoff

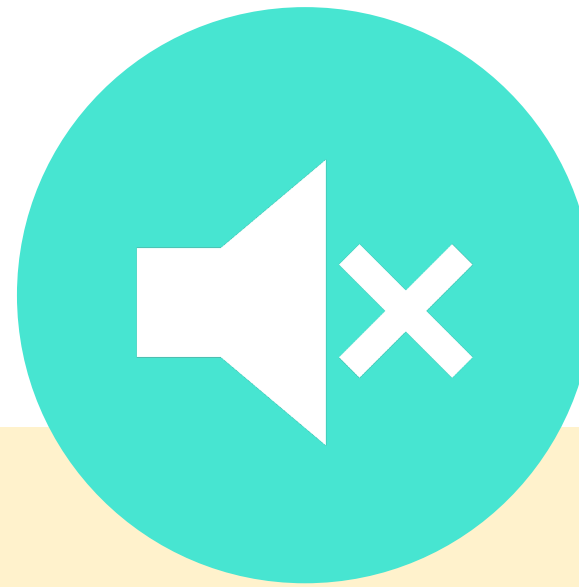*Global Chief Compliance and Risk Officer, UK MLRO Nvayo Limited*

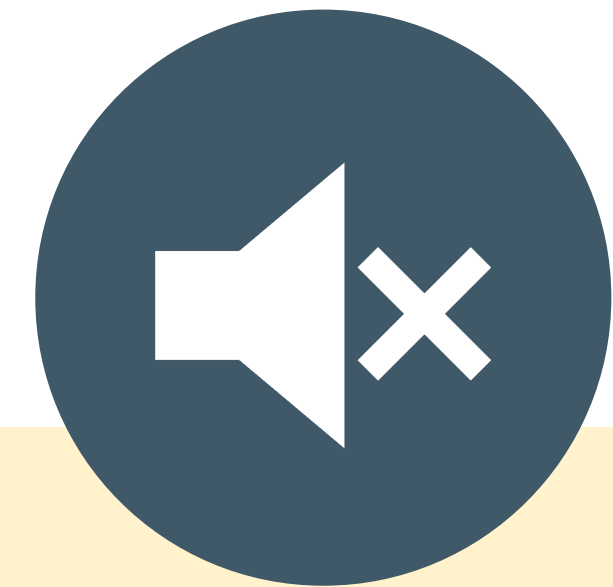**Jeff Weiss**

EVP Sales, US Clausematch

Housekeeping items

All participants, except the panelists, are muted

Please submit all questions in the Q&A box

An email with the slides and recording will be sent on Friday

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SUMMARY

Clausematch is an award-winning regulatory technology company.

Our unique hosted software platform allows people working in Compliance, Finance, Legal and Risk to collaborate on documents faster and more efficiently, while solving multiple organizational workflow problems including:

- Policy Management
- Regulatory Change Management

OPERATIONS

- Clausematch offices: USA, Europe & Asia
- 205,000+ users across 65+ countries
- Global clients in highly regulated industries

United States   United Kingdom   Singapore

CLIENTS

BlackRock

BNY MELLON

BARCLAYS

RBC

Scotiabank

Revolut

FIS worldpay

ABU DHABI GLOBAL MARKET

Gemserv

INTESA SANPAOLO

Charco & Dique

Compliance Policy Management

DOJ and Regulatory Expectations

DOJ Guidance

Criminal Division *Evaluation of Corporate Compliance Programs* (July 2020)

Antitrust Division *Evaluation of Corporate Compliance Programs* (July 2019)

DOJ and SEC *A Resource Guide to the FCPA* (July 2020)

Policies and Procedures

Well-designed compliance programs include policies and procedures that give **"*content and effect to ethical norms and aim to reduce risks*"** identified through the risk assessment process.

Two Fundamental Requirements

A Code of Conduct that demonstrates full compliance with relevant Federal laws that is accessible and applicable to all company employees

Policies and Procedures that incorporate the culture of compliance into its day-to-day operations

The Starting Point: Code of Conduct

The foundation of a compliance program:

- Clear: Written for a basic audience. No legalese. Please.
- Concise: Short and sweet, preferably 5-10 pages, and make it interesting with pictures
- Accessible: Foreign languages, Intranet and Internet
- Make Code of Conduct and Policies part of Promotion of Company as an Ethical Company
- Maintain Regular Cadence for Code of Conduct Training and Review

Five Elements

- Design
- Comprehensiveness
- Accessibility
- Responsibility for Operational Integration
- Gatekeepers

Design and Comprehensiveness

- ***Design*** – How does company design and implement new policies and procedures?
- What policies and procedures does company have in place?
- What is company's procedure for updating policies and procedures?
- Who is involved in the design and implementation of policies and procedures?
- What role does business play in this process?
- ***Comprehensiveness*** – How does company monitor and implement policies and procedures and changes to legal and regulatory landscape?

Accessibility, Integration and Gatekeepers

Accessibility

- Communication of company policies and procedures
- Third-party awareness
- Foreign language accessibility
- Made available to employees (and third parties) in searchable format
- Tracking access to policies and procedures

Responsibility for Operational Integration

- Who is responsible for integrating into day-to-day operations?
- Widely-disseminated in easy format to ensure understanding and awareness
- Integrated into internal controls (beyond compliance controls)

Gatekeepers

- Approval responsibilities
- Training

Building an Effective and Practical System

The Future is Now
Automation
Artificial Intelligence

Creating the Right Culture

- Responsible for policies, updates and accurately assigning clear responsibilities and assignments

- Schedule for review and update

- Critical part of continuous improvement loop for ethics and compliance program
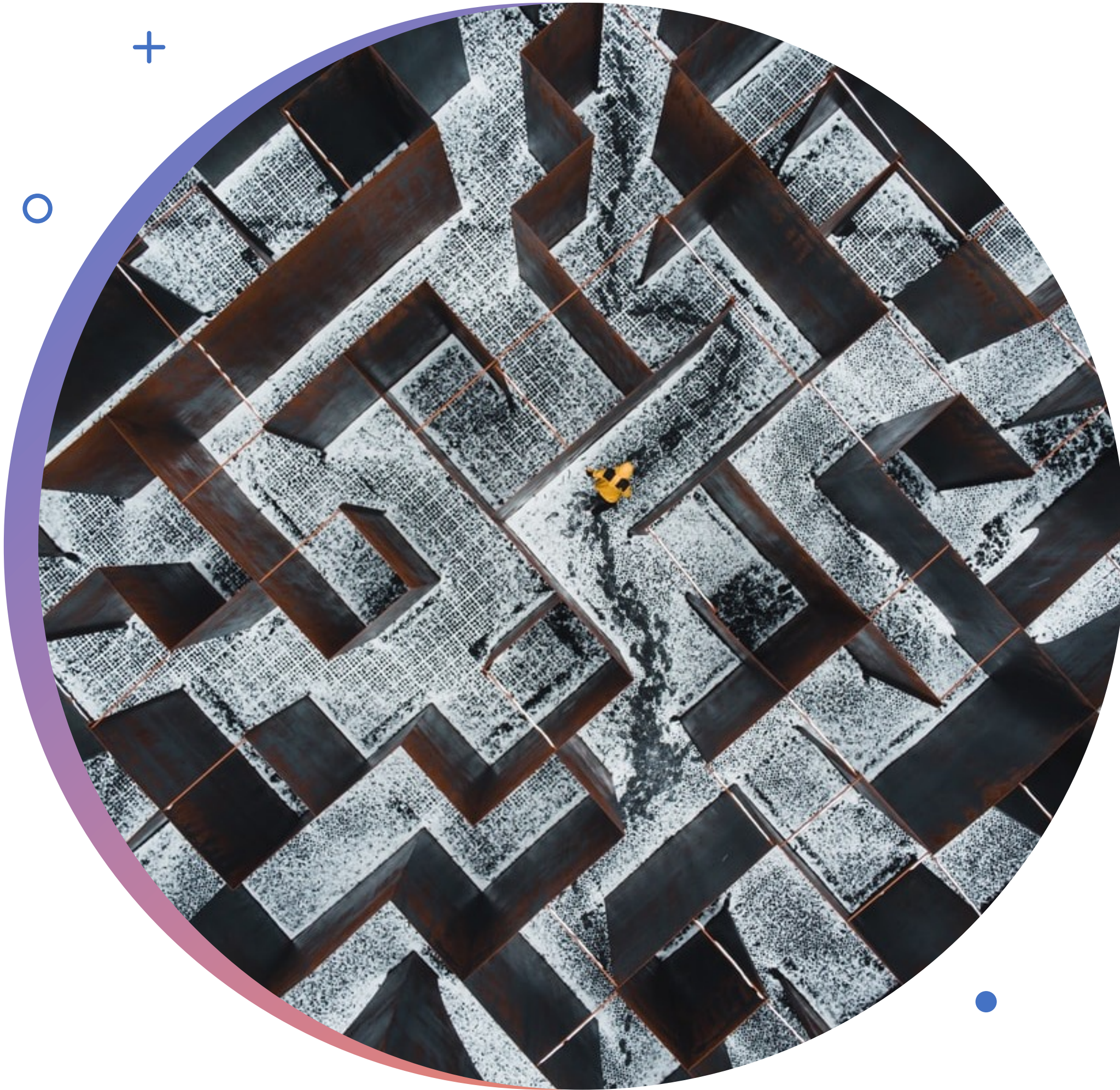
The Global Legal and Regulatory Maze

- Global companies face ever-changing laws and regulations
- Staying current is critical
- Even more difficult, how do such changes impact your company's policies and procedures?
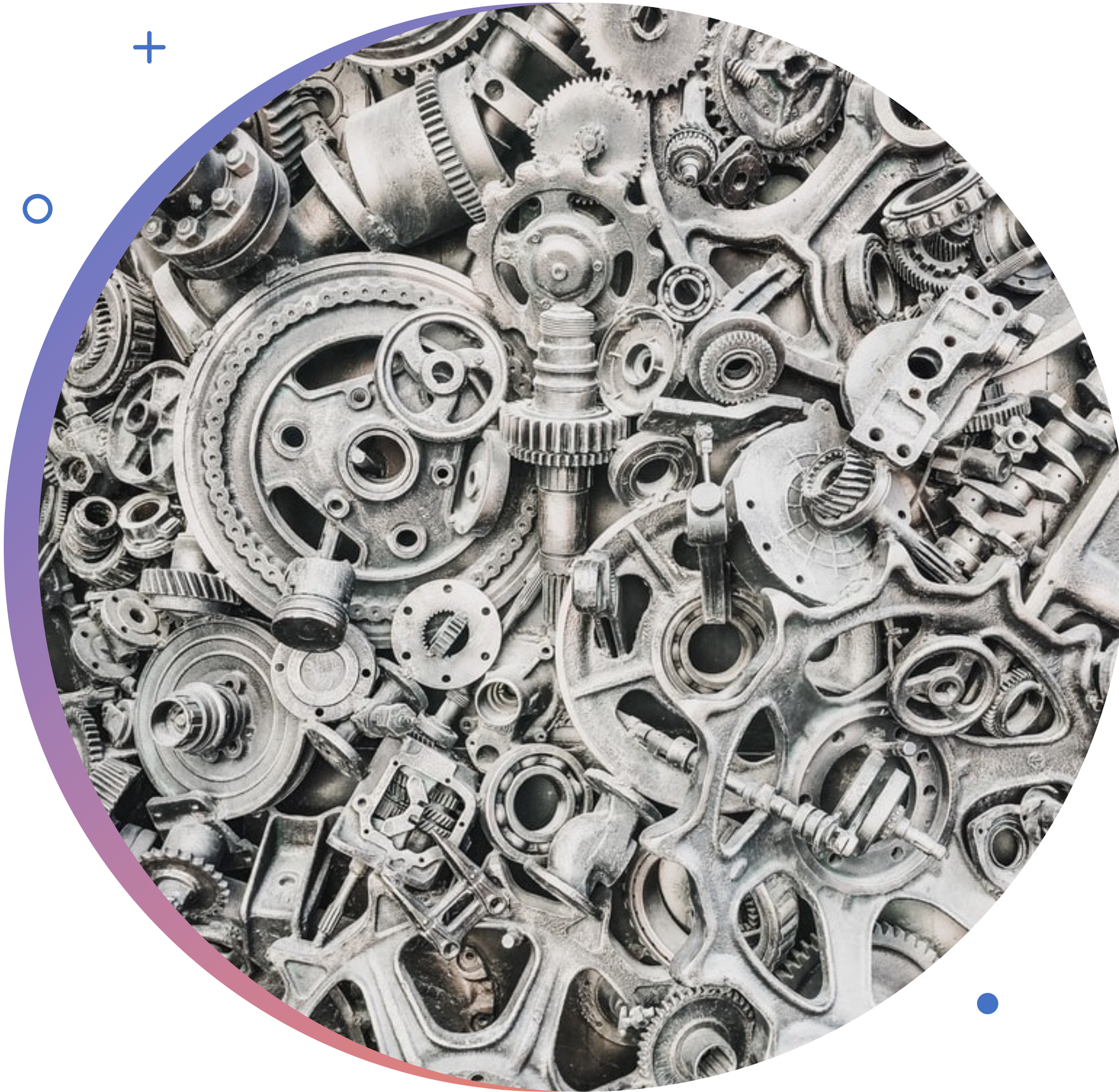
Managing Change

- Effective policy management platforms enable
  - Dissemination
  - Comprehensiveness
  - Accessibility
  - Legal and Regulatory Updates
  - Tracking

Real Intelligence

- Exponential increase in policy management capabilities

- Mapping legal and regulatory implications across your policies and procedures

- Provides perspective on impact to business and regulatory challenges

Tying Policies to Risk Assessment Updates

Policies and procedures reflect your continuous risk updates

Policies and procedures reflect your resource allocation

Automation and Artificial Intelligence can rapidly ensure the update process

DOJ Evaluation Guidance Expectations

- Data-driven process
- Disfavor "snapshot" in time
- Favor "continuous" based on access to operational data and information across functions
- DOJ expects this information to be used to update other functions:
  - Risk assessments
  - Policies and procedures
  - Financial controls

DOJ Emphasis on Real-Time Monitoring and Continuous Improvement

Risk Assessment: "Why and how the company's compliance program has evolved over time."

Policies and Procedures: What is the company's process for "updating existing policies and procedures," and has "that process changed over time."

Third-Party Risks: "Does the company engage in risk management of third parties throughout the lifespan of the relationship, or primarily during the onboarding process?

Documenting Your Process

DOJ and regulators require "proof"

Automated platform generates valuable data

Provides documentation

Promotes real-time monitoring and tracking functions (e.g. tracking)

Facilitating Cooperation and Reporting

Policy management platform promotes collaboration

Policy Review Committee Members

Reporting to Senior Management and Board

Across critical functions to reduce silos (HR, Legal, Compliance, Security, Finance)

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Clausematch's Policy Management Platform

Automation
Artificial Intelligence

What problems are we solving

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Policy Management | Regulatory Change Management

Our clients generally ask us for help solving these four challenges:

Manual work

High cost of time and resources to manually evaluate regulations, manage obligations, implement changes and carry out ongoing maintenance of policies and procedures

Evidencing

Insufficient reporting to senior management on the status of all governance documents

No single point of access to track and trace decision making through granular audit trails and versioning history

Mapping

Inability to effectively triage, assess and implement regulations and evidence compliance across jurisdictions

Collaboration

Antiquated and siloed systems limit the effectiveness to collaborate across a document's lifecycle

A single source of truth to distribute and access policies/procedures

Who are we solving it for

- **Risk and compliance professionals**
- **Working in organizations operating in heavily regulated industries**

Why current solutions don't work

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Tools can't keep up with compliance needs. Silos kill speed

Many companies use SharePoint and disparate point tools (Word, Excel, GRC Tools, etc.)

But current tools can't keep up with the compliance needs

Organizations are looking for modern tools that can help them ensure:

- Governance and oversight
- Connected and actionable compliance content
- Communication and employee engagement

Clausematch Compliance Platform

Our award-winning **Policy Management** and **Regulatory Change Management Platform** automates time-consuming tasks, organizes your data and makes collaboration and knowledge-sharing on documents a breeze!

○ **EASY INTEGRATIONS USING OPEN API**

○ **STRUCTURED DATA FOR ACCURACY & EFFECTIVENESS**

○ **MAP REGULATIONS TO POLICIES, STANDARDS PROCEDURES AND CONTROLS**

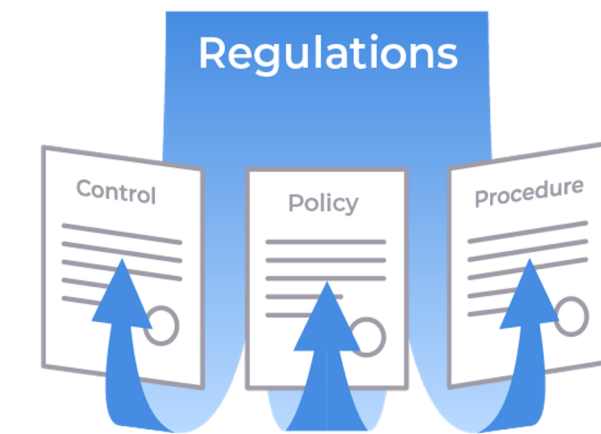○ **AUTOMATE TASKS, SAVING TIME & COSTS**

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POLICY MANAGEMENT

- Policy Lifecycle Management
- Policy Portal

- Single source of truth
- User access and permissions
- Real-time collaboration
- Configurable workflows
- Versioning control
- Comprehensive audit trail
- Dynamic mapping of content
- Metadata and reporting

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REGULATORY CHANGE MANAGEMENT

- Regulatory Library (ingest via API or upload)
- Workflow to manage regulatory alerts
- Obligations management
- Impact assessment
- Mapping regulations to policies, procedures, risks and controls using ML/AI

Powered by AI & Natural Language Processing

What value we bring to customers

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99% of documents updated on time

40% reduction in time updating documents

! Ability to prove compliance to regulators

30% cost savings

Governance

- Creating a dynamic governance map where all policies, procedures, and controls are interconnected in a single repository
- Integrating with Risks & Controls frameworks
- Cascading regulatory changes through hierarchy of governance documentation
- Mapping regulatory obligations and standards to policies and procedures across risk areas, jurisdictions and legal structure

Oversight

- Generating reporting for management, auditors and regulators in real-time
- Capturing comprehensive audit trail of all decisions and approvals
- Tracking readership of policies, procedures, and attestations
- Evidencing complete control over modifications, amendments, and attestations across organization

Cost savings

- Reduction in time it takes to refresh documents
- Use of state-of-art technology and ML/AI to reduce administrative burden of compliance
- Instant handover of policy ownership and historic audit trail
- Enforcing consistency and standardization across policy management lifecycle and governance framework

Questions?

Please submit your questions in the Q&A box now.

Thank You for Attending!

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