

TIC Council
May 2019

**Guidance check list for members'
internal compliance audits**

EDITION

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TIC Council Guidance Check List for Members' Internal Compliance Audits

Date of audit:..... Location & department of audit:.....
 Name(s) of auditee(s)
 Name(s) of auditor(s)

Clause numbering refers to the clauses of the TIC Council Compliance Code Guidelines on Implementation, First Edition of December 2018

H/A = Head Office ("H") or All locations ("A") of member where check list item is verified

Y/N/X = Yes ("Y") or No ("N") or Not Applicable ("X") based on the findings of the auditor

#	Area	Title within guidelines	Revised Checklist	Section in guidelines	H/A
1	Integrity	Integrity	Guidance has been provided to employees for dealing with clients who expect tolerances to be abused to obtain acceptable results.	Section 1 1.1	H
2	Integrity	Integrity	Employees have been informed of and comply with any applicable sector specific Integrity Rules published by TIC Council.	Section 1 1.2	HA
3	Conflicts of interest	Conflicts of interest	A policy to avoid conflict of interest or the appearance thereof is in operation.	Section 1 2.1	HA
4	Conflicts of interest	Conflicts of interest	Conflicts of interest are avoided between (i) the Company and any related entities in which the Company has a financial or commercial interest and (ii) the Group companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.	Section 1 2.2	HA
5	Conflicts of interest	Conflicts of interest	Employees do not, directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of the Member, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the Employee unduly dependent on its financial fortunes.	Section 1 2.3 (i)	A
6	Conflicts of interest	Conflicts of interest	Employees do not hold any position with a competitor or client.	Section 1 2.3 (ii)	A

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7	Conflicts of interest	Conflicts of interest	Employees do not conduct any company business with any member of their family or with an individual or organisation with which they or their family is associated. Employees do not employ a member of their family without approval of the Member's management.	Section 1 2.3 (iii)	A
8	Confidentiality and data protection	Confidentiality and data protection	Employees are required, as a condition of employment, to sign a non-disclosure agreement prohibiting the disclosure of confidential business information, obtained during the course of their employment, to other parties.	Section 1 3.1	A
9	Confidentiality and data protection	Confidentiality and data protection	All intermediaries, joint venture partners, agents, subcontractors, franchisees, contractors and suppliers are made aware of confidentiality and that they should not disclose confidential information.	Section 1 3.2	HA
10	Anti-bribery	Compliance with laws	Member's Compliance Programme meets the requirements of the TIC Council Compliance Code and local laws relevant to countering bribery in all jurisdictions in which the Organisation operates.	Section 1 4.1	H
11	Anti-bribery	Complaints and Disciplinary Procedures	In those cases where local laws specify additional, or different, requirements which are not covered by the Programme, the Programme has been modified in the country(ies) concerned. Records have been kept of countries where the Programme has been modified.	Section 1 4.1	AH
12	Anti-bribery	Analysis of risks	The Compliance Committee and/or the senior executive, or his delegate, in each country of operation organises periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews are conducted systematically (i) prior to the commencement of a new service or start-up of operations in a new country (ii) whenever a significant breach of the Member's Programme occurs which warrants a review of the existing control measures.	Section 1 4.2	HA
13	Anti-bribery	Political contributions	A Policy and criteria are maintained for political contributions.	Section 1 4.3.1	H
14	Anti-bribery	Political contributions	All political contributions are accounted for in a separate general ledger in the accounting records. Such payments made by any of the operations forming part of the Organisation, are consolidated.	Section 1 4.3.1	AH
15	Anti-bribery	Charitable contributions	A Policy and criteria are maintained for charitable contributions and sponsorships.	Section 1 4.3.2	H
16	Anti-bribery	Charitable contributions	All charitable contributions and sponsorships made are accounted for in a separate general ledger count in the accounting records. Such payments, made by any of the operations forming part of the Organisation, are consolidated.	Section 1 4.3.2	AH
17	Anti-bribery	Facilitation payments	A Policy is maintained on facilitation payments.	Section 1 4.3.3	H

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18	Anti-bribery	Facilitation payments	Where facilitation payments are identified, the Organisation should take actions to investigate and eliminate them.	Section 1 4.3.3	AH
19	Anti-bribery	Gifts, hospitality and expenses	A Policy and criteria are maintained for gifts, hospitality and expenses.	Section 1 4.3.4	H
20	Anti-bribery	Gifts, hospitality and expenses	All charitable contributions and sponsorships made are accounted for in a separate general ledger count in the accounting records. Such payments, made by any of the operations forming part of the Organisation, are consolidated.	Section 1 4.3.4	H
21	Fair business conduct	Fair business conduct	Guidelines have been provided to employees, agents and intermediaries to ensure that they understand and adhere to the Principles governing fair business conduct.	Section 1 5.1	HA
22	Fair business conduct	Fair business conduct	A Policy is maintained on fair business conduct, prohibiting: i) making untrue statements about competitors, their operations, services or service offerings ii) activities contrary to rules for fair competition, anti-trust or tendering iii) inciting, inducing or encouraging any person to breach its contractual obligations (including obligations of confidentiality) iv) commercial espionage and/or data theft	Section 1 5.2	H
23	Fair business conduct	Fair business conduct	The Organisation's presentations and publications accurately and unambiguously reflect the Organisation's network and affiliations, resources / capabilities, experience and services provided.	Section 1 5.3	HA
24	Health and Safety	Health and Safety	A Policy is maintained on health & safety, meeting all legal requirements.	Section 1 6.1	H
25	Health and Safety	Health and Safety	Appropriate training is provided to the employees for the activities they are engaged in.	Section 1 6.2	A
26	Health and Safety	Health and Safety	The Organisation encourages Employees to report Health & Safety related incidents, record these incidents, investigate these incidents and if required, take corrective measures.	Section 1 6.3 Section 2 16	A
27	Fair labour	Fair labour	A Policy is maintained on fair labour.	Section 1 7.1	H

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28	Fair labour	Fair labour	The Organisation should be committed to: i) Compliance with at least with minimum wage legislation and other applicable wage and working time laws. ii) Prohibition of child labour – strictly prohibit the use of child labour. iii) Prohibition of forced and compulsory labour – prohibit all forms of forced labour, whether in the form of prison labour, indentured labour, bonded labour, slave labour or any kind of non-voluntary labour. iv) Respect of equal opportunities in the workplace v) Zero tolerance of abuse, bullying or harassment in the workplace.	Section 1 7.2	HA
29	General	Implementation	Records are available demonstrating that the Programme has been implemented throughout the Organisation in all locations.	Section 2 1	H
30	General	Members' Compliance Programmes	The Member has published on its website its own Principles reflecting the TIC Council Compliance Principles.	Section 2 2	H
31	General	Members' Compliance Programmes	The Member has implemented a Compliance Programme reflecting the TIC Council Compliance Code	Section 2 2	H
32	General	Compliance Officer	The Organisation has appointed a Compliance Officer.	Section 2 3	H
33	General	Compliance Committee	The Organisation has established a Compliance Committee.	Section 2 4	H
34	Employee	Recruitment	The Organisation informs prospective employees of the Programme prior to job offer.	Section 2 5	A
35	Employee	Employee commitment	Employees have been provided with the Compliance Programme and requested to sign declarations that they have been received, read and understood. A record is kept in the file of each Employee.	Section 2 6.1 (a)	A
36	Employee	Employee commitment	The Organisation's Compliance Programme make it clear that the Employees will not suffer demotion, penalty, etc., arising from the strict implementation of the Programme.	Section 2 6.2	H
37	Employee	Training	Employees have completed a compliance training course which takes into account the TIC Council Compliance Training Guide. A record is kept in the file of each Employee.	Section 2 7	A
38	Employee	Employee "Help lines"	"Help Lines" (or equivalent – e.g. designated email) have been established to provide guidance to Employees.	Section 2 8	HA
39	Employee	Employee "Help lines"	When using the "Help Lines" the Employee may request anonymity which is protected by the Organisation to the extent reasonably practicable.	Section 2 8	HA

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40	Confidentiality and data protection	Security measures	Adequate security measures have been implemented in the Organisation's premises containing confidential business information to ensure that (i) access is restricted to authorised personnel only and (ii) documents/data are stored in designated secure areas and disposed of in a secure matter.	Section 2 9	A
41	External communication	External communication	The Organisation (a) publicly discloses its Compliance Principles and (b) provides facilities and tools to receive enquiries, complaints or feedback from relevant interested parties.	Section 2 10	HA
42	Violations	Reporting of Violations	The Organisation encourages Employees to report violations or suspected violations and endeavours to provide protection to reporting Employees.	Section 2 11.1	A
43	Violations	Reporting of Violations	When an Employee reports violations, or suspected violations, the Organisation protects (a) the Employee from any form of reprisal (unless they acted maliciously or in bad faith) and (b) if requested, the anonymity of the Employee to the extent reasonably practicable.	Section 2 11.1	A
44	Violations	Reporting of Violations	Employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge.	Section 2 11.2	A
45	Violations	Investigations and Sanctions	The Compliance Officer, or nominated delegate, initiates an investigation into any violation reported to him/her or coming to his/her knowledge.	Section 2 12.1	H
46	Violations	Investigations and Sanctions	A documented procedure is maintained for handling of investigations and sanctions which includes (a) maintenance of records of all reported violations and subsequent actions taken (b) giving the alleged perpetrator the right to be heard (c) the Member's management or Compliance Committee deciding on the appropriate corrective and disciplinary measures to be implemented in the event a violation is established (d) the Compliance Officer receiving summary reports from all locations and preparing summary reports to the Compliance Committee.	Section 2 12.2	HA
47	Violations	Investigations and Sanctions	On an annual basis, a summary report is prepared including a) number of violations / suspected violations reported b) number of violations substantiated; and c) confirmation that remedial actions have been determined and action undertaken / being undertaken for each substantiated violation / non-compliance.	Section 2 13.1 (a)	H

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48	Business relationships	Intermediaries, joint venture partners and franchisees	Due diligence is conducted prior to initiating or renewing the relationships with intermediaries, joint venture partners and franchisees.	Section 2 13.2	A
49	Business relationships	Intermediaries, joint venture partners and franchisees	The new / re-newed intermediaries, joint venture partners and franchisees' contractual commitment to comply with the Compliance Principles and to allow the Member to verify this periodically. The continual compliance with the Member's Principles is monitored and action taken in the event of a breach.	Section 2 13.2	AH
50	Business relationships	Intermediaries and where appropriate	Training and support is provided to the intermediaries and other parties where appropriate.	Section 2 13.5	A
51	Business relationships	Intermediary	The intermediaries' remuneration is accounted for in a separate general ledger in the accounting records. All such payments made by any of the operations throughout the Organisation are consolidated.	Section 2 13.6	AH
52	Business relationships	Agents and Subcontractors	The Agents' and subcontractors' compliance with the Member's Principles is monitored through monitoring of their conduct and, as appropriate, periodic verification.	Section 2 13.7	A
53	Complaints and Disciplinary Procedures	Complaints and Disciplinary Procedures	Complaints to TIC Council, concerning non-compliance by Full TIC Council Members with the TIC Council Compliance Code, are lodged as per TIC Complaints handling procedure.	Section 2 14	H
54	Accounting and bookkeeping	Accounting and bookkeeping	A review of the books and records has demonstrated that they are accurately maintained and properly and fairly document all financial transactions. The Organisation's Programme prohibits off-the-books records.	Section 2 15	HA
55	Business relationships	Intermediaries, joint venture partners and franchisees	On an annual basis, a summary report is prepared to cover new or renewed intermediaries, joint venture partners and franchisees i. number of new or renewed intermediaries, joint venture partners and franchisees in the financial year; ii. confirmation that each has gone through the Member's due diligence procedures as required; iii. confirmation that an appropriate contract / terms of business has been put in place with each.	Section 2 17.1 (b)	H
56	Anti-bribery	Political contributions	On an annual basis, a summary report is prepared to confirm whether any political contributions made are in line with the Compliance Programme and Policy.	Section 2 17.1 (c)	H
57	Anti-bribery	Charitable contributions	On an annual basis, a summary report is prepared to confirm whether any charitable contributions and/or sponsorships made are in line with the Compliance Programme and Policy.	Section 2 17.1 (c)	H
58	Anti-bribery	Gifts, hospitality and expenses	On an annual basis, a summary report is prepared to confirm whether any expenditures relating to gifts, hospitality and expenses made are in line with the Compliance Programme and Policy.	Section 2 17.1 (c)	H

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59	Business relationships	Intermediary	On an annual basis, a summary report is prepared to confirm whether any remuneration paid to each intermediary are in line with the Compliance Programme and Policy.	Section 2 17.1 (c)	H
60	Health and Safety	Health and Safety	On an annual basis, a summary report is prepared covering: - number of Health & Safety incidents reported; and - confirmation that remedial actions have been determined and action undertaken / being undertaken for each incident.	Section 2 17.1 (d)	H
61	Employee	Senior Manager declarations	The Senior Managers responsible, in respect of all locations and/or activities, prepare, sign and send to the Compliance Officer, on an annual basis, a Compliance Declaration based on the TIC Council template.	Section 3 1	HA
62	Compliance	Internal audit	The internal auditors, as part of their internal audits, verify that the Compliance Programme has been implemented within the Organisation and that the Management Compliance Declarations have been properly completed, reflect compliance with the Programme and, in respect of those locations selected for site audits, correctly reflect the actual situation by testing on a sampling basis. The findings are reported to the Compliance Officer.	Section 3 2.1	HA
63	Compliance	Internal audit	The Compliance Officer, based on the findings of the internal audits, submits a summary report to the Compliance Committee for follow-up action.	Section 3 2.2	H
64	Compliance	External verification	The implementation of the Programme is examined at least annually through submission of documents and by agreed upon procedures carried out by the Member's appointed independent external audit firm. The latter shall be a reputable organisation that is a member of a recognised national professional accountancy organisation.	Section 3 3.1 and 3.2	H
65	Compliance	External verification	Prior to the appointment of the audit firm, or any subsequent proposed changes thereof, the Member should submit details to the Director General for confirmation of compliance with TIC Council requirements.	Section 3 3.3	H
66	Compliance	External verification	The external audit firm is required to submit to TIC Council, within 6 months of the financial year-end closing date, the results of the Agreed Upon Procedures based on the TIC Council template.	Section 3 5	H