



Universal Inspectorate & Services

## Compliance Programme (Principles & Rules)

**Published by:**

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DGA-IS-4554.00

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# **I. GENERAL**

## **I.1 Statement of Ethics**

Universal Inspectorate & Services Co. Ltd. (UIS) is a trade services company specializing in the inspection, verification and control of its clients' products, services or systems.

UIS committed to supply high quality inspection services that totally satisfy the agreed contractual requirements of its customers and meets its stakeholders' needs and expectations every time.

UIS provides training, education and financial support to its employees to continually improve their performance.

Honesty is our credit; achieving highest quality performance is our objectives.

We are committed to continually improve our services to cope with the increasing competition and to satisfy our clients.

UIS does not have any commercial, industrial or financial interests that might affect its independence.

In providing these services and fulfilling its commitments UIS places great emphasis on professional and business ethics in all its business in dealings. To ensure that these ethics are respected, it has adopted the following general principles.

### **GENERAL PRINCIPLES**

UIS ensures that all services and operations in which it participates respect the following general principles for the duration of their operational and contractual relationship:

1. Respect for the confidentiality of information,
2. Respect for intellectual property,
3. Respect for the environment,
4. Respect for contractual agreements,
5. Respect for the generally accepted ethics of the business environment within which it operates,
6. Respect for the individual rights of clients, suppliers and employees.

In summary, UIS' operations, whether wholly owned, affiliated or joint ventures ensure that in providing our services we adhere to the above mentioned principles.

Furthermore, UIS also ensures that the people and companies with whom it deals in the conduct of its activities apply the same general principles.

## **UIS' ENGAGEMENT**

UIS, its staff and management are committed to:

1. Treating clients and business relations with respect and dignity,
2. Introducing and ensuring the application of rules of professional conduct that strictly exclude conflicts of interest among its staff and management,
3. Respecting the confidentiality of information provided by its clients, suppliers and employees,
4. Doing business in a responsible manner, avoiding practices that may harm the image and interests of the company, its employees and the inspection industry as a whole.

The company, including the Board of Directors and its Senior Management, are totally committed to the adoption of the highest levels of integrity in our day-to-day work as the core of our business activities.

UIS, as a member of the International Federation of Inspection Agencies (IFIA), ensures that its business activities are in compliance with the IFIA Compliance Code and its other sector specific codes.

## **I.II Compliance Principles**

### **Integrity**

- 1.1 UIS' activities shall be carried out in a professional, independent and impartial manner.
- 1.2 UIS' shall carry out its work honestly and shall not tolerate any deviation from its approved methods and procedures. Where approved test methods make provision for tolerances in results, UIS shall ensure that such tolerances are not abused to alter the actual test findings
- 1.3 Data, test results and other material facts shall be reported by UIS in good faith and will not be improperly changed.
- 1.4 All reports and certificates issued by UIS shall correctly present the actual findings, professional opinions or results obtained.

### **1. Conflicts of interest**

- 1.1 UIS shall avoid conflicts of interest with any related entity in which it has a financial or commercial interest and to which it is required to provide services.

- 1.2 UIS shall also avoid conflicts of interest between its companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.
- 1.3 UIS shall ensure that its employees avoid conflicts of interest with the activities of the company.

## **2. Confidentiality**

UIS shall treat all information received in the course of the provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

## **3. Anti-bribery**

- 3.1 UIS shall prohibit the offer or acceptance of a bribe in any form, including kickbacks, on any portion of a contract payment,
- 3.2 UIS shall prohibit the use of other routes or channels for provision of improper benefits to, or the receipt of improper benefits from, customers, agents, contractors, suppliers or employees of any such party or government officials.

## **4. Fair Marketing**

- 4.1 UIS shall conduct marketing including any comparisons with, or references to, competitors, or their services in a manner that is truthful, not deceptive or misleading or likely to mislead, and is consistent with applicable laws.
- 4.2 UIS shall present itself in a fair manner.
- 4.3 UIS shall ensure presentational information, including descriptions of its network and affiliations, resources employed and the services provided, is accurate and unambiguous.

## **II. Compliance Rules**

### **1 Implementation**

UIS' Compliance Principles and Rules are implemented by integration of its requirements into our electronically documented Quality Management System.

### **2 UIS' Compliance Programme (Principles and Rules)**

- 2.1 UIS Board of directors, confirm their commitment to implementing the new IFIA Compliance Code by publishing this compliance programme (Principles & Rules) which is a 21 page document of detailed principles & rules reflecting IFIA Compliance Principles & Rules.

### **3 Appointment of Compliance Officer**

UIS Board of directors nominates the Quality Assurance Officer of the company as the Compliance Officer, who, have the full responsibility and authority for the co-ordination of the implementation of the Programme throughout our Organisation. Additionally, senior managers throughout our Organisation shall have responsibility for implementation of the Programme in their area of responsibility.

### **4 Establishment of a Compliance Committee**

UIS Board of directors has established a Compliance Committee to carry out periodic reviews of the progress of the Programme and provide policy guidance. The Compliance Committee, include The Compliance Officer, the Administration & Financial Manager and the Technical Manager

### **5 Human Resources**

#### **5.1 Recruitment**

All UIS employees, prior to their recruitment shall be informed of this Compliance Programme (Principles and Rules) and shall strictly abide by it.

#### **5.2 Employee commitment**

- (a) Each employee is required as a condition of employment to show their acceptance and understanding of this Compliance Programme periodically and sign a declaration. A record shall be kept in the file of the Employee.

- (b) Each Senior Manager is required to sign an annual declaration confirming that this compliance Programme has been implemented in his area of responsibility.
- (c) Each employee is required to sign, as a condition of employment, a Non-Disclosure Agreement prohibiting the disclosure to other parties of any confidential business information obtained during the course of his or her employment.

UIS' Rules indicate clearly that Employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

### **5.3 Training**

All employees, including Managers, of UIS are required to undergo during the first three months of the implementation of this Compliance Code or the first month of employment for the newly recruited employees, a Compliance Training Course based on the IFIA Compliance Training Guide. A Record of course completion is kept in the file of each employee.

### **5.4 Consultation on Code development**

UIS' employees are required to provide input on the development of the Programme during performance evaluations, staff training sessions or review meetings, or directly to the Compliance Officer.

### **5.5 Employee performance evaluation**

UIS ensures that each Employee has an on-going understanding of this Compliance Programme during employee performance evaluations.

### **5.6 Employee "Help Lines"**

UIS assigned the following telephone and e-mail as "help lines" where the employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of this Compliance Programme:

Tel: 00356 2258 2620

E-Mail: [complianceofficer@uis.com.mt](mailto:complianceofficer@uis.com.mt)

At the employee's request, any such question shall be dealt with confidentially and the anonymity of the employee shall be protected to the extent reasonably practicable. Such help lines may utilise the UIS' internal resources and/or an external third party organisation.



## **6 Security Measures**

UIS is implementing adequate security measures in its 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 manner.

## **7 External Communications**

UIS ensure effective external communications by:-

- 7.1 Publicly disclosing its Principles and, if appropriate, related information.
- 7.2 Providing facilities and tools, to receive enquiries, complaints or feedback from relevant interested parties.

## **8 Reporting of Violations**

- 8.1 UIS' employees are encouraged to report details of violations or suspected violations to either:
  - a) The Compliance Officer or his/her nominated delegate(s) or
  - b) The employee's superior or member of senior management or internal auditor who shall, in turn, inform the Compliance Officer or his/her nominated delegate(s). A nominated delegate could include a third party organisation.  
The reporting employee shall be fully protected against any form of reprisal unless she/he acted maliciously or in bad faith. If requested, the employee's anonymity shall be protected to the extent reasonably practicable.
- 8.2 UIS' employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge in the same manner as provided for under section 8.1.

## **9 UIS' Investigations and Sanctions**

- 9.1 The Compliance Officer or his nominated delegate(s) shall initiate, where appropriate, an investigation into any violation of the Programme reported to him or coming to his knowledge.

9.2 UIS is maintaining a documented procedure for the handling of investigations and sanctions which include requirements for:-

- (a) The maintenance of records of all reported violations and subsequent actions taken.
- (b) The alleged perpetrator of such violation to have the right to be heard.
- (c) UIS' management or Compliance Committee to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal.
- (d) The Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and prepare periodic summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.

## **10 Effectiveness of the Programme Implementation**

### **10.1 Management declarations**

UIS' Senior Managers throughout the Organisation are required to prepare and sign, on an annual basis, a Compliance Declaration, as per Annex A. These Compliance Declarations shall be received, in respect of all applicable locations and/or activities, by the Compliance Officer who shall submit an annual summary report to the Compliance Committee.

### **10.2 Internal audits**

UIS' nominated internal auditors are required as part of their internal audit plan, to verify that the Compliance Principles and Rules have been implemented within the Organisation and that the Management Declarations, as per section 10.1, (a) have been completed in conformance with Annex A and (b) reflect compliance with the Principles and Rules and (c) in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits shall review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme.

The compliance findings resulting from such audits shall be reported to the Compliance Officer who shall submit a summary report to the Compliance Committee. The Compliance Officer and/or Compliance Committee shall take follow-up actions where appropriate.

## **10.3 External examinations**

### **10.3.1 Frequency**

The effectiveness of the implementation of the Programme shall be examined at least annually by UIS' appointed independent external audit firm "**RSM MALTA**". The required scope of the examination is detailed in section 10.3.5.

### **10.3.2 Independent external audit firm**

UIS' independent external audit firm "**RSM MALTA**" appointed to carry-out this examination:-

- (a) is the firm engaged for the audit of UIS' (consolidated) financial statements and
- (b) is a member of a recognised national professional accountancy organisation.

### **10.3.3 Use of complementary external audit firms**

- (a) If, as per section 10.3.2(b), there are countries of UIS' operation where the international audit firm does not have offices and it is necessary to use different external audit firms (which shall comply with section 10.3.2(a), or correspondent audit firms which do not apply a uniform approach and methods, UIS and its international external audit firm shall be required to report to the Director General of IFIA on the arrangements made to ensure that a consistent examination of the Programme implementation is achieved in respect of all locations. In such cases, UIS' international external audit firm shall act as the co-ordinator of the other external audit firms and prepare one consolidated Assurance Report.
- (b) UIS' appointed external audit firm may, by agreement with UIS, utilise the services and reports of independent management system certification or accreditation bodies which have performed audits of UIS' management systems based on international standards. However, such certification and accreditation bodies or their reports shall not be used for the verification of financial and related aspects, included in the specific Anti-Bribery requirements and section 11, without the prior approval of the IFIA Council.

### **10.3.4 Notification to IFIA of UIS' appointed external audit firm**

Prior to the final appointment of the external audit firm (**RSM MALTA**), or any subsequent proposed changes thereof, UIS shall submit details to the Director General of IFIA for confirmation of compliance with IFIA requirements.

### 10.3.5 Scope of examination

For the purposes of demonstrating that the UIS is in conformance with the IFIA Compliance Code, the external audit firm will:-

- (A) Perform, as a minimum, the following assurance Review Procedures based on ISA as adapted for the IFIA Compliance Code:-
  - (i) Verify that UIS current Compliance Principles and Rules remain identical to those submitted to, and approved by, IFIA.
  - (ii) Verify that UIS has established a Programme incorporating the requirements of the Code.
  - (iii) Observe the existence of internal management systems, processes and controls in respect of:
    - a) Alleged violations
    - b) Compliance Committee records and
    - c) Compliance training.
  - (iv) Review the following consolidated management statements:-
    - Political Contributions
    - Charitable Contributions and Sponsorships
    - Intermediaries' remuneration
    - Extraordinary expenditures relating to gifts, hospitality and expenses and verify whether these statements:-
    - Reconcile with the accounting records and supporting documentation and have been approved by the Compliance Committee where applicable.
  - (v) Verify that all Management Declarations have been received and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer or, where applicable, his/her nominated delegate(s).
  - (vi) Any other areas and audit procedures as considered appropriate by the external audit firm and agreed with UIS.

- (B) Perform the assurance Review Procedures, as per section 10.3.5(a), by audit sampling in respect of both UIS' locations and the systems and documentation applicable to those locations. The audit sampling shall be agreed between the auditor and UIS, based upon a compliance risk assessment and taking into account UIS' Organisation and peculiarities.
- (c) Maximise the use of the services of UIS' Corporate Internal Audit function and/or Internal Quality Auditors to avoid duplication of efforts and minimise additional costs.

#### **10.3.6 External audit firm's "Assurance Report"**

- (a) The external audit firm is required to issue an Assurance Report based on the Proforma Assurance Report, contained in Annex B, which may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards.
- (b) UIS shall instruct the external audit firm to send a copy of the Assurance Report to the Director General of IFIA within 6 months of UIS' financial year-end closing date.

#### **10.3.7 Reportable Conditions**

Reportable Conditions which are detected by the external audit firm during performance of the Assurance Review Procedures shall be reported in the Assurance Report regardless of whether or not UIS has already taken corrective action.

The external audit firm shall not be required to include in its Assurance Report any minor non-conformities detected. These shall be communicated separately to UIS' management for corrective action within the time frame stipulated by the auditor.

### **11 Application of UIS' Principles and Rules in Business Relationships**

To ensure that the Compliance Principles and Rules of UIS are applied, to the extent appropriate, in its business relations with parties external to UIS Organisation such as intermediaries, joint venture partners, agents and subcontractors, contractors and suppliers, UIS shall implement the following:-

#### **11.1 Intermediaries**

To ensure (a) each Intermediary's compliance with UIS' Compliance Principles and (b) avoid improper payments being channelled through Intermediaries, UIS shall provide all Intermediaries with a copy of the Compliance Principles and:-

11.1.1 Prior to appointing an Intermediary, or renewing or substantially revising the terms of the appointment of an Intermediary appointed prior to the entry into force of this Code, conduct due diligence which shall include:-

- (i) A risk analysis
- (ii) An interview with the Intermediary
- (iii) Confirmation that, in the event of his/her/its appointment, or re-appointment, he/she/it accepts that his/her/its contract with UIS shall require his/her/its full compliance with the Principles and allow that this may be periodically verified by UIS.
- (iv) An investigation of the Intermediary's background which, for Intermediaries required to deal with government officials, shall be performed by an independent investigator and the findings reviewed and approved by UIS' Compliance Committee.
- (v) A verification that the remuneration paid to each Intermediary is appropriate and justifiable for legitimate services rendered, and does not facilitate improper payments by an Intermediary, through:-
  - (A) A remuneration analysis. This may include, where appropriate, consideration of:-
    - (a) the remuneration of other Intermediaries already used by UIS for performing a similar function
    - (b) quotations from other prospective Intermediaries
    - (c) local market information on rates paid to Intermediaries
    - (d) justification for the rate proposed for the prospective Intermediary, and
  - (B) A review of the remuneration analysis and, for Intermediaries required to deal with government officials, an approval by UIS' Compliance Committee prior to appointment of the prospective Intermediaries.

11.1.2 Monitor the Intermediary's continual compliance with UIS' Principles and, in the event of breach, take remedial action which could, for serious breaches, result in termination of the contract.

11.1.3 Where appropriate, undertake to provide training and support to the Intermediary.

11.1.4 Maintain records of fulfilment of the above mentioned requirements, including a copy of the contract with the Intermediary, consistent with UIS' Compliance Principles.

11.1.5 Account for the intermediaries' remuneration in a separate general ledger account in the UIS' accounting records. UIS shall consolidate all such payments made by any of its operations forming part of its Organisation.

11.1.6 Prepare annually a consolidated management statement of Intermediaries' remuneration.

11.1.7 Not deal with Intermediaries which it knows to be involved in bribery.

## **11.2 Joint venture partners**

11.2.1 UIS shall conduct due diligence of prospective joint venture partner(s), as outlined in section 11.1.1

11.2.2 UIS shall not deal with any joint venture partner(s) which it knows to be involved in bribery.

11.2.3 UIS shall monitor the joint venture partner's compliance with UIS Principles through monitoring of its conduct and, as appropriate, periodic verification.

## **11.3 Agents and subcontractors**

11.3.1 UIS shall undertake due diligence of prospective agents and subcontractors, as outlined in section 11.1.1

11.3.2 UIS shall, where appropriate, provide training for agents and subcontractors.

11.3.3 UIS shall not deal with agents and subcontractors which it knows to be involved in bribery.

11.3.4 UIS shall monitor the agent's or subcontractor's compliance with UIS' Principles through monitoring of his/her/its conduct and, as appropriate, periodic verification

## **11.4 Contractors and suppliers**

11.4.1 UIS shall conduct its procurement practices in a fair and transparent manner.

11.4.2 UIS shall undertake due diligence in evaluating major prospective contractors and suppliers. UIS' Compliance Committee shall provide guidance to employees on the definition of "major prospective contractors and suppliers" and the scope of due diligence.

11.4.3 UIS shall make known its Compliance Principles to major contractors and suppliers.

11.4.4 UIS shall avoid dealing with contractors and suppliers which it knows to be involved in bribery.

## **12 Complaints and Disciplinary Procedures**

- 12.1 Complaints concerning alleged non-compliance with IFIA Code by other Members shall be lodged with IFIA in accordance with the IFIA Complaints and Disciplinary Procedures. UIS shall refrain from submitting such complaints to other parties unless it is necessary to do so to protect UIS' reputation.
- 12.2 UIS accepts sanctions imposed by the IFIA Council subject to the rules, including rights of appeal, set out in the IFIA Complaints and Disciplinary Procedures in case of Breaches of IFIA Code.

## **13 SPECIFIC APPLICATIONS OF UIS' COMPLIANCE PROGRAMME**

### **13.1 Integrity Rules**

#### **13.1.1 Non abuse of tolerances**

- 13.1.1.1 UIS shall ensure that where approved test methods make provision for tolerances in results, such tolerances shall not be abused by employees to alter the actual test findings.
- 13.1.1.2 UIS shall provide guidance to all its employees for dealing with clients who may request an abuse of tolerances to obtain acceptable results.

#### **13.1.2 Sector Specific Integrity Rules**

In respect of those business sectors in which UIS is active, it shall comply with any sector specific Integrity Rules published by the applicable IFIA Technical Committee.

### **13.2 Conflicts of Interest**

In order to avoid conflicts of interest, or the appearance of conflicts of interest, in UIS' business transactions and services, the following requirements shall be taken into account:

- 13.2.1 UIS shall avoid conflicts of interest between:
- (a) UIS and any related entities in which UIS has a financial or commercial interest and to which it is required to provide services.
  - (b) UIS' companies and/or divisions engaged in different activities but which may be providing services to either (i) the same client or (ii) each other.



13.2.2 UIS' Employees shall not, directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of UIS, 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.

13.2.3 UIS' Employees shall not hold any position with a competitor or client.

13.2.4 UIS' Employees shall 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.

13.2.5 UIS' Employees shall not employ a member of their family without approval of UIS' management.

### **13.3. Protection of Confidential Business Information**

13.3.1 UIS' Employees shall be required, as a condition of employment, to sign a Non-Disclosure Agreement prohibiting the disclosure of any confidential business information obtained during the course of their employment, to other parties.

13.3.2 UIS shall implement adequate security measures in its organisation's premises containing confidential business information to ensure that:  
(i) access is restricted to authorised personnel only,  
(ii) documents/data are stored in designated secure areas and disposed of in a secure manner.

### **13.4. Anti-bribery Rules**

#### **13.4.1 Compliance with Laws**

13.4.1.1 UIS shall ensure that the Principles and Rules of its Compliance programme meet the requirements of local laws relevant to countering bribery in all the jurisdictions in which UIS operates.

13.4.1.2 In the event that the local laws specify additional or different requirements, which are not covered by its Compliance programme, UIS shall modify accordingly its programme for the country/ies concerned. Records shall be kept of countries where the programme has been modified.

### **13.4.2 Analysis of Risks**

UIS' Compliance Committee shall organise periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews shall be systematically conducted:

- (i) Prior to the commencement of a new service or the start up of operations in a new country and
- (ii) Whenever a significant breach of UIS' Principles and Rules occurs which warrants a review of the existing control measures.

### **13.4.3 Political Contributions**

In order to ensure that the UIS, its employees, agents or intermediaries shall not make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions, UIS shall:

- 13.4.3.1 Maintain a policy and criteria for political contributions.
- 13.4.3.2 Ensure proposed political contributions be subject to prior review and approval by the UIS Compliance Committee and shall take into account the applicable laws in the countries concerned.
- 13.4.3.3 All political contributions made by UIS shall be accounted for in a separate general ledger account in its accounting records. UIS shall consolidate all such payments made by any of its operations forming part of its organisation.
- 13.4.3.4 UIS shall prepare annually a consolidated management statement of all political contributions made, including those made on its behalf by its employees, agents and intermediaries.

### **13.4.4 Charitable Contributions & Sponsorships**

To ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery UIS shall:

- 13.4.4.1 Maintain a policy and criteria for charitable contributions and sponsorships.
- 13.4.4.2 Stipulate designated levels of approval for charitable contributions and sponsorships.
- 13.4.4.3 Prior to approval of each proposed charitable contribution or sponsorship a due diligence review shall be conducted to ensure that:

(i) The organisation receiving the contribution or sponsorship is reputable pursuing a purpose unequivocally in the public interest and having the financial and personnel resources required to reach its purpose. Care should be taken to ensure that the organisation is not a “front” for some other purpose. Donations to individuals shall be avoided unless approved and monitored by UIS’ Compliance Committee.

(ii) There are no conflicts of interest.

13.4.4.4 Sponsoring agreements shall be in writing and state the consideration being offered by UIS. If funds are offered, the use of these funds shall be specified in detail and an opportunity to check on their use must exist.

13.4.4.5 Records shall be maintained locally of all charitable contributions and sponsorships and progress monitored to ensure that they have been used for the intended purpose.

13.4.4.6 All charitable contributions and sponsorships made by UIS shall be accounted for in a separate general ledger account in its accounting records. UIS shall consolidate all such payments made by any of its operations forming part of its organisation.

13.4.4.7 UIS shall prepare annually a consolidated management statement of all charitable contributions and sponsorships made by UIS or on its behalf.

#### **13.4.5 Facilitation Payments**

13.4.5.1 Facilitation payments shall be discouraged and only made when absolutely necessary.

13.4.5.2 UIS shall determine its policy with regard to facilitation payments.

13.4.5.3 When UIS’ Policy permits facilitation payments, it shall be subject to compliance with the following requirements:-

- (i) There is no doubt as to the entitlement of UIS to the action to be performed.
- (ii) The demander of the facilitation payment has a clear and non-discretionary obligation to perform the task.
- (iii) The payment is modest.
- (iv) The payment is appropriately accounted for.

### 13.4.6 Gifts, Hospitality and Expenses

To ensure that the offer or receipt of gifts, hospitality or expenses do not (a) influence, or be perceived to influence, a contractual or material transaction or (b) serve, or be perceived to serve, as an inducement to act in breach of duty, UIS shall:-

- 13.4.6.1 Set limits / guidelines on the value of gifts, hospitality or expenses that may be given without special authorisation from UIS' Compliance Committee.
- 13.4.6.2 Provide employees with guidelines on the circumstances under which (a) gifts, hospitality or expenses may be received and (b) gifts may be kept by Employees or should be surrendered to UIS' management for disposal.
- 13.4.6.3 All extraordinary expenses / proceeds, falling outside the limits / guidelines set in section 13.6.1, related to gifts, hospitality and expenses, shall be accounted for in a separate general ledger account in UIS' accounting records.
- 13.4.6.4 UIS shall consolidate all such payments made by any of its operations forming part of its Organisation.
- 13.4.6.5 UIS shall prepare annually a consolidated management statement, of all extraordinary expenses / proceeds.
- 13.4.6.6 Provided employees with general criteria for the compliance of gifts, hospitality and expenses with the Code. Examples of such criteria are that they should be:
  - *Made for the right reason:* the gift or entertainment should be given clearly as an act of appreciation or genuine business intent
  - *Without obligation:* the gift, entertainment or expense does not place the recipient under any obligation
  - *Without expectations:* expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction
  - *Made openly:* if made secretly then the purpose will be suspect
  - *In accordance with stakeholder perception:* the transaction would not be viewed unfavourably by key stakeholders if it were made known to them
  - *Reported:* the gift or expense should be recorded and reported to management
  - *Reasonable value:* the size of the gift is small or the value of the entertainment accords with general business practice
  - *Legal:* it conforms to the laws of the country where it is made;
  - *In conformance with the recipient's rules:* the gift or entertainment meets the rules or code of conduct of the receiving organisation
  - *Infrequent:* the giving or receiving of the items is not a frequent happening between the giver and the recipient.

### **13.4.7 Accounting and Book Keeping**

UIS shall maintain accurate books and records, which properly and fairly document all financial transactions. Off-the-books accounts shall be prohibited.

### **13.5. Fair Marketing Rules**

UIS shall provide guidelines to employees, agents and intermediaries to ensure that:

- a. They conduct marketing (including comparisons with, or references to, competitors, competitors' services or third parties) in a manner that is truthful, is not deceptive or misleading or likely to mislead, and is consistent with applicable laws; and
- b. They present UIS in a fair manner; and
- c. Their presentations and publications accurately and unambiguously reflect UIS' network and affiliations, resources / capabilities, experience and services provided.

## Annex A

### Management Declaration Template

#### UNIVERSAL INSPECTORATE & SERVICES CO. LTD. COMPLIANCE CODE

Management Declaration for the year ending ..... 20 .....

To: .....

*(Name of UIS' Compliance Officer or Nominated delegate)*

Name of Manager: .....	Job Title: .....
Locations and/or activities covered by this Declarations .....	
.....	
.....	
.....	
.....	

I ..... *(Name of Manager)* do hereby declare that in implementation of ..... UIS' Compliance Code for the year ending ..... 20 ..... In each of the locations and/or activities, as listed

Above, falling under my area of responsibility:-

1. To the best of my knowledge I, and UIS' of staff reporting to me, have complied in all respects with the compliance Principles and Rules;
2. I have verified that the Compliance Principles and Rules have been distributed to each Employee who had not previously received them;
3. I have fully completely reported to the Compliance Officer any violation or suspected violation of the Principles and Rules, including any solicitation or offer of any improper payment or advantage, which has come to my knowledge;
4. I have fully and completely implemented all corrective and disciplinary actions required by the Compliance Committee in respect of any violation of the Principles and Rules.
5. I have reviewed the progress summary for each of the required report items, the details of which are (a) available in the compliance system databases or (b) annexed to this Declaration (delete as applicable) and confirm that to the best of my knowledge it is an accurate reflection of the status of implementation of the Compliance Code.

Place: ..... Date: .....

Signature: .....

## ANNEX B

### Proforma Assurance Report of external audit firm

#### "Assurance Report on UIS' Compliance Programme"

##### 1. Purpose of assurance review

We have performed review procedures on the management and reporting processes of the Compliance Programme of **Universal Inspectorate & Services** over the year ..... or the period ..... to ..... to determine whether these incorporate the requirements of the IFIA Compliance Code dated.....and whether this has been adequately implemented within UIS' Organisation.

**Universal Inspectorate & Services** is responsible for the development and maintenance of the management and internal reporting processes of the Compliance Programme. Our responsibility is to report on the management and reporting processes of the Compliance Programme based upon our review procedures.

##### 2. Scope of assurance review

The scope of our review procedures was to:-

- (i) Verify that the current Compliance Principles and Rules of **Universal Inspectorate & Services** remain identical to those submitted to, and approved by, IFIA.
- (ii) Verify that **Universal Inspectorate & Services** has established a Programme incorporating the requirements of the Code.
- (iii) Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) Compliance Committee records and (c) compliance training.
- (iv) Review the following consolidated management statements:-
  - Political Contributions
  - Charitable Contributions and Sponsorships
  - Extraordinary expenditures relating to gifts, hospitality and expenses
  - Intermediaries remuneration and verify whether these statements :-
  - reconcile with the accounting records and supporting documentation.
  - have been approved by the Compliance Committee where applicable.
- (v) Verify that all Management Declarations from Senior Managers in all countries of operation have been received and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer or, where applicable, his/her nominated delegate(s).

- (vi) Any other areas and assurance review procedures as considered appropriate by us and agreed with ***Universal Inspectorate & Services***.

We based our review primarily on management and other information provided to us by the company's management and staff. We also interviewed personnel responsible for the Compliance Programme, including the Compliance Officer, Managers and other appropriate employees, both at Group level and selected countries. We also performed tests, on a sample basis, of relevant documentation including Group policies, management and reporting structures, documentation and systems in place at ..... (specify country(ies) visited).

There are no generally accepted international standards for these other Assurance Engagements. In the absence of such standards, we based our approach on best practices as well as on the underlying principles of the standards of the International Federation of Accountants but adapted as necessary. We, therefore, planned and performed our procedures to obtain a reasonable basis for our conclusions. However, as we have not performed an audit, we do not express an audit opinion.

### **3. Results of our assurance review**

During our review the following aspects were noted for follow-up action:-

Based on our review procedures, with the exception of the above mentioned findings (where applicable) nothing has come to our attention to cause us to believe that:-

- (i) The Compliance Programme does not meet the requirements of the IFIA Compliance Code
- (ii) the Compliance Programme has not been adequately enforced and implemented
- (iii) the systems for collection, analysis and aggregation of Compliance Programme violations are not functioning as designed and that
- (iv) the consolidated management statements for intermediary remuneration, political contributions, charitable contributions and sponsorships, and extraordinary expenditures relating to gifts, hospitality and expenses do not properly reflect the figures as reported by the affiliates or reporting units.

### **Recommendations**

From our work, we have provided the following recommendations to management which have been agreed:-

Name of External Audit Firm:

Date: