

The Complete Compliance and Ethics Manual 2023

Glossary of Compliance-Related Terms

ABAC: An acronym for Anti-Bribery and Anti-Corruption.

APEC: Asian-Pacific Economic Cooperation is an intergovernmental group formed to facilitate economic growth, cooperation, trade, and investment in the Asia-Pacific region. It operates on the basis of nonbinding commitments, open dialogue, and equal respect for the views of all participants.

Attestation: The affirmation by signature, usually on a printed form, that the action outlined has been accomplished by the individual signing (e.g., the individual has read the code of conduct and agreed to adhere to its principles).

Attorney-Client Privilege (US mainly but may apply to some other countries): A legally accepted policy that communication between a client and attorney is confidential in the course of the professional relationship and that such communication cannot be disclosed without the consent of the client. Its purpose is to encourage full and frank communication between attorneys and their clients.

Audit, baseline: A systematic inspection of records, policies, and procedures with the goal of establishing a set of benchmarks for comparison for future inspections.

Audit, concurrent: An ongoing inspection of records, policies, and procedures at a given point in time in which identified potential problems are investigated as they arise (e.g., prepublished financial statements).

Audit, retrospective: A comprehensive inspection of records, policies, and procedures done usually in anticipation of launching a compliance and ethics program. All potential problems are identified and then investigated (e.g., published financial statements, historical audit).

BCCA: The Brazil Clean Companies Act adopted in 2014 as the country's first anti-corruption law to hold companies criminally liable for corrupt acts. Similar to the UK Bribery Act in many ways.

Benchmarking: The measurement of performance against best-practice standards.

Best Practices: Generally recognized standards that deliver top results for organizations in operational and/or financial processes.

Caremark International Derivative Litigation: The 1996 US civil settlement of Caremark International Inc., in which an imposed corporate integrity agreement precluded Caremark from providing healthcare in certain forms for a period of five years. Also suggests that the failure of a corporate director to attempt in good faith to institute a compliance and ethics program in certain situations may be a breach of a director's fiduciary obligation.

Chain of Command: The hierarchy of reporting structure within an organization, which assumes all issues will be presented first to one's immediate supervisor.

Chief Audit Executive (CAE): A high-level independent corporate executive with overall responsibility for internal audits.

Chief Ethics and Compliance Officer (CECO): See Chief Compliance Officer.

Chief Compliance Officer (CCO): In larger, more complex organizations, there may be multiple compliance officers. The highest-ranking compliance officer, typically at the organization's headquarters, may be designated the chief compliance officer. Also known as the chief ethics and compliance officer (CECO).

Commonwealth of Independent States (CIS): A regional organization whose participating countries are former Soviet republics, formed to coordinate powers in the realm of trade, finance, law, and security.

Compliance Officer (CO): The senior manager responsible for managing the compliance and ethics program. Also known as the compliance and ethics officer (CEO), or sometimes the ethics officer (if the focus of this role includes compliance).

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