


We don't have to accept it

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According to a recent study, almost 90% of Slovaks believe that corruption is part of their country's business culture. Furthermore, almost 25% of Slovaks believe that corruption is unavoidable and has always existed¹. Fortunately, there is a growing movement within our business community that refuses to accept the current state of affairs and is committed to take action.

Personally, I never want to simply accept the current status quo and give up hope of changing it for the better. I can only agree with Anthony Eden² who famously said, "Corruption never has been compulsory."

Anti-corruption measures

There are many things a company can do to prevent corruption. There are some key basic steps which can make a considerable difference – implementation of a code of ethics, communication with your employees, setting the tone at the top, introduction of zero tolerance, etc. There are also robust state-of-art solutions which minimize the risks of unwanted behavior within a company. The impact of these can be enormous if implemented conscientiously, the one limitation being the external environment.

There is a widely-held belief that there is only a small number of individuals who will act absolutely in line with ethical principles regardless of the situation they face. Some individuals will always act unethically given the opportunity, but unfortunately the vast majority of us are also prone to act unethically in certain circumstances. Pressure, opportunity and rationalization are the elements which determine our conduct when facing ethical dilemmas, which all of us face at one time or another.

Company risk management systems can eliminate opportunities for corrupt behavior within an organization. They can also have a considerable effect on the pressure and rationalization aspects. But no matter how robust the systems in place are, there are aspects which are beyond the direct control of a company. Pressure and rationalization are often influenced by the external environment. The ethical principles and conduct generally accepted within an environment have a substantial effect on decisions made by individual employees. Shaping these factors is sometimes an unmanageable task, particularly for an individual entity – only collective action has a chance to succeed.

Everyone in the Slovak business community can make a difference

A few years ago, several market players and business sub-communities considered such issues and started exploring how corruption can be eliminated. They had a common vision – to create a transparent and ethical business environment in Slovakia. This group of Slovak companies founded the Slovak Compliance Circle in December 2013.

The Slovak Compliance Circle (SCC) is a professional association of legal entities. It is a non-profit and non-governmental organization which aims to improve business ethics in Slovakia and promote the role of the compliance profession and supporting compliance professionals in Slovakia.

The key focus is on action that can be taken within the Slovak business community from a business-to-business perspective. During the first year of its existence, the organization created a platform for experience sharing for professionals from the compliance area. It also initiated activities with young people aimed at promoting ethical principles, i.e. working with the next generation of Slovak business leaders. Further initiatives included a survey on the perception of business ethics amongst businesses in Slovakia and participation in the Rule of Law initiative organized by AmCham.

The way is the goal

Part of the SCC's strategy is for each of the members to spread ethical principles throughout the network of its business partners. In this way, we believe these ideas will penetrate all areas of

the Slovak business community, regardless of the region, industry, or size of entities.

The message of the initiative has proven to be attractive. Since December 2013, the number of members has more than doubled and currently stands at twenty-three and includes many of the larger corporations operating in Slovakia. The members realize that the goals of the initiative cannot be achieved in just a few years, but will need to continue over the long term. The corporate world has a unique role in shaping the environment from the perspective of generally accepted ethical behavior. The Slovak Compliance Circle proves that there are many corporations in Slovakia who are aware of their responsibility and fully accept it.

Proud to be a founder

KPMG in Slovakia is proud to be one of the three founding members of the Slovak Compliance Circle. From our position of a company providing professional services, we see both the causes and impact of lapses in business ethics during daily business conducted in Slovakia. We believe that the work of this organization is and will continue to benefit both the business community and Slovak society as a whole.

I will never be able to simply just accept the business corruption stories that I hear in Slovakia and now, thanks to the Slovak Compliance Circle, I have one more reason to believe that I will not have to.

¹ Special Eurobarometer 374 and Special Eurobarometer 397

² Robert Anthony Eden (1897 – 1977) was an English Conservative politician