

Australian Standard™

Compliance programs

STANDARDS
Australia



This Australian Standard was prepared by Committee QR-014, Compliance Systems. It was approved on behalf of the Council of Standards Australia on 23 January 2006.

This Standard was published on 9 March 2006.

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Australian Compliance Institute
Australian Record Industry Association
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This Standard was issued in draft form for comment as DR 04505.

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Originally published as AS 3806-1998.
Second edition 2006.

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Published by Standards Australia, GPO Box 476, Sydney, NSW 2001, Australia

ISBN 0 7337 7296 X

PREFACE

This Standard was prepared by the Standards Australia Committee QR-014, Compliance Systems to supersede AS 3806—1998.

This Standard was initially developed following a request from the Australian Competition and Consumer Commission.

The Standard provides principles for the development, implementation and maintenance of effective compliance programs within both public and private organizations. These principles are intended to help organizations identify and remedy any deficiencies in their compliance with laws, regulations and codes, and develop processes for continual improvement in this area.

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FOREWORD

Compliance is an outcome of an organization meeting its obligations. Policies and procedures to achieve compliance must be integrated into all aspects of how the organization operates. Compliance should not be seen as a stand-alone activity, but should be aligned with the organization's overall strategic objectives. An effective compliance program will support these objectives. Compliance should, while maintaining its independence, be integrated with the organization's financial, risk, quality, environmental and health and safety management systems and its operational requirements and procedures.

An effective organization-wide compliance program will result in an organization being able to demonstrate its commitment to compliance with relevant laws, including legislative requirements, industry codes, organizational standards as well as standards of good corporate governance, ethics and community expectations.

An organization's approach to compliance should be shaped by its core values and generally accepted corporate governance, ethical and community standards.

Failure to embrace the above values at all levels of an organization's operation risks exposing that organization to a compliance failure. On numerous occasions the courts have considered an organization's commitment to compliance when determining the appropriate penalty to be imposed for contraventions of relevant laws. While this standard sets out the principles required for an effective compliance program, the implementation and management elements of the program will not be the same for all organizations due to their size, structure and nature of their activities.

STANDARDS AUSTRALIA

Australian Standard Compliance programs

SECTION 1 SCOPE AND GENERAL

1.1 SCOPE

This Standard provides principles and guidance for designing, developing, implementing, maintaining and improving a flexible, responsive, effective and measurable compliance program within an organization.

Section 2 sets out the essential principles which will be common to all effective compliance programs. Sections 3 to 6 contain guidance regarding those principles, recognizing that the implementation and management of an effective compliance program which complies with those principles will differ for each organization depending on the size, nature and complexity of its operations and its specific circumstances.

This Standard is designed to complement the documents listed in the Bibliography at Appendix A.

1.2 OBJECTIVE

The objective of this Standard is to provide principles and guidance for organizations designing, developing, implementing, maintaining and improving an effective compliance program.

1.3 DEFINITIONS

For the purpose of this Standard, the definitions below apply.

1.3.1 Code

A statement of recommended practice developed internally by an organization or by an international, national or industry body or other organization.

NOTE: The code may be mandatory or voluntary.

1.3.2 Competence

Application of knowledge, understanding and ability to a work related task to achieve an acceptable level of performance.

1.3.3 Compliance

Adhering to the requirements of laws, industry and organizational standards and codes, principles of good governance and accepted community and ethical standards.

1.3.4 Compliance culture

The values, ethics and beliefs that exist throughout an organization and interact with the organization's structures and control systems to produce behavioural norms that are conducive to compliance outcomes.

1.3.5 Compliance failure

An act or a omission whereby an organization has not met its compliance obligations, processes or behavioural obligations.