



Pearl Initiative

Roundtable Report: "The Changing Face of Business Integrity: A Kuwaiti Perspective"

Anti - Corruption Best Practices

Post-Event Report

The Changing Face of Business Integrity: A Kuwaiti Perspective

05 December 2019

KIPCO Tower, Kuwait City, Kuwait





Summary

In observing an uptick in implementing good corporate governance strategies within organisations worldwide, earlier this year, the State of Kuwait launched a nation-wide strategy to promote transparency, integrity and competitiveness of business organisations, highlighting national efforts and measures to improve the status of Kuwait on the international stage.

To this end, as part of the [Anti- Corruption Best Practices Programme](#) (in collaboration with Siemens Integrity Initiative), the Pearl Initiative held a roundtable in Kuwait City, Kuwait, on December 5th. The roundtable engaged **20** business leaders and decision makers in a strategic dialogue to shed light on the importance of businesses introducing integrity frameworks.

The objectives of the roundtable were as follows:

- To identify and understand the benefits and impact of implementing rigorous business integrity practices,
- To acknowledge the existence of cultural, social and legal barriers to corporate business integrity implementation of different set-ups and incentives to minimise business risk,
- To learn practices that have assisted organisations in the past when developing their business integrity frameworks and ensuring that they are sustainable and effective

Key Information

Number of Attendees: 20 attendees

Profile of Attendees: Senior management executives from Compliance, Audit, Governance, Legal and Finance functions

Panellists:



Ahmad Al Kiswani

Partner
PwC



Dr. Lee G. Caldwell

*Associate Dean- College of Business
and Economics*
American University of Kuwait



Eman Mohammad Al Awadhi

Group Communications Director
KIPCO



Introduction

The roundtable kicked off with an introduction to the Pearl Initiative and its efforts in promoting corporate governance through the different programmes it runs across the Gulf Region.

It was highlighted that transparency and accountability boost competitiveness, job creation and strengthen business resilience across the board, which underpins and enhances the economy.

Key Takeaways

- Corporate transparency is still at an early stage in the Gulf Region. Regulators are taking proactive measures to promote corporate integrity within businesses for a more sustainable business economy, which is mainly driven by regulation. We are seeing an increasing number of listed companies in the region who are heeding the importance and benefits of transparency and the disclosure of non-mandatory items such as financial forecasts.
- The quality of integrity policies in regional business companies are robust. However, the implementation of these policies leaves much to be desired.
- To reap the business benefits of improved compliance, integrity really has to be embedded throughout the company culture, through training and an active tone from the top, so that it is not simply a “tick-the-box” exercise.
- Practical steps in securing integrity within business structures that should be emphasised across the region include:
 - Implementing reporting mechanisms
 - Voluntary disclosure
 - Whistleblowing policies

“When performance is measured, performance is improved.”
Dr. Lee Caldwell



Panel Discussion



The panel discussion kicked off by discussing the contemporary state of corporate integrity policies and procedures implemented in Kuwait, particularly in relation to recent governmental focus on corporate integrity within economic sectors.

- It was noted that conversations on business integrity are being recognised as integral to economic development as demonstrated by recent reforms in Kuwait. There is a high focus on anti-corruption, integrity and transparency.
- Organisations should put in place measures to study how fairly and effectively inclusion and transparency is practiced in day to day business.
- The measures for transparency should be implementable and trackable to understand if the company is aligned with integrity best practices.
- Frameworks and platforms that enhance the disclosure of integrity practices in businesses should be developed.
- As there is no one-size-fits-all policy for corporate organisations, it is vital to develop policies which align with the organisation's mandate and vision.
- Transparency is a core factor within all performance indicators.

Risk Culture

- It is a top-down and a bottom-up approach, each employee in the organisation must question themselves as to what could go wrong. This constant questioning will in turn build a positive risk culture.
- Risk culture should not only be limited to internal employees but also should extend to external stakeholders as well.



“If each employee starts asking ‘what could go wrong’ in all their business undertakings, you start creating a risk culture necessary for the effective implementation of corporate integrity frameworks.”

Ahmed Al Kiswani

Implementation of Whistleblowing

- It is imperative that employees trust the system; only then will they be encouraged to report business misconduct.
- It is essential to pay attention to the information being reported through the whistleblowing mechanisms, as it can skew towards being more personal than professional.
- The organisation needs to ensure their reporting system is foolproof in order to gain the trust of its employees.
- Key operational indicators for an effective whistleblowing programme include:
 - How many complaints have been reported and addressed by the organisation,
 - How often employees are willing to raise concerns to the management, and
 - The number of awareness sessions the company conducts to disseminate the organisation’s integrity policies and procedures
- Protection against retaliation on reporting needs to be established by the organisation.

Reporting Mechanisms

- There is a significant focus on non-financial risk reporting. Non-financial risks include cyber security, business continuity and operational risks.
- Non-financial risks should be reported along with financial risks to ensure that all processes within the organisation are effectively made transparent for evaluation.

Transparency

- Disclosure of information is important to improve investor relations and sustainable reporting.
- Transparency and organisational reputation are linked. Transparent reporting enables investors’ confidence, subsequently leading to improved investment flows and profits for an organisation.

“Well-implemented integrity frameworks promote transparency within organisations, which in turn increases investor confidence.”

Eman Al Awadhi



On Site Impressions





Appendices

Appendix 1

About Siemens Integrity Initiative

The Anti-Corruption Best Practices Programme has been developed in an effort to influence the mindset and behaviour of business leaders and students across the Gulf Region. This is achieved through education, incentivisation and by further building a local community that is developing and sharing good integrity practices.

As part of this programme, the Pearl Initiative has developed the Gulf Integrity Indicator (“GII”), a tool designed to promote and improve business integrity practices amongst Private Sector organisations operating in the Gulf Region. It provides a comprehensive, yet straightforward framework for companies to measure their current performance relative to international benchmarks and regional leading practices.





Appendix 2

Event Agenda

9:30 AM – 10:00 AM

Registration | Coffee & Tea

10:00 AM – 10:15 AM

Introductory Remarks by the Pearl Initiative

10:15 AM – 11:00 AM

Panel Discussion

- Introductory Conversation:

Introducing the topic, its significance and how it impacts businesses and organisations.

- Focused Panel Discussion:

Panellists discussed the importance and benefits of implementing integrity practices to mitigate potential risks.

In addition, panellists shared their experiences through real-life case studies covering both successful and challenging examples of integrity policy implementations with tips and tools to navigate around potential pitfalls

11:00 AM – 11:30 AM

Audience Q&A with the Speakers

11:30 AM – 11:45 AM

Audience Focused Group Discussion

11:45 AM – 12:00 PM

Closing remarks

12:00 PM

Coffee and Networking



Appendix 3

Panellists

Ahmad Al Kiswani, Partner, PwC

Ahmed is a subject matter expert in Corporate Governance implementation. He is a Certified Corporate Governance Officer (CCGO) and brings experience of more than 15 years in corporate governance, risk management and regulatory compliance.

He was heading the Risk Management, Regulatory Compliance and Corporate Governance in Boursa Kuwait, before that he was the Head of Corporate Governance and International Compliance of NBK Group, where he was responsible for managing the implementation of corporate governance principles and regulations for the group's subsidiaries and branches that are extending to more than 15 countries around the world.

He worked with EY Advisory practice for 10 years with a key focus on designing and implementing corporate governance frameworks, developing governance policies and procedures, operating models and compliance dashboards. He has also worked with the IFC – World Bank on several initiatives related to raising the awareness of corporate governance around the world. He has extensive experience in designing corporate governance solutions for regulators, stock exchanges, large banks, companies, NGOs and family businesses.

Dr. Lee G. Caldwell, Associate Dean- College of Business and Economics, American University of Kuwait

Dr. Lee G. Caldwell currently serves as Associate Dean of the College of Business and Economics at the American University of Kuwait. He has also served as Dean of the College of Business Administration at the Gulf University for Science and Technology, President and Academic Vice President of Dixie State University, Associate Vice President and Dean of Indiana University, and Assistant Dean at the University of Utah.

He served as a Vice President of both IBM and Hewlett Packard and an as an executive with Novell. He was a founder of the Internet Society, served as program chair for INet 96 in Montreal, Canada and served as the first chair of the advisory board. He has been active with AACSB for 35 years including service on the board of directors and executive committee, the business accreditation committee and the accreditation quality committee. He earned a PhD in Strategic Management from Texas A&M University and a JD from Brigham Young University. He is a member of the Texas Bar Association. He also holds a commercial pilot's license and flight instructor/instrument instructor ratings from the US FAA.

Eman Mohammad Al Awadhi, Group Communication Director, KIPCO

Ms Al Awadhi joined KIPCO in 2010. She is responsible for coordinating the Group's overall communications strategy and for KIPCO's corporate communications, media relations, branding and marketing activities. Ms Al Awadhi has an extensive career in public relations, media and journalism. She was previously a member of the 'Newsweek Arabic' production team and the foreign correspondent at Kuwait News Agency, Kuwait's official news wire. She holds a BA in English Literature from the University of Bahrain.



Appendix 4

Pearl Initiative Programme Team



Yasmine Omari, Executive Director

An expert in governance for family firms, Yasmine joined the Pearl Initiative as Head of Programmes, and became Executive Director in 2019. She has experience in the implementation and operation of governance systems, as well as business performance and risk management capabilities for private companies and family offices. Prior to joining the Pearl Initiative, Yasmine was a Senior Manager at Deloitte and supported clients in navigating the business challenges faced by entrepreneurial families in business. Yasmine has a legal background and holds a degree in Law and Arabic from SOAS, University of London.



Akanksha Marwaha, Programme Assistant

Akanksha joined the Pearl Initiative in 2017. She has secured graduate degrees from Surrey and Warwick in the UK in Engineering and Business Management, and has diverse experience working for the Big 4 and banks in the UAE. As a result, her academic and professional proficiency in compliance, project management and finance allow Pearl Initiative to move forward with aplomb. Akanksha has an engineering and international Business management background and holds an undergraduate and postgraduate degrees from University of Warwick, UK and University of Surrey, UK respectively.