

# Paid Service Due Diligence Policy for TI Korea Chapter

## Table of Contents

### 1. Introduction

#### 1.1 Background

#### 1.2 Purpose of the Policy

### 2. Definitions

### 3. Criteria for Accepting Paid Services

#### 3.1 Eligibility Criteria

#### 3.2 Exclusion Criteria

### 4. Risk Management

#### 4.1 Identification

#### 4.2 Evaluation

#### 4.3 Mitigation

#### 4.4 Monitoring

### 5. Approval and Documentation Process

#### 5.1 Initial Evaluation

#### 5.2 Documentation

#### 5.3 Final Approval

### 6. Review and Monitoring

### 7. Policy Violations and Consequences

#### 1. Introduction

##### 1.1 Background

The TI Korea Chapter, a beacon for transparency, accountability, and anti-corruption, recognizes the importance of conducting due diligence before embarking on paid service engagements. By defining parameters and processes, we ensure that our operations align seamlessly with our core principles.

##### 1.2 Purpose of the Policy

This policy provides clarity on the procedures and guidelines that TI Korea Chapter follows when considering potential paid service engagements, ensuring they reflect our commitment to transparency, uphold our reputation, and are free from conflicts of interest.

## 2. Definitions

**Paid Service:** Services delivered by TI Korea Chapter in exchange for compensation, whether monetary or in kind.

**Risk:** Potential deviations that may adversely impact TI Korea Chapter's values, reputation, operational efficiency, or its stakeholders.

**Stakeholders:** Any entities or individuals involved in, affected by, or having a vested interest in TI Korea Chapter's operations.

## 3. Criteria for Accepting Paid Services

### 3.1 Eligibility Criteria

Engagements must meet the following conditions:

**Mission Alignment:** The nature of the service should be in sync with TI Korea Chapter's mission and core values.

**Transparent Terms:** The terms of engagement must be well defined, ensuring that both parties are clear on deliverables, timelines, and compensation.

**Conflict-free:** The engagement should not present any conflicts of interest that might impair objective decision-making.

### 3.2 Exclusion Criteria

Engagements will be avoided under the following circumstances:

**History of Unethical Practices:** If the potential client or partner has verifiable past incidents of unethical or corrupt behavior.

**Compromised Neutrality:** Any engagements that could jeopardize the impartiality or independence of TI Korea Chapter.

## 4. Risk Management

### 4.1 Identification

Systematic identification of risks associated with every paid service proposition, focusing on areas like:

**Reputational Impact:** Analyze potential harm or enhancement to TI Korea's public image.

**Financial Implications:** Potential for financial loss or gain, taking into account payment terms, market rates, and other financial elements.

Operational Challenges: Logistical or operational challenges that might arise during the engagement.

#### 4.2 Evaluation

Post identification, risks are evaluated based on:

Severity: How impactful is the risk?

Probability: What's the likelihood of the risk materializing?

#### 4.3 Mitigation

Based on evaluations, suitable risk mitigation strategies are devised:

Strategy Design: Construct tailored strategies for each identified risk.

Responsibility Assignment: Designate team members or departments to oversee and implement mitigation measures.

#### 4.4 Monitoring

Ongoing risk assessment during the course of the engagement ensures:

Continuous Oversight: Regular check-ins to track risk management progress.

Feedback Loops: Mechanisms to gather feedback and make necessary adjustments.

## 5. Approval and Documentation Process

### 5.1 Initial Evaluation

Preliminary checks are conducted to ensure:

Engagement Suitability: Is the engagement a good fit for TI Korea Chapter?

Risk Level: Early identification of any potential high-risk areas.

### 5.2 Documentation

Maintain systematic records:

Engagement Records: All related correspondence, drafts, and final contracts.

Risk Logs: Detailed logs of all identified, evaluated, and mitigated risks.

### 5.3 Final Approval

Once due diligence is complete:

**Committee Review:** The designated review committee analyzes all gathered information.

**Final Decision:** Based on committee recommendations, a final decision is made by the authorized body within TI Korea Chapter.

## 6. Review and Monitoring

To ensure policy effectiveness:

**Periodic Policy Reviews:** Annually or post major engagements, review the policy for areas of improvement.

**Engagement Audits:** Regular audits of ongoing paid service engagements to ensure adherence to policy guidelines.

## 7. Policy Violations and Consequences

Ensuring accountability:

**Breach Identification:** Recognize and document any deviations from this policy.

**Investigation:** An internal team evaluates the nature and impact of the violation.

**Enforcement:** Penalties, ranging from warnings to termination of engagements, are implemented based on the severity of the breach.

This expanded policy provides a robust framework, ensuring TI Korea Chapter's paid service engagements are consistent with its values and goals.