A Culture of Compliance

Scrupulousness around compliance is rapidly increasing as regulations look to ensure that companies are putting policies and procedures in place to effectively respond to and mitigate risk. The most obvious consequence of non-compliance is the huge monetary penalties and fines that can occur as a result of misconduct.

The Costs of Non-Compliance

- $204 BILLION
- $105 MILLION
- $18 BILLION
- $60 MILLION

These base figures represent the $204 billion in fines and settlements since the financial crisis.

A New York law firm filed 291 dias for violating with state financial regulations in 2018.

A German electronics giant, hit with a record $60 million fine for allegedly cheating on emissions tests, was found by the European Union to have cheated on emissions tests.

A Japanese-based electronics and industrial company, was hit with a record $60 million fine for falsifying financial statements.

Establishing a Culture of Compliance

Establishing a culture of compliance requires continuous vigilance, resources and time to influence widespread change. As regulatory demands continue to grow, companies need to have the resources and technological framework in place to build compliance practices into their everyday workflow.

How to achieve a culture of compliance — the basics:

1. Awareness
2. Communication
3. Incentives
4. Effective Technology
5. Incident Reporting and Case Management

A company is only as compliant as it really, truly understands its regulatory environment; complacency need be no more ways to keep their finger on the pulse of changing regulations. It is extremely important that an organization has the resources to keep its external environment, regulatory frameworks, and internal standards and a continual compliance program in place.

Compliance programs that leverage technology can provide an ongoing communication platform and tracking system that allows the organization to make well-informed decisions to better mitigate regulatory risk.

A corporate culture reflects what management cares. By developing suitable compliance structures, management can demonstrate their commitment to compliant and moral conduct. An employee will be more motivated if there is a perceived need for personal and professional gain.

A culture of compliance goes beyond once-a-year mandated training, it embeds compliance into everyday workflow and sets the foundations for a culture of compliance across an organization.

Nearly all institutions provide some form of training on delivering training in small, specific modules in order to maximize retention.

Ensuring that an employee is educated about their own behavior by setting a high standard of compliance is critical to keeping an organization.

A company cannot be compliant if it fails to successfully implement a culture of compliance across an organization. To achieve this, the tone needs to be set from the very top. The C-Suite needs to effectively and continuously communicate the expectations, policies and procedures that employees are expected to understand and practice daily.

Communication

Communications and technological frameworks in place to build compliance practices into their everyday workflow.

Making the decision to educate an organization’s external policies and internal regulations in a regular and influential way is essential. New approaches, like Microlearning, focus on delivering training in small, specific modules in order to maximize retention.

Effective Technology

A company needs to keep its finger on the pulse of changing laws and regulations can help companies to keep their finger on the pulse of changing laws and regulations can help companies to stay on top of new developments, meet changing regulations. It is extremely important that an organization has the resources in place to keep their finger on the pulse of changing laws and regulations.

Incident Reporting and Case Management

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Case Management

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*Make integrity, ethics and compliance part of the promotion, compensation and evaluation processes as well. For the end of the day, the most effective way to communicate that “doing the right thing” is a priority, is to reward it.*