TOP 8 BETTER PRACTICES IN COMPLIANCE MANAGEMENT

Critical success factors for improving regulatory & policy compliance processes
For the vast majority of organizations, both corporate and government agencies, compliance requirements are a painfully complex and expensive area to manage. And the challenge is only getting greater. Virtually every business sector faces an ever-growing and ever-changing number of regulations with which they need to comply. Every business also faces the risks of failing to comply with its own internal corporate policies and controls, spanning multiple financial and operational systems.

At the same time, the costs of failure to comply with regulations are also increasing—in some cases dramatically. Large fines and penalties imposed by regulatory agencies are themselves damaging to corporate performance. And then layer on the impact of reputation damage, the costs of which can be even greater than the millions or hundreds of millions in monetary value levied in fines.

None of this is likely to be news to you. You may be well aware of the statistics on the number of regulations—existing, new and changing—that impact your business sector. The important issue is: how is your organization, no matter whether large, medium or small, responding to the challenge?

The reality for many businesses and government agencies is that they are struggling to manage compliance requirements and risks (both regulatory or internal) using inefficient processes and outdated or generic technologies that leave them vulnerable and without necessary oversight. On the other hand, some organizations have responded to the challenges by rethinking their compliance processes and implementing technologies that are genuinely enabling and not just one more weak link in the compliance management chain.

Having worked with many organizations in their efforts to better manage compliance, we know the huge benefits to be gained by moving to an integrated, technology-driven and data-driven approach.

In this eBook, we examine the challenges of compliance management, and delve into the root causes. We then show you the critical success factors for an approach that optimizes the interaction of people, process and technology to manage compliance requirements and monitor risks and controls. Let’s get started untangling the complex web of compliance management...before it chokes your organization.
OH, WHAT A TANGLED WEB WE WEAVE, WHEN WE FIRST PRACTICE COMPLIANCE MANAGEMENT*

*(It’s not just you. It’s big. And it’s painful.)*

The number, costs and associated burdens of compliance regulations can vary greatly by industry sector and geographic jurisdictions across the globe.

For example, banks and financial institutions in the United States have well-known regulations such as Dodd-Frank, the Gramm-Leach-Bliley Act (GLBA) and the Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act, as well as the 50+ other primary regulations that the Federal Reserve identifies. Basel III and anti-money laundering (AML) regulations have a wide global impact for financial institutions. Some larger global banks report having more than 30,000 staff working in regulatory and compliance roles.

Healthcare in the United States has high profile acts such as the Patient Protection and Affordable Care Act (PPACA) and the Health Insurance Portability and Accountability Act (HIPAA), along with many other regulations. Healthcare in Canada alone has over 100 specifically applicable regulations.

The challenges are comparable among many different industry sectors, such as energy, natural resource extraction, manufacturing, pharmaceuticals, petrochemicals, agriculture and retailers. And things get even more complex for global enterprises, as every country may have its own set of differing regulations.

Then there are the wide-ranging acts such as Sarbanes-Oxley (SOX) and the Foreign Corrupt Practices Act (FCPA), cyber-security regulations, and the tremendous numbers of environment, health and safety (EHS) regulations that impact corporations across all sectors. Within the European Union, there are now more than 40,000 separate applicable rules and regulations!

And it’s not just existing regulations. Old regulations are changing and new regulations appearing at a rapid pace.

You get the idea. Every corporation and every government agency or organization around the world faces the same challenge: compliance management can be a mind-numbingly complex issue—and an expensive one.

The cost of compliance with just SOX alone now averages well over US$1M per corporation.
The reality is that many businesses and government entities are struggling to manage compliance requirements. For many, the whole experience has evolved like the proverbial frog in a pan of increasingly hot water. They have put up with things for so long, often with limited resources, that they have not fully appreciated how problematic the situation has become.

HERE ARE FIVE COMPLIANCE CHALLENGES WE SEE ALL THE TIME:

1) **Compliance siloes, which grow like weeds.** A very common problem is that separate activities, roles and teams have developed over time to address differing sets of compliance requirements. There is often a lack of integration and communication among what are effectively separate compliance silos. The result can be unnecessary duplication of effort—and the evolution of multiple different systems that are clumsy and inefficient to maintain. The cause? Many compliance processes tend to change over time in response to the latest regulations, or perhaps due to mergers and acquisitions or other business re-organizations. It is not surprising when, over time, the situation into something downright ugly—or at least far from optimal and certainly wasteful of resources.

2) **No single view of compliance assurance.** The lack of compatibility between different siloed compliance systems also often means that it is very difficult for senior management to obtain an insightful overview of the full current state of compliance activities and perform a timely assessment of relative compliance risks. This, in itself, can be the biggest issue and cause of greatest concern. If it has become difficult to get a clear view of compliance risks, then the chances that a damaging risk slips under the radar, goes unaddressed or is simply ignored, are greatly increased.
3) **Cobbled together, home-grown systems.** Another area of weakness and concern is the challenge of dealing with a home-grown system...or systems. Using generalized software, such as MS Excel spreadsheets and Word documents, together with a mix of tools, such as shared folders and file systems, may have made sense at one point. However, as requirements become more complex, such systems become increasingly painful, inefficient and risky to use. Spreadsheets, in particular, are prone to risks and lack of reliability because of the ease of making errors and accidental changes. Compiling hundreds or thousands of spreadsheets to support compliance management and regulatory reporting is often a logistical nightmare, highly time-consuming and easily prone to error. Lack of an audit trail or activity log in spreadsheets is another significant concern that has been highlighted in many regulator reviews and examinations.

4) **Old software that wasn't designed to keep up with frequent changes.** Challenges also arise with using older compliance software products that are just not designed to deal with constant change. So, they become increasingly expensive to upgrade, unfriendly to use and difficult to maintain.

5) **Missing the benefits of automated monitoring.** One other thing that many compliance teams are not doing well is harnessing the power of analytic technologies. Data analytics are now well established as a very effective way to monitor and test many forms of transactions and other activities that are impossible to examine manually. Yet many compliance teams have not taken advantage of this approach. They usually rely heavily on sample tests of procedures to determine if controls and processes for compliance appear to be working as intended. However, not only does this mean that enormous volumes of activities are never actually checked for compliance (because reliance is placed on the systems and processes), but that there is no way to produce indicators of compliance risks for which no controls were implemented. What you don’t know can hurt you.
The good news is that there is a solution to a big part of the problem. It’s not that compliance requirements are going to go away. The reverse is most likely to be the case, as existing regulations continue to change and new ones appear, at ever-increasing rates.

However, there are some practical things that can be done to transform compliance processes and systems so that they become far more efficient and far less expensive and cumbersome to maintain.

The answer is simple: Optimize the interactions of people, process and technology around regulatory compliance requirements across the organization.

OK, this may sound to you like something that a high-priced consultant would come up with after a lengthy study! But this is what usually needs to be done and, in our experience, it can often be done without becoming a massively time-consuming and expensive undertaking.

Current technology for regulatory compliance management has the power to be transformational. It can be the catalyst for change that runs through processes and roles across all aspects of the compliance world in your organization.

In the past, it was often the case that technology implementation projects for critical business process areas were hugely resource intensive and full of risks.

But if you look at how technology—particularly cloud-based systems and big data analytics—have transformed areas such as sales and customer-facing activities, it is easy to understand how software can transform regulatory compliance processes.

THE GROWING PACE OF REGULATORY CHANGE

In 2008 there were 8,000 changes in regulations.

By 2013 the annual number of changes had increased to 29,000—a rate of 125 changes per day.
The opportunity for change goes beyond finding a better way of dealing with the regulatory compliance burden. While virtually every organization and business is impacted by some form of regulatory requirement, all organizations must also deal with compliance around all the internal policies and controls that are essential for good performance—and ultimately, achievement of strategic objectives. Most of what we discuss in this eBook applies equally for any form of regulatory or policy compliance management process.
Let's look at some of the detail of what is involved in establishing a regulatory and/or policy compliance management process that is technology-driven, data-driven and highly integrated.

THE BEST PLACE TO START IS THE END

Step 1: Determine what the desired end-state should look like.
This is key to planning a technology-driven compliance management strategy. It involves thinking about the objectives and the most important outcomes, as well as what these mean for the different stakeholders. It means defining the different metrics needed to measure progress and success.

Defining the outcomes, objectives and benefits will probably result in something that includes some—or all—of the following:

✔ Provide executive management with a quantified view of the risks faced due to failure to comply with regulations
✔ See how these risks are trending over time, by regulation and by region
✔ Understand the effectiveness of compliance-related controls at any point in time
✔ Be confident that there are rapid responses to changing and new regulations
✔ Manage all forms of regulatory and policy compliance in a way that minimizes duplication of effort and maximizes overall efficiency
✔ Accurately measure and manage the costs of regulatory and policy compliance
✔ Efficiently integrate reporting on compliance activities with those of other risk management functions
✔ Standardize approaches and systems for managing compliance requirements and risks across the organization
✔ Maximize the value gained from a technology and data-driven approach

Imagine the impact on compliance processes and on all the individuals involved of transforming an outdated and inefficient system full of gaps and make-do fixes, into one that really makes sense and optimizes the use of current technology.
Once the objectives are determined, the next step is...

Step 2: Identify the activities and capabilities that will enable the desired outcomes.

In other words, what are the system requirements to support the necessary processes? Here’s a cheat sheet to help this along.

In relatively basic terms, the activities and capabilities needed for compliance management typically look like this:

### What Does a High-Performance Compliance Management Process Look Like?

**Identify & Implement Compliance Control Procedures**

01. Maintain a detailed central repository of applicable regulatory requirements and internal corporate policies, allocated to appropriate owners and managers

02. Define relevant control processes and procedures that should ensure compliance with the regulations and policies

03. Link the various control processes to the corresponding regulations and corporate policies

04. Assess the risk of control weaknesses and failure to comply with regulations and corporate policies

**Run Transactional Monitoring Analytics**

05. Monitor the effectiveness of controls and compliance activities through the use of data analytics

06. Obtain up-to-date confirmation of the effectiveness of control and compliance activities from owners by means of automated questionnaires and, where appropriate, certification of adherence statements

**Manage Results and Respond**

07. Manage the entire process of exceptions generated from analytic monitoring and from the generation of questionnaires and certifications

**Report Results and Update Assessments**

08. Use the results of monitoring and exception management to produce up-to-date risk assessments and trends

09. Identify new and changing regulations as they occur and update repositories and control and compliance procedures

10. Report on the current status of compliance management activities from high to low detail levels

**Improve the Process**

11. Identify duplicative processes and enhance procedures to combine and improve controls and compliance tests wherever appropriate

12. Provide the ability to integrate regulatory compliance risk management, monitoring and reporting with overall risk management activities
We could easily fill this eBook with hundreds of pages of examples that address the thousands of regulations and corporate compliance requirements that impact virtually every sizeable organization. Let's just consider one scenario in which a technology- and data-driven approach can result in a huge difference to the way that traditional processes take place.

A multinational conglomerate, primarily a manufacturer and wholesaler, headquartered in the U.S. must comply with Sarbanes Oxley (SOX), the Foreign Corrupt Practices Act (FCPA) and a range of Emergency, Health and Safety (EH&S) regulations. A risk assessment has determined that there are particular compliance issues around data privacy in its European operations, as well as the potential for money laundering taking place among certain customers in Asia. It deals with a massive range of vendors, around whom there are many compliance concerns including conflict minerals, environmental standards and product component quality.

They need to ensure compliance with an estimated 1,500 regulations...they think. The actual number is difficult to ascertain as multiple internal groups own different aspects of compliance.

Before:
Each group relied upon sets of spreadsheets to track requirements and related controls and evidence of testing and verification. Because the spreadsheets were maintained independently by each group, it was very difficult to obtain a consolidated view of the status of compliance, let alone whether there are redundancies or gaps in compliance activities across the entire organization.

Thousands of hours were spent by staff emailing various forms and spreadsheets to individuals responsible for specific regulations and controls around the global operations. They spent just as much time again chasing individuals for responses and compiling results.

Executive management received a summary report every quarter that highlighted any outstanding compliance concern. This report is amalgamated manually into an overall corporate risk assessment report.
After:

Details of all compliance requirements can now be maintained in a central repository viewed through a standard screen. Details of policies, processes and controls are clearly linked to the relevant regulations and compliance requirements. A comprehensive view of all of this for a specific set of regulations is immediately available by selecting, for example, “SOX” or “FCPA” or “PCI” or “SOC”. It is a simple task to determine the ownership by individual for specific sets of compliance requirements.

Transactions are automatically monitored across six core financial and operational process areas, using advanced data analysis techniques to identify indicators of non-compliant activities. Anomalies and exceptions identified are automatically flagged for designated individuals for response. Unresolved issues are escalated for senior management review.

It is a simple task to look at a visual analysis that shows the current and past results of monitoring of controls and transactions for almost all compliance requirements. For example, one view shows that 2.5M payment transactions, totaling $3.9B, have been tested for indicators of bribery and corruption. Of these, payments with a total value of $5M are currently being investigated as possible FCPA and UK bribery act violations. Another view shows that 22 different analytic tests have been applied to 350K journal entries, looking for indicators of SOX control problems, such as G/L postings made with inadequate segregation of duties. Based on the results of automated testing for the past six months, 105 journal entries are currently being reviewed by internal and external auditors.

And here are a few more positive impacts:

✔✔ Automated attestations are sent to all contractors to confirm that they have received training in health and safety regulations and that they are in compliance with requirements. HR is automatically notified of those who have failed to respond or who have not received training.

✔✔ Certification requests are automatically sent to specific vendors to confirm that they are in compliance with conflict mineral legislation. Vendor status is put on hold in the case of non-compliance or lack of response.

✔✔ Results of transaction monitoring for core processes, as well as compliance attestation for vendors, employees and contractors, provide an overall assessment of the status of compliance risk. Full drill-down is available to provide detail of activities and results.

✔✔ The Chief Compliance Officer and the Chief Risk Officer, together with their teams, now have access to a dashboard that shows the current status of compliance by region and by category of regulation. This dashboard forms part of an overall integrated risk and compliance management dashboard used by the CEO, CFO, Board and Audit Committee.

Total costs of compliance functions across the global entity are estimated to have been reduced by X%.

Risks of non-compliance are estimated to have been reduced by Y%.
Some (but certainly not all) current software technologies provide a tremendous leap ahead in terms of streamlining the entire compliance management process.

However, the unfortunate reality is that many leading compliance management software products were originally built a decade or many more years ago. While underlying software technologies have advanced rapidly and created many benefits, it has proven difficult for some compliance management software companies to fully integrate new capabilities into an old underlying technology platform. So, something that is important to consider in a software product is the true age of the technology and the extent to which new capabilities are reflected in current software versions.

Look to automation of these primary areas for a high performance (and less painful) approach to compliance management >
Efficient management of the details of applicable regulations are critical to any regulatory compliance system. Your content repository should include not only the regulations themselves, but also related data. This enables techniques such as classification, as well as search by type, region of applicability, effective dates and modification dates.
Specific regulatory requirements must be connected to risk management, control and compliance processes and system functionality. This is the most critical aspect of a compliance management system. Typically, the following capabilities are required to enable this mapping:

a. Each requirement is assessed for the risks arising from non-compliance.

b. Processes are defined for how each requirement is met.

c. Controls are defined with the objective of ensuring that the process is effective in mitigating the risks of non-compliance.

d. Each mapped requirement is assigned to a responsible owner. Specific processes and controls may be assigned to sub-owners.

e. Each control may be mapped to a specific analytic monitoring test that determines the effectiveness of the control on an ongoing basis.
03

DATA CONNECTIVITY AND ADVANCED ANALYTICS

The ability to access and analyze data by applying a broad range of automated tests is critical to a data-driven compliance management approach.

The range of data sources and types required to perform compliance monitoring can be very large. Areas such as FCPA or other anti-bribery and corruption regulations, for example, may involve accessing entire populations of purchase and payment transactions, general ledger (GL) entries, payroll and travel and entertainment (T&E) expenses, as well as data from external sources such as the Politically Exposed Persons (PEP) database.

Extensive suites of tests and analyses can be run against the data to determine whether compliance controls are working effectively and if there are any indications of transactions or activities that fail to comply with regulations. The results of these analyses identify specific anomalies and control exceptions, as well as provide statistical data and trend reports that indicate changes in compliance risk levels.

The requirements for accessing and analyzing data in a way that supports a very effective compliance process are demanding. Generalized analytic software is seldom able to provide more than basic capabilities, which are far removed from the functionality of specialized risk and control monitoring technologies.
The ability to efficiently manage flagged incidents is another critical performance boost. Systems that create large numbers of “false positives” or “false negatives” create real challenges. Pursuing large numbers of red-flag items that turn out to be low-risk or zero-risk wastes time and resources.

On the other hand, a system that fails to detect high risk activities creates the risk of major damage occurring to the organization. Your monitoring technology needs to provide the ability to fine-tune analytics to flag actual risks and compliance failures and minimize false alarms.

It’s also essential that the system can manage the issues resolution process in a way that ensures timeliness and the integrity of responses. If the individuals responsible for resolving a flagged issue fail to do so adequately, you need an automated workflow that escalates the issues to the next level.

Older technologies are often insufficiently flexible to meet a broad range of incident monitoring and issues management requirements, or can require considerable effort and expense to modify procedures when needed.
As exceptions and incidents are identified, some will turn into issues that require in-depth investigation. Software needs to enable the investigation process by providing full capabilities for documentation and logging of activities, as well as supporting collaboration of those involved in the investigation process.

And, while effective security needs to be in place around access to all aspects of a compliance management system, a high level of security and privacy is particularly important for the investigation management process.
In addition to the insights gained from transactional analysis and monitoring, it's also important within a compliance management framework to have a current understanding of what is actually happening, based on the input of those working in the front lines.

Software that supports automated surveys and questionnaires can gather large amounts of information directly from individuals in different compliance roles across the organization and rapidly interpret responses. Analysis of people responses to issues is a new and rapidly developing area in the world of compliance management.

In the case of SOX and internal controls over financial reporting (ICFR) compliance, for example, you can use automated questionnaires and certifications to ask individuals to sign off on control effectiveness questions. The information can be quickly consolidated and used to support the SOX certification process far more efficiently than using traditional techniques. An automated process also lets you ask managers to confirm that they understand an organization's position on, say, FCPA compliance and confirm that they have not been involved in any contravening activities.

You can also use this capability to provide pre-approval of activities at risk of being potential compliance violations.

Another area where automated survey and questionnaire capabilities prove valuable is in performing due diligence on third party or vendor compliance. Gathering confirmation of compliance, such as Service Organization Control (SOC) reports and certifications, for example, is tedious and labor intensive when performed manually. Automation helps ensure that requests are performed promptly and delays or failings in response are escalated.
MANAGING REGULATORY CHANGES

Regulatory change management starts with timely notification of changes, followed by modifications to established procedures and controls—which may impact all aspects of the compliance management process. Your software system should be able to effectively accommodate changes by allowing efficient updates to existing definitions of controls, processes and monitoring activities.

Traditionally, regulatory changes involve considerable amounts of manual activities that tend to end up with delays and backlogs or, worse, a complete failure to respond. With appropriate technology, much of the regulatory change process can be automated. For example, if a new regulation or change is detected, the individual responsible for that regulatory area can be automatically sent a notification to query the impact and requirement for process change. Confirmation of the response and process change is then generated by the owner of the issue and made available for review.
Enduring reviews by regulatory bodies to determine compliance can be challenging, particularly, of course, if failures or weaknesses come to light during an examination. The good news is that many regulatory authorities have demonstrated that they can be more accommodating and far more lenient in terms of imposing penalties when it’s clear that the compliance process is fundamentally sound and well designed.

This is perhaps one of the most important aspects of a technology-driven and data-driven approach to compliance management. There are considerable benefits, in terms of efficiency and cost savings, when implementing a structured and well-managed regulatory compliance system. However, the greatest economic benefit can occur when potentially major financial penalties are avoided as a result of replacing an inherently cumbersome and unreliable legacy system with one that is demonstrably sound.
Current compliance management software, built from the ground up and using the most innovative technologies to support the specific needs of risk management and compliance processes, provide one of the most important overall benefits: ease of use.

This simple concept is unexpectedly central to the impact that technology can have on transforming an inefficient and cumbersome process into one that results in substantially reduced resource requirements and produces far greater user satisfaction. To develop a system that is truly easy to use requires a combination of good design techniques, the right technology and an in-depth understanding of what is involved in processes for risk management, controls and compliance.

We believe that ease of use and a software interface that makes intuitive sense is fundamental to a high-performance system. Much like buying a new car, there are several related capabilities that contribute to achieving ease of use.

Whether you're looking to implement a compliance management system or rebooting your current system, here are key questions to consider. This technology buying guide covers the core functional elements that make a big difference in the efficiency of a regulatory or policy compliance management system, as well as user satisfaction.
Are you benefiting from the many advantages of the Cloud?

Much of the enterprise software industry has moved with remarkable speed to embrace cloud-based systems. This is because they are now well-proven to have many advantages over legacy on-site applications.

One primary advantage is the fact that there is no need to deal with the huge headaches of new version implementation. Enhancements are continually made and software updated with minimal impact on users. Not only does this mean that software capabilities are constantly improving, but also that there are no longer the same level of costs associated with new version implementations.

In the earlier days of cloud-based systems there were often concerns raised over the potential risks of cyber-security breaches. Today it is well established that cloud-based data systems are more secure than individual organizations’ own data repositories.

How does system performance rate?

System performance has a major impact upon user satisfaction and willingness of team members to embrace new applications. This applies to everything from screen input and response times, through to consolidating thousands of reports and survey responses and on to obtaining the results of analytic testing of millions of transactions.

People can become frustrated and cynical when an old application is clearly inefficient and laborious to use. On the other hand, a system that clearly works well and transforms processing and response times can create whole new levels of engagement from those who have traditionally found use of a legacy system to be a painful experience.

Is the technology portable?

Once upon a time it was sufficient to run important applications on desktop or laptop computers. Today, executives, managers and specialists involved in compliance management need to be able to access and update systems using a variety of devices, while working in any environment from any location.

This means that compliance software needs to be optimized to operate on a variety of smartphones and tablets, as well as laptops and desktop computers.

Are the pieces of the compliance management process highly integrated in the system?

Seamless connection and integration between functional areas of a compliance management system are highly important capabilities. This are often lacking in older systems, and particularly so in those based on spreadsheets and other generic technologies.

What is your ability (and agility) to roll-out rapid changes and updates?

Cloud-based systems have certainly transformed the process of implementing new software product capabilities and versions. But there is more to the issue than providing new software capabilities. While some enhancements can be immediately used, others will require modifications to processes and application configuration.

It’s important to have the ability to quickly re-configure and modify a system, both to take advantage of new capabilities and to implement new processes when they are needed. The magnitude of pain of this task depends on how well the underlying software has been designed.
KEY COMPLIANCE MANAGEMENT TECHNOLOGY ASSESSMENT QUESTIONS:

- **Do you have the ability to use a combination of best-of-breed analytic technologies?**
  
  By now we hope that it is apparent how important the role of data analysis is in a modern high performance compliance management system. There have been huge advances in analytic technologies in recent years and, while compliance management depends heavily on certain specialized analytic techniques, the optimum solution includes a combination of technologies that support different aspects of the data-driven compliance management process.

  Data analysis needs to be able to support rules-based controls and compliance testing. It should also support a range of forms of visual, graphical and statistical analysis to provide insight into overall risks and trends. It should be able to support rapid access to and analysis of, multiple types of data—not only various forms of structured data from ERPs and corporate databases, but also textual and unstructured data as found in email and social media, for example.

  Additionally, logging of all analytic processes is an important capability seldom found in generic analytic technologies. Compliance requirements often mean that an activity log of everything that took place is necessary for adequate documentation and verification of procedures performed.

- **Can you create portal and dashboard views of current status of compliance management?**
  
  We referred previously to the importance of reporting for regulatory bodies, which is often in a prescribed format. Another important aspect of reporting is the ability to provide management with an overview of the current status of the entire compliance management process. In fact, this ultimately may need to be closely integrated into an overall corporate risk management dashboard used by executive management as part of enterprise risk management (ERM).

  Compliance executives and others will need to have specific views into discrete compliance areas, obtaining not only an overall visual risk assessment for a particular regulatory requirement, but insight into information such as the percentage and monetary value of anomalies identified and the results of remediation efforts in response to compliance failures.
WHAT CAN YOU DO NOW?

WORKSHEET

We’ve covered a range of topics in this eBook that we hope have provided you with some useful takeaways around what can be done to improve the performance of your compliance management activities.

HERE ARE SOME SUGGESTED NEXT STEPS TO HELP YOU GET GOING RIGHT AWAY:

1) Take 15 minutes and jot some notes to describe your organization’s current approach to regulatory and corporate policy compliance management.
   - E.g.: Separate teams have independently developed processes to manage main categories of compliance requirements.

2) Assess how well it works overall and identify any obvious shortcomings. Go back to step 1 and score each bullet point above on a scale of 1 (desperately needs improvement) to 5 (couldn’t be better!). Circle everything that scores 3 or below.

3) Estimate what it costs your organization annually to run your compliance management processes. If you don’t have figures, just ballpark a guesstimate, including: people resources + software licenses + IT support + training + external consultants, including for corporate integration and reporting.
   - Ballpark guesstimate: ____________________________

4) Ask yourself (and your colleagues) if there should be a better way. What could be better?
   - ____________________________
   - ____________________________
   - ____________________________
   - ____________________________
   - ____________________________

5) Consider whether the approach this eBook describes makes sense for your organization. What most sticks in your mind? Check that out first!
   - ____________________________
   - ____________________________
   - ____________________________
   - ____________________________
ABOUT THE AUTHOR:
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John Verver, CPA, CISA, CMC, is an acknowledged thought leader, writer and speaker on the application of technology, particularly, data analysis, in audit, fraud detection, risk management and compliance. He is recognized internationally as a leading innovator in continuous controls monitoring and continuous auditing and as a contributor to professional publications. He is currently an advisor to ACL, where he has also held vice president responsibilities for product strategy, as well as ACL’s professional services organization. Previously, John was a principal with Deloitte in Canada.

ABOUT ACL

ACL delivers technology solutions that are transforming audit, compliance, and risk management. Through a combination of software and expert content, ACL enables powerful internal controls that identify and mitigate risk, protect profits, and accelerate performance.

Driven by a desire to expand the horizons of audit and risk management so they can deliver greater strategic business value, we develop and advocate technology that strengthens results, simplifies adoption, and improves usability. ACL’s integrated family of products—including our cloud-based governance, risk management, and compliance (GRC) solution and flagship data analytics products—combine all vital components of audit and risk, and are used seamlessly at all levels of the organization, from the C-suite to front line audit and risk professionals and the business managers they interface with. Enhanced reporting and dashboards provide transparency and business context that allows organizations to focus on what matters.

And, thanks to 25 years of experience and our consultative approach, we ensure fast, effective implementation, so customers realize concrete business results fast at low risk. Our actively engaged community of more than 14,000 customers around the globe—including 89% of the Fortune 500—tells our story best.

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