Corporate Law & Accountability Report™

Compliance Programs

Technology Can Elevate Corporate Compliance, Survey Says

More than half of board members, C-suite executives, and compliance professionals view their regulatory compliance efforts as reactionary rather than integrated, according to a recent Deloitte survey.

Most respondents to the survey released June 7 also said their compliance practices don't take advantage of available technology.

"If you look at where we are today, you have these compliance organizations that have had to do a lot of firefighting," Deloitte principal Tom Nicolosi told Bloomberg BNA.

Deloitte & Touche LLP polled more than 580 directors, chief executive officers, and compliance professionals from the financial services and consumer and industrial products industries on their compliance and regulatory efforts.

Those polled said that compliance could be "modernized" by better use of analytics and better incorporation with company procedures. However, this isn't happening due to lack of automation, processes to support those efforts, employees with the required skill sets, and executive engagement.

Poll respondents said that compliance modernization can improve efficiency, encourage a more ethical culture, and reduce penalties.

The outcome "is that you get a much more efficient program, you get a much more effective program. You get a program that's much more predictive and proactive," Nicolosi said. "The benefit is really being able to do more with less."

Standards for modernized compliance vary widely depending on the industry, Nicolosi said. Financial services is a highly regulated industry, while consumer and industrial products is not. These less-regulated industries can benefit by working on modernizing their compliance while they have fewer regulations, he said.

Improving Compliance A related report by Deloitte gave a framework to improve corporate compliance programs:

■ increasing board oversight and executive communication of the value of compliance;

■ monitoring and testing compliance programs regularly;

■ communicating plans on regulatory changes and risk-based training programs; and

■ interacting regularly with regulators.

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