

# A strategic vision for compliance



# A STRATEGIC VISION FOR COMPLIANCE

The current environment, characterized by rapid regulatory change and cost reduction pressures, has increased the need to develop a risk-based strategic vision for compliance. Such a vision must be based on an understanding of current regulatory expectations as well as the likely trajectory of regulatory change. From there, it is possible to establish priorities for investment in core activities consistent with the compliance vision. Successful realization of the compliance vision will be dependent on the board of directors, senior

management, executive leadership and each of the three lines of defense sharing the same perspective and working toward the same goal.

There is clearly a growing need for agility and greater alignment between compliance and business strategy. Integration and automation of compliance activities should, therefore, be undertaken.

## The five areas in which organizations should invest to prepare for the future:



**Operational integration** of the compliance programs. An integrated compliance approach enables greater coordination and consistency, thus strengthening the organization's capability to identify and manage its risks.



**Automation of compliance activities.** Recent technological developments offer a significant opportunity to use technology and automate compliance activities in order to increase performance and agility, while slimming down compliance costs. Compliance activities that could benefit from automation include regulatory change management, investigations, reporting, testing, monitoring and risk assessment.



**Accountability** of staff and third parties to the organization's standards of compliance. Organizations have to consistently apply disciplinary and incentive protocols to high-level employees.



**Formalized risk assessment** enabling the organization to understand and assess existing compliance risks, evaluate risk trends and anticipate compliance risks that may arise in the future.



**Continuous improvement of the compliance program** through regular monitoring and root cause analysis to ensure that the control framework remains effective while regulatory expectations and requirements, risk trends and emerging risks continuously change.

The survey results show that the priorities of the respondents' compliance function for the coming years are:



Compliance monitoring tools



Structures and processes



Manpower/  
IT and digital transformation

It is clear that while there are challenges and limitations in automating, industry leaders are starting to identify target activities and obligations to prioritize in their compliance transformation journey.

An effective model for building a compliance automation approach can be summarized in the following three phases:

**STRATEGIZE**

Key stakeholders within the organization should collaborate to identify compliance automation opportunities and find solutions to implement.



**PRIORITIZE**

Opportunities for automation should be identified and prioritized based upon an assessment of risks and obligations.



**REALIZE**

A framework for gathering and monitoring automation should be established in order to ensure that the organization is benefiting from automation investments.

For every organization, the path to compliance automation poses unique challenges and opportunities. Automation can bring levels of efficiency and agility that are key to maintain competitive advantage.

Your compliance transformation journey should start now.