

Solutions to Reduce Risk, Empower Compliance Programs

Internally evaluating the effectiveness and audit-readiness of one's compliance program is a topic often revisited by today's compliance officers. Navigating the ever-evolving complexities of the regulatory landscape can prove challenging for the most experienced of teams.

To ensure a compliance program is ready for examination, firms must ensure that they've properly addressed the most common deficiencies which include:

1. Inadequate Compliance Resources
2. Failure to Tailor and Implement Procedures
3. Failure to Conduct and Adequately Document the Annual Review
4. Failure to Adequately Supervise
5. Conflicts Resulting from Wearing Multiple Hats

Organizations can easily overcome the most identified exam weaknesses by retaining the expertise of third-party consultants and implementing the proper technology framework, one that offers an integrated approach rather than a series of disparate systems.

Compliance Consulting Expertise

Whether an organization has full-time, dedicated compliance professionals on staff, or splits the duties between multiple employees, leveraging the support of an independent third-party consultant can yield meaningful insights into the adequacy and audit-readiness of a firm's compliance program.



With extensive experience, access to multiple types of firms, and visibility into regulatory exam trends, consultants can efficiently identify gaps and weaknesses in firms' compliance programs and can offer multiple levels of support.

From project to co-source to outsource support, compliance consultants can assist by:

- - Designing an appropriately tailored program.
- - Implementing and executing the program through partial or complete outsourcing.
- - Aiding in exam preparation through Mock Examination exercises.

Additionally, because of their vast experience dealing with the regulators during the examination process, a consultant can become a valuable resource for firms seeking to train their staff on how to behave during a regulatory exam and how to respond to SEC inquiries. Moreover, investment in the retention of an independent partner often demonstrates the firm's commitment to compliance and willingness to allocate resources to the program.

Compliance Management Technology

When firms implement their compliance programs leveraging technology, they often find that the information they can retrieve from their solutions is

comprehensive to meet, and often exceed, the current requests of examiners. Having access to the firm's data, testing evidence, and statistical insights in an on-demand fashion eliminates unnecessary fire drills at the time of regulatory inquiry.

With a fully integrated approach to compliance management, firms can verifiably overcome the industry's common weaknesses related to supervision, program implementation, testing and the annual review. Many systems exist to help automate and document supervising employee conflicts of interest, but true fully integrated applications go further to integrate testing analysis with the risk assessment matrix. By mapping these relationships further, firms can derive a quantitative assessment on how their controls are working, and if they need to be modified because of issues, changes in the business model, or changes in regulatory requirements.

Compliance technology protects the reputation of the firm, the CCO and the integrity of the program and can empower a compliance program into perpetuity

Download the BasisCode eBook "A Guide to Audit Readiness" to ensure your firm is prepared for its next regulatory exam experience. It features sections on:

1. Recognizing and understanding compliance program weaknesses
2. The expertise and technology solutions that will enable successful exam preparation
3. Your 4-Step Checklist that outlines best practices to become Audit-Ready.

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