

Introduction

Strong compliance cultures don't just happen; rather, they're the byproducts of clearly stated values and the organizational commitment needed to achieve them, the Continuity study said. Although cultures may differ based on the nature of each individual organization, there are five principles that most if not all of them share

Source: <https://www.cutimes.com/2015/04/20/5-principles-of-a-strong-compliance-culture/?slreturn=20180714011950>

1) Compliance is Pervasive

Compliance is pervasive throughout the organization, not just an isolated function that operates separately from the whole.

Compliance and risk officers operate in active organization-wide leadership roles and are involved in all major business initiatives, including strategic planning, revenue generation, marketing and other functions.

2) Compliance is invisible

Compliance is invisible, something baked into the business process that is unobtrusive but always present, the study noted. Instead of being an ad hoc activity, compliance creates the standards against which all operations are measured and tested.

3) Compliance is a Dynamic

Compliance is a dynamic rather than static process, one that continually adjusts to accommodate a changing landscape. Effective cultures are based on a standardized, systemized approach that foster rather than hinder an organization process and performance, identifying and implementing changes in the least intrusive way possible.

4) Compliance is Business-Aware

Compliance is business-aware, following realistic goals that drive revenue and growth while minimizing exposure to illegal and high-risk situations. No organization can be 100% compliant, the study said, but those that maintain a realistic approach will succeed more often than not.

Strong Compliance Culture



5) Compliance programs are Outcome-centric

Finally, compliance programs are outcome-centric rather than rules-focused. When compliance is seen as a conduit to effective and profitable ways to conduct business in a safe and sound manner, its role as a roadblock to progress evaporates, and the organization becomes more successful in the process.

Effective Compliance

Effective compliance is characterized by procedures embedded into existing workflows, and is achieved with a minimum amount of friction. It also accounts for human nature, knowing that not everyone will be a fan of the processes and their purpose. It also offers a realistic process, achieved at the lowest possible price-point while still achieving the desired outcome. If done right, there will be less examiner criticism, the study said, which makes credit union operations more effective and everyone's life easier..

