



Three keys to mastering compliance training

Executive Overview

Whether your organization serves in the public, private or corporate sector, it is imperative to keep employees knowledgeable and up-to-date about current laws, regulations and overarching company policies. In many cases, these responsibilities fall under the jurisdiction of the chief compliance officer, who oversees an organization's compliance programs and reports on the status to their board of directors and various regulators, depending upon the industry in question.

Generally, a strong compliance program requires three key elements

1

Continuous training

2

Support from senior leadership

3

A learning management system capable of delivering content and tracking employee progress

58% of compliance officers are **"confident"** or **"very confident"** with the metrics they use to gauge the effectiveness of their compliance program.

Source: 2015 Compliance Trends Survey by Deloitte

To demonstrate a valid and defensible culture of compliance, it is important for an organization to have all three of these pieces in place. While this represents a detailed and fairly technical process, an organization can be successful when management sees the value a change in culture serves in protecting the organization's clients, assets and reputation.

Firms that train employees on timely, relevant content and use a learning management system (LMS) to track employee progress have a better chance of engaging the public with ethically sound methods. Having an LMS that tracks employee training and certification status helps managers quickly and easily provide senior leadership and regulators requested documentation as it relates to the compliance program.

Best practices for creating a successful compliance training program, are those that utilize innovative technology, tools and streamlined processes.

Specifically, the following information covers:

1. Understanding the risks associated with not having a compliance program.
2. The benefits of outsourcing a compliance solution and how it mitigates risk in a cost-effective and efficient manner.
3. Understanding the value of a learning management system and how tracking and reporting tools help organizations stay on target with their compliance management initiatives.

Risks of noncompliance

Firms that fail to embrace a culture of compliance and stay ahead of an ever-changing regulatory environment are at risk of significant financial penalties, potential loss of revenue due to an inability to operate their business, and significant, often lasting, damage to the public perception of their company.

Now more than ever, there is a need for leadership to drive acceptance and adoption of their firm's compliance program.

Highly publicized security breaches and lack of supervision within some companies have fueled a growing public demand for greater transparency and better oversight within organizations. This comes at the same time when compliance violations are receiving increased scrutiny from government regulators.

Industry experts assert that organizations can no longer afford to take a casual approach toward compliance. The negative public exposure received from fines or regulatory sanctions can often be more damaging to companies than financial penalties, even though fines can potentially reach into the hundreds of millions of dollars. Establishing a compliance program can help mitigate those risks and the potential for negative public opinion. Even so, many firms are only now beginning to understand the risks associated with noncompliance.

In the past, internal compliance was possibly relegated to the role of support function. Today, however, resources are now claiming a significant seat at the management table, arguably on par with sales and marketing in terms of operational effectiveness and institutional health.

Third-party compliance training

Many companies create in-house training modules for employee compliance training, but this is becoming less prevalent as firms concentrate on core competencies and outsource unrelated business needs to experts. Utilizing a partner that specializes in the area of compliance and intimately understands the regulations in those industries is a significant step in establishing a program that will withstand scrutiny.

When working with a compliance training partner who offers an LMS, companies have at their disposal an array of e-learning and blended learning models. This modern approach to training offers user-friendly content in an engaging format that greatly benefits user outcomes. According to the 2014 Training Industry Report by Training Magazine, about 72% of organizations do at least some of their mandatory or compliance training online, and 29% of companies completely outsource their LMS operations/hosting.

A significant advantage of working with a compliance solutions provider is the access to subject matter experts who are highly skilled and knowledgeable at interpreting regulatory changes and industry guidelines.

Regulations in the financial services industry are constantly changing and new regulations are being created at an increased rate. It is difficult for private firms to maintain a content library that accurately reflects not only the letter of the law but also the practical application to a specific industry.

“A careful study of the return on investment involved with outsourcing to a compliance partner with efficient systems and processes in place indicates that most firms will see a benefit approaching 90%.”

Key topics to ensure your compliance training program include are:

Anti-Money Laundering

TILA RESPA Integration Disclosure (TRID)

The Bank Secrecy Act

Third Party Vendor Management

It's important to choose partners who regularly update training materials, employ subject matter experts and anticipate future regulatory changes. A recent focus for mortgage lenders, TRID, part of the Dodd-Frank Act, is one such regulatory change that required significant updates before the legislation's compliance deadline. Be sure your chosen vendor's subject matter experts are well-versed in operating under tight time constraints and are able to create training materials that are current and available in advance of regulatory deadlines.

Compliance trends

Based on confidence levels among chief compliance officers, clearly there is room for improvement when it comes to technology and systems used to report compliance data, according to the 2015 Compliance Trends Survey by Deloitte.

A staggering 59% of compliance officers are only "somewhat confident, or not confident at all," that the technology they use for compliance reporting does an adequate job of capturing metrics data, the survey reports.

Even with constant advances in technology, some companies still rely on manual processes to track their compliance training results. Armed only with spreadsheets and hard copies, employee certifications can easily get buried under piles of paperwork, or be misplaced and forgotten. Unfortunately, many organizations

fail to embrace cost-efficient solutions and streamlined processes to manage their compliance programs.

Most firms that outsource compliance to companies with efficient systems and processes, experience a return on investment approaching 90%. Organizations express satisfaction with learning management systems that provide robust reporting features and modern e-learning capabilities. An LMS provides real-time reporting features – something experts say guarantees managers the ability to obtain and retain information and documentation needed to effectively monitor their compliance program. The LMS is a cloud-based repository that provides access to necessary documents and reports on a real time, as needed basis.

A feature-rich LMS allows managers to run ad-hoc reports, lists, and, with push features, send out timely notifications. A few reporting features include, but are not limited to:

1. Number of training registrations
2. Completion percentages
(by employee, course or department)
3. Assigned completion dates
4. Identification of those employees falling behind on training
5. Automated email notifications of upcoming certification deadlines
6. Email reminders for managers to monitor employee progress, followed by email reminders for employees nearing a deadline
7. List of licensures held by employee

With reporting capabilities like these, organizations can drastically increase their confidence level when reporting compliance status to their leadership team. Learning technology platforms deliver content in a user-friendly and engaging way so that employees learn the materials and have a good experience. Innovative tools like these take the guesswork out of managing a compliance program. By utilizing the latest technology and the expertise of a highly qualified compliance solutions partner, organizations can ensure their clients, employees and reputation are protected, and that they are ready to meet the latest regulatory challenges.