



Designing your Compliance Program

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Compliance Components

1. Oversight
2. Policies & procedures
3. Training & education
4. Monitoring & testing your systems

1. Oversight

Management should:

- Communicate the need to act ethically
- Avoid a big stick approach to punish violators
- View creating a culture of compliance as the end goal to strive for

2. Policies & procedures

- Have you
- conducted an effective risk assessment ?
 - identified the areas that may have potential compliance risks?
 - Designed controls to detect, prevent, and correct violations?
 - Tied your risks to the controls and processes in place?
 - Updated your manual recently?

3. Training & education

- Make training and education a key element of your firm's compliance program
- Tailor staff training to specific job responsibilities and duties
- Don't just provide a new employee a manual to read - Explain!!
- Take a proactive approach by holding regular training sessions

4. Monitoring & testing your systems

- Do you regularly test your systems and controls?
- Do you test to see if compliance policies and procedures are followed?
- Do these tests produce exception reports?
- Do you review these reports and follow up on exceptions?