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SCCE's 2,000th member

Meet Anna Armendariz
Compliance and Corporate Secretary Specialist

More acronyms

By Roy Snell

OK, I have officially had it. Compliance works because compliance is simple. Compliance is here because the people before us failed. In part, they failed because they did not keep it simple. They got distracted. Compliance looks for, finds, and fixes regulatory/policy/ethical problems. That's it. Find and fix. We audit, investigate, discipline, and report to the Board. We write a code of conduct, educate, and operate a hotline. Simple. Nothing to it. It works because it's simple. It's a hard job, but a simple process.

The problem is that people just couldn't leave well enough alone. They had to build a better mouse trap. So, we had some guys who were working on governance and risk decide they could jazz up their old slide deck by adding the new and exciting field of compliance. We now have GRC. Governance involves many things that have nothing to do with Compliance, such as budgeting, innovation, resource allocation hiring, etc. Yes, there is some overlap, but Compliance overlaps with many areas. Risk management is primarily done on risks to the company, not risks the company causes others. The Risk department is often a total distraction to finding and fixing problems that our company causes others. Yes, there is some overlap, but Compliance overlaps with many areas. Why not have CHRERMALF, or Compliance Human Resources Education Risk Monitoring Audit Legal Finance? Why not? Because it's ridiculous.

There have been offshoots of GRC because GRC couldn't even leave well enough alone with their own creation. They invented GERC or Governance Enterprise Risk and Compliance. One over-think tank added "Global" to the whole mess. You can never go wrong by adding Global to anything. Someone now has invented ESG or Environmental Social Governance. At least they left off Compliance, but it's like a black hole. They will suck us in. They will complicate our simple process of finding and fixing problems. They will distract us from finding and fixing problems. The U.S. Sentencing Guidelines don't mention GRC or ESG or CHRERMALF. They mention compliance programs. We just can't leave well enough alone. Some people have to over-engineer everything. Some do it for profit. Some do it because they really aren't interested in solving the problem that the press, the public, and the politicians want us to fix. They want to show everyone how smart they are. Sometimes less is more. This is one of those moments.

We are here to find and fix problems our organization is causing for others. That's it. We use a few tools to find and fix the problems. We don't care about the Governance budgeting process or their need to innovate and manage resources. We are not responsible for the risk of the company losing their investments or the risk of starting another office or introducing another product. We want to find and fix compliance problems. Compliance

professionals need to stop others from hijacking the definition of our profession and the definition



of compliance programs. Compliance professionals need to stop others from distracting us from our mission of finding and fixing problems. If we don't, we will fail as surely as those who came before us failed. And unlike Legal, Audit, and Risk, if we fail to find and fix problems, we will have nothing to fall back on. There will be no need for our services. Legal can always practice law. Risk can always do risk assessments. Audit will always be able to do audits. But if we fail to find and fix problems, there is no other job we can perform. No one is going to pay for Compliance if it doesn't find and fix problems. And if we don't stop these people, we will not find and fix problems.

Here is one more acronym for you: STC. Stop The Complicaters. The last time the U.S. Sentencing Commission updated their chapter on compliance programs, they asked SCCE for input. In fact, we testified in front of the Commission. We provided some good ideas on accountability of compliance professionals. The next time they update Chapter 8, I am going to suggest that they add another element to compliance programs. That element would be to stop others from hijacking our profession. It should be a part of our job. Every other profession defines their own profession. Why shouldn't we? ✦