Creating a Culture of Compliance

Knights of Columbus

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Presenter

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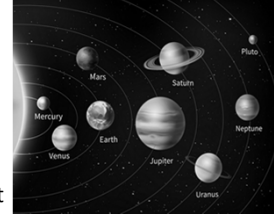(Knights of Columbus)
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These are my own views and NOT the views of the Knights of Columbus

OVERVIEW

Three Topics to Cover Today:

1. Right-Sizing Your Compliance Function
   - Larger and Smaller Companies
   - Compliance Function Structures
   - The Importance of Teams

2. Creating Cultural Awareness Through Training
   - Each employee's awareness is what you target
   - You'll only get the Universe if you get all the planets

3. Holding Individuals Accountable Through Oversight
   - Using Data Analytics & Tools to See and Be Seen
   - What You do When No One is Looking vs What you do when Someone is ALWAYS Looking!

Right-Sizing Your Compliance Function

The Knights of Columbus is:

- A **non-profit!**

- A **Fraternal Benefit Society chartered in 1882**

- A small(er) entity with **only 900 employees** and a **Compliance Team of 9 people** including me.

- A large(r) Life Insurer with over **$100 billion** of life insurance in force

- A charitable enterprise- which gave **$185 million to charity** in 2017

- A five-times *World's Most Ethical Company* recipient

Right-Sizing Your Compliance Function

Polling Question #1

How Many Full-time Compliance Employees Does Your Company Have?

    a. 1-5
    b. 5-20
    c. 20-100
    d. Over 100

Right-Sizing Your Compliance Function

Compliance Function – Size and Structure

- One Size Does Not Fit All…

- To Centralize or Not to Centralize?

- Construct Small Teams, Each with a Purpose

Cultural Awareness through Training…

"Everybody Welcome, Everything Free"

Cultural Awareness through Training…

Workforce ETHICS training

- Ethics Training is NOT the same as Subject Matter training- where you need to increase technical proficiency

- You are really seeking to **raise** individual **awareness** through the mechanism of "training"

- You are trying to move something from the back of the mind to the **FRONT- but that's all.**

In-Person Classes:
The "What" and the "How"

We encourage employees and producers to get accustomed to talking about the "What" and the "How" at the Knights:

- The **What** is an employee's Goals, a Team's goals, targets, aspirations, expectations… and can be as specific as project and initiative deliverables.

- The **How** is our Core Values: Integrity, Professionalism, Excellence & Respect.

We encourage our staff to do the extra work that comes with caring as much about HOW we work as WHAT we achieve - cutting corners doesn't get you the "end of the day" satisfaction that you are working with good people who care about others.
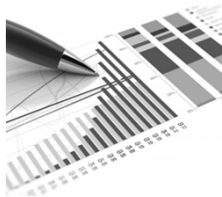
Individual Accountability through Oversight…

Data Analytics

Analytics/Scorecards
- Recognize outliers
- Prevent bad behavior

Training Analytics/Benchmarking
- How the learner answered questions
- Time to complete each topic
- Number of attempts

Polling Question #2:

Do You Think Online or Toll-Free HelpLines for Ethical Concerns Work Well?

a. **YES**. We get actionable intelligence from what gets reported that we regularly put to use.

b. **NOT SURE**. I question if they give us anything close to a complete picture and I don't put the findings to use in setting company priorities.

c. **NO**. We've seen evidence (from employee surveys and other sources) that they are not working at our company.

Individual Accountability through Oversight…

But You Need Attributes to Feed the Scorecard…

What types of datapoints can you gather that might help uncover Ethics & Compliance issues in real-time?

- Again, Ethics Helpline Complaints - (if you get any…)

- Customer Complaints — *Everyone gets these…*

- Financial/Sales Anomalies

Individual Accountability through Oversight…

Regulatory Change Management Platform (CODE) & Governance, Risk and Compliance Platform (Compliance360)

- First manages regulatory changes from enactment to company review & implementation;

- Second provides risk and task management through a calendar tool that creates workflows to assign, manage, monitor and validate compliance with licensing, policy review, regulatory reporting.

- Both demonstrate and reinforce Compliance's role as a change agent and authority- which helps establish the Culture of Compliance.

Thank you!

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