



Agenda

 Topic

 Introductions – who are we?

 Compliance & Strategy – what matters?

 Examples – when is structure relevant?

 Communications – where do they help?

 Accountability – why is it important?

 Q&A – how can we help?

PwC

Introductions – who are we?



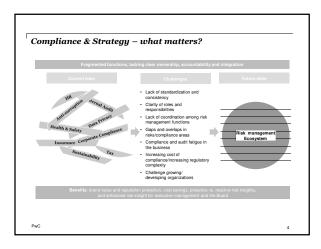
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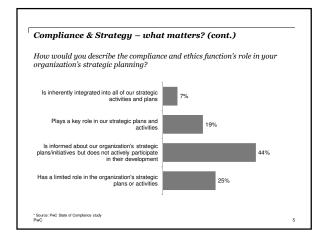


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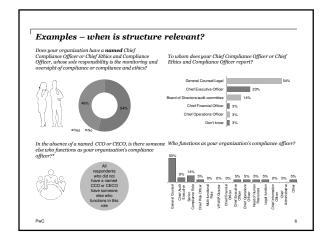
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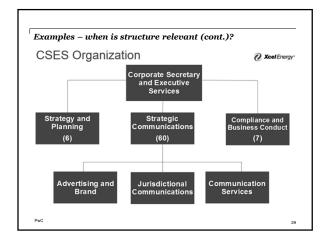




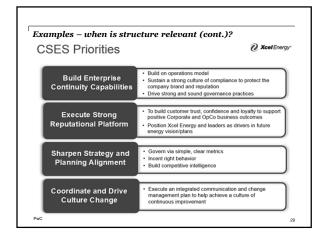














Reporting to:	Defining the C&E Reporting Structure		
	Advantages	Disadvantages	
Board of Directors or a Subcommittee of the Board	 In line with FSGs, comments from Department of Justice and government settlements 	 Less practical given Board is neither onsite nor involved in the business on a day-to-day basis 	
Chief Executive Officer (CEO)	 Supported (though not mandated) by FSGs Greater buy-in and recognition of C&E efforts across senior management and throughout organization C&E voice in business strategy, planning and decision-making 	Adds to the many demands on CEO's time Adds to number of direct reports to CEO	
General Counsel or Legal Department	Most prevalent reporting structure (all industries) Natural alignment (i.e., responsibilities include equipping the organization with tools to comply with legal requirements)	 Separate functions mandated in many government settlements Not supported (though not prohibited) by FSGs Inherent conflict between roles (i.e., protecto versus issue spotter); competition for time/attention Potential for loss of independence / feelings of pressure (real or perceived) to not raise issues 	
Chief Risk Officer	Similar subject matter expertise and responsibilities Better leverage risk management competencies in driving risk assessment and risk mitigation Better alignment of "ze" line" capabilities Establish independence between the Legal Department and Compliance	 Potential lack of familiarity with elements of a C&E program Potential to minimize prominence of C&E in organization / importance of Compliance risk Potential to focus more on managing risk versus enhancing strategic goals 	



Examples – when is structure relevant (cont.)?			
	Factors and Considerations	Impact	
Structure of Function:	Structure of the wider organization Kisks and related risk management of the organization Sopean ad seal of compliance function activity Regulatory requirements at the different levels of the company A need to drive consistency (functions, issues, locations, etc.) Perception of independence of the compliance function	Compliance function that ablentics compliance resources effectively in order to manage relation of the second second second compliance monitoring responsibilities between Compliance and the business Compliance and the business and the business units Business units that embed recompliance that the second multis and are in compliance.	
Business Unit Alignment:	 Compliance function that is structured in a manner that is in alignment with significant business units so they can identify and address the compliance risks and meet the regulatory demands of their markets, locations and industries 		
Flexible Structure:	 Compliance structure that is flexible, allowing for the ability to immediately address the varying short-term needs of quickly enhancing the compliance function and addressing the compliance and regulatory requirements Underlying compliance procedures that allow the flexibility to conform to local laws and regulations 		
Compliance Organization Member Attributes:	Skill sets of compliance, business unit and functional resources to effectively establish compliance culture and trust Established and well-managed relationships to interact and coordinate responsibilities across functions and business units		
Complimentary Compliance Risk Management:	 Collaboration with Business Units, Internal Audit, Legal Counsel and Human Resources. Each should take on specific governance, risk and compliance responsibilities in order to help build a strong compliance structure. 		



