

# 4 tips to starting a compliance function

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When developing a compliance function from inception, a compliance officer can have paralysis from analysis, especially when there has not been a pre-existing compliance function. Below are a few points that may assist a compliance officer in kick-starting the investigation and discovery phase of building a compliance function.



## **Action Point One: Know the stakeholders inside and outside the business**

Knowing the stakeholders and getting to know them in a business context is the first touchpoint for building a successful compliance function. Identifying and consulting with the various stakeholders starts to build one's reputation and knowledge of the business structure, but also allows a person in his/her capacity of a compliance officer to be introduced to the various business units.

## **Action Point Two: Introduce the idea of a compliance culture**

Starting a compliance function is going to create change within the business, and as with any change, it has to be managed. It is, therefore, prudent to introduce the concept of a compliance culture when meeting with the different stakeholders within the business. It is not uncommon that different departments will have their own meaning of compliance, and will feel differently about compliance for whatever reason. The idea of compliance culture will encourage co-operation, and will assist with stakeholder buy-in.



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## Action Point Three: Study the environment of the organisation

Having an understanding of the stakeholders of the organisation is essential for a budding compliance function; however, investigating the internal and external environment of the organisation is critical to the longevity of the compliance function.

The environments of the organisation tend to be in a state of constant change; this can be due to technological changes, political shifts or even global catastrophes. For this reason, it should be noted that regulatory instruments and best practice requirements also shift in accordance to the external and internal environment. Investigating these environments provides the compliance officer with a “big picture” approach when dealing with compliance and their business.

## Action Point Four: Know the end goal

When starting the compliance function, always keep in mind what the end goal for the function would be. For many compliance officers, the end goal is to have an enterprise-wide compliance function that is accepted equally across the business. There is a great deal of forethought and planning that goes into the infancy stages of a compliance function to achieve this goal. To know the end goal, we have to address the following:

- Who are the stakeholders and interested parties?
- What is the goal of this particular compliance function?
- Why does this organisation, in particular, need a compliance function?
- When does the compliance function need to be established by?
- How is one going to achieve the organisation's compliance goals?

These are just four points to assist the compliance officer in starting a compliance function. There are several published compliance frameworks from reputable organisations that can be utilised when building and maintaining a compliance function; however, it must be understood that every business is unique and requires a bespoke compliance function. It is therefore imperative that the compliance officer should apply their mind to the particulars of their business organisation.

## ABOUT EZRA PILLAY

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