

COMPLIANCE OFFICERS' RESOLUTIONS FOR SENIOR MANAGEMENT

Five steps compliance officers would love to see top management take in 2010

Many of us make New Year's resolutions this time of year. It feels good to look forward to a fresh, new start to the year, thinking about being healthier, more efficient, more successful, more helpful to others.

So, while we're all making those New Year's resolutions to lose weight, exercise more, pay off the credit cards, and learn how to knit, let's consider the often overlooked and frequently underappreciated compliance officer of the bank. If your bank's compliance officer could propose New Year's resolutions to senior management, here is what he or she would suggest:

1. Don't cut those training dollars for 2010

When annual budgeting comes along, one of the first targets of the ax is usually dollars for staff training. Money for external seminars, telephone briefings, conferences, or training resource materials get chopped. It's assumed that the compliance staff can absorb all of the new laws and regulations without any help. [I've tried the tactic of putting the 270+ pages of new Regulation Z changes under my pillow at night hoping that it will seep into my brain during the night, but it doesn't work.]

Don't cut those training budget dollars. There are many new compliance requirements coming out these days, and the compliance staff needs to be well trained. They are the front line for the bank in the battle to stay in compliance.

2. Attend compliance training sessions yourself

Speaking of training, plan to attend the compliance training sessions that the compliance officer conducts for bank staff. Not only will you learn a great deal of valuable information, but you will also be demonstrating to the staff, by personal example, that compliance training is important.

3. Promise to call the compliance officer earlier

Compliance officers dream of senior management calling them long before a decision has been made that has compliance implications. When developing new products, when entering new lines of business, when considering new system purchases, and when changing terms on existing products, call Compliance early, and let the compliance officer help management understand the compliance regulatory impact before the eleventh hour.

4. Show appreciation

Compliance officers often report that their only feedback comes in connection with a regulatory exam. If the exam rating is good, they may receive a pat on the back. If the exam rating is not so good, they may receive something else somewhere else.

In between the exams compliance officers should be recognized for their significant contributions to the ongoing task of maintaining the compliance program. The compliance staff is not always very popular, especially when they have to add another disclosure or insist on a change to a system in order to comply with a regulatory requirement. So, recognize their efforts. Send the compliance officer a memo this year just to say "thank you."

5. Give a "Culture of Compliance" tone to the whole bank

The most important ingredient in an effective compliance program is a senior management group that creates a compliance culture for the bank in which compliance is a priority. It's not just a necessary evil. It's a culture in which compliance with laws and regulations is expected, rewarded, and enforced.

What do you think? Share your experiences as a Compliance officer, senior manager, or director in the comment area below.

About Nancy Derr-Castiglione

"Lucy and Nancy's Common Sense Compliance" is blogged by both Lucy Griffin and Nancy Derr-Castiglione, both ABA Banking Journal contributing editors on compliance.

Nancy, a Certified Regulatory Compliance Manager, is owner of D-C Compliance Services, an independent regulatory compliance consulting services business that has provided expertise in compliance training, monitoring, risk assessment, and policies and procedures to financial institutions since 2002.

Previously, Nancy held compliance positions with Bank One Corporation and with United Banks of Colorado.

In addition to serving as a Contributing Editor of ABA Banking Journal, Nancy has served on the ABA Compliance Executive Committee; National and Graduate Compliance Schools board; conference planning committees, and the Editorial Advisory Board for the ABA Bank Compliance magazine.

She can be reached at nancycastiglione@comcast.net

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