

Session 406

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Using Automation for Compliance Management and Reporting That Will Bring a Smile to the Face of Any Prosecutor

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406: Session Overview

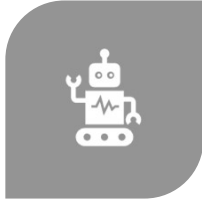
1. Technology tools to facilitate collaboration/delegation with other parts of the business (including case management systems, learning management, policy management, etc.)
2. Aligning & evaluating your compliance program to fit the recommendations of the Federal Sentencing Guidelines and the DOJ Evaluation of Corporate Compliance Programs tool
3. Using technology tools for management reporting and engagement (including risk assessment, financial management, ROI, etc.)



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The Future Will Include More Automation



HOW DOES TECHNOLOGY
AND AUTOMATION ENABLE
BETTER COMMUNICATION,
COLLABORATION AND
DELEGATION?



UPDATE ON TRENDS



CLIENT INSIGHTS

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Introduction

How does technology and
automation enable more
effective communication,
collaboration, and
delegation?

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How can we use automation?

Communicate,
Collaborate,
Delegate

Risk Assessment
and Risk
Management

Reporting, Hotline
and Incident
Tracking and Case
Management

Policy
Management

Training and
Learning
Management
Systems

Communication
Management

Third Party
Screening and Due
Diligence

Data Privacy

Conflict of Interest

Gift and
Entertainment

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Spotlight: Risk Assessment

Develop

Execute

Analyze

1 Probability	5 Almost Certain
	4 Likely
	3 Credible
	2 Unlikely
	1 Remote

2 Severity	5 Extreme
	4 Major
	3 Moderate
	2 Minor
	1 Insignificant

3 Control Effectiveness	5 Unaware of or No Controls in Place
	4 Ineffective
	3 Unsure or Partially Effective
	2 Effective
	1 Optimized e.g. policies, training, governance

4 Trend	Up
	Same
	Down

Risk 1

Books and Records / Off-Books Accounts

Risk Description or Example: Risk that Co Name accounts do not reflect all of the company's transactions, for example, the existence of secret, slush, or off-the-record funds.

1 Probability	Remote	Unlikely	Credible	Likely	Almost Certain
2 Severity	Insignificant	Minor	Moderate	Major	Extreme
3 Controls	Highly effective set of controls	Effective on most occasions	Partially effective on some occasions	Largely ineffective	No controls in place
4 Trend	Down	Same	Up		

Add a Comment

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Spotlight: Risk Assessment

Develop

Execute

Analyze

Detailed Analysis

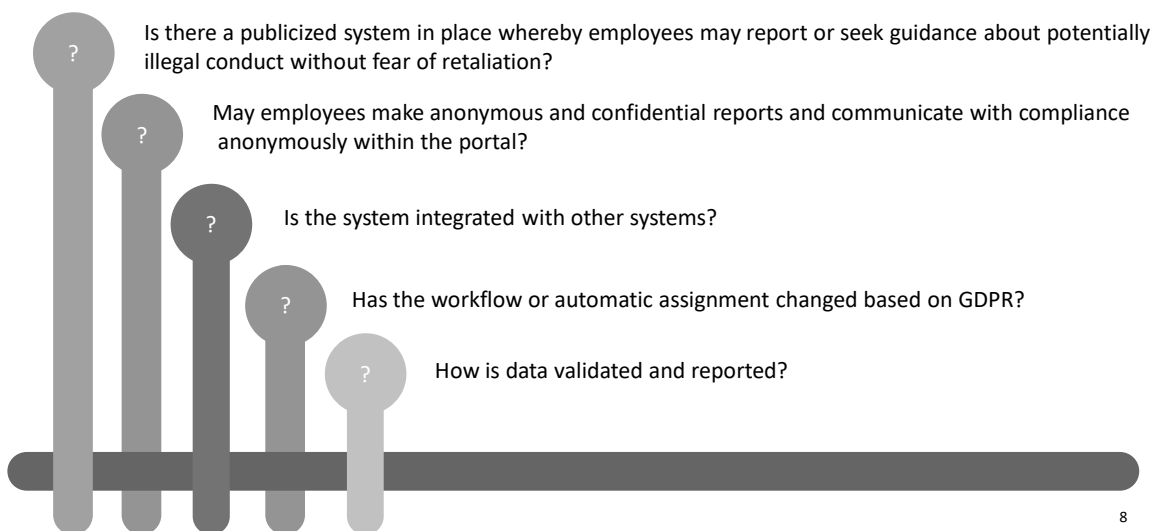
Review the data for various trends, focusing on the risks that are relevant to you and your business partners. Prepare an analysis to facilitate a conversation, and to develop an action plan with key leaders and stakeholders.



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Spotlight: Hotline and Incident Management



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Your Technology and Processes Implement Your Information Strategy

Image: <https://sageclarity.com/silos-in-supply-chain-breaking-down-with-mini-apps/>

Before implementing a process or technology, ask how it helps to further your mission. How does it help:

- Position the Compliance Function
- Break information silos
- Strive to make internal clients self-sufficient
- Leverage analytics, make success quantifiable
- Treat records and information properly and consistently (e.g., retention, preservation, privacy, security, privilege)

Does it help make the program Productive, Sustainable, Scalable, Defensible, and Secure?

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Consider Drivers of Change

Type	Driver	Opportunities
External	Cost Control	Consider the long- and short-term cost effectiveness of the technology or process
	Globalization	Is the company global? Is the company best served by a global technology?
	Exponential Technologies	Consideration of technologies with capabilities growing very quickly, such as AI, blockchain, and data science
	Increased Regulation	Is the solution sustainable, considering the ever-growing swirl of regulation?
	Mergers and Acquisitions	Does the process or technology allow us to “not skip a beat” when adding a new company or line of business to the mix?
Internal	Doing more with less without sacrificing quality	Can we leverage the process or technology to improve or at least maintain our service level?
	Becoming a strategic business partner	Is there an opportunity to align with business needs or otherwise enhance interaction with the business?
	New organizational risks and exposure	Can the process or technology expand to accommodate new risks?
	Changing talent models and needs	Are we leveraging people and what they do best?
	Multiple locations and technologies	Can the process or technology accommodate multiple locations? Should it?

Source: Internal and External Drivers list from Deloitte, 2017

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Compliance Today

Current Regulatory and
Market Trends

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Compliance Today



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Defensible Programs: What is the expectation?

Update on changes to DOJ Evaluation of Corporate Compliance
Programs Guidance



KNOW YOUR RISK!

Risk is mentioned in the
updated Guidance 49 times.

What's new in the April 2019
DOJ Guidance update:

1. Upgraded to an official
Guidance document
2. Criminal Division document
instead of Fraud
3. Heavily contextualized as
criminal

If you meet the DOJ Guidance standards, congratulations! You are a C
student. **A students are not in front of the DOJ.**

What is the difference between an A student and a C student?
EFFICACY

Technology and automation can help you create an effective program
that demonstrates **credibility, measurement,**
continuous improvement efforts, and **accountability.**

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Defensible Programs: Why do we need automation?



You need to be able to use automation to keep up.

**Use of automation tools can also be a persuasive way to demonstrate to a government enforcer that
you are serious about compliance.**

Demonstrate that you KNOW your risk.

- What is your technology related risk in your organization?
- What technology tools do you use to measure risk & risk mitigation?

How do you show effectiveness? According to regulators, if it is not documented, it did not happen.

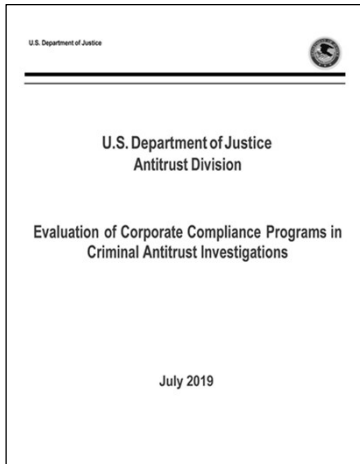


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Spotlight: Convincing the Government that Your Antitrust Compliance Program is Effective

July 11, 2019: Big news in the antitrust compliance world!



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Spotlight: Convincing the Government that Your Antitrust Compliance Program is Effective

July 11, 2019: Big news in the antitrust compliance world!

The Antitrust Division, after decades of refusal, decides to recognize the value of compliance programs.

Follows the Justice Manual's 3 fundamental questions:

1. "Is the corporation's compliance program well designed?"
2. "Is the program being applied earnestly and in good faith?"
3. "Does the corporation's compliance program work?"

So, how can you use automation to answer these questions –and the others asked by the DOJ?

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Know Your Risk: What is the role of Compliance?

Enterprise
technologies

Emerging
technologies

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Emerging Technologies: Artificial Intelligence



General-purpose technology can affect the entire economy and has the potential to alter society

75%

of executives say AI will be actively implemented in 3 years.

David Kelnar, The state of AI, (MMC Ventures, 2017), 8.

72%

of executives report that their companies believe transparency of their AI-based decisions will gain customer trust.

Redefine your company based on the company you keep, (Accenture Technology Vision, 2018), 28.

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Emerging Technologies: What can Compliance do?

Build or join cross-functional teams to evaluate technology's benefits and risks

Watch what other companies are doing

Learn the benefits and the risks

Evaluate how AI can help fight compliance risks within the business (e.g., corruption)

Expect regulation may lag behind

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Enterprise Technologies

Before you get too excited about emerging technologies, ask yourself this question:

Am I using all of the currently available tools that could support my compliance program?

Example: *Do I have a credible records management program that uses technology to educate employees about document creation and destruction, and does it electronically monitor files for data loss prevention or stranded data?*



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Reportable Efficacy

How can automation help answer the questions that government enforcers will ask while effectively mitigating compliance risk in the company?

Where does technology and automation help?

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Reportable Efficacy: How can automation help?

Ask questions about your program and how technology can help:

- Credibility
- Measurement
- Continuous Improvement
- Accountability

Management Reporting

- Hotline
- Risk Assessment

Measure everything – data, data, data!

- Take a baseline measurement and then measure post-launch of training, initiative, or program

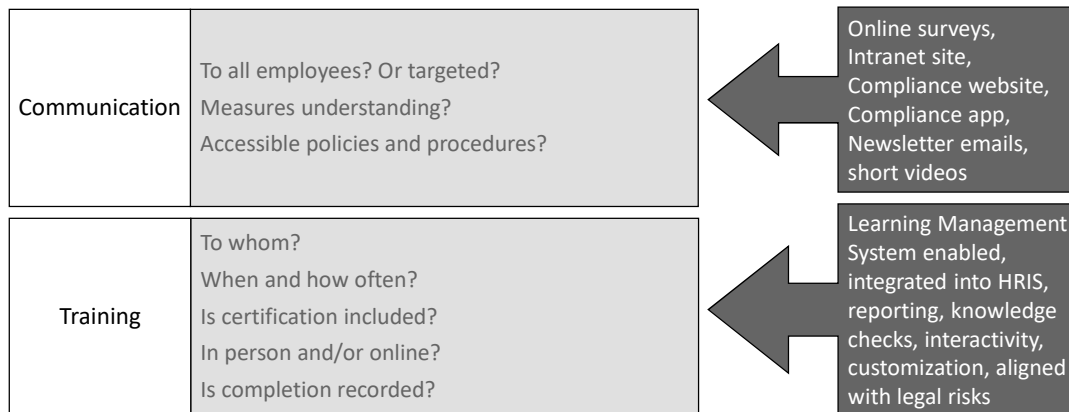


What will government enforcers ask and how will you answer?

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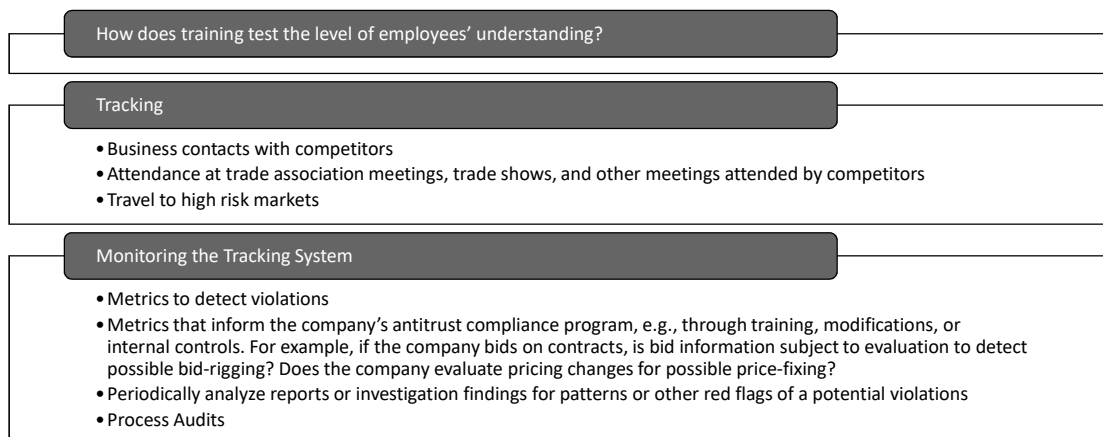
Credibility: Communication and Training Example



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Defensible Measurement



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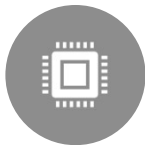
Continuous Improvement



Policy and process revisions made through automated workflows with established accountability and audit trail history



Effectiveness review founded in baseline and result data collections from various systems and tools



LMS allow for customization and training updates to reflect marketplace, legal, technological, or other developments



Hotline data trends provide resources for case studies and future scenario-based learning

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Accountability

Process automation allows you to define accountability and streamlines communication and follow-ups between parties.

Can you demonstrate senior leader commitment to ethics and compliance through communications and resourcing?

Can you demonstrate who is accountable for data to day program operations?

Can you demonstrate escalation?

Can you demonstrate reporting to senior leaders?

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Conclusion and Q&A

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Thank you

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APPENDIX

SCCE Chapter: The Relationship Between Technology & Compliance

Introduction

Technology's Role in Compliance: Insights and Trends

- Risk Assessment and Risk Management
- Reporting, Hotline and Incident Tracking and Case Management
- Policy Management
- Training and Learning Management Systems
- Communication Management
- Third Party Screening and Due Diligence
- Data Privacy
- Conflict of Interest
- Gift and Entertainment
- Conclusion

Compliance's Role in Technology

- Emerging Technology
- Artificial Intelligence spotlight

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