

# Boardroom questions:

## A sustainable approach to Regulatory Compliance



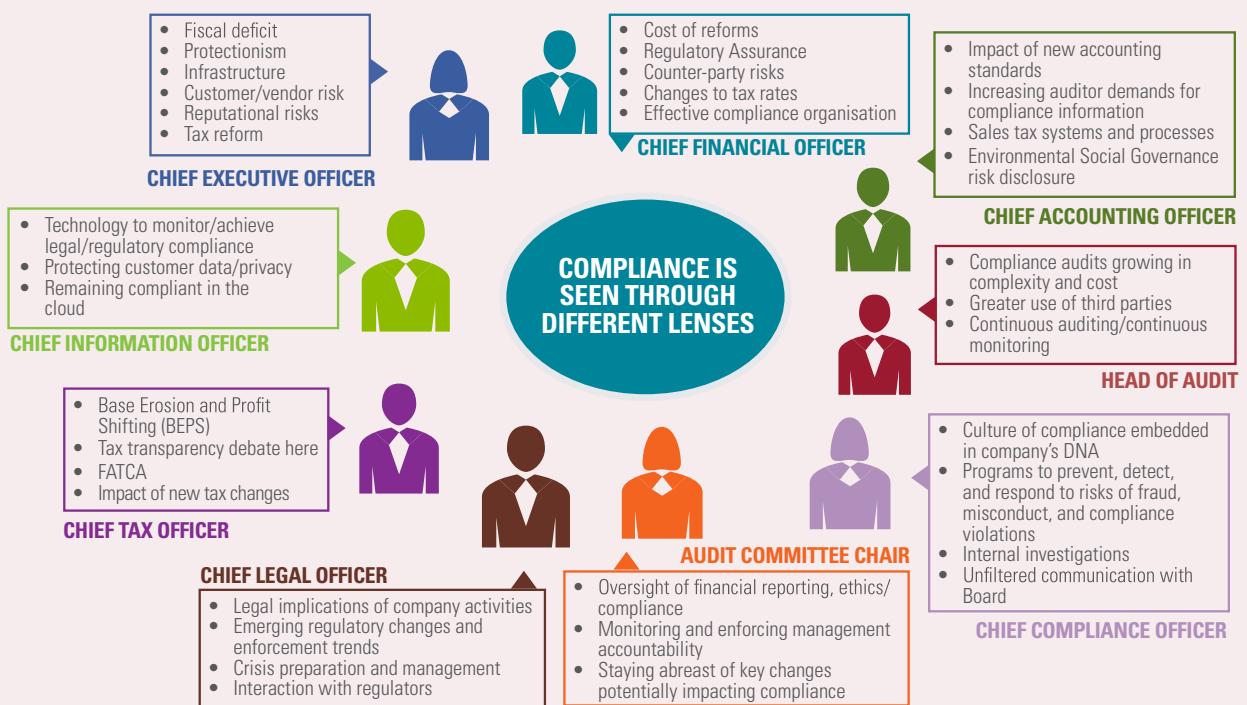
Increasing **regulatory complexity** and **scrutiny** by relevant authorities continues to make **regulatory compliance** a **major issue** in the Boardroom and the C-suite

### Considerations for the Board

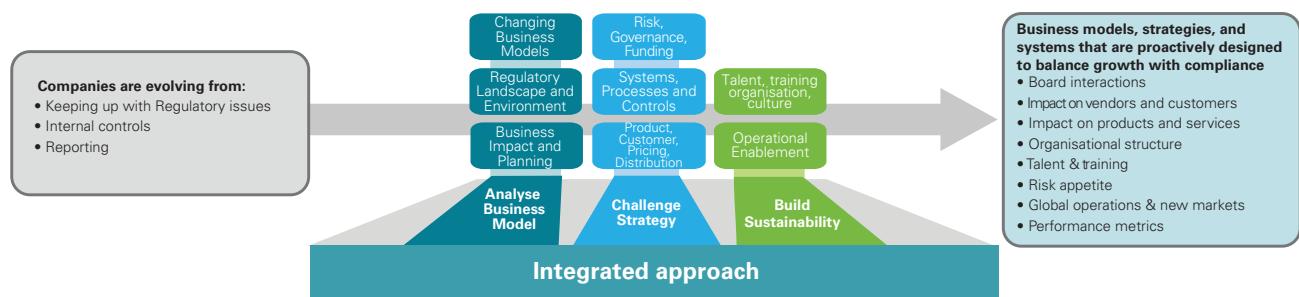
#### Tone at the top: compliance with regulatory demands could be quite costly if not addressed



#### Do each of the people below have enough support to ensure an organisation's compliance?



## How are companies meeting the challenge?



## How can the Board become more proactive in this area?



### Confirm that Management...

- Stays **up to date** on the latest legislative and regulatory changes
- **Understands the implications** of new policies/ regulations on business strategy, operations, people, processes, performance, financial statements, systems and controls
- **Ensures that the company adjusts to comply with new regulations in a timely and effective manner**
- Leverages regulatory changes into **business opportunities**
- **Predicts costs and manages investments** even in the face of uncertainty around tax and regulatory changes
- **Benchmarks against competitors** to enhance the company's compliance strategies and approaches
- **Communicates with regulators** and the public effectively, **to protect the company's reputation**
- **Actively models** a culture of compliance



### Discuss whether we...

- Establish the right **tone at the top**?
- Know **which regulations pose the most risk** to the industry and organisation?
- Have the **right in-house compliance and regulatory talent** in place?
- Have a sound risk management framework in place which is regularly reviewed (ASX Principle 7).
- Understand if or how **compensation incentives** are **creating or reducing risk**?
- Ensure the business model, strategies and systems **enable both business growth and regulatory compliance**
- Have an understanding of new and emerging risks that may lead to regulatory change



## What actions can the Board take?



### Ensure management is proactively embedding regulatory compliance in the company's operations, risk management and strategy



**Empowering compliance and risk executives in their roles** and securing companywide sponsorship for consideration of regulatory issues.



Recognising the tone at the top and middle should guide **every single person** in the organisation to be conscious of risk management for both **compliance and business purposes**.



**Embedding the regulatory framework in the operating model early on**, when possible.



**Empowering compliance and risk executives in their roles** and securing companywide sponsorship for consideration of regulatory issues.

## Contact us



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