

Thinking Compliance: Staying on the Straight and Narrow

If you're like most business managers, you're thinking about sales and market share. But compliance, especially for those in finance industries, should be a high priority too.

By Richard Koreto

Concerned about compliance issues? Here are some thoughts from Mark Opila, Chief Operating Officer at [Patrina, a leader in compliance software](#).

Among other things, Patrina helps businesses in the financial sector store and index data in formats that meet stringent regulatory requirements.

It wasn't that long ago that recordkeeping was simply about making an extra copy of everything and putting it into well-labeled file cabinets, but it's a lot more complicated today.

"One of the biggest things we deal with is policies and procedures," said Opila. No matter what business you're in it's essential that you have clear, written policies and procedures for every employee to understand, so there's no trouble down the road, he advised.

He gave an example from his own background. When he was a broker, he had to follow the essential "know your client" rule, which meant he could not recommend securities without a detailed knowledge of the client, to make sure any financial products were appropriate.

To comply with this rule, the compliance department required brokers to reach out to clients regularly. "But how often? We needed a policy. We had to specifically note when and how to reach out." And the firm had to update policies and procedures regularly to keep up with new regulatory requirements.



How to Play It Safe

Although written policies and procedures are essential in all businesses, they are particularly important in financial and other heavily regulated businesses. Here are some tips:

- Be prepared for enforcement. A lot of infractions have been winked at, but brace

yourself for greater government enforcement in the coming months.

- Keep track of outside business activities. Make sure no one in your company has a conflict of interest. Compliance officers can check to make sure outside activities are not in conflict.
- Keep copies. Regulatory agencies often don't want to see just the last copy, but all versions. This is because policies and procedures change over time, and if there's a conflict, regulators want to see the history.

The bottom line? Make sure you keep records and that they're readily accessible, especially if you're in a heavily regulated industry.

Although financial businesses are what come to mind, if you're in a business with a lot of exposure to OSHA rules, for example, or state health department regulations, good records are essential.

Finally, there's no substitute for clear and complete policies and procedures, no matter what business you're in. [Let us know](#) if we can help you set up policy and procedures manuals that are right for your company and industry.