

# TAKING CONTROL

EXAMINING AN EFFECTIVE FRAMEWORK  
FOR COMPLIANCE MANAGEMENT



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## I. THE GROWING COMPLIANCE CHALLENGE

Risk (noun) 1. The possibility of suffering harm or loss; danger. 2. A factor, thing, element, or course involving uncertain danger; a hazard.

In a few short years, the word “risk” has come to epitomize a massive, costly and complex challenge facing American business.

In corporate governance, reams of new laws and regulations carry far-reaching and potentially serious operational and financial implications for companies large and small. Enacted in the wake of some of the world’s largest corporate scandals, these mandates call for unprecedented levels of financial accountability and disclosure. The cost of developing, implementing and maintaining the internal controls necessary to satisfy them is potentially enormous.

In employment practices, a steadily flow of legislation is producing a surge in employee-generated litigation, with the number of lawsuits and their financial impact increasing year by year. Even though the vast majority of these lawsuits never see the inside of a courtroom, jury awards assessed against culpable companies are steadily climbing — some reaching headline-grabbing amounts — as are the amounts of out-of-court settlements, not to mention legal fees applicable to both scenarios. Again, the cost of developing and enforcing the internal policies and procedures to comply with employment-practices law is potentially enormous.

And if the cost of compliance is enormous, the cost of noncompliance — of risk — is even greater.

These challenges are destined to only become more complex and more costly in the coming years. To reduce the risk of failing to meet governmental mandates or provoking an employee lawsuit, many companies are implementing a new generation of compliance management tools. The requirement for widespread assimilation, analysis and distribution of data has rendered earlier manual and semi-automated compliance management methods obsolete.

Protection for today and the future can only be achieved with a comprehensive compliance framework architected specifically to effectively manage compliance so that risk can be minimized.

## LAWSUITS WAITING TO HAPPEN

They’ve been marching in lock step — the passage during the past 10 years of new employment-practices laws, and the skyrocketing number of employee lawsuits. The Society for Human Resource Management (SHRM) now reports that 60 percent of all American companies are sued every year by at least one employee.

Passage of key legislation has contributed to the flood of employee claims and suits, including the Age Discrimination in Employment Act of 1985, the Civil Rights Act amendment of 1991, the Americans with Disabilities Act of 1992 and the Family and Medical Leave Act of 1993, among others. The U.S. Supreme Court and several state courts have clarified and, in many instances, broadened the scope of employment-practice legislation, and the Equal Employment Opportunity Commission (EEOC) is seeing steady increases in the number of complaints employees are filing.

Jury awards for discrimination and wrongful termination also are climbing. The jury-award median has increased sharply since 1997, according to Jury Verdict Research of Horsham, Pa., which maintains a database of more than a quarter-million verdicts and settlements. The median jury award in 1997 was \$133,600, and by 2003 had reached \$250,000 — an 87 percent increase over the seven-year period. The steepest increase has been in the past three years, from a median of \$168,000 in 2001, to \$212,500 in 2002, and hitting the \$250,000 figure in 2003.

While these figures are for jury awards, the vast majority of employee lawsuits — most statistics show well over 90 percent — are settled outside of the courtroom. The median settlement amount, according to Jury Verdict Research, has reached \$390,000 and is climbing.

## ***RISING COSTS OF PROTECTION***

During the early 1990s — the same time as Congress, state legislatures and the courts enacted a new slate of employment-related rules and regulations — the insurance industry responded with Employment Practices Liability Insurance, or EPLI. It focuses on sexual harassment, discrimination, wrongful termination, breach of employment contract, negligent evaluation, failure to promote and mismanagement of benefit plans.

“While most suits are filed against large corporations, no company is immune to such lawsuits,” states the Insurance Information Institute of New York. “The cost of EPLI coverage depends on your type of business, the number of employees you have and various risk factors such as whether your company has been sued over employment practices in the past.”

To protect their own industry, insurers have been steadily raising EPLI rates and deductibles while tightening the qualification process. In his *Employment Practices Liability Insurance Market Survey*, risk-management consultant Richard S. Betterly of Sterling, Mass., studied the trends of 27 EPLI insurance carriers who constitute the core of the EPLI market. Betterly says EPLI rates are continuing to climb, with increases from 10 to 30 percent for small and mid-size employers, and 50 to 100 percent among EPLI carriers concentrating on larger employers.

## ***INCREASING GOVERNANCE DEMANDS***

Widespread corporate financial scandals in recent years, most notably Enron, Tyco and WorldCom, have prompted passage of landmark corporate financial-reform legislation now coming to bear on American business.

The Public Company Accounting Reform and Investor Protection Act of 2002 — better known by the names of its co-sponsors, U.S. Sen. Paul Sarbanes, D-Md. and U.S. Rep. Michael Oxley, R-Ohio, or the Sarbanes-Oxley Act — is regarded as the most important legislation affecting corporate governance, financial disclosure and the practice of public

accounting since the 1930s. Sarbanes-Oxley requires companies to make new disclosures on internal controls, ethics codes and the makeup of audit committees for annual reports.

Yet another layer of corporate governance hit in November 2003 when the U.S. Securities and Exchange Commission (SEC) approved new standards proposed by the New York Stock Exchange and NASDAQ. These built upon Sarbanes-Oxley to impose additional requirements on listed companies. According to a report published by PriceWaterhouseCooper, “These sweeping reforms mandate independence, increased transparency and new standards for corporate accountability. These and other governance standards emphasize the importance of enhancing governance, ethics, risk and compliance oversight activities.”

In a January 2004 survey of 321 companies, Financial Executives International, a professional organization representing corporate CFOs, treasurers and controllers, found that, for large companies, the average cost of compliance with Section 404 alone — the Management Assessment of Internal Control portion of the act — was \$4.6 million, including 35,000 hours of internal staff time, \$1.3 million for consulting and software, and \$1.5 million for new audit fees.

Ballooning costs are not confined to the large companies. They are hitting mid and small companies especially hard. With their smaller accounting departments facing the same compliance demands as their large-company counterparts, these companies are forced to hire additional staff or to increase their dependence on outside consultants.

If the cost of complying with Sarbanes-Oxley is high, the failure to comply is potentially disastrous. Companies could face heavy fines, with the corresponding negative impact on company finances and stock values. Noncompliance could tarnish a company’s brand, with the corresponding negative impact on sales. Its executives could face personal criminal liability.

## II. THE GROWTH OF AUTOMATED COMPLIANCE MANAGEMENT

The surge in landmark governance and employment-practices laws and regulations has prompted development of numerous standards and internal controls to promote compliance. This in turn has led directly to the development of automated compliance management solutions.

### DEVELOPING BEST PRACTICES

For years there was no standardization in the area of governance compliance. Then, in 1985, five major financial professional associations banded together to address the situation. The American Accounting Association, American Institute of Certified Public Accountants, Financial Executives Institute, the Institute of Internal Auditors and the Institute of Management Accountants formed the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. This independent, private-sector initiative studied the factors leading to fraudulent financial reporting then developed recommendations for public companies and their independent auditors, for the SEC and other regulators and for educational institutions.

COSO contends that internal control is a process with three key categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Still, there is considerable concern — despite COSO's recognized control framework — that companies need to keep their focus on the larger picture, not just Sarbanes-Oxley or any other specific regulation.

“In terms of best practices,” says Deloitte & Touche's Rodney Kinzinger, “taking a more strategic and holistic view of these government-mandated issues is more beneficial. The intent of these new government regulations is to have organizations better manage their risk profiles. The problem is, different parts of the government are mandating different things. You're getting patchwork of risk management

mandates, and if organizations implement as such, then they get patchwork risk management systems. We're suggesting to our clients to step away from the mandates and look at the overall intent. When you approach it in this manner, you achieve effective corporate governance, clear checks and balances, and a risk-balanced strategy.”

### STRATEGIC BENEFITS

The good news is that approaching the requirements in this more strategic manner can have far-reaching positive effects. Consultants Gartner, Inc., of Stamford, Conn., believe public companies who adopt a comprehensive compliance architecture will ultimately spend 50 percent less per year than those who approach the situation more piecemeal. “In many organizations, the first reaction to a new regulation is to create a ‘tiger team’ to address the issues,” Gartner analyst Lane Leskela recently told *ComputerWorld*. “But if you've got these teams for three or more regulations, the redundancy makes no sense.” Implementing a comprehensive compliance strategy can even be a competitive edge, he says. “If your business can respond quickly to new regulations while others remain stuck in the tiger-team mode, you have the advantage.”

In October 2003, COSO issued its new Enterprise Risk Management (ERM) framework and Application Guidance, both authored by PriceWaterhouseCooper, which states:

The new COSO framework identifies key elements of an effective enterprise risk management approach for achieving financial, operational, compliance and reporting objectives. Both the new COSO framework and Application Guidance emphasize the critical role played by governance, ethics, risk and compliance in enterprise risk management.

With this and several related new standards, best practices for compliance and risk management had entered the age of the enterprise.

## PROVING COMPLIANCE EFFORTS

Whether it is to an insurance broker or the courts, companies fare better if they can demonstrate that they have compliance programs in place and have made strenuous efforts to abide by the laws and regulations affecting.

This consideration was defined in a set of far-reaching guidelines adopted in December 2003 by the Federal Sentencing Commission. According to consultants PriceWaterhouseCooper, the guidelines define what constitutes an effective compliance standard for consideration at the time of sentencing:

The new recommendations emphasize the importance of expanding the compliance standard to better address a corporation's ethical culture; establish the governance and oversight responsibilities for the board and senior management; frame the need for appropriate resources and authority, and recommend that companies conduct ongoing risk assessments to form the basis for continuous improvement of the compliance programs.

Companies that can show an affirmative defense by demonstrating they have taken the appropriate steps to minimize infractions are eligible for reduced sentences. Comprehensively compiling and demonstrating this information is achieved most efficiently with an automated compliance management solution.

Insurance also is impacted positively by compliance proof of performance, where premiums can be reduced, based on how effectively a company is managing its compliance efforts. Ronald Adler, president of Laurdan Associates, an HR consulting firm in Potomac, Md., says that even seeking EPLI coverage can prove enlightening for a company. "The process forces them to do things they knew they should have done but never got around to doing. The insurer will require, for example, that the company have an EEO policy and a sexual harassment policy and an updated handbook. It will want to see some training going on."

But having a policy and training employees may not completely satisfy most EPLI providers. "It's the effectiveness of communicating and implementing the policy," adds Adler of Laurdan Associates. "And from the insurance standpoint, that's where things begin to break down. That's why some insurers require an HR audit or assessment." High on the insurers' list are strong policies against sexual harassment and other forms of discrimination, good employee handbooks, good procedures for investigating company complaints, and training for managers and employees on company policies.

As noted by COSO and similar entities focused on risk management, an enterprise-based compliance management solution can provide the necessary tracking and aggregation of compliance data to demonstrate to courts, insurers, shareholders and the public that an organization has the necessary materials and procedures to achieve compliance and manage its risk profile.

## III. TOWARD AN EFFECTIVE COMPLIANCE FRAMEWORK

Compliance management software for years was little more than an electronic version of the hardcopy manuals companies distributed to employees. But business has come to realize that the rapid pace and increasing complexity of today's regulatory actions have relegated manual and semi-automated compliance systems to the dustbin.

It is now accepted fact that companies cannot scale manual processes to ensure that every employee has the relevant information needed to maintain compliance — and without that assurance, risk increases exponentially.

Technology — most notably the enterprise — has assumed the critical role in enabling the management of compliance. At the same time, more companies are accepting the notion that the key to effective compliance management involves restructuring their business processes so that a simultaneous,

automated exchange of compliance-related information can occur across the enterprise and across their lines of business.

Ventana Research advises its clients, especially those with more than 5,000 employees, to automate their ongoing Sarbanes-Oxley compliance efforts:

They should leverage the investment by applying this automated approach to other regulatory compliance processes. There are two reasons this investment is justified. First, compliance management systems can reduce the chance of a slip-up in the process. For larger companies the direct monetary cost of mistakes can be huge; the indirect cost to reputation and careers can be devastating. Second, any manual or semi-automated system is likely to be much more labor intensive. The impact of expense is largely unseen because it is diffused over time and across individuals and departments, but it gets in the way of doing more important, strategic tasks, and contributes to the overall task of running the financial function.

### *IMPLICATIONS FOR TECHNOLOGY*

This shift to an enterprise-driven compliance management solution has several important technology implications:

- The new regulatory environment's most critical demands are aimed at ensuring implementation of common definitions and common reporting structures across the enterprise. Equally important is development of overarching information sharing that complies with the full spectrum of regulatory reporting requirements.
- A rearview approach is no longer acceptable. The automated exchange of real-time information across lines of business is critical to effective compliance management, as is the need for fast response. Companies can no longer afford to manage compliance using an approach dependent on historical data. Instead, predic-

tive compliance management requires constant monitoring of key indicators related to operational, financial and business processes.

- A critical requirement for Enterprise Risk Management (ERM) is that technology and data be centralized and standardized. One of the most important reasons for this requirement is that a cohesive and comprehensive business view cannot exist if the data and analytics comprising that view are incompatible.
- Adoption of an open architecture, web-based interface and XML for internal and external connectivity is vital to the future of compliance and risk management.

Companies also must look at areas of compliance and risk within their organization as they relate to the "human element" and its bearing on compliance. An effective compliance management system closes the loop on each employee's responsibility, affirming it was completed and recording what was done by whom and when. Without a system that engages every employee, at any time, at any place, with tools and information relevant to his or her role, any compliance effort is doomed to be piecemeal, with only incremental gains possible in limiting risk.

### *SEEKING COMPLIANCE BALANCE*

Just as companies must assess the degree to which they have implemented effective compliance practices, they also must examine whether their enterprises solution provides a balanced approach to managing compliance.

Experts agree that simply implementing a system or process that adheres to a specific methodology while ignoring associated adoption and infrastructure issues will ultimately weaken a company's compliance processes. The company is certain to find that any methodology will not be adopted consistently across the enterprise, and that the infrastructure will be unable to deliver the connectivity needed to correlate individual employees with the necessary breadth of issues, policies and practices that demand compliance.

Best practices can suffer accordingly. Companies that rely too heavily on only existing technology — limited to point solutions, existing enterprise systems, or makeshift technology — find they are left with a compliance management system that cannot support enterprise-wide compliance best practices. This overriding weakness in data gathering and distribution can have serious implications in the event of compliance infractions and even regular insurance evaluations.

To effectively mitigate risk, companies must be able to examine and assess their level of compliance with current regulations, with accepted best practices, and with a variety of business processes in relation to their own operations.

#### **IV. COMPLI AND COMPLIANCE MANAGEMENT**

The Compli compliance management solution consists of two components:

- Compli Director™, the comprehensive framework for compliance management
- Compli Advisor™ for predictive risk assessment

Together, they enable companies to effectively assess, mitigate and manage risk in a way that is both integrated with other systems and processes within the organization and that can be applied broadly across the enterprise.

Compli's approach is to tightly integrate three key compliance management attributes into a single framework, built from the ground up specifically as a compliance management solution. Focusing on these attributes makes the Compli framework unique in its ability to combine overall compliance management, to function as a roadmap for implementation, and to provide a systems approach allowing companies to optimize their compliance initiatives around actionable data and real-time reporting.

The three attributes are:

- Effectiveness of methodology
- Ease of cultural adoption
- Appropriateness of infrastructure

As a result, Compli's solution helps companies with the critical task of forecasting risk exposure — a task that can have major impact on insurance premiums, legal fees, regulatory fines, shareholder value and mission fulfillment. Compli's framework enables organizations to clearly and effectively demonstrate to their directors, partners, shareholders, insurers, regulators and the courts that they are taking proactive steps to reduce risk.

#### **EFFECTIVENESS OF METHODOLOGY**

Compli's framework incorporates a solid methodology based on accepted standards and best practices. Compli is active in standards-setting bodies related to Enterprise Risk Management (ERM) practices and continues to adhere to standards set by organizations such as COSO, OCEG, RIMS and the Federal Sentencing Commission. These standards guide Compli's development efforts, as does input from an advisory board of thought leaders representing compliance concerns across industries and functional areas.

Compli's methodology focuses on a company's specific degree of deployment to meet its compliance needs, on its organizational readiness and on its resource availability. The methodology is extensible across all relevant areas of risk in an organization, as well as across all business functions. For example, it allows for compliance management and risk assessment in employment practices and corporate governance throughout a company's IT, HR, Finance, Legal and executive functions, along with any others key to the compliance effort. It accommodates the inclusion of all employees and their responsibilities for managing risk, while enforcing individual accountability at all levels of the organization.

#### **EASE OF CULTURAL ADOPTION**

Effectiveness of an organization's compliance efforts often depends on instilling a cultural shift that supports an understanding of compliance, of risk, and of the company's compliance practices and processes. The structure of the Compli framework helps compa-



nies develop a culture of compliance across the organization and, at the same time, to heighten individual employee awareness of compliance requirements.

With the Compli framework companies can monitor and track adoption/usage levels in real-time and compare them to established metrics, establishing valuable benchmarks. It provides a role-specific, individual interface for each employee within the organization, with unique entitlement related to that employee's responsibilities. It also accommodates specific groupings of profiles, alerts, content and routings to effectively enfranchise discrete groups of employees or functional areas within the organization.

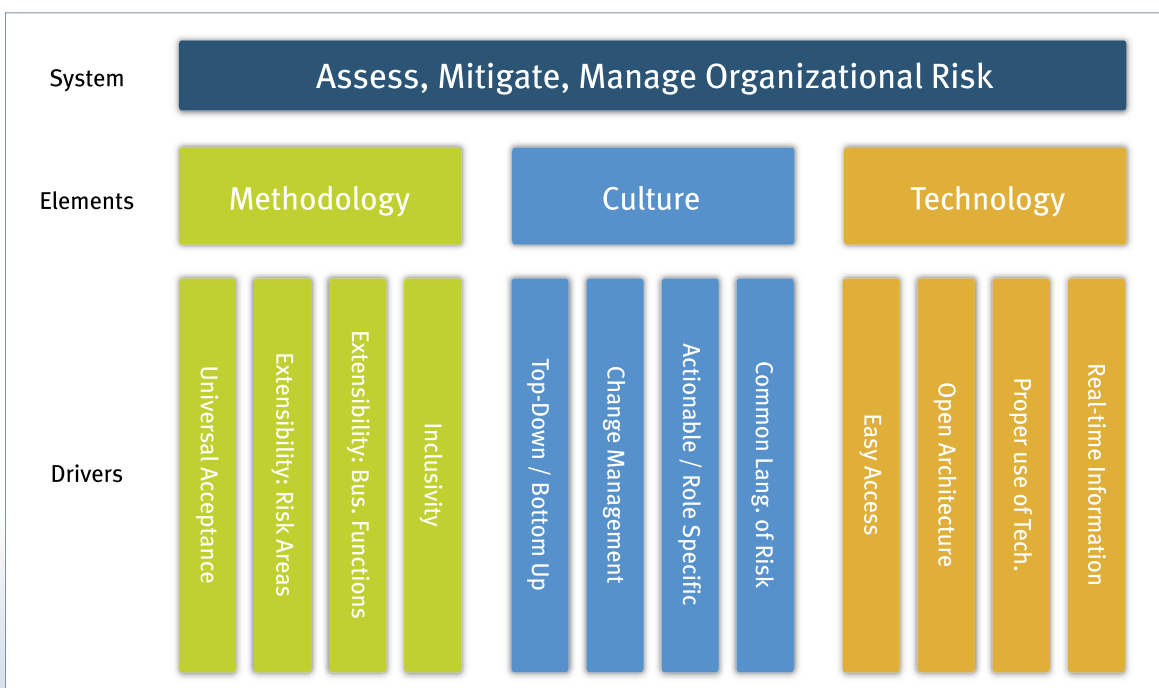
With this ability to clearly define individuals, groups and functional areas — providing them with compliance-related information specific to their roles and providing actionable feedback to higher levels of the organization — the Compli framework can help create a set of compliance champions within the organization, which is a strategy proven to speed adoption of compliance requirements and to strengthen the organization's compliance culture.

## APPROPRIATENESS OF INFRASTRUCTURE

To be effective, a compliance management framework must have an architecture that can deliver enterprise-wide compliance content throughout the organization, reaching everyone in the organization with enough flexibility to overlay an organization's existing structure and to interface with other systems as needed.

The Compli framework was developed with compliance management as its prime goal, not as a secondary benefit of some other enterprise system designed for document management, business process management or workflow, as examples. It is based on accepted technology standards, giving it the ability to link people, technology and resources with an organization's compliance processes, policies and practices, as well as with other systems on the enterprise. Compli's framework provides the ability to integrate through its implementation of Web Services and related standards such as XML, SOAP and UDDI, among others.

The Compli framework delivers real-time information. As pertinent regulations and requirements change, it provides automated notification of these changes and exceptions, applies best practices and allows them to be easily incorporated into the organization's compliance efforts.



## COMPLI DIRECTOR

Compli Director™ is the platform that enables employees to access individual and group-specific compliance content and provides the tools that empower them to take active roles in the company's compliance efforts.

Using Compli Director, organizations can implement and enforce processes that monitor and report on potential compliance problem areas, which can mitigate risk. It is built on a flexible framework that helps establish processes and best practices for monitoring compliance and that can demonstrate results — through extensive reporting capabilities — to internal as well as external groups.

The flexibility inherent in Compli's framework means companies can tailor compliance content to their specific organizations. Existing company policies are easily loaded into Compli Director, as are forms and other documentation. Plus, companies that may not yet have a specific form — such as a Performance Evaluation form — can research an array of such forms available on Compli's extensive compliance database.

## ACCESSIBLE CONTENT

Compliance-related content is provided to individual users based on their roles in the organization. They can easily differentiate between corporate policies, guidelines and procedures, plus have easy access to an extensive catalog of reference materials related to employment practices and corporate governance.

## EFFICIENT DISTRIBUTION

Information distribution throughout the organization is immediate and effective. What a person receives is keyed to his or her role in the organization. Delivery of information is electronically tracked and the status of the material monitored. If a document is required reading for specific individuals, they must electronically confirm that they have read it, which enables the organization to monitor who has read the information and when — and equally important, who has not.

## TRAINING AND ASSESSMENT

Compli Director provides employees with lists of training required. It monitors and tracks what training has been started, completed, and not yet begun by the employee. It also assesses the employee's comprehension of training materials through testing mechanisms. The framework aggregates training information so that management can see at a glance who has received training, how well he or she comprehended it, and who has not been trained — information essential to best practices and to gaining insight into its risk profile.

## DEPENDABLE AUDIT TRAILS

Compli Director uses its document time-and-date-stamp feature to track employee activity related to policies, training and other compliance-related activities. This detailed digital record of employee compliance-related activity is vital to substantiating the organization's compliance efforts.

## REINFORCES BEST PRACTICES

The Compli framework provides management with specific guidelines for implementing policies and best practices and, through its electronic record of compliance activity, helps demonstrate good-faith effort. This supports an atmosphere of zero tolerance for employment practices and governance infractions, while minimizing the potential for frivolous lawsuits.

## EVALUATING EFFECTIVENESS

Compli Director enables an organization to monitor, track and report on the effectiveness of the entire spectrum of its compliance efforts. Through its extensive data gathering and tracking capability, it provides benchmarks that management is then able to address by compliance area, by business function, or even by individual employees to solve compliance problems, to reduce risk and to enhance the company's compliance culture.

## **COMPLI ADVISOR**

Compli Advisor™ is a powerful tool that gives organizations a predictive look into areas of potential risk. Compli Advisor complements Compli Director to provide an enterprise-wide view of compliance efforts related to employment practices, corporate governance and related regulatory areas. The Compli Advisor Risk Report is the connection between an organization's approach to compliance and the external groups to which it must prove these efforts.

Using a progressive methodology that analyzes best practices, compliance standards and real-time compliance data, Compli Advisor provides a quarterly comprehensive assessment of specific areas of risk and the degree to which current processes, information, reporting and policies are limiting exposure. Using Compli Advisor in conjunction with Compli Director, companies can take actionable steps to manage and mitigate risk through proactive compliance management. It gives them the ability to benchmark current risk and create a closed-loop feedback process for improving compliance and for reducing risk.


Using Compli Advisor, organizations can:

- Provide accurate, measurable information to insurance underwriters to obtain coverage at reasonable rates.
- Reduce fiduciary liability by demonstrating an accurate risk portrait related to non-compliance.
- Reduce the severity of claims by demonstrating good-faith efforts.
- Identify strengths and weaknesses of compliance programs as an aid to strategic planning.
- Demonstrate a commitment to transparency and accountability by senior management and directors.

Compli Advisor also produces individual Risk Indices, enabling more precise investigation into specific areas, such as harassment or discrimination.

## **SELECTED SCREENS**

The following series of screens demonstrates the highly individualized system Compli Director utilizes to track individual employee actions related to company compliance requirements.

compli  Welcome **Nicole Weber** | [My Settings](#) | [My Company](#) | [Logout](#)

Search:

**Inbox** | **Forms** | **Personnel** | **References** | **Reports** | **Training** | **Policies**

**Policies Requiring Signoff:**

<a href="#">At-Will Employment</a>	<b>Not signed</b>
<a href="#">Board of Directors Charter</a>	<b>Not signed</b>
<a href="#">Code of Ethics and Business Conduct</a>	<b>Not signed</b>
<a href="#">Conflicts of Interest (All Employees)</a>	<b>Not signed</b>
<a href="#">Corporate Governance Guidelines</a>	<b>Not signed</b>
<a href="#">Disability Accommodation</a>	<b>Not signed</b>
<a href="#">Discrimination and Harassment Prohibited</a>	<b>Not signed</b>
<a href="#">Drug-Free Workplace</a>	<b>Not signed</b>
<a href="#">Equal Employment Opportunity</a>	<b>Not signed</b>
<a href="#">Family and Medical Leave Act</a>	<b>Not signed</b>
<a href="#">Fraud Prevention</a>	<b>Not signed</b>
<a href="#">Insider Trading</a>	<b>Not signed</b>
<a href="#">Internal Controls</a>	<b>Not signed</b>
<a href="#">Overtime</a>	<b>Not signed</b>
<a href="#">Progressive Discipline</a>	<b>Not signed</b>
<a href="#">Revenue Recognition</a>	<b>Not signed</b>
<a href="#">Safety</a>	<b>Not signed</b>
<a href="#">Workers' Compensation</a>	<b>Not signed</b>

**Required Training:**

<a href="#">Accommodating Disabilities (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Preventing Discrimination (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Preventing Harassment (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Qualifying Reasons for FMLA Leave (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Recognizing Signs of Substance Abuse (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Reporting Harassment or Discrimination (All Users)</a>	<b>Incomplete</b>
<a href="#">Understanding the ADA (All Employees)</a>	<b>Incomplete</b>
<a href="#">Understanding the FMLA (All Employees)</a>	<b>Incomplete</b>
<a href="#">Code of Ethics and Business Conduct</a>	<b>Incomplete</b>
<a href="#">Conflict of Interest</a>	<b>Incomplete</b>
<a href="#">Preventing Fraud</a>	<b>Incomplete</b>


**Forms Requiring Your Action:**

No Forms at this time.

**Required Filings:**

Required For	Form	Who Has It	Status	Due Date
Nicole Weber	<a href="#">Audit Internal Certification of...</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004
Nicole Weber	<a href="#">Quarterly Controls Review</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004
Nicole Weber	<a href="#">Conflict of Interest Disclosure Form</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004

*This is the Inbox screen for employee Nicole Weber, which she has accessed via a secure, individual login. The primary purpose of the Inbox is to alert Nicole of compliance-related actions requiring her attention. Under the Signoff section at the top of the screen is a list of policies she is required to read and then electronically sign. Below the Signoff section is Required Training, all of which Nicole has yet to take. She also has three filings she has yet to perform. Due to the inherent flexibility of the Compli framework, this screen could display different actionable items for each individual employed by the company.*

compli  Welcome **Nicole Weber** | [My Settings](#) | [My Company](#) | [Logout](#)

Demonstration Site Search: All Content

**Inbox** **Forms** **Personnel** **References** **Reports** **Training** **Policies**

**Fill Out a Blank Form:**

**Employment Practices Forms**

- [Accommodation Request Form](#)
- [Disciplinary Action Form](#)
- [Discrimination Report Form](#)
- [Family or Medical Leave Request](#)
- [Harassment Report Form](#)
- [Injury Report Form](#)
- [Notice of Separation](#)
- [Overtime Request and Approval](#)
- [Performance Evaluation \(Long\)](#)
- [Performance Evaluation \(Short\)](#)
- [Termination Without Notice](#)
- [Time Off Request - Medical](#)
- [Time Off Request - Non Medical](#)

**Corporate Governance Forms**

- [Board Commitment Oath](#)
- [Board Performance Evaluation](#)
- [Committee Performance Evaluation](#)

**Corporate Governance Forms cont...**

- [Control Framework Self Assessment](#)
- [Director Compensation Review](#)
- [Director Internal Certification of...](#)
- [Director Performance Evaluation](#)
- [Exception Report](#)
- [Executive Compensation Review](#)
- [External Information Request](#)
- [Fixed Asset Transfer Disposal](#)
- [Internal Controls Certification](#)
- [Record Retention Audit Form](#)
- [Records Retention Notice Form](#)
- [Report of Lost, Stolen or Damaged...](#)
- [Revenue Recognition Certification](#)
- [Suspected Misconduct Report Form](#)

**Forms Requiring Your Action:**

No Forms at this time.


**Required Filings:**

Started By	Form	Who Has It	Status	Due Date
Nicole Weber	<a href="#">Audit Internal Certification of...</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004
Nicole Weber	<a href="#">Quarterly Controls Review</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004
Nicole Weber	<a href="#">Conflict of Interest Disclosure Form</a>	<b>Nicole Weber</b>	<b>Past Due</b>	8/9/2004

**Forms In Process:**

No Forms at this time.

*Compli Director screens are simple to navigate, using the tabs across the top. This is Nicole Weber's Forms screen. It provides a comprehensive list of forms the company allows Nicole access to, plus shows — as did Nicole's Inbox screen — the required filings that require her individual attention. Again, the role-specific content on the Forms screen can vary with each employee, depending on his or her responsibilities and accountabilities.*

compli  Welcome **Nicole Weber** | [My Settings](#) | [My Company](#) | [Logout](#)

Search:

**Inbox | Forms | Personnel | References | Reports | Training | Policies**

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**Viewing :**

**User Information**

Name: Lucy Eachon  
 User ID: lucy.eachon@demo.sys  
 Email: lucy.eachon@demo.sys  
 Title: Employee  
 Location: Los Angeles  
 Date of Hire:  
 Status: Active  
 Exclusionary User: No  
 Reports To: [Esteban Garcia](#)

**Group Membership**

All Users  
 Non-Supervisors  
 UNITED STATES Users  
 UNITED STATES, CA Users

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**Status:** ?

Name	Policies			Training			Required Filings			
	Signed	Required	Percent	Complete	Required	Percent	Warning	Complete	Assigned	Percent
<b>Eachon, Lucy</b>	0	18	0%	0	11	0%	0	0	2	0%

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**Policies:** ?

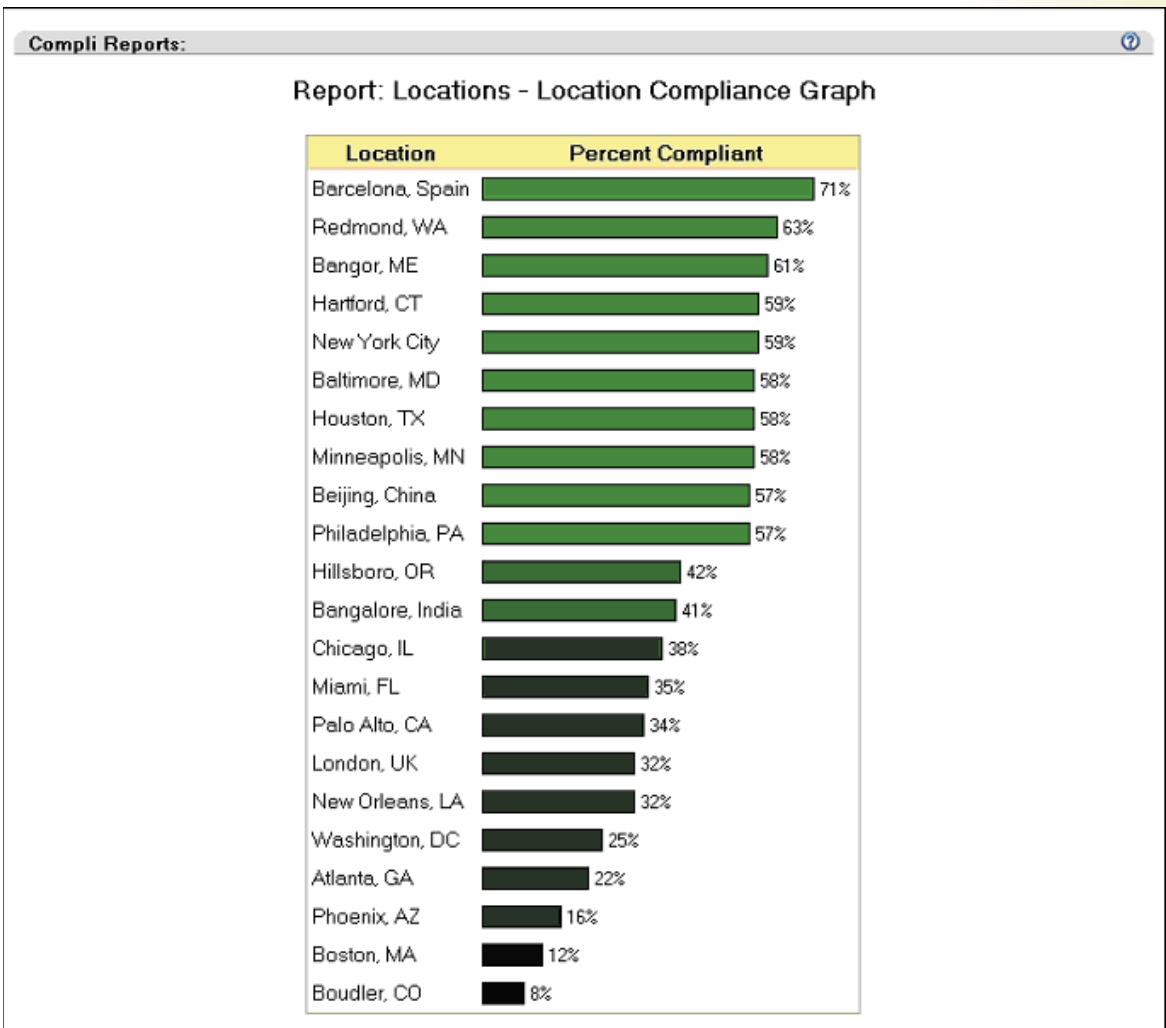
<a href="#">At-Will Employment</a>	<b>Not signed</b>
<a href="#">Disability Accommodation</a>	<b>Not signed</b>
<a href="#">Discrimination and Harassment Prohibited</a>	<b>Not signed</b>
<a href="#">Drug-Free Workplace</a>	<b>Not signed</b>
<a href="#">Equal Employment Opportunity</a>	<b>Not signed</b>
<a href="#">Family and Medical Leave Act</a>	<b>Not signed</b>
<a href="#">Overtime</a>	<b>Not signed</b>
<a href="#">Progressive Discipline</a>	<b>Not signed</b>
<a href="#">Safety</a>	<b>Not signed</b>
<a href="#">Workers' Compensation</a>	<b>Not signed</b>
<a href="#">Board of Directors Charter</a>	<b>Not signed</b>
<a href="#">Code of Ethics and Business Conduct</a>	<b>Not signed</b>
<a href="#">Conflicts of Interest (All Employees)</a>	<b>Not signed</b>
<a href="#">Corporate Governance Guidelines</a>	<b>Not signed</b>
<a href="#">Fraud Prevention</a>	<b>Not signed</b>
<a href="#">Insider Trading</a>	<b>Not signed</b>
<a href="#">Internal Controls</a>	<b>Not signed</b>
<a href="#">Revenue Recognition</a>	<b>Not signed</b>

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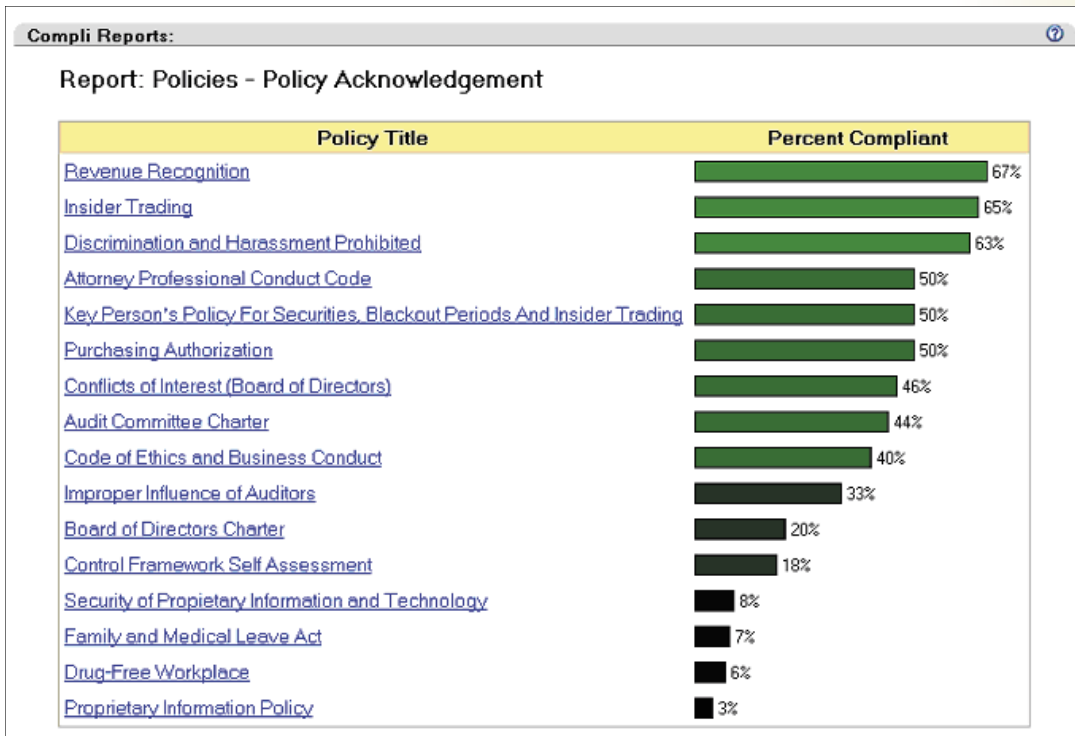
**Training:** ?

<a href="#">Accommodating Disabilities (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Preventing Discrimination (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Preventing Harassment (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Qualifying Reasons for FMLA Leave (Supervisors)</a>	<b>Incomplete</b>
<a href="#">Recognizing Signs of Substance Abuse (Supervisors)</a>	<b>Incomplete</b>

*The Personnel screen in Compli Director is security controlled by password login. This screen provides information specific to Lucy Eaton, an employee who works for Nicole Weber. Here we also see the compliance status related to policies and training filings for Nicole and the team of which she is a member – this can be a department or any subset of employees whose compliance-related activity is to be collectively tracked.*



*Compli Director features robust, real-time reporting capabilities that effectively identify sources of risk. This on-screen Location Compliance Graph appears as a link on Nicole Weber's Reports screen, indicating she is allowed access to this information as an administrator. The graph shows current levels of compliance for the entire company, ranked by location and enabling the company to see its compliance trouble spots at a glance.*



Another real-time report, Policy Acknowledgement shows the percentage of employees who have verified via electronic signoff that they have read specific company policies. This type of information provides immediate insight on where the company is at risk from employees unfamiliar with specific policies.

**Inbox | Forms | Personnel | References | Reports | Training | Policies**

**Compli Reports:** ?

**Report: Forms - Forms in Process**

No.	Date Sent	Title	Form Initiator	Sent To
1	Oct 10 2003	Time Off Request - Non Medical	<a href="#">Jillian Dunbar</a>	<a href="#">Laura Schnell</a>
2	Oct 10 2003	Harassment Report Form	<a href="#">Margarito Fry</a>	<a href="#">Laura Schnell</a>
3	Oct 10 2003	Harassment Report Form	<a href="#">Margarito Fry</a>	<a href="#">Kim Peterson</a>
4	Nov 14 2003	Time Off Request - Non Medical	<a href="#">Shirley Whulich</a>	<a href="#">Ethan Wainwright</a>
5	Jan 13 2004	Injury Report Form	<a href="#">Mike Blumer</a>	<a href="#">Nancy Taylor</a>
6	Jan 13 2004	Time Off Request - Non Medical	<a href="#">Mike Blumer</a>	<a href="#">Nancy Taylor</a>
7	Feb 21 2004	Conflict of Interest Disclosure Form	<a href="#">Anthony Seashore</a>	<a href="#">Ken Thrasher</a>
8	Apr 12 2004	Suspected Misconduct Report Form	<a href="#">QUM Anonymous</a>	<a href="#">Ethan Wainwright</a>
9	Apr 12 2004	Time Off Request - Non Medical	<a href="#">Greg Duskin</a>	<a href="#">Ethan Wainwright</a>
10	Jul 15 2004	Internal Controls Certification	<a href="#">Tom Kaweski</a>	<a href="#">Catherine Valentine</a>
11	Jul 15 2004	Conflict of Interest Disclosure Form	<a href="#">Tom Kaweski</a>	<a href="#">Catherine Valentine</a>
12	Jul 15 2004	Conflict of Interest Disclosure Form	<a href="#">Catherine Valentine</a>	<a href="#">Tom Kaweski</a>
13	Jul 15 2004	Control Framework Self Assessment	<a href="#">Catherine Valentine</a>	<a href="#">Tom Kaweski</a>
14	Aug 25 2004	Performance Evaluation (Short)	<a href="#">James Latham</a>	<a href="#">Paul Field</a>
15	Aug 25 2004	Conflict of Interest Disclosure Form	<a href="#">Paul Field</a>	<a href="#">James Latham</a>
16	Sep 2 2004	Conflict of Interest Disclosure Form	<a href="#">Cheryl Vandemore</a>	<a href="#">Dale Paulin</a>

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The Forms in Process report lists forms that have been distributed but not yet completed and returned. It provides quick information for reminders and follow-up.



[Inbox](#) | [Forms](#) | [Personnel](#) | [References](#) | [Reports](#) | [Training](#) | [Policies](#)

**Compli Reports:** ?

**Report: Supervisors - Top AT RISK Teams (Policies, Required Filings, & Training)**

No.	Team Supervisor	Assigned	Fulfilled	Unfulfilled	Compliance
1	<a href="#">Stanley, Ralph</a>	3596	43	3553	1%
2	<a href="#">Wainwright, Ethan</a>	1682	16	1666	0%
3	<a href="#">Lopez, Barbara</a>	667	0	667	0%
4	<a href="#">Helms, Nettie</a>	609	0	609	0%
5	<a href="#">Woodson, Celina</a>	348	0	348	0%
6	<a href="#">Egret, Karla</a>	319	0	319	0%
7	<a href="#">Bullock, Doris</a>	319	0	319	0%
8	<a href="#">Ventura, Lashawn</a>	290	0	290	0%
9	<a href="#">Garcia, Esteban</a>	290	0	290	0%
10	<a href="#">Crum, Etva</a>	261	0	261	0%
11	<a href="#">Hubbard, Alton</a>	232	0	232	0%
12	<a href="#">Thrasher, Ken</a>	116	0	116	0%
13	<a href="#">Anderson, Drew</a>	87	0	87	0%
14	<a href="#">Duncan, Charlie</a>	58	0	58	0%
15	<a href="#">Butts, Helena</a>	58	0	58	0%
16	<a href="#">Sedwick, Eric</a>	58	0	58	0%
17	<a href="#">Taylor, Nancy</a>	58	1	57	1%
18	<a href="#">Trelawny, Victor</a>	58	1	57	1%
19	<a href="#">Zipkin, Sarah</a>	58	2	56	3%
20	<a href="#">Latham, James</a>	45	3	42	6%
21	<a href="#">Melville, Kim</a>	58	25	33	43%
22	<a href="#">Supervisor, Sally</a>	29	0	29	0%
23	<a href="#">Sheikh, Nasir</a>	29	0	29	0%
24	<a href="#">ingram, april</a>	29	0	29	0%
25	<a href="#">Employee, Eddie</a>	29	0	29	0%

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*This Top At-Risk Teams report alerts management of areas of compliance exposure. Here, Compli Director aggregates data from across the company related to required policy readings, required filings and required training by employees, sorted by team. The overall level of completion of these critical compliance tasks is reported so that immediate corrective action can be taken to increase the percentage of completion and thus reduce risk.*

## COMPLI ADVISOR REPORTS

A valuable risk management and analytics tool, the quarterly Advisor Risk Report is compiled and presented by the Compli Professional Services Group. It displays a proactive view of risk by compliance type to help identify and mitigate areas of potential risk exposure.

The Compli Professional Services Group develops strategies for improving an organization's compliance ratings.

