



TABLE OF CONTENTS

	Prepare your compliance management program to meet	
	the demands of modern compliance	р4
Part II:	What to look for when selecting a compliance	
	management solution	р9
	• A secure, centralized repository for compliance data and document	p11
	A system for monitoring, categorizing and prioritizing regulatory updates and alerts	p14
	A comprehensive consumer complaint management module	p17
	• A command-center for controlling compliance-related tasks, training	
	and communications	p20
	 Automation, checklists, templates and other tools that streamline processes, eliminate duplicative efforts, and reduce time-consuming 	
	administrative tasks	p22
	• An industry-specific selection of reporting and analytics tools	p25
	• A vendor with a proven track-record of expertise and reliability	p27
Part III:	Choose a compliance management solution that puts you	
	in control	p29



As financial institutions face increased economic pressures and regulatory scrutiny, forward-looking banks and credit unions are employing technology solutions that enhance their team's productivity and the effectiveness of their compliance management systems.

These organizations have found a way to give their staff more time to focus on pursuing strategic goals, identifying emerging risks, and improving their organization's overall compliance performance.

In this compliance management buyer's guide, you'll discover the critical compliance management solution features that make these gains possible.

Learn how compliance management software can help you streamline your compliance processes, improve performance, and keep your organization exam-ready. Plus, find out how you can leverage compliance services to reduce the amount of time your compliance team spends researching regulatory changes and updates.

What should you look for when you select your organization's compliance management solution? You'll find the answers inside this ebook.





PREPARE YOUR COMPLIANCE MANAGEMENT PROGRAM TO MEET THE DEMANDS OF MODERN COMPLIANCE

Compliance's role in the modern financial institution is diverse and far-reaching, and at the core of every healthy financial institution is a strong compliance program. More than any other program, compliance impacts every department and each employee.

Whether it is a department of one or a collection of distributed teams, your compliance department plays a critical part in directing day-to-day operations and developing long-term strategies. It is your organization's conscious and its sentry-advising, guiding, and watching over each activity your financial institution undertakes. A failure in compliance can trigger regulatory penalties and fines, personal liability, and reputational damage.

The right compliance management solution helps protect your organization while enhancing its performance.

A well-developed compliance program is a business essential and a regulatory mandate.



WHAT IS AN EFFECTIVE COMPLIANCE MANAGEMENT PROGRAM?

Numerous regulatory agencies that govern financial institutions and financial services companies have defined the framework of tasks for which compliance is responsible. Yet, because an organization's compliance needs will vary depending on its size, complexity, the products and services it offers, and other distinct characteristics, each program's exact design is left to its organization to define.

Minimally, regulators expect your organization to have a compliance management system (CMS) which details your compliance program, provides for board and management oversight, and includes a process for preventing and remediating violations and consumer complaints. Your financial institution, its management, and, ultimately, its board are responsible for ensuring that system's effectiveness.



Fulfilling regulatory minimums is just part of what makes a financial institution's compliance program successful. An effective compliance management program is one that equips your financial institution to overcome existing challenges and meet new ones while leveraging opportunities for growth.

What challenges confront today's compliance departments?

Since the financial crisis of 2008, financial institutions have been subject to new regulation and greater regulatory scrutiny, prompting them to invest more attention and resources toward preventing violations. At the same time, technological and other changes have increased risks and compressed response times, triggering a need for more flexible and faster change management.

Within your organization, compliance teams are faced with a seemingly never-ending list of tasks to accomplish. Some compliance departments are constrained by limited resources and talent spread thin. Without adequate support, your financial institution remains vulnerable to gaps in compliance.

Combining a culture of compliance with the right tools for effective compliance management is the way forward.

A compliance management solution that leverages technology to empower and enhance human expertise reduces your risk of compliance errors and gives your financial institution a strategic advantage. Compliance must be a systemwide effort, embedded in your organization's culture and supported with the tools and resources necessary to ensure its mandate is met.







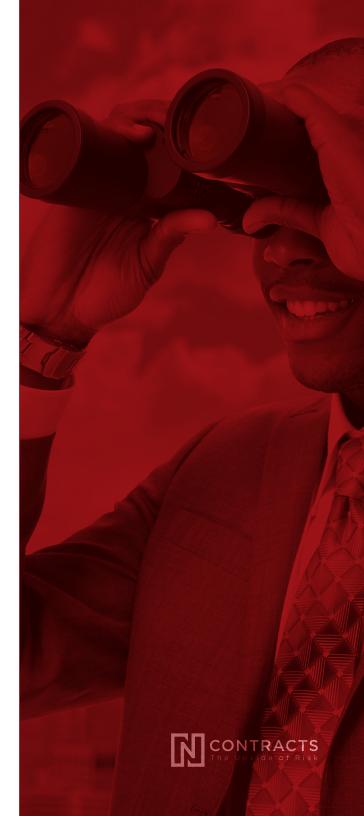
WHAT TO LOOK FOR WHEN SELECTING A COMPLIANCE MANAGEMENT SOLUTION

Recognizing that no two financial institutions are alike, federal and state regulators have left much of the design and implementation of compliance solutions up to individual financial institutions. Keep this principle in mind as you seek a compliance management solution to support your CMS.

Consider the overarching purpose of your organization's compliance function as you evaluate compliance management software solutions.

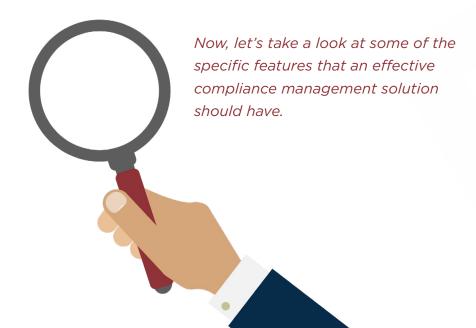
Also consider the specific tasks your compliance team members must perform.

Look for a solution that provides end-to-end support that serves stakeholders across your organization and improves their ability to handle existing compliance obligations and respond to new and complex regulatory updates. Seek a compliance management solution that is flexible, scalable, and can be integrated easily into your overall governance, risk, and compliance (GCR) strategy.



The solution you choose should empower your organization and its compliance team to

- Develop and maintain a single source of truth for all compliancerelated documentation and records
- Stay up-to-date with and manage regulatory changes
- Communicate and collaborate across departments and roles
- Control and oversee compliance activities and assignments
- Ensure adequate training for your staff, management, and board members
- Record, monitor, and respond to customer complaints
- Respond to inquiries, remediate findings, and address violations
- Produce in-depth, audience- and purpose-specific analysis and reports
- Streamline workflows, eliminate duplicative efforts, and automate time-consuming manual tasks
- Source and leverage external subject matter expertise





A SECURE, CENTRALIZED REPOSITORY FOR COMPLIANCE DATA AND DOCUMENTS

Developing compliance policies, monitoring performance, and preparing for exams requires access to timely and accurate information. Your compliance management application must serve as the system or record for all of your financial institution's compliance documentation. Regulatory updates, internal policy memos, board reports, customer complaints, audit findings and remediation plans should all be maintained in this single source of truth.

If your compliance documentation is distributed across departments, stored on individual devices or in separate digital files, or languishing in someone's email inbox, your organization is operating inefficiently and your compliance program is at risk. Without a centralized data source, you can't guarantee that each team member has all the relevant knowledge to

make important decisions. You also can't guarantee that important information hasn't fallen through the cracks and that you'll be able to respond to audit or exam requests quickly.

Miscommunications, inaccurate information, and delayed responses slow your compliance efforts and lead to duplicative work and wasted time.

For effective data management, look for a solution that provides

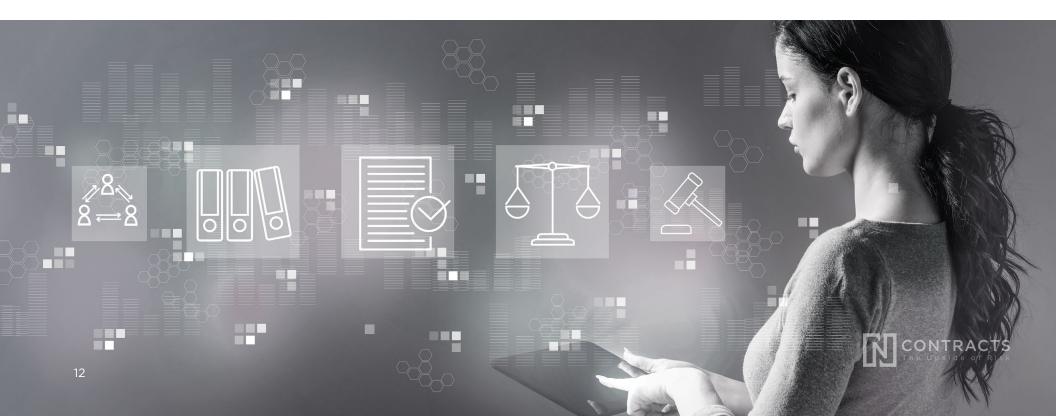
- Cloud-based storage for all compliance-related data
- Multi-level authorizations to control user access
- Policy version control and update alerts
- Automatic creation of change logs and audit trails
- Easy-to-use single login to access all your compliance-related tasks



AS YOU EVALUATE THE DATA MANAGEMENT CAPABILITIES OF POTENTIAL COMPLIANCE MANAGEMENT SOLUTIONS PAY CLOSE ATTENTION TO ITS USABILITY AND SECURITY.

An easy-to-use, centralized data management component that enables you to set multiple levels of access boosts compliance productivity. Employees can use self-service access to log customer complaints, update their training records, and look for answers to compliance questions. Compliance officers and staff can respond to queries with confidence that they are relying on the most up-to-date information.

Accurate and complete end-to-end documentation is crucial to ensuring that your organization is exam-ready.



QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS ABOUT THEIR SOFTWARE'S DATA MANAGEMENT CAPABILITIES



What collaboration features, such as version-control updates and change logs, does the software include?

Can you limit access by user?
What security features are
included to detect and
prevent unauthorized access?

How is data stored in the system backed up, and what is the process for restoring data? Does the software make it easy for team members to add, search for, and filter data?

Is information surfaced in an intuitive, understandable format?

Are document management problems wasting your team's time?



69%

of knowledge workers say they have had trouble finding the most recent version of a document.

(Source: The 2019 Intelligent Information Management Benchmark Report, M-Files, 2019)



A SYSTEM FOR MONITORING, CATEGORIZING AND PRIORITIZING REGULATORY UPDATES AND ALERTS

Your board, management and compliance staff are responsible for identifying and evaluating each relevant state and federal rule, regulation or guideline to make informed decisions. However, you can't afford to spend time and effort evaluating regulations that don't apply. Your compliance management solution should actively monitor state and federal regulatory announcements and alert your compliance department about those that require attention.

Manually identifying applicable regulatory changes is a labor and time-intensive process which can easily consume much of your compliance team's attention.

Relying on newsletters and third-party monitoring and alert services is an imperfect solution that may still require your team to filter and evaluate the information obtained from multiple sources. A better method for handling regulatory update monitoring is to use a service that integrates with your compliance management software and enables your team to customize the alerts they receive.

Look for a compliance management solution that keeps your compliance department up-to-date by providing

- A built-in library of applicable state and federal regulatory information
- Ongoing monitoring and notification of adopted and proposed regulations, rules and guidelines, as well as important comment periods and effective dates
- Expert analysis and summaries of regulatory changes
- Systems for tagging relevant regulations, sending automated alerts, linking users to additional information, and creating change management workflows
- Customizable settings that allow teams to filter data by business line, jurisdiction, or other unique characteristics





QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS MANAGING REGULATORY INFORMATION AND UPDATES

Does the application include an accurate, comprehensive library of regulation-related resources?

How easy is it for users to locate information about specific regulations? Does the software provide summaries as well as links to the full-text of applicable materials?

Does the software make it easy for teams to identify all of the business lines, processes, or policies that a new or updated regulation applies to? How much customization does the software permit? Can different users subscribe to different alerts?

Who performs the initial analysis of new or amended regulations? Does the software provide independent, expert analysis or is this feature outsourced?







A COMPREHENSIVE CONSUMER COMPLAINT MANAGEMENT MODULE

Managing customer complaints is an essential element of an effective compliance management program. Regulators monitor the types of complaints your organization receives and how well you respond to them. Consumer complaints can also alert your team to an emerging problem.

Your compliance management software should include a consumer complaint management module that enables your team to process individual consumer complaints and track complaint-related metrics.



In particular, look for a solution that

- Allows individual employees to enter consumer complaints into a central record-system
- Uses customizable, automated systems to help analyse and categorize complaints
- Supports the prioritization of compliance-related complaints and the creation of remediation workflows
- Enables your compliance department to schedule and monitor training programs and correction efforts
- Produces complaint and resolution reports for internal and external stakeholders

When consumer complaints are handled on a case-by-case or branch-by-branch basis, your compliance team may not see the big picture. Plus, individual cases may not be resolved adequately, if at all. These shortcomings can lead to unwanted attention from regulators, public interest groups, and consumers. Gaining an understanding of which products and services trigger complaints or detecting signs that your organization has a cultural problem early can help you head off serious consequences.



QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS ABOUT THEIR APPLICATION'S COMPLAINT MANAGEMENT CAPABILITIES

Does the software include a module for gathering, categorizing and processing consumer complaints?

Can individual employees use the complaint feature to enter complaints on a self-serve basis?

What types of complaint-related reports and audit trails can the software generate?

What types of filtering of complaints does the application support? Can complaint prioritization and classification be customized?

Is the complaint function integrated with task management and other functions to provide end-to-end coverage?



A COMMAND-CENTER FOR CONTROLLING COMPLIANCE-RELATED TASKS, TRAINING AND COMMUNICATIONS

Successful compliance management requires organization, knowledge, visibility, and control. Your compliance management solution should allow you to not only access all compliance-related documentation from a centralized source but also view and control all compliance-related activities.

A one-stop solution will integrate task management, document handling, and communication functions into a single, secure system that includes:

- Easy navigation and linking between different compliance areas and data sets such as change management, complaint management, training and exam preparation
- The ability to authorize varying levels of access for different users and user groups
- The ability to make assignments, request information, send follow-ups and track the progress of various compliance activities including staff and management training, policy implementation, and remediation activities
- A system for communicating compliance requirements across business units and managing the policy review process

Maintaining a culture of compliance requires the active involvement of everyone in your organization. Your compliance management solution should facilitate communication, collaboration, and engagement across departments and at every level within your financial institution.

Concerns about costs and culture draw board attention

In 2020, financial institutions reported that finding ways to handle a growing volume of regulatory changes while balancing their budgets was a top challenge.

Maintaining a culture of compliance, embedding and implementing regulatory change into that culture, and increasing personal accountability were also significant areas of concern.

(Source: Cost of Compliance: New decade, new challenges, Thomas Reuters, 2020)



Your compliance team must be positioned to quickly and easily deploy, oversee, and analyze compliance activities. They need to be able to find out what is being done, when and by whom.

Compliance management tools that deliver quick access to needed information allow your organization to be more productive and promptly respond to changes in the regulatory landscape.

QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS ABOUT OVERSIGHT AND CONTROL

What features does the software have that support communication and collaboration Does the software provide single-login access? Is off-site and multiple-device access available?

Can managers set varying levels of authorization? Can users customize their dashboards to reduce clutter and help them focus on their tasks?

How robust is the application's task management feature? Do project owners receive notifications when individually assigned tasks have been completed or are overdue?



AUTOMATION, CHECKLISTS, TEMPLATES AND OTHER TOOLS THAT STREAMLINE PROCESSES, ELIMINATE DUPLICATIVE EFFORTS AND REDUCE TIME-CONSUMING ADMINISTRATIVE TASKST

Personnel costs are the greatest compliance expense for most financial institutions, accounting for nearly 80% of all compliance spending.1 A transformative benefit of moving from manual management of your compliance program to a digital solution is the addition of time-saving automation. The application you choose should systematize and automate many of your team's communication and administrative tasks.

Through smart automation, you'll realize reduced error rates and optimize the use of your most valuable resources-your staff's time.

Features for streamlining and automating your compliance processes that you should look for include

- Automatic tasks assignments, alerts and reminders
- Customizable templates and checklists for recurring tasks such as policy changes and complaint resolutions
- Automatic scheduling and distribution of updates and reports
- Single-entry data distribution that forwards updated information to all relevant documents and data sets
- Automatically updated audit trails and change logs



How much time do members of your compliance team spend reinventing the wheel, processing emails, and recording or double-checking data?

Most knowledge workers spend just 40% of their workday focused on their primary tasks.

(Source: The State of Work Report 2019. Workfront, September 2018)



Finding individuals with the expertise to fill compliance roles can be a challenge. To keep your best talent, you need to provide them with a positive employee experience. Supporting your team with tools that eliminate administrative burdens and allow them to focus more of their attention on engaging, complex work improves your employer value proposition.

A reliable, automated system of notifications and record-keeping also improves communication and reinforces accountability.



QUESTIONS TO ASK POTENTIAL COMPLIANCE
MANAGEMENT SOLUTION PROVIDERS ABOUT
HOW THEIR SOFTWARE INCREASES PRODUCTIVITY
THROUGH AUTOMATION

Can the compliance management software be integrated with your organization's other applications? Why types of automation and accountability tracking does the application include?

Are policy and record changes, data entries and user actions logged?

Does the software include any templates, checklists or other change management resources? Are these assets customizable?

1 The compliance function at an inflection point, McKinsey & Company, January 17, 2019



AN INDUSTRY-SPECIFIC SELECTION OF REPORTING AND ANALYTICS TOOLS

Your compliance program answers to many different stakeholders, each with different informational needs. A complete compliance management solution will provide you with the tools to prepare reports and analysis for audiences including board members, policy committees, internal and external auditors, and examiners.

It should make it easy for compliance officers to track the progress and performance of policy initiatives and ensure that each department is meeting its compliance obligations.

Seek compliance management software that equips you to:

- Produce reports that track the status of policy development and implementation, training, findings remediation, and other activities
- Identify and highlight complaints, control failures or other trends within and across departments
- Access audit trails and relevant documentation to present to auditors and examiners
- Create board reports and analysis regarding regulatory and policy changes
- Develop cost analysis and impact reports and implementation timelines



Data analytics is essential to achieve continuous improvement and manage risk. A solution that produces intuitive, understandable and customizable reports will enhance your compliance team's ability to communicate and collaborate with other stakeholders.



QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS ABOUT THEIR APPLICATION'S ANALYTICS AND REPORTING CAPABILITIES

Does the software include pre-constructed reports and data surveys?

Can the reports function in this application be integrated with other GRC tools?

What type of analytics are built into the software? Can users create customized alerts and schedule the delivery of specific reports?

How many different types of reports can the software be used to produce?

Can these reports be customized to suit different audiences?



A VENDOR WITH A PROVEN TRACK-RECORD OF EXPERTISE AND RELIABILITY

The ability to manage change is critical to the success of your compliance program. Your financial institution must be prepared to adjust to new regulations, shifts in strategic objectives, and evolving regulatory and consumer expectations. You need to partner with a vendor who is prepared to help you navigate those changes.

Consider also whether a software-only solution will be enough to meet your organization's needs. A complete solution combines powerful software with specialized knowledge to help your organization adapt and scale. But not every compliance management vendor offers a complete solution. Will your organization need to look elsewhere if your in-house compliance team needs extra support?



Look for a compliance solution that combines technology and talent to provide

- Fully-supported onboarding that incorporates your existing policies into your compliance software's data framework
- Access to expert advice about the adequacy of your compliance policies and procedures
- A qualified source of information and advice regarding regulatory changes and updates
- Proof of reliability, guaranteed advice and business continuation assurances
- Ongoing support and services
- The capacity to scale with you and offer an integrated suite of GRC solutions



Which third-party risks do financial institutions believe pose the greatest threats to their organizations?



CYBER RISKS



INFORMATION SECURITY



FINANCIAL CRIMES



REGULATORY NON-COMPLIANCE



RESILIENCE/BUSINESS
CONTINUITY RISK

(Source: Extended enterprise risk management (EERM) survey, Deloitte, 2020)





Choosing a partner you can rely on to serve your needs today and in the future provides you with stability and reduces risks. Look for a partner who can provide you with the support and flexibility you need to meet the challenges of today and tomorrow.

QUESTIONS TO ASK POTENTIAL COMPLIANCE MANAGEMENT SOLUTION PROVIDERS ABOUT THEIR RELIABILITY AND EXPERTISE

What types of supplemental services do you offer?

Do you provide summaries and categorization of regulatory updates? What is the source for the information you distribute? Is the information backed by a guarantee of accuracy?

Were compliance professionals involved in the design of your solution? Do you consult with compliance professionals when making product improvements or changes? What steps does your business take to control and mitigate risks? How will you secure our data?

How many years have you offered compliance management solutions?

What is your organization's business continuity plan, and how have you prepared for potential interruptions of service?



CHOOSE A COMPLIANCE MANAGEMENT SOLUTION THAT PUTS YOU IN CONTROL

Are you ready to expand your compliance capabilities? Experts predict that technology, automation and outsourcing will be the major drivers of compliance improvements and expansion in the next decade. Get ahead of the coming transformation.

Make plans now to augment your in-house compliance expertise and reduce administrative costs. Select a compliance management solution that gives your compliance staff 360-degree visibility of all compliance-related activities, facilitates collaboration across your organization, and keeps you exam-ready.

You can learn more about how a fully-featured compliance management solution can help you keep up with today's rate of change at https://www.ncontracts.com/resources.

We're here to help.



ABOUT NCONTRACTS

Ncontracts provides risk management and compliance solutions to more than 1,800 financial institutions located throughout the United States. The company's powerful combination of software and services enables financial institutions to achieve their risk management and compliance goals with an integrated, user-friendly, cloud-based solution suite that encompasses the complete lifecycle of operational risk.

To learn more about how Ncontracts can help your institution manage its regulatory obligations and handle modern risk management and compliance challenges, call us at 888.370.5552 or visit us at www.ncontracts.com.

Connect with Ncontracts





in https://www.linkedin.com/company/ncontracts/

