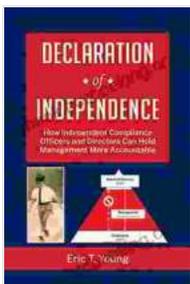


# How Compliance and the Board Can Strategically Partner to Hold Management More Accountable

In today's complex and rapidly evolving business environment, it is more important than ever for companies to have a strong compliance program. A well-designed compliance program can help companies avoid legal and regulatory risks, protect their reputation, and maintain stakeholder trust. However, compliance is not just a matter of following rules and regulations. It is also about creating a culture of ethical behavior and accountability throughout the organization.

The board of directors has a critical role to play in promoting compliance and holding management accountable. The board should provide oversight of the company's compliance program and ensure that it is effective. The board should also set the tone for ethical behavior at the top of the organization.



## Declaration of Independence: How Compliance and the Board Can Strategically Partner to Hold Management More Accountable

★★★★★ 5 out of 5

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In this article, we will discuss how compliance and the board can strategically partner to hold management more accountable. We will provide practical advice on how to develop a strong compliance program, how to engage the board in compliance oversight, and how to create a culture of ethical behavior throughout the organization.

## Developing a Strong Compliance Program

The first step in holding management accountable is to develop a strong compliance program. A well-designed compliance program will help companies identify and mitigate legal and regulatory risks, protect their reputation, and maintain stakeholder trust.

The following are key elements of a strong compliance program:

- **A written code of ethics.** The code of ethics should articulate the company's values and ethical principles. It should also provide guidance on how employees should conduct themselves in a variety of situations.
- **Compliance policies and procedures.** Compliance policies and procedures should provide detailed guidance on how employees should comply with the company's code of ethics and applicable laws and regulations.
- **A compliance training program.** The compliance training program should provide employees with the knowledge and skills they need to comply with the company's compliance policies and procedures.

- **A compliance monitoring and auditing program.** The compliance monitoring and auditing program should be designed to identify and address compliance risks.
- **A compliance reporting system.** The compliance reporting system should allow employees to report potential compliance violations without fear of retaliation.

## **Engaging the Board in Compliance Oversight**

The board of directors has a critical role to play in compliance oversight. The board should provide oversight of the company's compliance program and ensure that it is effective. The board should also set the tone for ethical behavior at the top of the organization.

The following are key ways that the board can engage in compliance oversight:

- **Reviewing the company's compliance program.** The board should regularly review the company's compliance program to ensure that it is effective and up-to-date.
- **Approving the company's compliance budget.** The board should approve the company's compliance budget to ensure that the company has the resources it needs to maintain a strong compliance program.
- **Receiving regular reports from the compliance officer.** The board should receive regular reports from the compliance officer on the status of the company's compliance program.
- **Investigating potential compliance violations.** The board should investigate any potential compliance violations that are brought to its

attention.

- **Taking appropriate disciplinary action.** The board should take appropriate disciplinary action against any employees who violate the company's compliance policies and procedures.

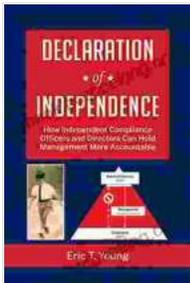
## **Creating a Culture of Ethical Behavior**

In addition to developing a strong compliance program and engaging the board in compliance oversight, companies can also create a culture of ethical behavior throughout the organization. A culture of ethical behavior is one in which employees are expected to act ethically and in accordance with the company's values.

The following are key ways to create a culture of ethical behavior:

- **Leading by example.** The board of directors and senior management should set the tone for ethical behavior at the top of the organization.
- **Communicating the company's ethical values.** The company's ethical values should be communicated to employees through the code of ethics, compliance policies and procedures, and training programs.
- **Rewarding ethical behavior.** The company should reward employees who demonstrate ethical behavior.
- **Disciplining unethical behavior.** The company should discipline employees who engage in unethical behavior.
- **Creating a speak-up culture.** The company should create a culture in which employees feel comfortable speaking up about potential compliance violations without fear of retaliation.

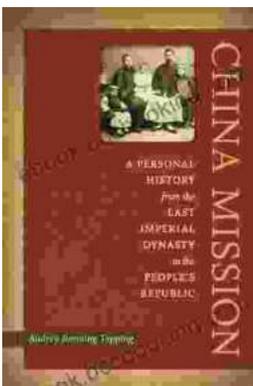
By developing a strong compliance program, engaging the board in compliance oversight, and creating a culture of ethical behavior, companies can hold management more accountable and reduce the risk of legal and regulatory violations.



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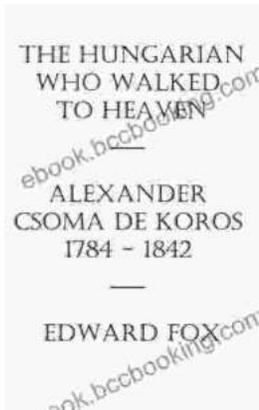
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