

Correlation between integrity and a firm's compliance structure

Preeti Rai

In retort to financial crisis of last two decades global regulatory bodies are intent on supervising firms more robustly, while driving a range of new initiatives to strengthen the regulatory structure. With this widening in scope of regulatory focus, the risk and control frameworks of companies have been strengthened, and compliance obligations have become directly proportional to a company's growth.

Core contributors to a strong compliance structure include the following:

- Risk assessment and controls
- Gap analysis
- Automation and technologically embedded procedures
- Policies accessibility and acknowledgment
- Effective data handling
- Continuous monitoring and surveillance

A major contributor not listed here is integrity. The term has several contexts; the moral context in which we speak of it here refers to what we do when no one's watching us. As with all virtues, the demonstration of integrity is not limited to individuals and could also refer to an organization's reliability. A firm's reputation reflects our perception of its integrity. With the number of compliance obligations now in place, we believe it is, therefore, equally important to fortify an organization's culture of integrity. Factors that promote such a culture include the following:

- Creating a sense of belonging in the company through shared experiences
 - Illustrating the need for compliance obligations through reasoning
 - Simplifying the offense-reporting procedure and encouraging two-way communication
 - Creating trusted speak-up lines, free from the threat of retaliation
-

- Rewarding/acknowledging employees demonstrating high standards of integrity in their conduct and decisions

An effective and committed culture should allow for issues in professional ethics to be addressed without fear. We believe that one of the highest achievements of an organization is for it to be able to operate with the utmost integrity. Moreover, a relevant issue that needs to be addressed is the Ethical and Economic view of integrity which has a direct impact on Firm's competency with Compliance and progression. Though Integrity cannot be forcefully imposed, one of the finest example of endorsing Integrity at workplace is through "Code of Ethics" wherein a set of expectations are communicated, when employees are aware & follow the Code of Ethics guidelines they help in building an atmosphere of trust, assurance & respect through their actions. With all efforts in place for boosted compliance system, I briefly present my view of promoting a culture of Integrity in firms through re-evaluating strategies, trainings and effective communications which eventually would help us to reap numerous paybacks of healthier and sustainable compliance environment. In practical terms, it would add real value to the organization.

Acuity Knowledge Partners is an influential participant in the global market, providing compliance expertise and a wide scope of other services. We have a pool of talented staff, who work on but not limited to personal account trading monitoring, gifts and entertainment, etc. for our clients, to create and maintain the environment which is ethically compliant. The Code of Conduct adapted by Acuity Knowledge Partners lays down the fundamental structure of Ethical standards setup by firm which goes in line with the legal obligations & firm's provision this exhibits transparency and the expectations of Integrity by members & stakeholders of the firm.

References

<https://study.com/academy/lesson/code-of-ethics-compliance-based-and-integrity-based.html><https://www.differencebetween.com/difference-between-ethics-and-vs-integrity/>

<https://bizfluent.com/list-6059639-benefits-code-ethics-.html>

<https://www.business2community.com/leadership/9-ways-strengthen-integrity-business-0881034>

About Acuity Knowledge Partners

Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 350+ financial institutions and consulting companies through a team of over 3,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.