

COMPLIANCE AND CONTROLS

The State of the Industry

Organizations could derive greater value from their compliance function by rethinking processes, teams, and technology.

In Compliance and Controls: The State of the Industry, FloQast and the University of Georgia analyzed survey data from compliance professionals to understand more about whether the compliance function is prepared to deliver strategic value to the organization — an important consideration given volatile economic environments and tightening of budgets.

Most organizations take a “check the box” approach to compliance rather than recognizing it as an opportunity to prioritize activities that protect the organization and deliver value.



Compliance and controls processes cost organizations millions

add stress, and may not provide significant value.



Million is what the average organization spends annually on compliance and controls management



26%

of professionals feel their existing compliance and controls management processes add significant value to the organization



56%

of professionals say their current compliance and controls management processes add a lot or some stress to their work rather than removing it

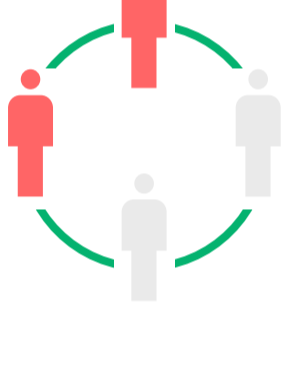
There's an opportunity to re-examine the compliance and controls management job function to isolate which activities add value and which unnecessarily contribute to job stress.

Without a clear blueprint, it's difficult to prioritize compliance

and controls management activities that provide protection and add value.

50%

of organizations use process narratives to contextualize the compliance and controls management



30%

of professionals reported a current initiative related to improving their controls management and compliance programs



While 70% of survey participants reported testing financial controls, without process narratives to outline exactly how a process functions and what it seeks to accomplish, it's unclear how effective that testing can be.

Appropriately resourcing the compliance function

requires more than a list of tasks and warm bodies to accomplish them.

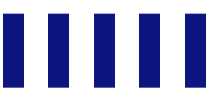
37%

of professionals report having sufficient headcount in place to manage compliance and financial controls processes, even though most compliance and controls management teams include 6 - 10 people.



35%

of compliance and controls management professionals clearly understand how their actions lead to effective controls and a robust controls environment.



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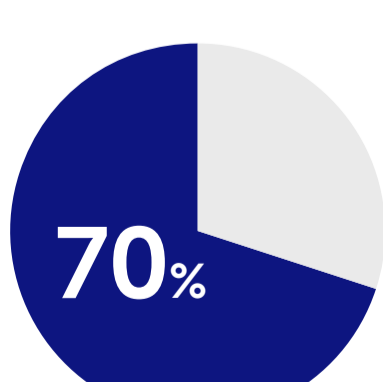
was the average score on a compliance literacy evaluation.



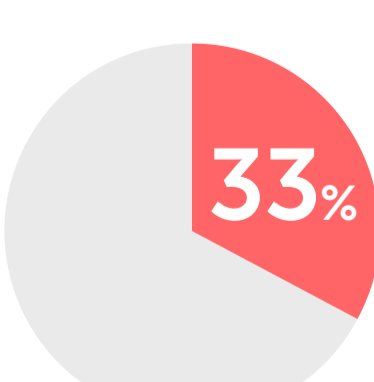
Appropriate staffing levels on compliance teams remains murky, and many compliance professionals don't understand the larger purpose of their work or have the necessary knowledge of the origins, objectives, and applications of their work. This suggests organizations may be **overspending** on compliance staffing.

Organizations could reduce costs by better understanding the role compliance and controls should play in their organization and having the right number of professionals with the requisite compliance literacy.

Compliance programs would benefit from a greater application of technology.



of organizations report that their compliance and controls management processes are not fully automated.



of professionals say the technology they use makes their life unnecessarily complicated.

Technology is the first step to architecting the right environment in compliance and controls management. By making the right investments into technology, organizations can empower their compliance and controls management teams to be more than just a “check the box” function. Instead, they can leverage data and insights to reduce compliance costs and steer organizational strategy amid challenging times.

Discover FloQast™ Compliance Management