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Thirteen Questions Every Principal/CEO Should Ask Their Compliance Department Today



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Increasingly, regulators are pointing to C-suite and senior-level personnel as gatekeepers and crucial to an effective governance and controls infrastructure at their firms. The failure by the senior-level personnel to effectively supervise the compliance function could have significant legal and reputational consequences to both individuals and the organizations.

Kroll has compiled a suggested list of conversation starters that we recommend every Principal/CEO or supervisor put at the top of the agenda for discussion with the firm's chief compliance officer.

- ▶ Have there been any regulatory or enforcement matters that impact the risk areas or operations of our firm?
- ▶ Do we have the necessary resources and expertise to address all material existing or emerging compliance risks?
- ▶ Are there any compliance concerns that we need to discuss, including any breaches of the firm's code of ethics or other policies and procedures?
- ▶ Are there any emerging or existing areas for which our team requires compliance training? What should I do to ensure that the firm's commitment to compliance is engrained in all firm personnel?
- ▶ Have you considered consulting external legal counsel on any matters since our last meeting? If you decided not to consult external counsel, how were you able to resolve the issue(s)?
- ▶ Have there been any investor complaints or other concerns raised by external parties?
- ▶ Have there been any inquiries from any regulatory body?
- ▶ Have we performed required testing and documentation as required by the federal securities laws?
- ▶ Have there been any cyber security incidents, and are our cyber security defenses up to date?
- ▶ Have we onboarded any new vendors since our last meeting? If so, have we conducted due diligence on such vendors, including understanding their cyber security, data protection, governance and compliance infrastructure?
- ▶ What were the findings of our most recent quarterly testing and document review?
- ▶ Have you reviewed the firm's disclosures in Form ADV and other investor-facing documents to determine whether the statements are materially accurate, including whether we have appropriately disclosed conflicts and our fee and expense practices?
- ▶ Have all required regulatory filings been completed in a timely manner?

How Kroll Can Help

Financial services firms' regulatory and compliance programs should be complete, effective, and designed to withstand the most stringent regulatory reviews without disrupting the business. In the U.S., a strong compliance program is particularly significant as the SEC continues its intensive investigative and enforcement efforts. The Kroll Financial Services Compliance and Regulation team has first-hand practical knowledge and experience gleaned from years of providing practical start-up and registration assistance, developing effective compliance and regulatory programs, and assisting with regulatory examinations and investigations. Contact [Ken Joseph](#), [Peter Wilson](#) or [Anna Povinelli](#) now to discuss how we can support your compliance team.