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Financial Institutions - Regs on Regs on Regs

FINANCIAL SERVICES, RISK ADVISORY/INTERNAL AUDIT
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Last month a colleague and I were fortunate to attend the PA Bankers Association, School of Compliance in Harrisburg, PA. The training consisted of three days of legal and regulatory topics that pose the highest risk to financial institutions.

With so many laws and regulations that touch each aspect of banking, it is clear that a robust and effective compliance program should be in place to ward off compliance infractions.

An effective compliance program is not a wish list. Compliance is a requirement that needs to be tailored to the size and complexity of the institution. Even adding a new product offering can tip an effective compliance scale if regulatory risks are not appropriately considered and adequately mitigated or addressed.

Below is a listing of some compliance considerations:

- 1) A comprehensive compliance management system consisting of tools, tracking and communication methods.
- 2) Engaged board/management/compliance officer with clear authority to promote compliance activities.
- 3) Comprehensive and current risk management system, addressing appropriate risk categories: Credit, Interest Rate, Liquidity, Price, Operational, Compliance, Strategic and Reputation.
- 4) Appropriate and effective employee training on risks, regulations and the importance of their role within the financial institution.
- 5) Policies and procedures that are current and approved that clearly document the law/regulation and procedures for compliance.
- 6) Continuous monitoring and testing to verify the effectiveness of the compliance program.
- 7) Proactive and prompt remediation of ineffective process and controls.

If you need assistance developing or testing the effectiveness of your compliance program, Schneider Downs can help. Please [contact](#) Jim Yard, shareholder at (412) 697-5345 or Jessica Miller, manager at (412) 697-5457.

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