



Use of technology in Compliance

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A landscape of uncertainty

Business background and the landscape of compliance

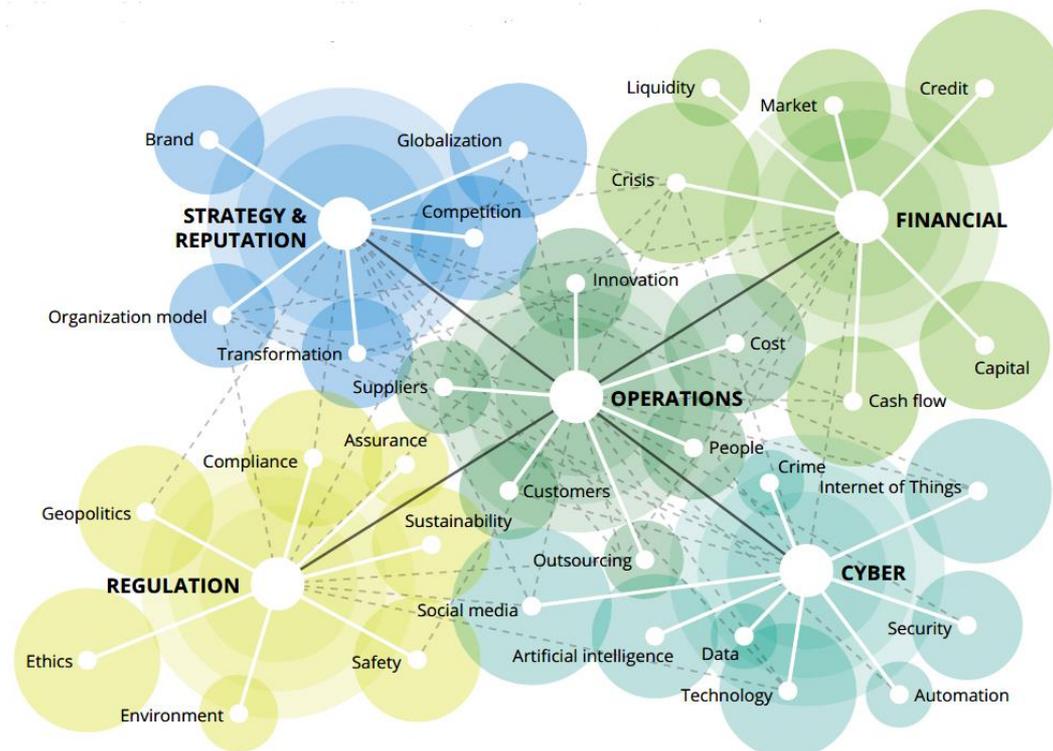
Organizations are facing an ever-changing and increasing set of uncertainties as they strive to create value and enhance their reputation—from shifting social, political, environmental, and technological landscapes; to sometimes volatile and often highly regulated marketplaces; to their own people and culture.

These uncertainties are developing more quickly than ever, in ways that are less predictable and carry the potential to shift from risk to opportunity or crisis rapidly.

Having the right tools to deal with uncertainty and manage risks, both known and unknown, can elevate strategy, improve performance, offer greater insights for decision making, and assure effectiveness over time.

Prevention is better than cure – Compliance functions are therefore seeking to put the digital foundations in place to:

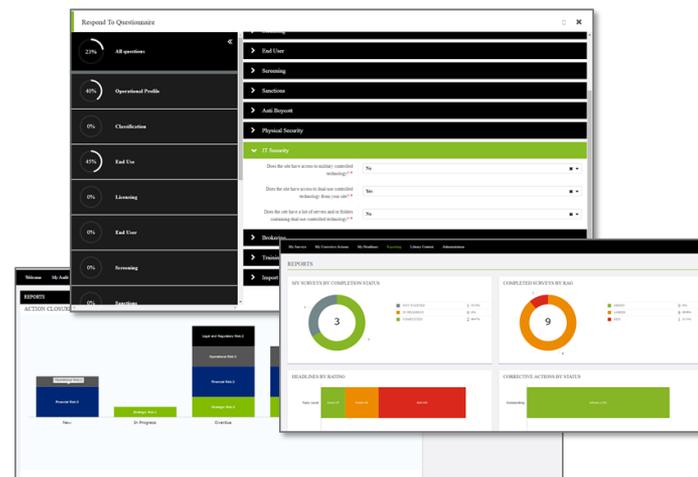
- Automate administration
- Drive self-service
- Empower people and extended enterprises
- Measure conformance and performance
- Increase productivity
- Increase transparency



Technology Enabling the Compliance Function

How and where can you derive value from technology enablement

- **Regulation & Minimum Requirements:** Summarised and consolidated requirements linked to a regulatory database, creating a line of sight between regulations and requirements
- **Code of Conduct:** Ability to embed requirements as part of the process based approach
- **Requirements, Policies, Procedures and Controls:** Clear linkages can be drawn from requirements to policies, procedures, and related risks and controls
- **Assurance Activity:** End to end audit lifecycle management, control self assessments, reporting on impacted controls and the tracking of remediation activities
- **Training:** Management of training requirements and maintenance of a central certification log
- **Embedding Change:** Allows impact analysis and rapid updating of requirements from a central location
- **Incident Management:** Capture events and track through to closure, report on themes
- **Management Information:** Ability to capture and generate management information, including collating data from other systems via APIs
- **Reporting:** Real time interactive reporting on your compliance environment



Vision 2025 – The Future of Compliance

Technology enabled line of sight & visualisation over compliance risks and digitalisation of the target operating model

Establishing an effective Target Operating Model (TOM) is a key foundation for future proofing the compliance function. As the digital landscape evolves, embracing and leveraging emerging technology will play a key part in driving a more efficient and rigorous compliance function.



In-memory Computing (“digital core”): Compliance enablement with a digital core will revolutionise process design and reporting capabilities. Real-time reporting and analysis, embedding analytics across the organisation enabling insight driven compliance rather than collection and analysis of data (SAP Hana Fraud identification)



Big Data: Managing swelling streams of unstructured data captured by enterprises, social media, multimedia and Internet of things to fuel analytics. Enables prediction of emerging compliance risks and provides personalised, tailored MI through data visualisation tools. Key use for indications of conduct across the enterprise



Cognitive Machine Learning: Identifies threats and “learns” to mitigate risk prior to occurrence. Coupled with cognitive computing can identify changes required to ensure ongoing compliance to existing or new regulations



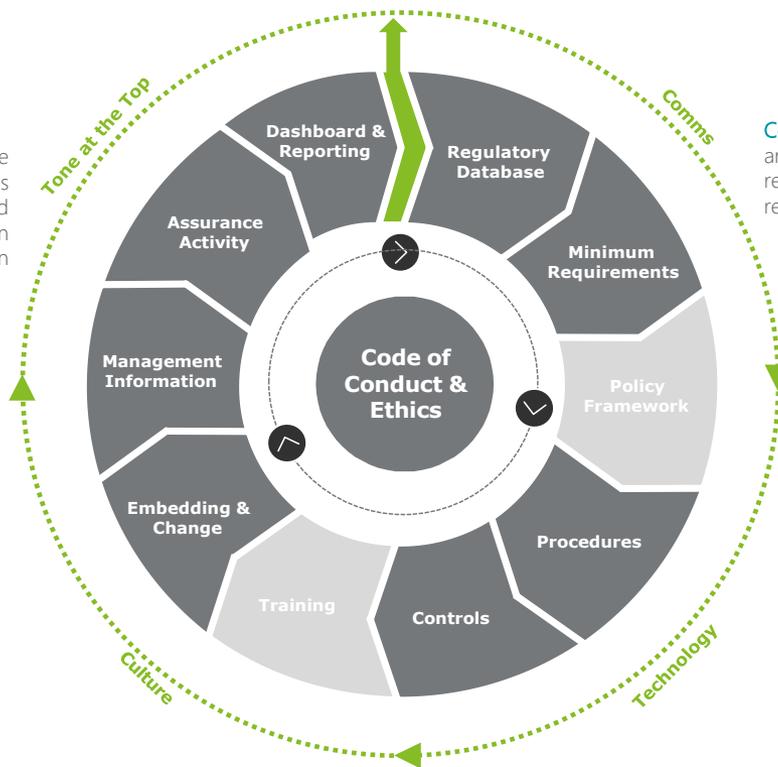
Cognitive Computing: Using natural language selection and processing to digest and assess regulations and requirements to identify new or amended business requirements



Robotics Process Automation (RPA): “Taking the ‘robot’ out of the human” through elimination of mundane, repetitive, logic-driven tasks from the human process involved in processes and procedures. RPA and cognitive solutions eliminate the need for manual validation and reconciliation; increasing reliability, transparency and trust – providing in process assurance



Blockchain: Emerging crypto-technology that underpins products like bitcoin could be leveraged to create private networks to perform a number of activities e.g. third party due diligence / KYC, verification of transactions and submission of reporting to regulators





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