5 Ways to Enhance Regulatory Compliance through Technology-Driven Solutions

In today's complex and ever-changing business environment, regulatory compliance is critical to maintaining a sustainable and reputable operation. Organizations across industries must adhere to a multitude of laws, regulations, and industry standards to avoid significant consequences, such as financial penalties, reputational damage, and legal liabilities.

Rules and regulations are plenty. For example, over a seventeen-year period between 1999 and 2016, nearly 89,000 federal rules and regulations were passed.[1]

Ensuring compliance involves a thorough understanding of applicable regulations, identifying obligations, and implementing robust policies and procedures. Below, we explore steps organizations can take to enhance their regulatory compliance efforts, while leveraging technology to gain visibility into regulations, map them to policies, and demonstrate compliance with ease to ensure a robust and sustainable compliance program.

Understancing Regulations and Obligations

"Compliance is not just a requirement; it is the foundation of an organization's success. Understanding and meeting regulatory obligations ensures navigation of complex terrain with confidence," said BethAnne Van de Voort, Director of Product Management, SAI360. "By comprehending effective policies and their organizational impact, organizations can demonstrate a steadfast commitment to compliance excellence, safeguard their reputations, and protect stakeholder interest."

A fundamental pillar of regulatory compliance is a comprehensive understanding of the regulatory landscape that governs an organization's operations. This entails identifying the regulatory bodies that oversee the business and recognizing the specific regulations that apply to them.

1 Wayne Crews, "How Many Rules and Regulations Do Federal Agencies Issue?," Forbes, August 15, 2017, https://www.forbes.com/sites/waynecrews/2017/08/15/how-many-rules-and-regulations-do-federal-agencies-issue/?sh=6ac8078f1e64.

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To ensure compliance, organizations must know what regulations apply to them, who regulates them, how to extract obligations from the regulations, and what the necessary requirements are.

Regulations often outline specific mandates or obligations that businesses must fulfill to remain compliant. These obligations serve as the framework for devising effective compliance strategies and policies.

"It's important to think about policy and regulation together, at the same time," Van de Voort said. "When policies are not followed, this is when incidents occur. It's critical to know what obligation you drive from the regulation, what policy supports it, and which policies are not being followed so remedial action can be discussed and executed accordingly."

Trial and error testing said Van de Voort, offers one of many practical ways to demonstrate meeting regulatory obligations.

Here is a list of just some of the acts, regulations, and regulatory bodies in the U.S.

- **Information Technology and Cybersecurity:** Health Insurance Portability and Accountability Act (HIPAA), Computer Fraud and Abuse Act (CFAA), Cybersecurity Information Sharing Act (CISA)

- **Energy and Renewable Energy:** Energy Policy Act (EPAct), Renewable Portfolio Standards (RPS), and Energy Independence and Security Act (EISA)

- **Construction:** Occupational Safety and Health Act (OSHA), Fair Labor Standards Act (FLSA), and National Environmental Policy Act (NEPA)

- **Regulatory Bodies:** Security Exchange Commission (SEC), which has specific requirements for public companies and the Federal Trade Commission (FTC), which has specific requirements for businesses that collect and use consumer data

Formulating Effective Policies

Policies play a pivotal role in bridging the gap between regulations and daily operations. They provide clear guidance on how specific tasks should be carried out to meet compliance obligations. Additionally, policies help businesses run their operations in an orderly and compliant manner.

"Effective policies ensure seamless alignment between regulations and daily operations," said Van de Voort. "During audits and regulatory inspections, these policies become the bedrock of showcasing compliance efforts, reassuring stakeholders of ongoing dedication to maintaining a compliant and orderly business environment."

The significance of keeping policies connected to regulations cannot be overstated, as they serve as tangible evidence of an organization's commitment to meeting its obligations. Furthermore, policies are crucial for demonstrating compliance during audits and regulatory inspections.

The Challenge of Regulatory Change

One of the most formidable challenges in maintaining compliance is the frequent and dynamic nature of regulatory change. Regulations evolve rapidly, particularly in the U.S., leading to an overwhelming volume of changes.

Organizations often struggle to keep up with these constant updates and may resort to manual processes, such as spreadsheets and website monitoring. However, relying on these traditional methods is inefficient and increases the risk of overlooking critical updates, potentially leading to non-compliance.

"Keeping up with this rapid evolution is paramount to compliance success. Manual processes, such as spreadsheets and website monitoring, can no longer suffice, as they leave businesses vulnerable to oversight and non-compliance," said Van de Voort. "Embracing technology-driven solutions is imperative, as it enables real-time updates and proactive adaptation to regulatory changes, safeguarding organizations from the risks of falling behind."

Leveraging Technology for Enhanced Compliance

To address the challenges posed by regulatory change and sustain a robust compliance program, organizations can leverage technology-driven solutions.

By accessing tech-enabled automated updates, businesses can stay informed about regulatory changes and promptly adapt their policies and procedures.

Additionally, they can maintain a current and accurate understanding of the compliance landscape, reducing the risk of non-compliance and ensuring a proactive and agile approach to meeting their obligations. Embracing technology for enhanced compliance not only streamlines the process but also instills confidence in stakeholders that the organization is committed to upholding the highest standards of compliance.

The Role of Technology in Evidencing Compliance

Beyond monitoring regulatory changes, technology plays a pivotal role in collecting and organizing evidence that demonstrates an organization's compliance efforts.

A streamlined, centralized, customizable platform allows businesses to store documents and trails of compliance activities, including attestations or course completion results, which provide tangible proof of compliance.

Additionally, automation enables efficient sample audits, tests, and assessments, bolstering an organization's ability to demonstrate compliance during audits and inspections.

"Centralized platforms have become instrumental in storing and organizing compliance-related documents and activities, providing tangible proof of meeting obligations. This technology-driven approach empowers businesses to showcase their commitment to compliance excellence with precision and transparency," said Van de Voort.

"As technology continues to evolve, its role in evidencing compliance becomes increasingly pivotal, fostering trust and confidence among stakeholders and regulatory authorities throughout the broader industry landscape," Van de Voort added.

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— BethAnne Van de Voort, Director of Product Management, SAI360

A Five-Step Checklist for Regulatory Compliance

Comprehensive regulatory compliance solutions amalgamate regulatory monitoring, policy management, and evidence collection within a unified platform.

By being both proactive and technology-driven, organizations can thrive in a sustainable and compliant manner while maintaining a strong reputation for compliance excellence.

According to Van de Voort, the goal is for organizations to say, "I see the regulation. I understand my obligation. And I know what policy to meet to ensure I have met this obligation and can assess corresponding policies."

In summation, here are five steps to follow to enhance regulatory compliance:

1. Assess Regulatory Landscape:

- Identify governing regulatory bodies and specific applicable regulations
- Recognize obligations or mandates within these regulations

2. Formulate Effective Policies:

- Develop policies aligned with obligations and regulatory requirements
- Provide clear guidance for compliance tasks

3. Embrace Technology for Monitoring:

- Use automated feeds from certified sources for real-time updates
- Stay informed and adapt policies promptly to regulatory changes

4. Leverage Technology for Evidence:

- Utilize a centralized platform to store compliance evidence
- Implement automation for sample audits and tests

5. Adopt Comprehensive Solutions:

- Consider industry-specific compliance solutions
- Connect regulations, obligations, policies, and evidence seamlessly

Final Thoughts

Achieving and maintaining regulatory compliance is crucial for the success and reputation of any organization. Understanding regulations, identifying obligations, and implementing effective policies form the foundation of a robust compliance program.

The rapidly evolving regulatory landscape demands a proactive approach to stay updated and compliant. Leveraging technology-driven solutions with automated feeds from certified sources enables organizations to gain real-time insights into regulatory changes.

Additionally, using technology to collect and present evidence of compliance streamlines reporting and helps businesses avoid non-compliance pitfalls.

Adopting comprehensive regulatory compliance solutions empowers organizations to navigate the complexities of regulatory environments successfully. By doing so, businesses can ensure compliance, reduce risks, and maintain a competitive advantage in their respective industries.

HOW SAI360 CAN HELP

Fragmented risk management tools can lead to inefficiencies and miscommunications. SAI360 breaks down silos with its integrated GRC solution. We offer a unified platform where all risk data is consolidated, making it easier to access, manage, and analyze.

SAI360 GRC ensures businesses are equipped to manage risk and stay compliant and resilient with robust tools. Our end-to-end solution operationalizes organizations' compliance strategy, regardless of geographic footprint.

Key regulatory compliance modules and platform features:

- **Regulatory Change Management:** An automated monitoring system alerts organizations about relevant changes. This ensures businesses are always ahead, adapting in real-time to any shifts in compliance requirements.

- **Policy Management:** Manage the entire lifecycle of a policy and leverage a centralized repository that fosters collaboration and streamlined workflows. This ensures all policies are up-to-date, relevant, and aligned with compliance needs.

- **Audit Management:** Our holistic solution covers the entire audit process. Automated workflows and documentation tools ensure all audit-related data is organized and easily accessible in a central repository.

- **Pre-configured Modules:** Our pre-configured modules can also be tailored to meet specific business needs. This approach ensures flexibility and scalability, allowing businesses to adapt and grow without the need for constant system overhauls. Pre-configured modules also make it easy to integrate and align with your business processes.

- **Scalable and Adaptable:** In the digital age, scalability is key. SAI360's GRC solution is designed to grow with your business. Built on a secure and reliable SaaS framework, it ensures businesses can scale without the constant need for hardware or IT investments.

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Want a more detailed look into how SAI360 can revolutionize your compliance and risk management strategies?

Contact us to request a demo.

Our unified approach to risk sets us apart

Today's complex risk landscape demands more. SAI360 leads the way with an integrated GRC platform and Learning solution that spans the entire risk spectrum.

Risk Management Solutions

- Enterprise & Operational Risk Management
- Regulatory Change Management
- Policy Management
- Third-Party Risk Management
- Internal Control
- Internal Audit
- Incident Management
- Conflicts of Interest (COI) Disclosure Management
- IT & Cybersecurity
- Business Continuity Management

Ethics & Compliance Learning Solutions

- Anti-Bribery & Anti-Corruption
- Competition & Anti-Trust
- Conflicts of Interest
- Data Protection & Privacy
- Information Security
- Exports, Imports & Trade Compliance
- Harassment & Discrimination