



**Banker's Compliance
Consulting**

Tips for a Successful Compliance Officer

October 27, 2020

Turning Regulations into
PLAIN ENGLISH!



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David A. Dickinson

David's banking career began as a field examiner for the FDIC in 1990. He later became a Compliance Officer and Loan Officer for a small bank. In 1993, he established Banker's Compliance Consulting. Along with his amazingly talented Team, he has written numerous compliance articles for prestigious banking publications and has developed compliance seminars that Banker's Compliance Consulting produces.

He is an expert in compliance regulations. He is also a motivational speaker and innovative educator. His quick wit and sense of humor transforms the usually tiring topic of compliance into an enjoyable educational experience. David is on the faculty of the Center for Financial Training, the American Bankers Association National Compliance Schools and is a frequent speaker at the ABA's Regulatory Compliance Conference. He is also a trainer for hundreds of webinars, is a Certified Regulatory Compliance Manager (CRCM) and has been a BankersOnline Guru for many years. The American Bankers Association honored David with their Distinguished Service Award in 2016.

David and his wife Karen have three adult children and two grandsons (none of whom live at home!) and three cats (of which Dave is allergic ... the cats, not the children!). They live on a lake in Nebraska and when possible, he can be found fishing or making sawdust in his shop. David plays the guitar & piano and enjoys singing with Karen. They occasionally lead worship at their church.

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** Words in Italics are taken directly from the applicable regulations.*

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. The information contained within this manual pertains to federal regulations. Banker's Compliance Consulting makes every attempt to understand applicable state laws as well; however, this information may not be represented in this manual. If you are aware of state laws that conflict with information presented in this manual, please contact Banker's Compliance Consulting. This publication contains the author's opinion on the subject. All rights reserved. This manual may not be reproduced in whole or in part in any form whatsoever without permission from the publisher. The publisher hereby specifically disclaims any personal liability for loss or risk incurred as a consequence of the advice or information presented in this book.

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Tips for Success

I. Challenging Environment:

A. Regulatory “Crush”

B. Job Security!

II. Meeting the Challenge:

Implementing and Maintaining an Effective Compliance Program

A. Conduct Risk Assessments

B. Develop Policies and Procedures

C. Provide Training

D. Audit & Monitor

E. Complaint Management

F. Reporting

G. Repeat this cycle

H. Cultivate and Protect the Culture / Organizational Health

Tips for Success

III. The Role of the Board of Directors & Management:

- A. Responsible for the bank's overall compliance with laws and regulations.
- B. Identification of the bank's risk assessment/risk appetite:
 - 1. Regulatory risk
 - 2. Civil liability risk
 - 3. Reputation risk
 - 4. Inherent risk
 - 5. Safety and Soundness risk
 - 6. Other risks
- C. Desired compliance rating "1" or "2"?
- D. Compliance Committee vs. Compliance Officer(s).

Tips for Success

- E. Compliance Officer(s)

- F. What type of compliance position(s) does the Board/Sr. Management want?
 - 1. Director/Coordinator

 - 2. Committee member

 - 3. Manager

 - 4. Officer

 - 5. Analyst

 - 6. Auditor

 - 7. Trainer

 - 8. Full/Part time

 - 9. Others

Tips for Success

G. What type of skill set is desired?

1. Managerial – Compliance program, audits, staff, examination, etc.
2. Technical – Interpreting new laws and regulations
3. Analytical – Investigating complex compliance issues
4. Writer – Policies, procedures, reports, responses, etc.
5. Trainer – Speaking & Teaching Skills
6. Others

H. Supporting the Compliance Officer:

1. Compliance Officer / Team should be seen as a resource rather than a cost center.
2. Grant authority/delegation authority.
3. Provide sufficient resources:
 - a. Time to fulfill the responsibilities of the job.

Tips for Success

- b. Continuing education opportunities:
 - i. Certifications
 - ii. Seminars
 - iii. Webinars
 - iv. Conferences

- c. Budget/Monetary:
 - i. Additional staff
 - ii. Outside help (consulting, audit, etc.)
 - iii. New tools/equipment
 - iv. Software
 - v. Manual and newsletter subscriptions
 - vi. Training aids

Tips for Success

- I. Involve them as part of the team:
 - 1. New products
 - 2. New systems
 - 3. Advertisements
- J. Communication:
 - 1. Forums
 - 2. Channels
- K. Reporting lines
- L. Hold bank personnel accountable for compliance:
 - 1. “Carrot” and/or “Stick”
 - 2. Evaluations

Tips for Success

M. Resources – Too many or too few:

1. The allocation of resources should be based on:
 - a. Risk Assessment/Risk Appetite
 - b. Internal audit results
 - c. Independent/External audit results
 - d. Federal and state examination results
 - e. Capabilities and time constraints of the compliance team
2. Re-evaluate and re-allocate periodically.

Tips for Success

IV. The Role of the Compliance Officer / Team:

- A. Responsible for the oversight and coordination of the bank's day-to-day compliance with laws and regulations:
 - 1. Keeping with the latest hot topics and changes:
 - a. New laws/regulations
 - b. Best practices
 - c. Proposals
 - 2. Disseminating information
 - 3. Auditing
 - 4. Reporting
 - 5. Correcting
 - 6. Training
 - 7. Repeat continuously

Tips for Success

B. Keys to success:

1. Have a “can do attitude”.
2. State the facts.
3. Defend rather than prosecute.
4. Trust people to do their jobs correctly.
5. Be realistic – Regulation vs. real world
6. Pick your battles according to risk.
7. Partner within the bank on projects (i.e. other business lines).
8. Network with other compliance professionals.
9. Use examiners as a resource:
 - a. Call and/or meet with them regularly.
 - b. Ask for their advice.
 - c. Maintain a quality working relationship.

Tips for Success

10. Maintain credibility:
 - a. Don't abuse authority.
 - b. Don't embarrass anyone.
 - c. Be humble & admit when you're wrong.
 - d. Take responsibility.
11. Remain positive.
12. Use allocated resources effectively.
13. Other