

## **APPENDIX G**

# **STEPS FOR IMPLEMENTING AN EFFECTIVE COMPLIANCE PROGRAM**

1. The governance function and/or the chief executive officer must **recognize the need for an institutional compliance program.** (Chapter 1)
2. The chief executive officer **appoints an ad hoc committee representing all elements of the institutional community to develop an action plan** for implementation and operation of the compliance program. (Chapters 2 and 3)
3. The chief executive officer **appoints an institutional compliance officer and an institutional compliance committee.** (Chapter 5)
4. The chief executive officer and the institutional compliance officer **decide on the structure of the compliance function.** (Chapter 5)
5. The compliance officer, as required by the structure of the compliance function, **appoints a compliance coordinator and other compliance function staff.** (Chapter 5)
6. The compliance officer and the compliance committee **prepare a standards of conduct guide.** (Chapter 6)
7. The compliance officer **establishes a confidential reporting mechanism for employees to use to anonymously report potential instances of noncompliance.** (Chapter 10)
8. The compliance officer and the compliance committee **establish the general compliance training program content based upon the standards of conduct guide.** (Chapter 6)
9. The compliance officer and the compliance committee **develop a general compliance training plan,** including appropriate training delivery and testing methodologies. (Chapter 6)
10. The compliance officer, the compliance committee, and the compliance function **facilitate a compliance risk assessment of the institution, including the identification of the institution's "A" risks.** (Chapter 7)

11. The compliance committee and the compliance officer may **appoint a compliance committee working group representing all of the institution's "A" risk areas** to assist the compliance committee in performing specific tasks. (Chapter 5)
12. The compliance officer **ensures that each institution "A" risk has a risk management design** that includes (1) a single responsible party, (2) an appropriate monitoring plan, (3) an appropriate specialized training plan, and a reporting plan. (Chapter 8)
13. The compliance officer and the compliance committee, with input from the governance function and the chief executive officer, **establish a compliance assurance plan for the institution to ensure that management of the institution's "A" risks is being performed as designed.** (Chapter 9)
14. The compliance officer **reports instances of potential and/or actual noncompliance to the chief executive officer as required.** (Chapter 5)
15. Operating management **deals with instances of noncompliance as specified in the policies and procedures that govern each process in the institution.** (Chapter 11).
16. The compliance officer **makes periodic reports to the chief executive officer on the activities of the compliance program.** (Chapter 5)
17. The compliance officer and the compliance committee **perform an annual self-assessment of the compliance program and, when needed, arrange for an external peer review of the compliance program.** (Chapter 12)
18. The compliance officer and the compliance committee **prepare an action plan to implement improvements to the compliance program identified in the self-assessment and/or the external peer review.** (Chapter 12)