As part of our social/physical distancing program we will be embarking on our second a LinkedIn seven-part series. This series is designed to help organizations identify any key improvement opportunities around their Compliance Management process. Following in the 7 steps of RMG's Compliance Management Wheel©, we will provide insights and standard requirements necessary to ensure a successful Compliance Management process.

Changes in regulatory oversight and visibility of compliance requirements are driving change across all industries. Many organizations recognize the competitive advantage in upgrading and standardizing compliance processes and practices to satisfy present and future compliance requirements. As well, some organizations see the opportunity to leverage these improvements to better prepare for future audits and reviews. To support this upgrade and opportunity a Compliance Management Process may need to be developed and implemented.

## RMG's COMPLIANCE FUNDAMENTALS WHEEL©
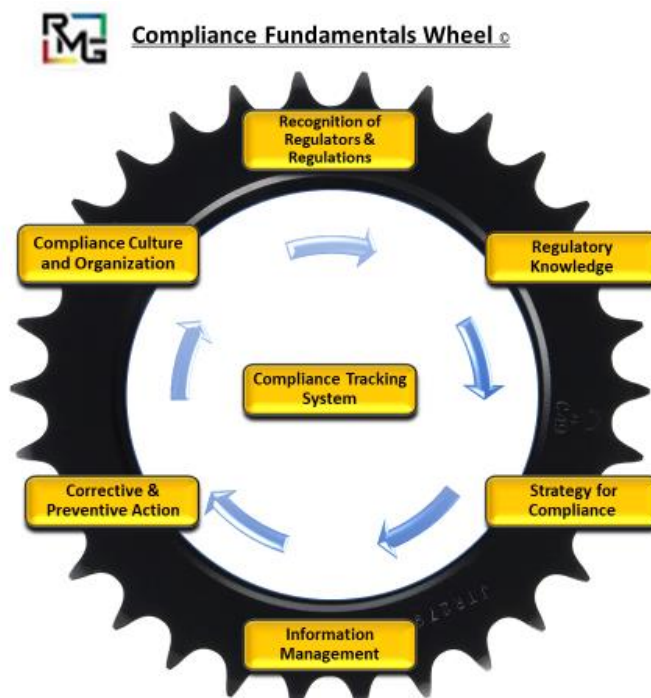
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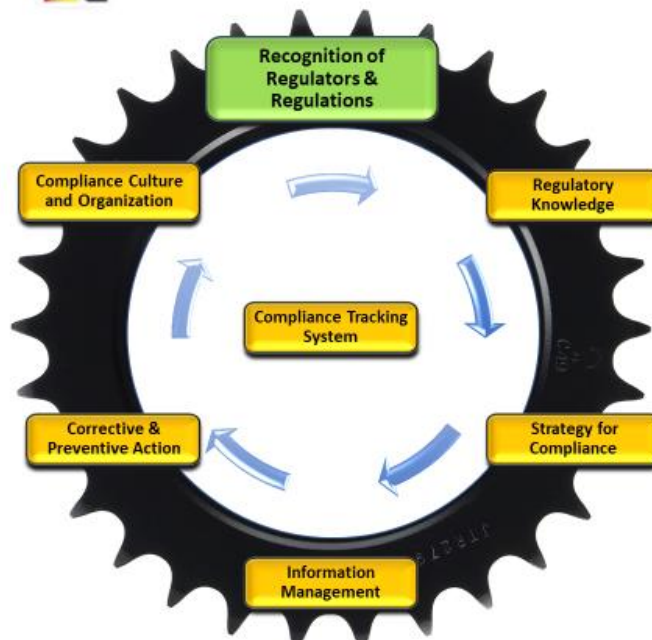
Recognition of Regulators & Regulations:

The first standard that needs to be institutionalized is Recognition of Regulators and Regulations. On the surface this may appear to be easy to accomplish. However, ensuring that all personnel in an organization, regardless of position, needs to have recognition commensurate with their functional role and organizational accountability. Key success factors here are consistency of message, method of communication and confirmation/documentation of knowledge and learning of the ever-changing regulatory landscape.

Members of the organization acknowledge various sources of regulations. Regulations could be from Federal, State, or local municipalities as well as corporate or company stipulations.
- Documented comprehensive and standard list of regulations – Federal / State / Corporate / Local
- A central location for applicable documentation and list of regulations, ideally digital
- Compliance governance structure and process in place for document control, personnel learning and updating as regulations change.

A lack of awareness of the regulators and, regulations and where they are kept, could present a risk of a compliance violation in future audits and inspections and, could result in fines.

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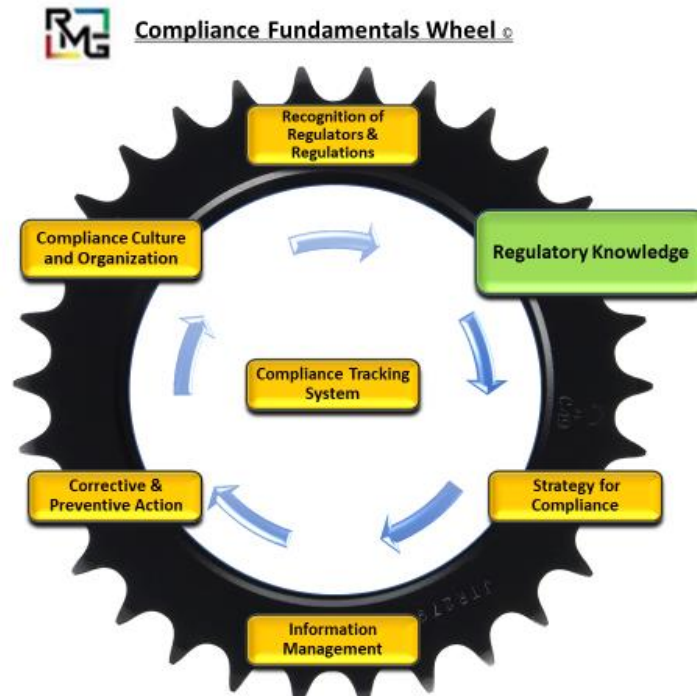
Regulator Knowledge:

An organization must establish and maintain a common understanding or interpretation of regulations that govern their business practices so that everyone understands the stipulations of compliance regardless of their roles within the organization. There will need to be developed and in place:

- A common understand of the applicable regulations
- Standard translation of regulations that are accurate and consistently communicated
- A consistent standard for reporting of the regulations that are mapped to business controls, actions, evidence, audit, policies and procedures

The lack of common regulatory knowledge increases the risk of regulator's findings of compliance violations as well increased uncertainty of audit preparation. A clear standardized understanding of the regulator's interpretation of the compliance standards will reduce the risk of compliance violations.

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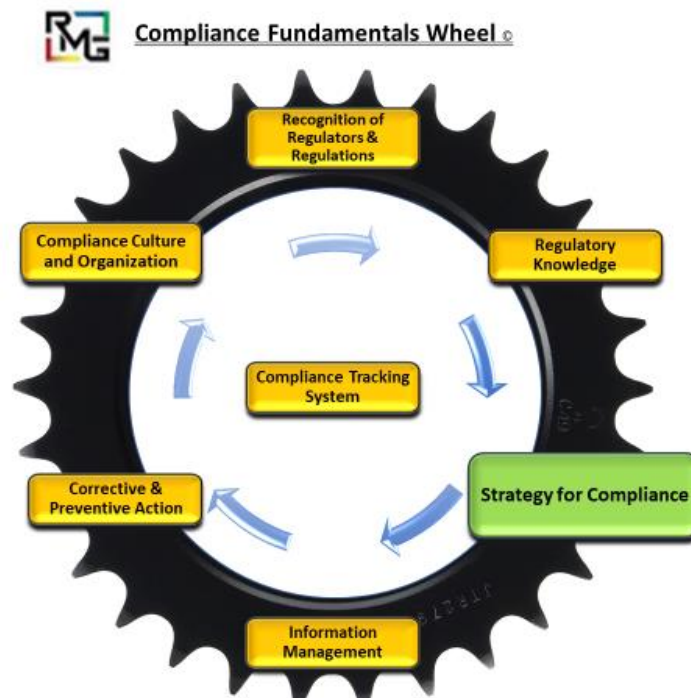
Strategy for Compliance:

A comprehensive strategy to manage compliance activities needs to be defined and integrated into the overall work management processes. Compliance standards and minimum requirements need to be clearly established within, and for:
- Organizational structure that optimizes compliance activities
- Long-range schedules that automatically prompt conducting inspections and compliance and, will balance work demand with resource capacity
- Defined roles and responsibilities related to compliance embedded in general work management roles and responsibilities
- Process for updating compliance standards
- Properly coordinated compliance standards updates are conducted
- Standard method and process for capturing and communicating lessons learned

Having a standardized process in place for responding to audit findings improves the perceptions of the regulators and ensures them that each operation is standardized and consistent. Not having a long-range automated schedule for compliance work activities can create an artificially perceived need to increase compliance work activities and subsequent resource capacity to ensure compliance schedules are not violated.

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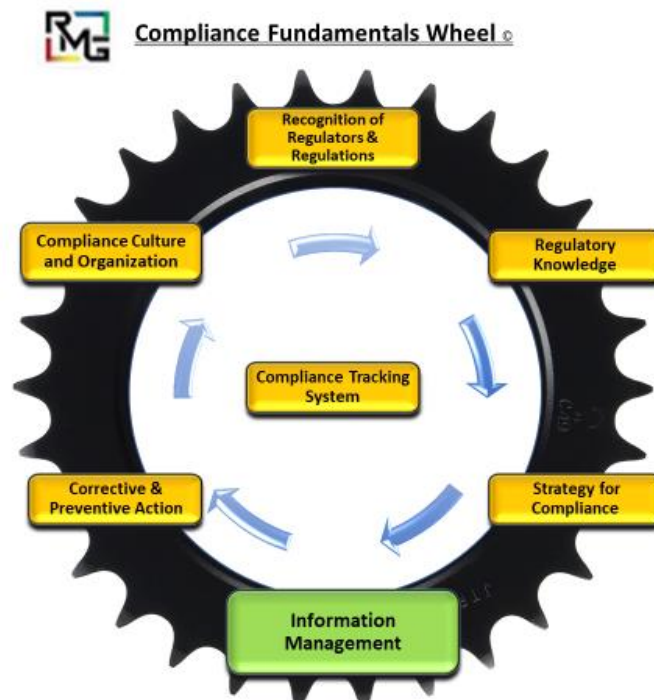
Information Management:

A comprehensive process for storing, managing, and accessing data and official documentation needs to exists and be fully utilized. Guidelines for updating and maintaining compliance related documentation needs to be clearly defined. The key features of good Information Management include:

- Archive Files – Document history is tracked to demonstrate and ensure timely and accurate Management of Change (MOC)
- Document Requests from regulators and management can be responded to in a timely and accurate manner
- Information System - There is a single point of storage for version control and view only access
- Inspection documentation is mapped to regulations and requirements
- Policy and procedure repository exist and is controlled
- The application of mobile devices to track inspections with time/date stamps, allowing near to real time updates

Manual archiving of documentation creates the risk of loss or damage to compliance documentation. Mapping inspection documentation to compliance standards allows for a timelier reference and response to regulator requests during audits and inspections.

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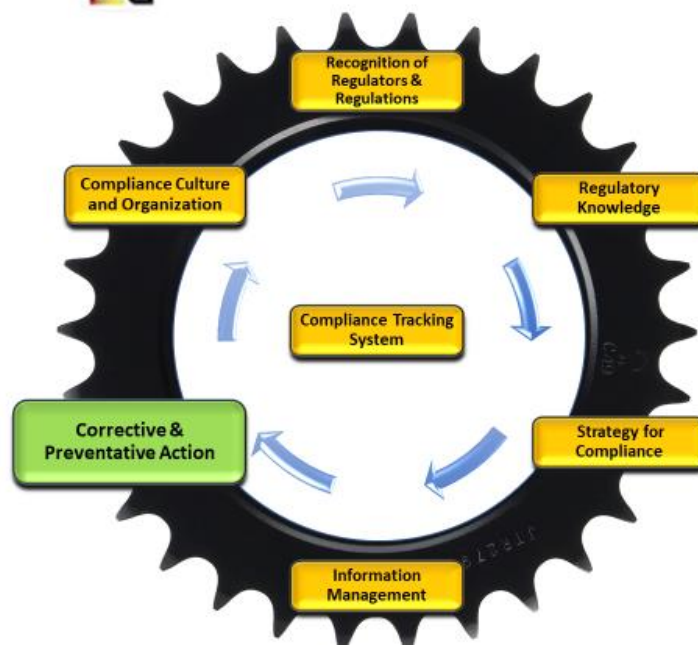
Corrective & Preventive Action:

Process to pro-actively address potential compliance related issues should be integrated into the compliance management process. Tis may be driven from a maintenance work management process and system. A corrective action process needs to be established to achieve compliance standards and respond to external reviews. The key features include:
- A comprehensive PM/PdM process exists
- Corrective actions are taken for audit, risk assessment, and incidences
- Training program that automatically prompts recertification
- Plans for incident management and investigation
- Access to experts for recommendations

Not meeting follow-up requirements on compliance activities increases the risk for regulator violations. An automated notification system will reduce the risk of compliance violations related to training and certifications.

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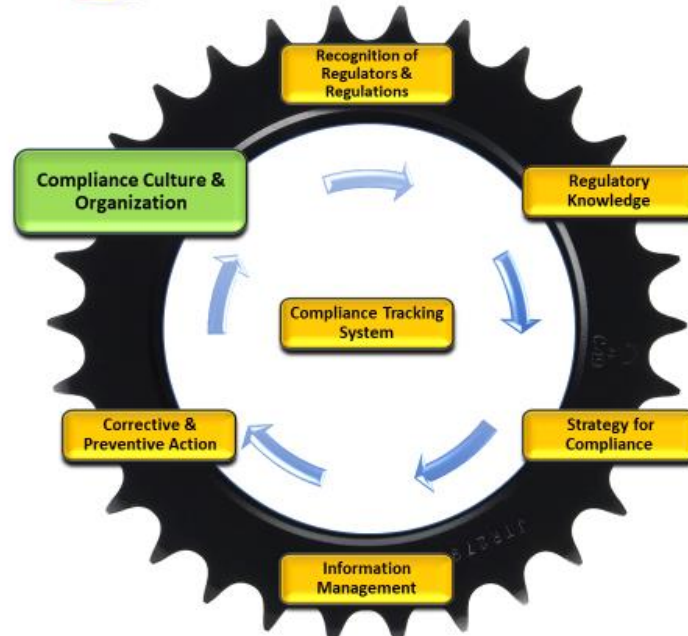
Compliance Culture & Organization:

An organization's commitment to compliance is understood and adhered to throughout the organization. The expectation of compliance to standards and practices is clearly communicated, personnel understanding is confirmed, and everyone is held accountable for their role and responsibility without exception.

- Members of the organization realize the importance of compliance and look to better the organization regardless if their position in the organization is dedicated to compliance
- Leaders of the organization demonstrate and instil commitment to compliance
- All personnel in the organization recognize the levels of compliance in their day to day business practices

The existence of a solid compliance culture will increase the ability to have personnel to fill in at any operating location with confidence and efficiency. A solid compliance culture will positively impact your relationship with the customer, community, and regulators.

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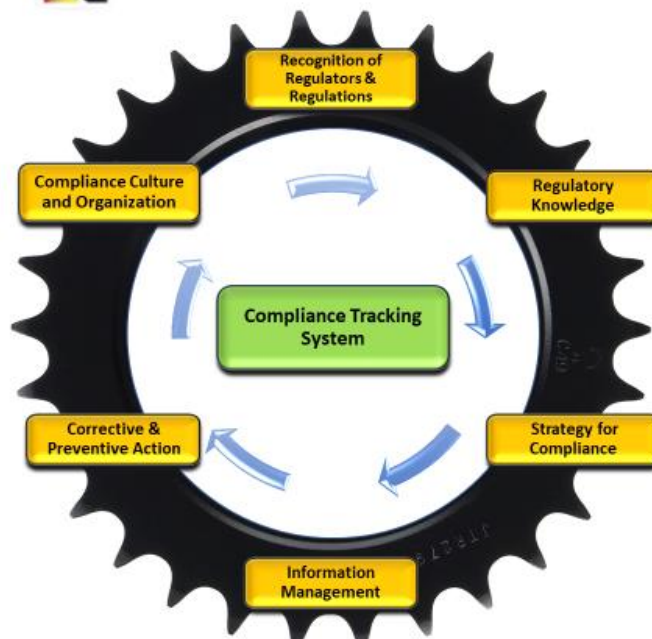
Compliance Tracking System:

The intent of Compliance Tracking System (CTS) is to establish the means and guidelines for regulatory compliance tracking. Applying compliance management standards and industry best practices, the objectives are to:

- Ensure the safety of our employees, customers, and community as we conduct our work
- Comply with federal, state, local, industry and company regulations and policies
- Drive process consistency and value-added results throughout the organization
- Emphasize continuous improvement in executing processes
- Optimize overall use of human, equipment, and financial resources
- Improve customer satisfaction, trust, and focus

These objectives can be accomplished through enhanced compliance work management processes, clearly delineated roles and responsibilities, and performance metrics that are adopted and universally embraced across the organization.

The CTS encompasses the entire lifecycle of a compliance item, from inception to completion and post-completion activities. Within this cycle are several distinct phases, and within each phase process steps are performed. Individual process steps identify the task, a task clarification and those responsible/accountable for accomplishing these process steps. The CTS's goal is simple: improve regulatory compliance work performance, resulting in:

- Higher efficiencies and quality of compliance work
- A safer operating environment
- Better service delivered to customers.
- Ability to provide triggers to perform inspections based on pre-defined schedule/timing criteria
- Ability to generate compliance work orders
- Ability to maintain detailed compliance job plans and procedures
- Inspection documentation mapped to regulations and requirements
- Ability to record Actions Taken / Text / Date Stamped
- Ability to scale for growth
- Ability to interface with mobile devices
- Ability to integrate with GIS and CIS
- The ability to interface with financial applications
- The ability to trigger compliance testing based on pre-defined time criteria
- A single system and platform
- Work management integration
- Auditable system, process, and activities