

by Donna Boehme

# In Compliance 2.0, mandate is king!

Whenever I evaluate a compliance program, I ask the chief compliance officer (CCO) to describe their job. Often, the response I receive sounds like a task list or job description, rather than a clear picture of a role with a defined mandate as the (i) architect of the compliance program; (ii) subject matter expert of compliance, ethics, and organizational culture; and (iii) developer and overseer of the team needed to build and implement an effective Compliance program that finds, fixes, and prevents misconduct while reinforcing a culture of ethical leadership.



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Now, any list of common traits of effective leaders always includes some variation of “has a clear vision of the task ahead and the ability to communicate that to team members.” To this end, I can think of no domain on the corporate landscape that requires a clear, unifying mandate more than that of Compliance. Not only is the profession relatively new and mysterious to casual observers, there is also no shortage of misinformation and misconceptions about the role created and promoted by bystanders with little or no subject matter expertise (and often a strong self-interest in how the role is defined).<sup>1</sup>

So into that vacuum marches the CCO, whose first order of business should be clarifying and communicating their mandate to the organization. Make no mistake, in the

realm of Compliance 2.0,<sup>2</sup> mandate is king! Compliance 2.0 is based upon the CCO as an independent voice in the C-suite,<sup>3</sup> with unfiltered access to the Board—a critical part of the checks and balances of the organization’s governance structure.

Such independence and empowerment depends on a carefully defined mandate that is sufficiently broad and clear to the organization.<sup>4</sup> Having the Board endorse the Compliance mandate through a board resolution is ideal. The CCO can then go about the task of meeting with their counterparts in Legal, Audit, HR, and the businesses to ensure this mandate is clearly communicated and understood, along with every person’s role in the compliance program. And, as I’ve written, it is vital that the CCO get the entire Compliance team on board with this mandate, even if that requires a Compliance 101 “boot camp” for the team.<sup>5</sup> Because, dear #EthiTweeps, a correct, universally understood, independent mandate is Step One to Compliance 2.0! Mandate is king! \*

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2. Boehme, Donna: “3 Nails in the Coffin of ‘Compliance 1.0.’” *Corporate Counsel*; March 17, 2015. Available at: <http://bit.ly/1CzM3bC>
3. Boehme, Donna: “Structuring the Chief Ethics and Compliance Officer and Compliance Function for Success.” *The SCCE Complete Compliance and Ethics Manual*, 2010. Available at: <http://bit.ly/1tfxPbp>
4. Boehme, Donna: “Five essential features of the Chief Ethics and Compliance Officer position.” *Compliance Today*; December 2012. Available at <http://bit.ly/1GRZ3w6>
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