

Compliance Spotlight

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How to be an effective Compliance Officer – Challenges around resources and regulatory requirements

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How to be effective in the current regulatory environment with increasing demands and ongoing pressures on resources is a challenge – but a challenge we all need to face head on! As with all challenges, the key to success is to structure the range of compliance requirements into manageable components, and plan accordingly.

Structure the range of compliance requirements into manageable components

The vast array of compliance requirements, including Anti-Corruption, Code of Conduct, Anti-Fraud, Data Privacy, Sanctions, Sales Compliance, Anti-Trust, Compliance Training and Compliance Monitoring, mean that Compliance Officers have an extensive Compliance Management System (CMS) to manage and oversee. The only way we can do this is to demonstrate leadership within each of our OEs and engage with our senior management teams to share the responsibility and accountability in order to deliver compliant outcomes. In this way Compliance leadership will become embedded in the culture of each OE, allowing Compliance Teams to guide, direct and advocate while maintaining their objectivity and independence.

Expertise without leadership will not work to maximum effect

As discussed at the last ICOM in Oct 2014, effective Compliance is built on technical expertise and management and leadership ability, and expertise without leadership will not work to maximum effect.



Alongside this, Compliance Officers need to evaluate their compliance resources realistically and develop plans that are achievable. Constantly working long days and late nights to try to cover heavy workloads is simply not sustainable in the long term, nor is it effective, as it ultimately leads to lower performance, although of course long hours are required at times and go with the territory! With very different levels of local regulation in different countries and continents, OEs need to resource their Compliance Teams as appropriate and as required in each environment.

Back to the two key components, firstly technical expertise, and secondly management and leadership ability, what do these mean? Well the first means that all Compliance teams need to be trained to high levels and be exceptional in their knowledge and expertise. It doesn't mean all Compliance team members need to be trained to exceptional levels in all components, but the required knowledge must be held within each team. And this is just a starting point, as the critical aspect of Compliance work is to be able to interpret and apply the regulations and legislation to all projects, products and processes, and communicate the requirements in a clear, informative and succinct way. As noted at the ICOM, the overall aim is to ensure that the OE business teams have a risk view, and that the risk teams (including Compliance) have a business view. This is a foundation to success. And what if they don't? Well enable them to learn! – as an example, a few weeks secondment of Compliance employees to another function, and other employees to Compliance, will give an insight into each other's needs, enabling better leadership and more effective outcomes.

Compliance teams need to be trained to high levels

Moving on from technical knowledge, what does Compliance management and leadership mean? As a starting point, these must be integral to everything we do, with the management skills of planning, leading, organizing and controlling the fundamental skill set of a Compliance Team. Within this, leadership can be defined as: "the process of influencing an organized group toward accomplishing its goals"¹. This means motivating, activating and instigating, and can only be achieved through good, and sometimes tough, communication.

To be effective, this communication must also be two-way, ensuring that views are shared, concerns listened to, problems defined and solutions achieved – by all parties.

So what is the outcome?

As Compliance Officers we can bring added value to our OEs! We must always:

- be learning and developing professionally,
- working together as teams (locally and globally),
- sharing information and expertise,
- and be alert to the perspectives and needs of all of our stakeholders and ourselves!

Across the Allianz community we have exceptional people – let's ensure we collaborate and work together to achieve compliant business outcomes that enable us to thrive!



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¹ Hughes Ginnett Curphy.
Leadership – Enhancing
the Lessons of Experience.
McGraw Hill.