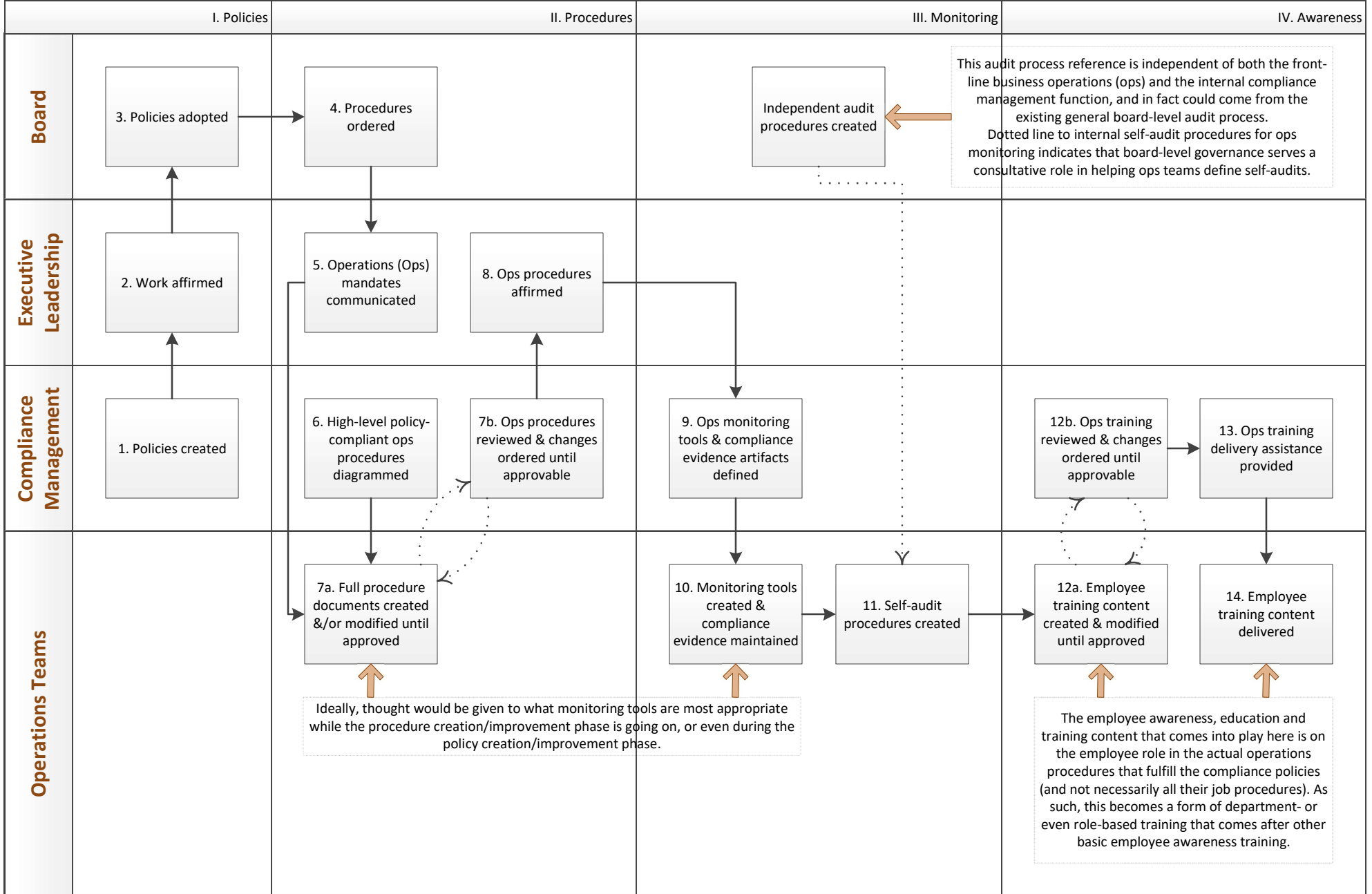


Cover Compliance LLC – High-Level Compliance Program Implementation Model



Ideally, thought would be given to what monitoring tools are most appropriate while the procedure creation/improvement phase is going on, or even during the policy creation/improvement phase.

The employee awareness, education and training content that comes into play here is on the employee role in the actual operations procedures that fulfill the compliance policies (and not necessarily all their job procedures). As such, this becomes a form of department- or even role-based training that comes after other basic employee awareness training.



Key Notes

- The diagram provides a high-level overview of the whole approach to implementing a new compliance program, including the phases from:
 - Policies – Creation and adoption of all the necessary policy language (under the presumption conditions below).
 - Procedures – Executive orders given to operations (ops) teams to create and strengthen the needed procedure documents that describe how to fulfill the policy requirements, compliance management assistance to ops teams through completion, and approval of the procedures by executive leadership.
 - Monitoring – compliance management guidance provided to ops teams on how to create and implement ways to monitor their procedures to ensure compliance, and how to create and maintain evidence of compliance. Board-level audit to define general independent compliance program audit procedures and assist ops teams on defining self-audit procedures for each policy requirement.
 - Awareness – Appropriate education/training content creation and delivery.
- The compliance lifecycle is iterative and this diagram represents the first iteration of that lifecycle. Once all these phases have completed, the cycle begins again, and activities in each phase will be going on at any given time, due to many different drivers for correcting errors, accounting for changes in operations or compliance requirements, and changes in staff.
- The norm is that any given document in the compliance program would be reviewed on at least an annual basis and that review, as well as other interim changes to the documents, should be captured in a document change and approval history within each document.
- This approach is just for the foundational implementation of the program. As soon as that foundation is built, it would be necessary to prepare for evolving to more mature risk management and flesh out the iterative aspects of managing the program, including regular review of documentation, carrying out the actual internal audits, conducting external assessments, and whether to seek any kind of external certification of the program.
- In environments where a compliance program already exists, this approach is still advised; however, it is wise to evaluate the existing components to close gaps and make improvements before adding new functions, such as moving from a policy-only program to adding actual compliance-targeted ops procedures, or evolving from a policy-and-procedure-only program to creation of formal compliance monitoring.

