

7 Benefits of Adopting a Compliance Monitoring & Learning Solution

The Problem

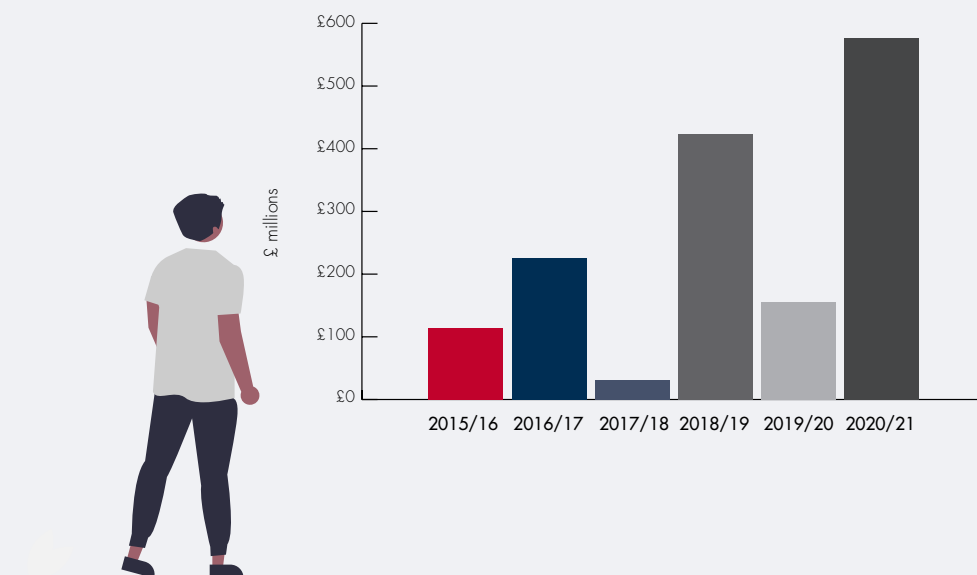
On a yearly basis, FCA-regulated firms have a wide range of regulations they must comply with to stay on the good side of the law and avoid any financial or reputational damage.

These regulatory obligations might include a specific number of structured training hours to be completed per user, assessments of competence, fitness and propriety under Senior Managers & Certification Regime (SMCR), and the adequate monitoring of your firm's activities, to list a few.

Keeping track of all of these requirements and setting up a database to store all required FCA actions can be burdensome. Nevertheless, it has to happen to protect the company from compliance risk and be prepared in case of an FCA inspection or the need to respond to a specific FCA request.

Carrying out all of this work manually—a practice of the past—is no longer financially feasible as it eats into your organisation's budget, resources, workforce, and more. Additionally, in many instances, manual monitoring and reporting is more prone to human error, delays, and the risk of incurring fines as a result of non-compliance.

Last year, the FCA dished out fines of £215,834,156 to regulated firms for a variety of breaches with the largest one amounting to over £107 million as a result of "breaches of PRIN 3 related to the risk of financial crime in the Retail Banking sector."¹ Furthermore, in 2021, FCA fines hit a massive six-year high at £567,765,219.95.²



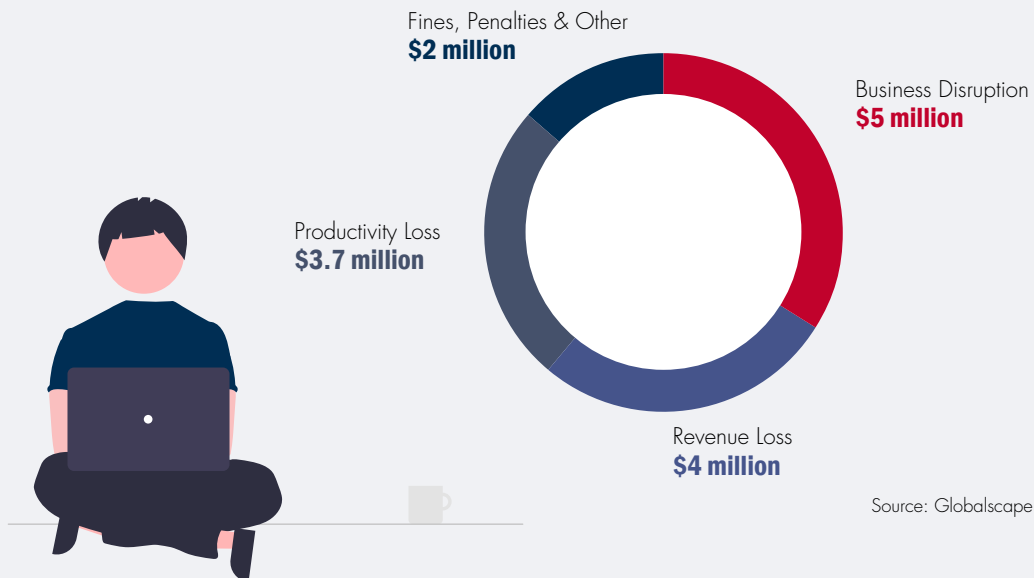
¹ 2022 fines | FCA

² 2021 fines | FCA

At a global scale, the numbers are just as staggering. According to Lexis Nexis' *2022 Risk Solutions 2022 True Cost of Financial Crime Compliance Study*, financial institutions have spent close to \$274 billion in 2022 to combat financial crime, a jump of more than \$60 billion when compared to 2020. On average, the report asserts, financial costs for organisations in the financial services have "risen by double-digits since the pandemic began in 2020."³

Additionally, it's not just fines from the regulator for breaches and non-compliance; studies have shown that the fine is often not even the biggest cost to the firm financially. If you add in the average cost of business disruption due to an enforcement action, the average revenue lost, and the cost of lost productivity, the overall cost to firms over 12 months for non-compliance is significant.

The Costs of Non-Compliance



Who Does This Affect?

A wide array of stakeholders are affected by these rising compliance costs, burdens that might unnecessarily attract more attention to the detriment of other operations.

Regulators: Whether it's the FCA or the SEC or any other regulatory body out there, chasing after companies that fail to comply with their regulatory obligations can be a tiresome activity. Instead of focusing on finetuning or expanding the regulatory framework or educating the public on the rulebook, a vast amount of resources must be dedicated to imposing fines, auditing organisations, and other activities related to non-compliance monitoring.

³ [True Cost Financial Crime Compliance 2022 | LexisNexis Risk Solutions](#)

Firms: Considering the rapidly evolving and expanding regulatory framework of the financial services sector, companies need to spend a greater amount of time, money, and people to comply with their growing regulatory obligations. Again, this places additional stress on the compliance function and diverts resources away from other business activities.

Compliance Officers and Directors: More than ever, compliance officers and senior management must dedicate more time and energy these days to comply with the regulatory framework. Similarly, budgeting and the bottom line become an issue on an annual basis as more resources are required to avoid unwanted financial penalties and reputational damage.

Staff Members: Team members in the compliance function and beyond who have reporting and monitoring obligations might allocate many hours complying with their requirements. If the work is being done manually, employees face the risk of human error or missing a deadline, adding to the stress of the job at hand. In the long term, this is an untenable situation and may lead to greater employee turnover within the organisation.

The Industry as a Whole: The greater the rates of non-compliance, the greater the reputational damage faced by the sector as a whole. Hence, non-compliance, whether it stems from a lack of resources or an inability to comply in a timely manner, paints the sector in bad light and creates obstacles in its effort to function smoothly and effectively.

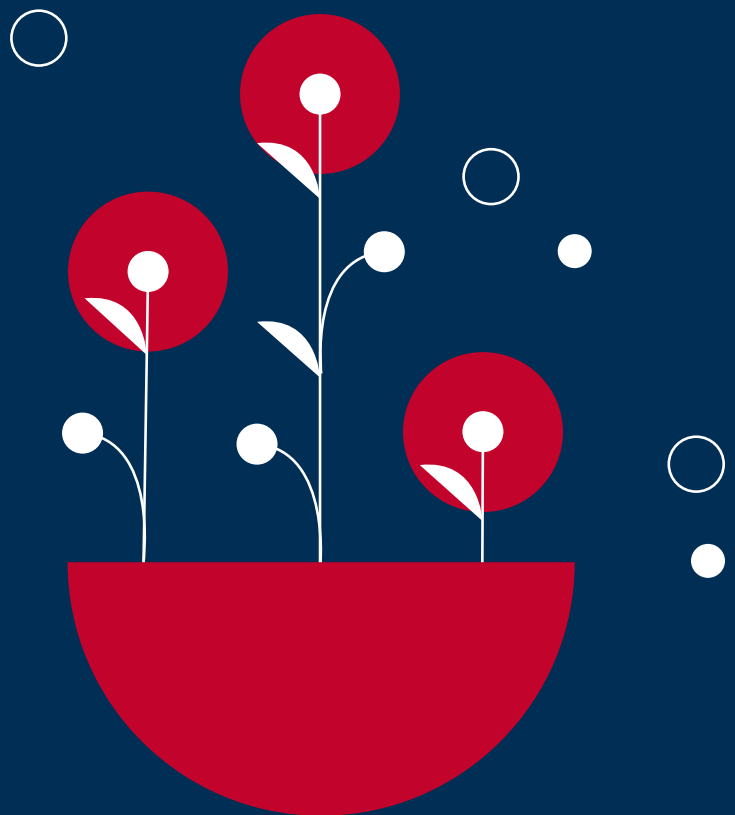
Despite these rising costs and regulatory obligations, there's hope for organisations as they work their way through these increased demands and challenges. As explained by Lexis Nexis, "financial institutions that have invested in technology solutions to support financial crime compliance efforts, have experienced lower costs and fewer compliance operations challenges."⁴

Enter the automation of your compliance monitoring and reporting.



⁴ [True Cost Financial Crime Compliance 2022 | LexisNexis Risk Solutions](#)

7 Benefits of Automating Your Compliance Monitoring & Learning



1. Reduces Your Compliance Costs Across the Board

Saving money, or at least cutting down on unnecessary expenses, is central to all organisations. By automating your compliance monitoring and learning, you will contribute to this cause by reducing the amount of resources required to comply with your regulatory obligations.

First of all, via automation, your organisation will be less susceptible to incurring fines for failing to comply. When everything is programmed, explained, and scheduled for your organisation, your team will be less likely to miss a deadline or report wrongly and lead to a financial penalty or damage to your firm's reputation.

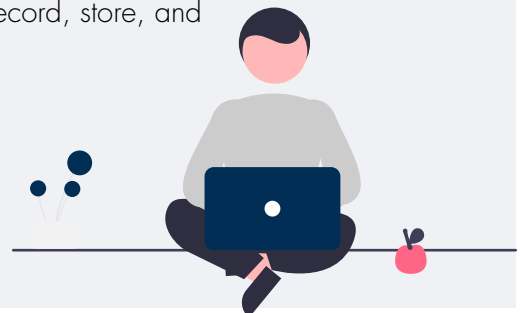
Secondly, if you choose to automate, you will rely less on individuals to manually carry out your compliance processes and, therefore, save money on salaries, office space, and other employee benefits. Additionally, you can shift team members who were focused solely on compliance to other departments that are geared towards more money-making activities.

2. Helps You Comply with Your Regulatory Requirements Quicker and More Efficiently

In this day and age, it's very hard to beat the machines when it comes to speed and accuracy. The fact is, automating your compliance process will lead to quicker, more accurate, and more efficient monitoring and reporting.

Automation will practically eliminate human error from the equation while inputting, organising, and reporting data in seconds. Gone will be the days when you emailed spreadsheets back and forth between team members, saving version after version and doing your best to avoid unnecessary mistakes in the results.

Additionally, these sorts of solutions are usually flexible and highly customisable. This will allow you to create a tailor-made platform that will record, store, and report the data that is right for your organisation.



3. Keeps Robust and More Accurate Records of Your Compliance & Training Reporting Requirements

Any compliance monitoring and learning solution will store records of all of your activities for you to peruse when needed. Whether it's an attestation, submitted report, payment made, or certificate for a completed course, these types of solutions can help you organise your files and activities in one centralised and secure place, where full audit trails are created.

So when you're looking for specific documents, reports, or activities carried out by your team members, you will know exactly where to search. Better yet, if the regulator comes knocking on your door, you can easily extract specific information and reporting from your database and present it accordingly.

For instance, by adopting automation, you can set up a central repository for all FCA-related information, attestations, and proof of other reporting requirements. This can be relied on in the case of an FCA inspection or the need to respond to an FCA request such as the annual assessment of competence, fitness and propriety under SMCR.

4. Allows Your Team to Spend More Time Bringing in Business & Scaling Up

With automation, all those team members who were once manually inputting data and carrying out your compliance reporting can now focus on other activities aimed at growing your business.

You will have more hands on deck to dedicate their time and efforts to business development, sales, marketing, product development, and any other activity that is core to your organisation's growth, profitability, and future prospects.



5. Facilitates Learning by Providing Users with Greater Flexibility When Completing Their Training

Yes, learning might sometimes be better when done face-to-face and in person. However, with the rise of remote work and flexible schedules, how easy is it to get everyone in the same room at the same time?

An automated compliance learning solution allows users to complete their training on their own schedule and from the comfort of their home, office, neighbourhood café or favourite beach. This ultimately frees up time in your schedule as you will no longer have to seek out a trainer, book a conference room, and make sure everyone can attend on an assigned day and time.

6. Makes It Easier for You to Detect Risks, Mistakes, or Potential Violations

Given the accuracy and speed of automation, you will be better equipped to track down mistakes, detect risks, and pinpoint potential violations before it's way too late and you've been slammed with a fine or added reputational damage.

By simplifying your compliance monitoring process, automation will help you stay on the right side of the law and reduce your anxiety levels when it comes to keeping track of your regulatory obligations. Additionally, automation's organisational prowess will make your job easier and allow your compliance team to focus on other more important issues.

7. Prepares You Better for Audits or Regulatory Checks

By having all of your records under one platform, it will be very easy for you to pass your regulatory checks or audits with flying colours.

You will know exactly where to look for anything being requested by the regulator. Whether it's a specific report, training attestation, or something else, your compliance monitoring and learning solution will include specific data on each for every single one of your users. This information will also be updated by the minute and can be sorted and downloaded to present to the authorities when required.

Complyportal & LGCA's Compliance Monitoring & Learning Solution (CMLS)

Below are the main features (and advantages) of our flagship compliance monitoring and learning solution.



1. One-Stop Shop for FCA Training & Reporting Obligations

For regulated firms in this day and age, having a one-stop shop for your regulatory compliance tasks, training, and obligations is critical. Too many firms have faced unnecessary fines and damage to reputation due to things 'slipping through the cracks.'

Our CMLS gets you away from the manual processes that even some larger firms are still adopting today. Keeping all of your monitoring, attestations, registers, risk assessment and FCA training under one solution, will ensure that everyone within the firm is remaining compliant and up-to-date. It is more than just a software solution though; our expert client services team are here every step of the way, from initial onboarding to training and ongoing support. We describe it as working as an extension of your team, to make the process as seamless as possible for you as a firm.

2. In-Depth Reporting

Reporting is a critical feature of the CMLS. Completing your mandatory monitoring, training and other compliance tasks is one thing; showing proof and in-depth reporting to the auditors and regulators is a different story.

Via our reporting section, you can pull up and extract full and detailed reporting of anything done within the platform. Perhaps you may need to pull reporting for all financial promotions you submitted and were approved over the last 12 months. Or maybe the FCA has asked you for all PA dealing requests submitted this calendar year, or you need to see and extract all regulatory and compliance training that has been completed.

Our in-depth solution and reporting feature is designed to make sure you are as best prepared as possible for the auditors and the regulators, without it taking a lot of your valuable time away from other important aspects of your role.



3. User-Friendly & Intuitive Dashboard

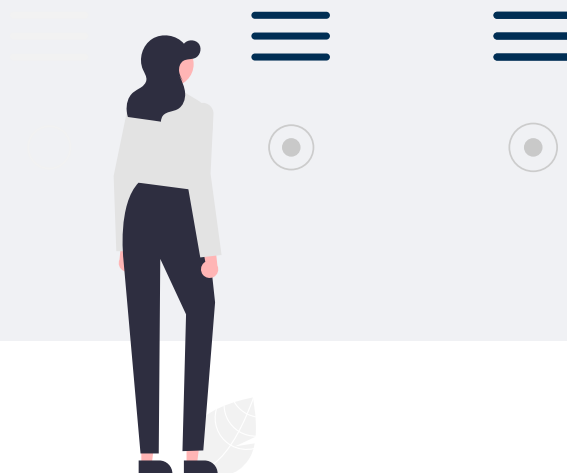
The key to our solution is simplicity. Compliance teams have enough work to manage, and digitising and simplifying your compliance monitoring and learning gives you more time to focus on more pressing tasks. With any new software and platform a company adopts, being user friendly is one of the key 'must haves' from every firm. The CMLS is incredibly user friendly, and easy to train others on.

Evidence, proof, and accountability are why so many firms use our solution. Everything that is done by users of our CMLS creates a time stamp and an audit trail. Whether you are a company admin, who needs full visibility of what tasks and training your colleagues are completing, missing deadlines on, or have scheduled to complete in the near future, or you are a user completing assigned compliance tasks throughout the year, you will have full visibility through our user-friendly and intuitive dashboard. Each user will see their own personalised dashboard of *Due Tasks*, *Overdue Tasks*, *Completed Tasks*, and *Future Tasks*, making sure that nothing gets missed.

4. Flexible Configuration & Accessibility

Flexibility is another key element of the CMLS. With our subscriptions, you will have access to all of our *Compliance Monitoring Modules*, our *Compliance Templates*, and *FCA Compliance Library*, which includes more than 30 short courses on everything your team needs to know. When it comes to configuring the tool, it is designed to be flexible to suit your needs as a company. Whether it is a bespoke approval process, an attestation schedule for the year, or a calendarised compliance monitoring programme specific to your firms permissions.

Accessibility and user control is another key feature. Company admins can determine who will have access to which modules and policies within the tool, making sure that users only ever see what is relevant to them as an individual or team.



5. Customisation Opportunities

Customisation within the CMLS is also vital, and nothing within the tool is ever set in stone. Perhaps you need to provide us with a custom template for your compliance monitoring programme, or you need to amend your approval workflow for your financial promotion register. Everything that is configured into your account is customisable at any time, which allows the tool to evolve at the same pace as your company.

Additionally, the courses available as part of our *FCA Compliance Library* can be customised to add information that is specific to your firm.

6. Self-Paced Online Learning

Our CMLS includes training that is delivered as self-paced, online modules, allowing users to have greater flexibility when it comes to fulfilling their annual training obligations. You can choose to roll out these courses whenever you would like and set specific deadlines for their completion. We will also enrol your students to courses and notify them of upcoming deadlines based on your self-designed training calendar. Finally, all certificates of completion will be stored within this solution for easy exporting and auditing purposes.

7. Expert Content Updated on a Regular Basis

The CMLS is a compliance tool, built and managed by compliance experts. We have an extensive library of compliance templates for all of our modules that are built, managed, and updated by our compliance consultants at Complyport, meaning that every template that you use within the tool is up to date with current FCA regulations.

Similarly, our *FCA Compliance Library* has been researched, developed, and designed by subject matter experts who know the ins and outs of the FCA's regulatory framework and the many reporting, monitoring, and training requirements of regulated firms. Furthermore, our courses are updated at least once a year or whenever there is a significant change or addition to an FCA regulation, so your team will always be receiving timely and accurate information on what is taking place in the financial industry.



**For more information on our
CMLS and to set up a demo
session, please contact us at**

LGCA

<https://lgca.uk/>
+44 203 514 0270
info@lgca.uk

Complyportal

<https://complyportal.uk/>
+44 207 399 4980
info@complyportal.uk

