

A BOARD GUIDE

The Compliance Management System

Building, Measuring, and Maturing a Program—Consistently

A single framework that turns a compliance program into defined building blocks, measurable standards, and a roadmap for improvement

What a Management System Is

One framework for how a program is built, measured, and improved over time

- **A consistent methodology.** It organizes program development around a defined set of core standards—so the program is built the same way everywhere.
- **A lens for maturity.** It lets you assess how developed each part of the program is today—objectively, not by gut feel.
- **A roadmap.** It shows the next step for each standard, turning “improve compliance” into specific, sequenced moves.
- **A record.** It documents what the program is, why, and how it has matured—exactly what regulators expect to see.

IN ONE LINE

A management system is the *operating manual* for a compliance program—and the yardstick for how good it is.

Six Building Blocks

Every compliance program, regardless of industry, rests on the same foundations

01 Leadership & Culture

Tone at the top, accountability, and resources that signal compliance matters.

02 Regulatory Analysis & Risk Management

Identifying legal requirements and assessing and prioritizing risk.

03 Policy & Governance

Standards, policies, and the structure that turns them into action.

04 Training, Education & Communication

Making sure people know the rules and how to follow them.

05 Auditing

Independent testing that the program works as intended.

06 Monitoring & Quality Assurance

Ongoing checks that detect issues and drive improvement.

How a Standard Works

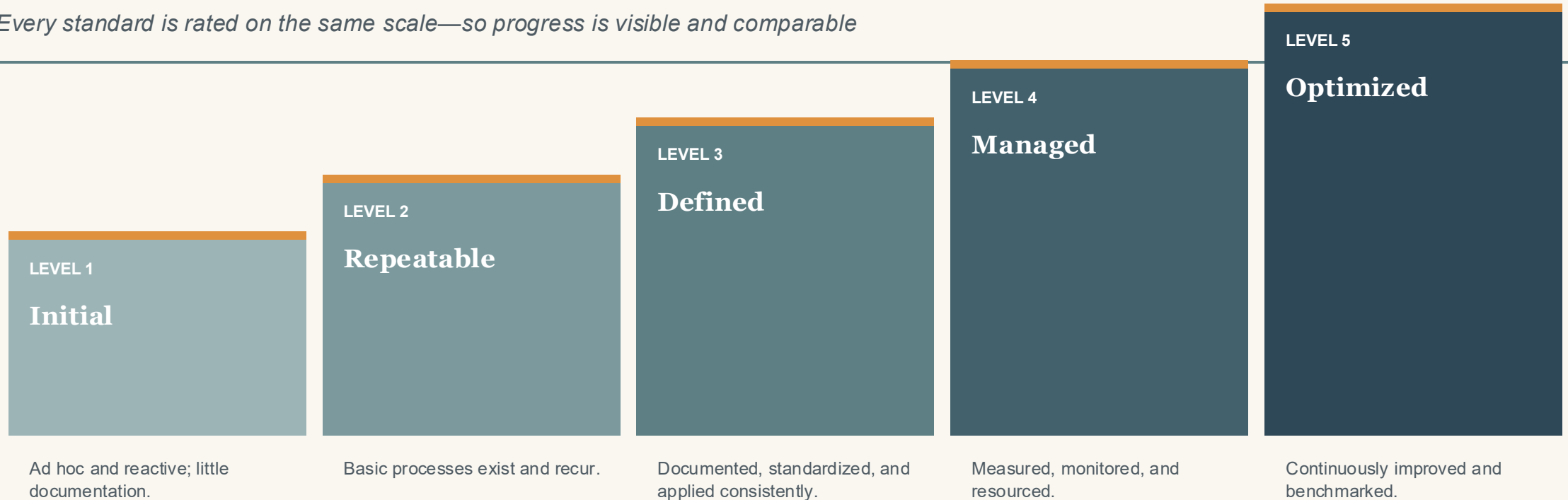
Each building block breaks down into standards—and each standard is testable



Deliverables are the proof. A standard isn't "met" because someone says so—it is met when the people, process, or system that demonstrates it exists.

The Five-Level Maturity Model

Every standard is rated on the same scale—so progress is visible and comparable



AD HOC

WORLD-CLASS →

People, Process & Systems

Every standard is evidenced by one of three kinds of deliverable

People

Roles, ownership, and expertise.

- A named owner for each standard
- Defined roles and accountabilities
- Skilled, resourced compliance staff
- Engaged leadership and board

Process

Repeatable, documented ways of working.

- Written policies and procedures
- Risk assessments and action plans
- Training and communications cadence
- Escalation and reporting routines

Systems

The tools that make it scale.

- A policy and document repository
- Case, training, and monitoring tools
- Dashboards and management reporting
- Data that evidences the controls

What the Management System Delivers

Four reasons this framework belongs on the board's radar

Defensibility

It evidences a program that is well designed, resourced, and working—the questions regulators and prosecutors ask.

Consistency

It applies the same standards across business units, geographies, and subject matters.

A roadmap

It shows exactly where to invest next, sequencing improvement instead of guessing.

Benchmarking over time

Maturity ratings make progress measurable—year over year and against peers.

Five Questions to Ask

You don't run the system—but you should test it

Do we have a defined framework?

A real management system, not a binder of disconnected policies.

How mature is each building block?

An honest rating today—and the gaps it reveals.

Where are we investing next?

Resources should follow the lowest-maturity, highest-risk blocks.

Can we evidence it?

People, process, and systems that prove each standard is met.

5. And the real test: *if a regulator asked to see our program, could we show this system—and our progress on it?*