FRAUD AND FINANCIAL CRIME RISK
BUSINESS RISK
CYBER RISK
POWERING UP COMPLIANCE
A COMPLEX RISK ECOSYSTEM DEMANDS CONTINUED INNOVATION
Compliance has assumed its rightful place alongside other functions such as Finance and Risk within financial institutions as a mature control organization. Compliance’s role as both a strategic advisor and a risk assessor continues to be challenged by the diversity of risks to understand, monitor and manage.

WITHIN THE NEXT 12 MONTHS, THE TOP THREE COMPLIANCE RISKS ACCORDING TO RESPONDENTS INCLUDE:

In Accenture’s experience, a key strategic priority for Compliance is to maintain a continued spirit of innovation that sustains capabilities at the level of sophistication needed to manage a more complex risk ecosystem.

TODAY, RESPONDENT FIRMS SPEND MORE THAN 5 PERCENT OF THEIR NET INCOME ON COMPLIANCE, A JUMP OF 40 PERCENT YEAR-OVER-YEAR.

Despite this, a very large majority of respondents to our study expect to increase their investment in Compliance capabilities as they face a newer challenge that demands sustainability across an expanded set of responsibilities.

The Accenture 2017 Compliance Risk Study indicates the transformation journey for Compliance has entered a new phase in the face of the digital age and escalating margin and performance pressures as financial institutions look to rationalize and reduce costs while improving efficiency.

Our study reveals that institutions are choosing different paths to optimization. Regardless of the path taken, the common challenge is keeping Compliance innovative so the function remains sustainable in a transforming financial services business and risk ecosystem.

INNOVATORS, INTEGRATORS AND IMPROVERS
In our experience as confirmed in the Accenture 2017 Compliance Risk Study, there are three main models that, while not absolute or comprehensive, can help summarize some of the key approaches being taken by financial institutions.

INNOVATORS “Innovators” establish leadership positions through a continued focus on new tools and methods to strengthen core risk and control capabilities, extend breadth and depth of coverage and provide the adaptability to deliver against future demands on the function.

INTEGRATORS “Integrators” seek greater efficiency through improved integration of capabilities within Compliance as well as the integration and sharing of skills and capabilities with other second line of defense functions.

IMPROVERS “Improvers” tend to adopt a more watchful stance in their investment. They seek to learn from the experience of peers and blend leapfrogging investments with spending on more foundational tooling.

READY FOR TOMORROW’S COMPLIANCE?
The rules of the road for Compliance have changed. These are driven by the accelerating demands of the digital age and the expanding awareness of the importance of strong conduct risk management.

Compliance functions should recognize this shift and enhance their investments if they are to remain relevant to their institutions and maintain their role as both an objective control function and strategic advisor to the business.

For more information, visit www.accenture.com/financialservices