

## **Broader Perspectives; Higher Performance. State of Compliance: 2012 Study**

PwC and Compliance Week

June 2012

### **Objective**

The State of Compliance report aims to give compliance officers a comprehensive view of how they and their peers work, what their responsibilities are, what resources they have, as well as other vehicles of insight.

### **Methods**

Between February 28 and April 6, 2012, survey data supporting the Compliance Week-PwC State of Compliance 2012 Study was collected. The survey was directed toward senior-level compliance officers at U.S. corporations with annual revenue of at least \$1 billion belonging to a wide range of industries including manufacturing, finance, insurance, retail, and many more.

### **Key Findings**

- 71% of companies now have a compliance committee—up from last year’s 57%.
- 75% of respondents were directly responsible for conflicts of interest or abuses in gifts and entertainment.
  - Only 33% said sales and marketing representatives served on their compliance committees.—where gifts and entertainment offered to customers have long been concerns, and in some industries, regulated.
- 91% of regulators, 72% of audit committees, and 70% of business partners want to see evidence of an effective compliance program.
- 35% of respondents labeled surveys of workforce culture as very important.
  - 94% rated compliance audits as important or highly important.
- 47% of respondents said their internal audit department uses its own IT tool
  - 20% of respondents said they share one IT tool with other functions.
- 46% of respondents monitor social media sites for hints of misconduct
- 54% review social media postings as part of pre-hiring due diligence
- 46% of compliance officers say they plan to spend more money on compliance-related technology and tools in the coming 12 months
- The percentage reporting budgets of \$3 million to \$10 million jumped from 14% last year to 21% in 2012.
- 4% of compliance departments consisted of one employee. (Last year, 12%)
- 80% of respondents said their compliance departments grew at least modestly in the last year
  - 25% of respondents reported that their compliance departments jumped by more than 10%

- One-third experienced no change.
- Fewer compliance officers report to the general counsel on a daily basis (35% in 2012, 41% last year)
  - The number reporting on a daily basis to the CEO held steady at 32%.
- 84% of compliance officers say they are satisfied with their assessment of effectiveness.

## **Conclusion**

Despite the positive changes in many areas, room for improvement still remains. For instance, 8% of companies have no formal chief compliance officer at all.

Full report: [http://www.pwc.com/en\\_US/us/risk-management/assets/2012-compliance-study.pdf](http://www.pwc.com/en_US/us/risk-management/assets/2012-compliance-study.pdf)