Ethics: The true foundation of every compliance program

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Believe it or not, ethics are often more important than rules, and this is certainly true when it comes to internal procedures and policies in a company. That is to say, rules are always needed to construct a compliance program, but without ethics, there is really no way for these policies to actually work.

But what does this mean exactly, and what makes ethics so important?

It simply means that most companies focus on the technical aspects of compliance, but the truth is, ethics and morals are the real driving force behind any such program. What's more, companies that try to enforce certain rules or strict compliance programs can alienate employees and even stifle the sense of culture in an organisation. At the same time, to realize the role of ethics, it's just as important to understand the underlying purpose of a compliance program.

The importance of a compliance program

A compliance program is a set of policies that are used to maintain the reputation of a business. This program is put in place to prevent those associated with the company from breaking specific laws, and there are several aspects outlined in a compliance program. The main components of a company compliance program are:

- **Written procedures** – The definitive list of the best company practices and policies.

- **Compliance officer** – The designated compliance committee or individual in the company.

- **Training** – Outline of the compliance training and education available in the company.

- **Communication** – Detail of the standard lines of communication in the company.

- **Auditing** – Brief outline of how the company monitors its rules and the internal auditing practice.

- **Disciplinary guidelines** – Guide to disciplinary standards and actions for specific situations.

- **Response** – Outline of various responses and actions to be taken with problems that may arise.

Needless to say, all the above makes perfect sense for the legitimacy of any company. Simply put, this compliance program can protect an organization from risk and help the company avoid compromising situations. What's more, a compliance program is designed to ensure that the company keeps in line with strategic planning and stays on course to reach set goals or objectives.

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