



Internal Audit Unit

Monthly Articles

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Compliance benefits

Compliance is very important in carrying out the duties of each department or department of an organization or entity. Therefore, all organizations, institutions, and sectors need to respect and comply with laws or regulations to fulfill their roles and responsibilities in their respective sectors, whether private or public. At the same time, employees or officials working in the public sector also need to comply with laws and regulations that govern their daily operations, including rules and procedures established by their own institutions, such as internal regulations, codes of conduct, rules and procedures for managing individuals and administration. Furthermore, managing or complying with laws, regulations, and rules correctly and completely can help promote good institutional management.

Definition

According to research, the word compliance is defined differently depending on the organization as follows:

1. Compliance refers to activities that adhere to laws, regulations, standard policies of the organization governance policies, and standards of ethics.
2. Compliance refers to the process of complying with regulations and internal procedures that are consistent with the business activities or operation of the organization.

Compliance benefit

-To strengthen the daily implementation of the organization such as better risk management through the high efficiency of compliance implementation and awareness of caution requirements. For every process

of controlling and evaluating, the person in charge of compliance management will report to management to establish mechanisms and procedures to correct the urgent problem or the person in charge of compliance management will direct to individual who does not comply with regulations and internal procedures.

-To manage assets by reducing the confusion of unforeseen interruptions or improper practices through emergency prevention, correction and reduction of operating costs and financial risks.

-Non-compliance management may result in penalties or legal penalties that may damage the reputation of the organization, as some penalties may be subjective to public disclosure or stakeholders.

-Compliance management requires the organization to prepare a checklist on a regular basis to monitor the organization's performance in adhering to laws, regulations, standards, and contracts, which helps to eliminate the risk of litigation and penalties for non-compliance. It also increases public confidence through integrity and strengthens the relationship with partners or contracting parties.

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References:

- 1 -The Excellence of Compliance Management of Internal Audit Unit of FSA.

