



# Compliance Risk Management

*Compliance: It's Everybody's Business at Bank of America™*

## **Compliance A Catalyst for the Data Quality Movement**





## The “Why”

- “When it comes to compliance, little data anomalies can lead to big expense.” Cass Brewer, IT Institute
- Fines With 3 to 8 zero’s
- Organizations Face Operational Risk and Reputation Risk
- In Some Regulations, the Penalty is Prison Time

**Compliance Gets Executive Attention  
and  
Improves Business Performance**



## The “What”: U.S. Compliance Examples

- US Patriot Act
- Bank Secrecy Act
- Gramm-Leach-Bliley Act
- Sarbanes-Oxley (SOX)
- HIPPA
- Office of Foreign Asset Control (OFAC)

**There are Many More!**  
(State Specific, Country Specific and Industry Specific)



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## Seven Elements of a Compliance Program™





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## The “How”: Six Sigma

- Everything is a *Process*
- All Processes have *Variation*
  - Variation is the *Enemy*





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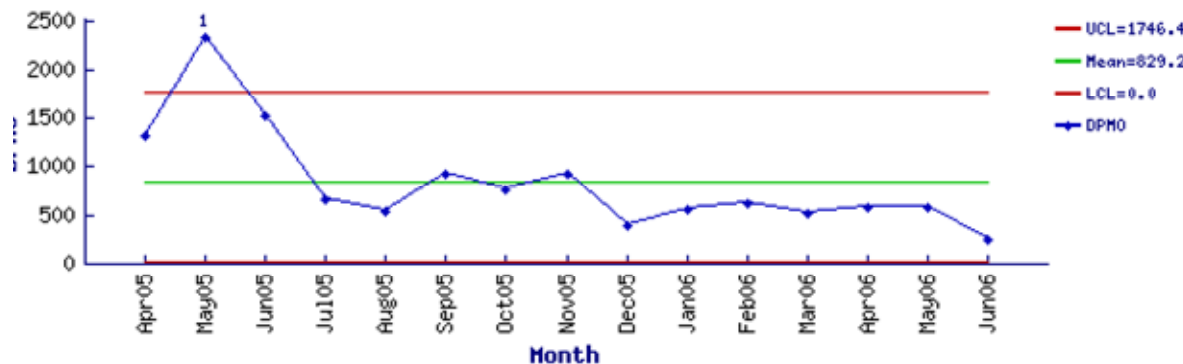
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## Defect Dashboard Reporting

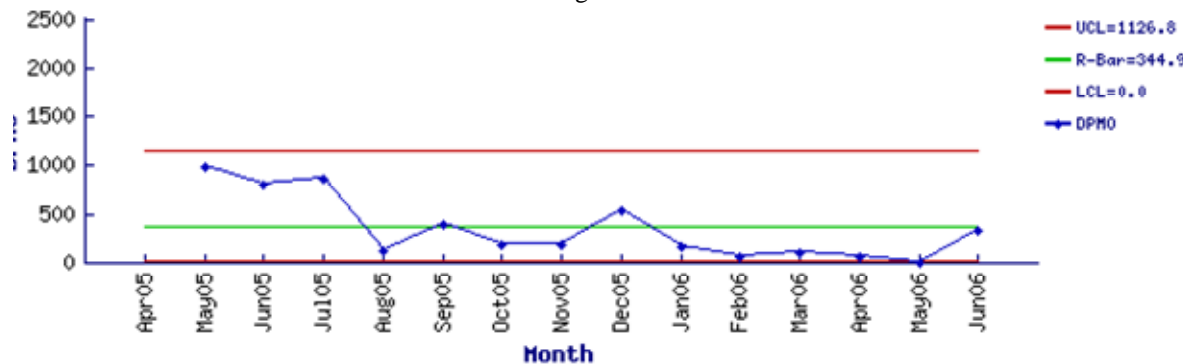
Control Chart (I-MR)

[P-Chart](#) [U-Chart](#)

Individuals Chart



Moving R Chart



Control Charts  
Oversee The  
Collection And  
Repair of Key  
Data For  
Customer  
Account  
Openings.

- Hundreds of Monthly Control Charts Oversee the Process



## Our Approach

- Defined in Corporate Policy
- Executive Sponsorship and Governance
- Risk Based Approach
- LOB Process Owners
- Daily, Weekly and Monthly Operational Reports
- Compliance Process Owner and Oversight
- Monthly Automated Monitoring by Compliance
- Monthly Process Owner Meetings
- Quarterly Report to Governance
- Mistake Proof it Where Possible
- Six Sigma
- Balance Risk and Reward
- Continuous Improvement

Tip: Data Profiling Tools Are Very Helpful, Especially During The Analyze Phase





## Lessons Learned

- Leverage Corporate Policies
- Create DQ Governance
- Connect DQ to the Business Process
- Link it to Sales Commissions
- Separate Business Rules For Individuals vs. Entities
- Action Plans from Process Owners (i.e. data stewards) is Critical
- Support The Business Process Owners With Expectation Setting, Escalation Processes, Technical Support And Shared Successes
- Implement Data Quality Rules in Phases





## Key Points

Measuring the Data Quality is Critical for Compliance

Data Quality Is Required By Policy And By Regulation

Six Sigma Tools And Methods are Effective

Alignment with Compliance Results in Accelerated DQ Progress



## References

- **Data Quality: Five Strategic Practices for Compliance**  
by Cass Brewer editorial and research director for the IT Compliance Institute <http://www.itcinstitute.com/display.aspx?id=158>
- **Dissociative Disorder: Compliance and Data Quality**  
by Cass Brewer <http://www.itcinstitute.com/display.aspx?id=2329>
- **CDI: Harnessing the Value of Enterprise Data, Part 5: Compliance: Data Quality and Beyond** By R. Jeffrey Canter  
[http://www.dmreview.com/article\\_sub.cfm?articleId=1006763](http://www.dmreview.com/article_sub.cfm?articleId=1006763)



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## Abstract

***Compliance for regulations such as the US Patriot Act, Sarbanes Oxley, Basel and others can be the catalyst to make real progress on data quality.***

Bank of America's Compliance and Risk Management Organization leveraged the data quality program and Six Sigma methods to achieve improved customer identification program data as required by The US Patriot Act. This presentation will highlight the catalyst effect compliance brings to the data quality movement and is a case study on the governance process, data stewardship, effective data quality monitors and Six Sigma methods.