

# SEC Remarks at Compliance Outreach Program Emphasize Role of Senior Management

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As we mentioned in an earlier [blog post](#), the Securities and Exchange Commission recently held a Compliance Outreach Program National Seminar in Washington, D.C. for [investment advisers](#) and investment companies. While the program previously targeted chief compliance officers, this year's program was expanded to senior management of investment firms as well.

The SEC's change in emphasis was clear in the name of the event, which was changed from "CCO Outreach" to "Compliance Outreach." As noted by Carlo V. di Florio, Director, Office of Compliance Inspections and Examinations, "The reason for this change is not because we at the staff are no longer trying to reach out and support chief compliance officers. To the contrary, we continue to be very supportive of the critically important role that they play. Rather, what we are trying to do, both at this conference and generally in the examination program, is to elevate the role of compliance by underscoring that it is not a responsibility that stops at the desk of the CCO."

In his [remarks](#), Mr. di Florio made it clear that senior management and the board will be expected to play a greater role in investment adviser compliance programs. He noted, "Strong risk management controls, including a solid compliance program, are a key responsibility of everyone in a regulated entity, but the right culture and tone at the top are especially the responsibility of senior management and the board."

With this in mind, the SEC plans to focus most intently on firms where it senses that senior management and the board are not setting the appropriate tone and are failing to support key risk and control functions with adequate resources, independence, standing, and authority.

The SEC further emphasized that senior management and the board should support each of these levels by "reinforcing the tone at the top, driving a culture of compliance and ethics and ensuring effective implementation of risk management in key business processes, including strategic planning, capital allocation, performance management and compensation incentives."

## *The Message for Advisers*

It is clear that the SEC expects the compliance function in every advisory firm to have the full support of senior management and the board and that it will pay even closer attention to the tone at the top and a firm's culture. CCOs can be invigorated by the SEC's holistic approach.

It should make them much less lonely.

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