Practical knowledge management strategies for compliance teams

By Doug Horner

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Do you ever wonder what would happen to your organization’s compliance program if you, or your senior compliance staff, were hit by a bus? (God forbid!) Would essential knowledge—the facts, information, and skills acquired by people through experience or education—be immediately missing and expensive to recover? I hope not, but as compliance professionals, we know that hope is not a strategy. I’d like to share a few practical strategies for you to consider in knowledge and information management to help your important business knowledge endure in the company over time and for it to be accessible to the right people when they need it (Hint: this could be while you are sleeping).

For some brief context on our compliance environment, my not-for-profit company is an international nongovernmental organization funded primarily by the federal government through cooperative agreements. As such, we are heavily regulated and subjected to multiple levels of scrutiny and audits to help ensure that our public and private resources are being well stewarded and that we are in compliance with laws, regulations, terms and conditions, and our policies.

The primary federal regulation we must adhere to is familiar to many nonprofits and universities: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,[1] which was an attempt to reduce and harmonize all of the federal government’s assistance regulations into a “Uniform Guidance.” It runs 155 pages. Furthermore, the government allowed the Department of Health and Human Services (HHS) to codify its nearly identical (but not identical) assistance regulations at a different location in the Code of Federal Regulations,[2] which created additional complexity for those organizations, like ours, which are funded by HHS and other agencies. In addition, the departments and agencies have additional compliance documents that we must, or may, adhere to, including agency supplements to the Uniform Guidance, grantee handbooks, standard and unique award terms and conditions, and preferences that must be tracked, interpreted, and negotiated (where possible). Does any of this compliance and operational complexity sound familiar?

Capture your work knowledge

Some of the most valuable knowledge to be managed is what I call “work knowledge” that is unique to your company, its processes, risk tolerances, and regulatory environment. This practical knowledge informs how you usually address complicated compliance issues. Without a knowledge management strategy, this work knowledge will tend to live only in the heads of you and your staff, which is not a good approach for sustaining this valuable knowledge.

We have used a couple of techniques to manage work knowledge. One approach has been to create a document series that we call Compliance Memos. These memos tackle tricky and/or unclear compliance issues and what our company’s approach is going to be. These memos are no more than two pages and are generally structured as follows: topic name, questions from staff that need to be answered, our conclusion on what to do, relevant background information, legal citations, date created/updated, and the names of the staff who developed the memo. Note that unlike a legal brief—which, in my experience, is never brief—this document is short and written in plain English so the workforce can understand it and know what to do and what not to do. Clarity of
expression is critical, especially if you have a global workforce and your information is going to be translated into other languages. If it’s unclear in English, just wait until it makes the journey over to Portuguese! For example, one of our Compliance Memos answers the question: Do I have to fly on an American airline when I travel overseas? This is an important question for all organizations subject to the requirements of the Fly America Act (which has exceptions and does not always apply to our activities).

**Simple IT tools can help you**

Another technique we’ve used to capture work knowledge uses the comment feature of word processing apps. We maintain an annotated version of our key federal regulation where compliance staff can access it and annotate it. I was inspired to try this technique after reading political commentaries that took the text of speeches by politicians and annotated them to “read between the lines” as to what the politicians really meant, given the context. As we make decisions on interpreting complicated or unclear parts of the regulation, and have experience with our donors’ or auditor’s interpretations, we use the comment feature to memorialize these developments in the annotated document. The comments appear in the right margin of the document when staff pull up the regulation on their computer to consult it.

It’s important to note that if/when the sponsoring agency for the regulation issues a final change to it (via a notice in the *Federal Register*), you need to update your shared copy with the change. This task should helpfully trigger an assessment of whether you need to do anything new within your company to comply with the change or whether you want to cross-reference a job aid or some other document related to the new regulation.

With the advent of powerful and cheap computing power and the very low cost of data storage—the commercial cost of a gigabyte of storage has dropped from $500,000 in 1981 to less than $0.03 today[^3]—most of us swim in a pool of big data. Over time, we accumulate or have access to thousands of emails, documents, and other potentially relevant information that we might need to efficiently retrieve and review at a moment’s notice. For example, on my work computer, I currently have indexed more than 400,000 documents, emails, and calendar items!

To manage all of this efficiently, you need a great indexing and search app to quickly pull the needles from the haystack. I have used one for years and depend on it every day. This type of app constantly indexes all the information unobtrusively in the background for lightning-fast retrieval. This approach eliminates the need to keep dozens of nested email file folders, which is time consuming. Because I use a search tool, my email filing structure consists of only three groupings: (1) my inbox with unread items or those to be acted on immediately; (2) my Action folder for items to be dealt with in the near future; and (3) my File folder, which is my email archive. I learned that my IT department, as an organizational default, purges emails after a relatively short period of time. I received an exception to store my records for years, given our needs for information retention, especially as we work on five-year federally funded projects with audit exposure for an additional three years beyond the closeout of the project.

Also, there are several free or low-cost software tools for aggregating, analyzing, and visualizing data that can help you glean insights from large data sets in order to spot risks or actual noncompliance. In our case, the compliance team is going to be catching up to our other business units in terms of exploring and employing such data visualization tools. (To see our dashboard of programmatic data in our global fight against HIV/AIDS, please visit [http://bit.ly/2M8LBSJ](http://bit.ly/2M8LBSJ)).

**‘Push’ and ‘pull’ strategies to reach your audiences**

We are in a war for eyeballs—and the hearts and minds—of our colleagues so that we can help achieve and maintain compliant and ethical organizations. It’s unlikely that a single strategy or technique will suffice. We often need to push compliance information out to colleagues and business partners in various forms and settings, including trainings, certifications, the code of conduct, supportive messages from the executive team, etc.
We should also help colleagues pull the right information they need at the moment they need it. A great example of this is the compliance app developed by the Ford Motor Company for its employees. At my nonprofit, we’ve not yet developed a compliance app, but we are using our company’s already-purchased intranet solution to organize content so that 3,000 employees scattered across 15 countries can locate what they need and/or what we want them to use. A helpful technique is to feature “Quick Links” (embedded hyperlinks) to key documents and tools from main landing pages. You also need to understand how sophisticated your intranet’s search engine is. You may need to help your colleagues easily find key resources by embedding searchable keywords in the file’s metadata and using helpful document titles and descriptions. You can field test how good your efforts are by having someone type in common queries that your colleagues may have and see if the relevant compliance information pops up at the top of the results page (e.g., query “Can I accept a gift from a vendor?”)

Don’t neglect the boring infrastructure

Finally, don’t forget that effective document management for your team’s daily use requires a dependable, online, and secure filing system that is organized intuitively by your team (and automatically backed up daily). Online storage is critical due to the myriad efficiencies it provides. We have virtually eliminated paper files for our department, enabled by the low cost and legal developments such as the Electronic Signatures Act of 2000 and the requirement in the Uniform Guidance that “the non–Federal entity should, whenever practicable, collect, transmit, and store Federal award–related information in open and machine readable formats rather than in closed formats or on paper.” The online system allows anyone who is on the road, telecommuting, or in the office to quickly find that contract amendment with the additional terms or a slide deck that a coworker created that you want to reuse for a compliance training.

Also, as part of your policies and procedures system, you should create practical tools such as manuals and other job aids that don’t just quote the rules and regulations, but rather documents how to get the work done in a compliant way. If this is outside of your department’s mandate, then consider partnering with the finance, procurement, human resources, or operating departments to co-create these tools. For example, we have procurement and grant management manuals that cover compliance requirements amidst how to perform key processes, and helpfully also contain sidebars of “best practices” to help work knowledge travel from one business unit to another across Sub-Saharan Africa.

As compliance professionals, we have important roles in our organizations and can create a lot of value for our business, university, or mission by being on top of our game. A key strategy for us is to be adept at managing all kinds of knowledge and especially creating high-value work knowledge. Since all of us leave—sooner or later, planned or unplanned—a strong knowledge management approach is critical to avoid costly setbacks from missing knowledge.

Takeaways

- Knowledge management—broadly defined to encompass the management of documents, information, and work knowledge—is a critical function for compliance teams.

- The most valuable knowledge to be managed is “work knowledge” that is unique to your company, its processes, risk tolerances, and regulatory environment.

- Consider using compliance memos or annotated versions of regulations with your interpretations noted in the margins to memorialize work knowledge.

- To help knowledge travel, use both push and pull strategies—an intranet with a strong search engine and document keywords can help colleagues pull information.

- Effective document management requires a dependable, online, and secure filing system that is organized intuitively and automatically backed up daily.
245 C.F.R. § 75 (2019).
4 Ford Motor Company, Our Future is in Motion: Sustainability Report 2018/19, 2019, 9, https://ford.to/2YSNnsV.

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