

The following is a compilation of results from the latest survey of C-suite investment professionals conducted by Cipperman Compliance Services. CCS offers this information to help establish—or at least confirm—a movement towards compliance best practices on the part of those polled.

Respondents described their firm as:

Asset Managers • (52%)

Broker/Dealers • (11%)

Hedge Fund • (9%)

Private Equity • (5%)

Wealth Managers • (10%)

Other • (13%)

What follows are the responses to sixteen key questions, broken down by type of firm, yielding an overall view of how the different categories approach compliance.

(Figures shown are rounded off to the nearest 1%; actual totals may vary by 2% to 4%.)

What is the amount of approximate assets under management?

- Less than \$500 Million • (7%)
- \$500 Million to \$1 Billion • (14%)
- \$1 Billion to \$5 Billion • (25%)
- \$5 Billion+ • (54%)

Which most closely describes your role within the organization?

- CEO/CFO • (9%)
- CCO • (54%)
- General Counsel • (4%)
- Legal / Compliance Personnel • (21%)
- Other • (12%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (64%)
- CEO/General Partner/CCO • (6%)
- General Counsel/CCO • (8%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (5%)
- COO/CCO • (11%)
- Other • (7%)

How long ago was your last SEC exam?

- Within the last 12 months • (20%)
- Within the last 3 years • (29%)
- More than 3 years ago • (48%)
- Unsure • (2%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (6%)
- 5%–10% • (9%)
- 1%–5% • (53%)
- Less than 1% • (5%)
- Unsure • (27%)

When did you last perform a compliance review?

- Within the last 12 months • (87%)
- 12–24 months ago • (11%)
- More than 24 months ago • (0%)
- Never • (0%)
- Unsure • (2%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (87%)
- 1-3 years • (13%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (44%)
- 3-4 • (24%)
- 5+ • (33%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (26%)
- Keeps us honest and on our toes • (24%)
- Protects the franchise • (35%)
- Cost of doing business • (15%)
- Waste of time and money • (0%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (7%)
- We need to focus slightly more resources on compliance • (38%)
- We currently focus enough on compliance • (54%)
- We are over-emphasizing compliance • (1%)
- Unsure • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (14%)
- Some (i.e., third party handles reviews / specified projects) • (54%)
- None • (32%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (80%)
- No • (16%)
- Unsure • (4%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (14%)
- No • (79%)
- Unsure • (7%)
- We do not have a compliance officer • (0%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (3%)
- No • (91%)
- Unsure • (6%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (44%)
- Utilizing external cyber security resources • (48%)
- Still under review • (7%)
- No current changes contemplated • (1%)

Do you spend more on your compliance program than legal counsel?

- Yes • (32%)
- No • (40%)
- Unsure • (28%)

What is the amount of approximate assets under management?

- Less than \$500 Million • (44%)
- \$500 Million to \$1 Billion • (17%)
- \$1 Billion to \$5 Billion • (28%)
- \$5 Billion+ • (11%)

Which most closely describes your role within the organization?

- CEO/CFO • (6%)
- CCO • (61%)
- General Counsel • (11%)
- Legal / Compliance Personnel • (17%)
- Other • (6%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (72%)
- CEO/General Partner/CCO • (6%)
- General Counsel/CCO • (6%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (0%)
- COO/CCO • (6%)
- Other • (11%)

How long ago was your last SEC exam?

- Within the last 12 months • (39%)
- Within the last 3 years • (39%)
- More than 3 years ago • (17%)
- Unsure • (6%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (6%)
- 5%–10% • (28%)
- 1%–5% • (23%)
- Less than 1% • (17%)
- Unsure • (28%)

When did you last perform a compliance review?

- Within the last 12 months • (94%)
- 12–24 months ago • (6%)
- More than 24 months ago • (0%)
- Never • (0%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (94%)
- 1-3 years • (6%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (44%)
- 3-4 • (33%)
- 5+ • (22%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (28%)
- Keeps us honest and on our toes • (17%)
- Protects the franchise • (22%)
- Cost of doing business • (33%)
- Waste of time and money • (0%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (6%)
- We need to focus slightly more resources on compliance • (56%)
- We currently focus enough on compliance • (33%)
- We are over-emphasizing compliance • (0%)
- Unsure • (6%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (11%)
- Some (i.e., third party handles reviews / specified projects) • (72%)
- None • (17%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- .Yes • (61%)
- No • (33%)
- Unsure • (6%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (0%)
- No • (94%)
- Unsure • (6%)
- We do not have a compliance officer • (0%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (0%)
- No • (89%)
- Unsure • (11%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (33%)
- Utilizing external cyber security resources • (56%)
- Still under review • (11%)
- No current changes contemplated • (0%)

Do you spend more on your compliance program than legal counsel?

- Yes • (22%)
- No • (39%)
- Unsure • (39%)

What is the amount of approximate assets under management?

- Less than \$500 Million • (27%)
- \$500 Million to \$1 Billion • (60%)
- \$1 Billion to \$5 Billion • (13%)
- \$5 Billion+ • (0%)

Which most closely describes your role within the organization?

- CEO/CFO • (33%)
- CCO • (33%)
- General Counsel • (0%)
- Legal / Compliance Personnel • (20%)
- Other • (13%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (13%)
- CEO/General Partner/CCO • (20%)
- General Counsel/CCO • (0%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (47%)
- COO/CCO • (0%)
- Other • (20%)

How long ago was your last SEC exam?

- Within the last 12 months • (20%)
- Within the last 3 years • (20%)
- More than 3 years ago • (53%)
- Unsure • (7%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (7%)
- 5%–10% • (20%)
- 1%–5% • (67%)
- Less than 1% • (7%)
- Unsure • (0%)

When did you last perform a compliance review?

- Within the last 12 months • (53%)
- 12–24 months ago • (27%)
- More than 24 months ago • (7%)
- Never • (7%)
- Unsure • (7%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (73%)
- 1-3 years • (20%)
- Less than one year • (7%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (87%)
- 3-4 • (13%)
- 5+ • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (27%)
- Keeps us honest and on our toes • (40%)
- Protects the franchise • (33%)
- Cost of doing business • (0%)
- Waste of time and money • (0%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (0%)
- We need to focus slightly more resources on compliance • (53%)
- We currently focus enough on compliance • (47%)
- We are over-emphasizing compliance • (0%)
- Unsure • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (13%)
- Some (i.e., third party handles reviews / specified projects) • (67%)
- None • (20%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (93%)
- No • (7%)
- Unsure • (0%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (13%)
- No • (80%)
- Unsure • (7%)
- We do not have a compliance officer • (0%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (0%)
- No • (100%)
- Unsure • (0%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (27%)
- Utilizing external cyber security resources • (47%)
- Still under review • (20%)
- No current changes contemplated • (7%)

Do you spend more on your compliance program than legal counsel?

- Yes • (33%)
- No • (60%)
- Unsure • (7%)

What is the amount of approximate assets under management?

- Less than \$500 Million • (33%)
- \$500 Million to \$1 Billion • (11%)
- \$1 Billion to \$5 Billion • (44%)
- \$5 Billion+ • (11%)

Which most closely describes your role within the organization?

- CEO/CFO • (33%)
- CCO • (22%)
- General Counsel • (22%)
- Legal / Compliance Personnel • (11%)
- Other • (11%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (56%)
- CEO/General Partner/CCO • (22%)
- General Counsel/CCO • (11%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (0%)
- COO/CCO • (0%)
- Other • (11%)

How long ago was your last SEC exam?

- Within the last 12 months • (56%)
- Within the last 3 years • (33%)
- More than 3 years ago • (11%)
- Unsure • (0%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (11%)
- 1%–5% • (33%)
- Less than 1% • (44%)
- Unsure • (11%)

When did you last perform a compliance review?

- Within the last 12 months • (67%)
- 12–24 months ago • (22%)
- More than 24 months ago • (11%)
- Never • (0%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (78%)
- 1-3 years • (22%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (100%)
- 3-4 • (0%)
- 5+ • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (11%)
- Keeps us honest and on our toes • (0%)
- Protects the franchise • (44%)
- Cost of doing business • (33%)
- Waste of time and money • (11%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (22%)
- We need to focus slightly more resources on compliance • (44%)
- We currently focus enough on compliance • (33%)
- We are over-emphasizing compliance • (0%)
- Unsure • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (33%)
- Some (i.e., third party handles reviews / specified projects) • (33%)
- None • (33%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (89%)
- No • (11%)
- Unsure • (0%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (44%)
- No • (56%)
- Unsure • (0%)
- We do not have a compliance officer • (0%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (11%)
- No • (78%)
- Unsure • (11%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (33%)
- Utilizing external cyber security resources • (56%)
- Still under review • (11%)
- No current changes contemplated • (0%)

Do you spend more on your compliance program than legal counsel?

- Yes • (11%)
- No • (78%)
- Unsure • (11%)

Responses from Wealth Managers

What is the amount of approximate assets under management?

- Less than \$500 Million • (24%)
- \$500 Million to \$1 Billion • (35%)
- \$1 Billion to \$5 Billion • (12%)
- \$5 Billion+ • (29%)

Which most closely describes your role within the organization?

- CEO/CFO • (6%)
- CCO • (76%)
- General Counsel • (0%)
- Legal / Compliance Personnel • (6%)
- Other • (12%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (35%)
- CEO/General Partner/CCO • (12%)
- General Counsel/CCO • (12%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (0%)
- COO/CCO • (29%)
- Other • (12%)

How long ago was your last SEC exam?

- Within the last 12 months • (24%)
- Within the last 3 years • (6%)
- More than 3 years ago • (59%)
- Unsure • (12%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (6%)
- 1%–5% • (76%)
- Less than 1% • (12%)
- Unsure • (6%)

When did you last perform a compliance review?

- Within the last 12 months • (88%)
- 12–24 months ago • (6%)
- More than 24 months ago • (0%)
- Never • (0%)
- Unsure • (6%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (88%)
- 1-3 years • (12%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (71%)
- 3-4 • (6%)
- 5+ • (24%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (35%)
- Keeps us honest and on our toes • (29%)
- Protects the franchise • (18%)
- Cost of doing business • (18%)
- Waste of time and money • (0%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (12%)
- We need to focus slightly more resources on compliance • (65%)
- We currently focus enough on compliance • (24%)
- We are over-emphasizing compliance • (0%)
- Unsure • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (6%)
- Some (i.e., third party handles reviews / specified projects) • (35%)
- None • (59%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (18%)
- No • (82%)
- Unsure • (0%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (12%)
- No • (82%)
- Unsure • (6%)
- We do not have a compliance officer • (0%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (6%)
- No • (94%)
- Unsure • (0%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (59%)
- Utilizing external cyber security resources • (29%)
- Still under review • (12%)
- No current changes contemplated • (0%)

Do you spend more on your compliance program than legal counsel?

- Yes • (59%)
- No • (35%)
- Unsure • (6%)

Responses from Other Managers

What is the amount of approximate assets under management?

- Less than \$500 Million • (43%)
- \$500 Million to \$1 Billion • (19%)
- \$1 Billion to \$5 Billion • (14%)
- \$5 Billion+ • (24%)

Which most closely describes your role within the organization?

- CEO/CFO • (5%)
- CCO • (48%)
- General Counsel • (5%)
- Legal / Compliance Personnel • (24%)
- Other • (19%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (62%)
- CEO/General Partner/CCO • (5%)
- General Counsel/CCO • (14%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (10%)
- COO/CCO • (5%)
- Other • (5%)

How long ago was your last SEC exam?

- Within the last 12 months • (38%)
- Within the last 3 years • (24%)
- More than 3 years ago • (33%)
- Unsure • (5%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (5%)
- 5%–10% • (24%)
- 1%–5% • (29%)
- Less than 1% • (19%)
- Unsure • (24%)

When did you last perform a compliance review?

- Within the last 12 months • (90%)
- 12–24 months ago • (5%)
- More than 24 months ago • (5%)
- Never • (0%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (100%)
- 1-3 years • (0%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

How many employees in your organization are dedicated to compliance?

- 1-2 • (48%)
- 3-4 • (15%)
- 5+ • (38%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (19%)
- Keeps us honest and on our toes • (19%)
- Protects the franchise • (43%)
- Cost of doing business • (19%)
- Waste of time and money • (0%)

How is your firm managing its compliance effort?

- We need to focus significantly more resources on compliance • (5%)
- We need to focus slightly more resources on compliance • (24%)
- We currently focus enough on compliance • (52%)
- We are over-emphasizing compliance • (10%)
- Unsure • (10%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (19%)
- Some (i.e., third party handles reviews / specified projects) • (52%)
- None • (29%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (57%)
- No • (38%)
- Unsure • (5%)

Has the shift to personal CCO liability resulted in changes to your compliance program?

- Yes • (24%)
- No • (57%)
- Unsure • (14%)
- We do not have a compliance officer • (5%)

Have concerns over Whistle Blowing caused you to change your compliance program?

- Yes • (5%)
- No • (95%)
- Unsure • (0%)

How are you addressing cyber security concerns?

- Utilizing internal technology resources • (33%)
- Utilizing external cyber security resources • (38%)
- Still under review • (24%)
- No current changes contemplated • (5%)

Do you spend more on your compliance program than legal counsel?

- Yes • (38%)
- No • (43%)
- Unsure • (19%)