

# R&C Risk & Compliance

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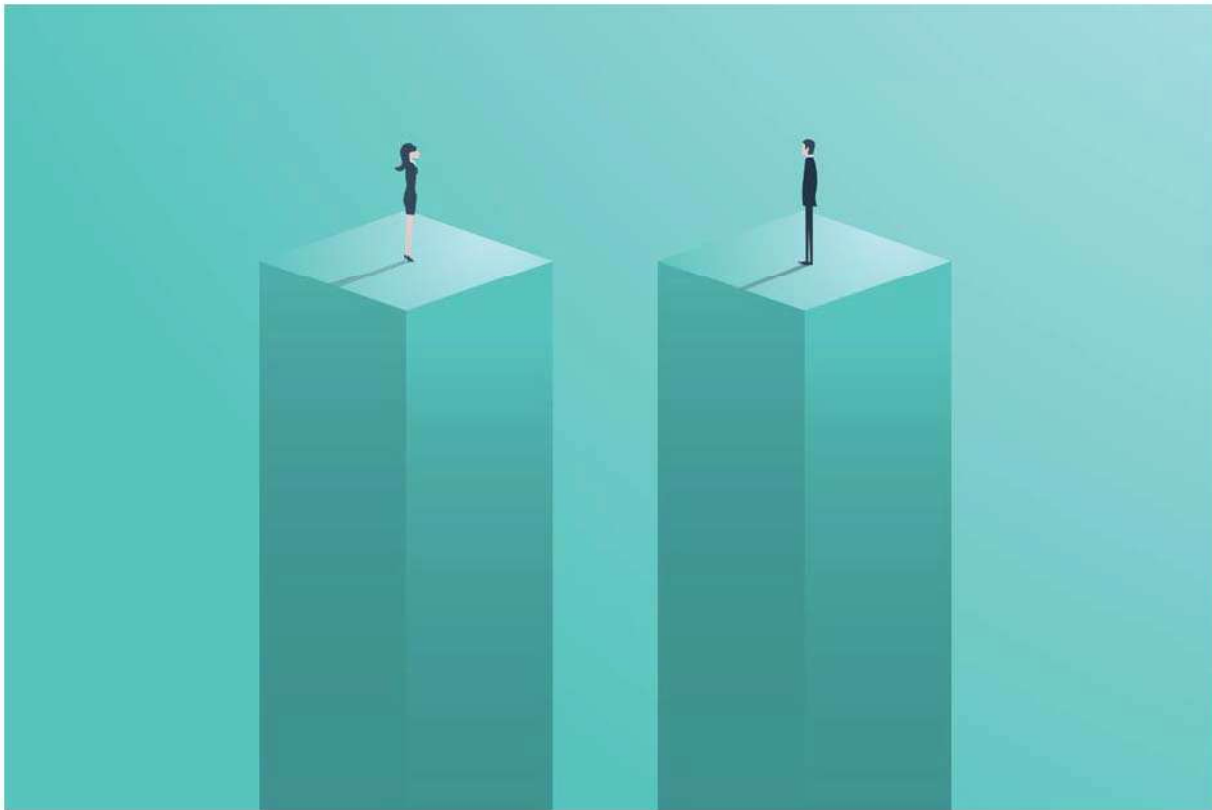
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# EVOLUTION OF WOMEN IN COMPLIANCE AND AREAS FOR IMPROVEMENT



## PANEL EXPERTS



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**Catherine Allen** serves on the boards of Synovus Financial Corporation, El Paso Electric Company and Analytics Pros, and is a member of the risk, energy and natural resources, public policy and external affairs, and nominating and governance committees. She chairs the security committee for El Paso Electric. Ms Allen is a member of WomenCorporateDirectors, the global organisation of women board members. She is founder of The Santa Fe Group, a strategic consulting firm specialising in risk management, cyber security and third-party risk.



**R&C: Could you outline the key developments in recent years that have shaped the role of women within the sphere of corporate compliance?**

**Roitman:** Technology has made it easier to complete discreet risk and compliance tasks, which, in turn, has increased flexibility around risk and compliance roles. While this flexibility may have initially drawn more women to compliance, the explosion of regulation has kept them there. This avalanche of new regulations has led to more sophisticated, rewarding and commercially challenging risk and compliance roles, which is drawing a diverse set of candidates. Regulators have also helped push the needle by bringing into focus the need to create a culture of compliance. Starting with a 'tone from the top' meant that in many organisations compliance was moved out of legal and operation departments into newly-created roles, reporting directly to founders and boards. This shift created new senior roles, as well as opportunities for women to step up as leaders with a voice in the ethical culture of an organisation. I think firms are starting to see the benefit of having a more diverse set of decision makers, especially within compliance departments.

**Allen:** Recent developments that have encouraged women to enter the field of compliance include the broadening of skill sets beyond legal to regulatory and public policy experience, the pressure on firms to hire more women professionals, especially in the C-suite, and research indicating that women see risk in a different way than men. According to Catalyst and

*"A versatile skill set, agile thinking and a deep understanding of the identification and use of metrics are essential for today's compliance leaders."*

*Catherine Allen,  
The Santa Fe Group*

Credit Suisse research, women approach risk from a more holistic and multidimensional perspective. For example, a versatile skill set, agile thinking and a deep understanding of the identification and use of metrics are essential for today's compliance leaders. According to the research, women often have a strong capacity to provide thought leadership around what the data is saying about risk and, importantly, provide credible challenges to stakeholders at all levels in a way they can then action.

**Scherm:** In our compliance organisation, men and women are equally represented, both in the management function and in the group of compliance specialists. As compliance is a comparably new topic, diversity aspects were considered from the beginning and today gender diversity is not an issue in our organisation.

#### **R&C: What day-to-day challenges do women face in the compliance field?**

**Allen:** According to Joyce Brocaglia, chief executive of Alta Associates, there are 10 compliance-related positions for each experienced executive with a compliance background in the US. Despite the large number of compliance professionals, compliance remains a demanding field because of the changing regulatory environment, recognition by firms outside of financial services that they need compliance officers, and the need for the big four accounting firms to fill the gap. The role of a chief compliance officer (CCO) is multifold. A CCO needs to comply and negotiate with regulators, work closely with legal, IT and businesses to ensure the firm is in compliance, report any exceptions to the board of directors, and understand businesses well enough to apply appropriate regulatory action. The person must have high integrity and respect inside and outside the

organisation. All these factors make the role itself challenging – for men and for women.

**Scherm:** No employee thinking of paying bribes or discussing confidential details is asking whether the responsible compliance officer is male or female. On our desk we have exactly the same issues, regardless of gender. Collaboration is key to solving these issues, especially consulting with the experts in the different aspects of compliance, such as the data privacy or antitrust departments, for example. Regarding compliance cases, in Europe and large parts of the world it is absolutely normal to have discussions with female employees. But there are still regions where I have an agreement with a male

*“Because a large percentage of our colleagues are male, we need to assimilate to our environment in order to be impactful, rather than operate in a way that only fits our style and strength.”*

*Reshma Khamis,  
Bloomberg L.P.*

colleague: if something severe happens and we need to give a strong ‘tone from the top’ on site, he



will travel there to ensure that we are heard by all employees.

**Khamis:** Because a large percentage of our colleagues are male, we need to assimilate to our environment in order to be impactful, rather than operate as the type of person who can accept pushback, potential intimidation, and the ability to see through hidden agendas and obfuscated data. At the same time, you must stay focused on the needs of the business. These are just some of the moments that have tested my resilience and drive.

**Roitman:** The challenges women face in compliance are universal in any field. Women, in particular, need to be confident in their actions and speak with conviction, in addition to being knowledgeable. Without that it is impossible to play a significant role in identifying and mitigating risk for an organisation. There is a common perception that women do not always embrace confident behaviour; however this perception is changing. Seeing more women in corporate governance roles will continue to help shift this perception. There is also the need to be seen as a trusted and valued partner so that senior management will listen. That takes time and, unfortunately, too many women leave the workforce before they make it to those senior levels. We need to work to change that paradigm.

**R&C: What advice would you offer to women seeking to carve out a career in compliance?**

*"It is important to partner with mentors who can champion your skills and abilities when the time comes to move to the next step of your career."*

*Barbara Keller,  
Nomura Asset Management U.S.A. Inc*

**Khamis:** I would tell women seeking a career in compliance that when you need help, find someone who will give you solid advice. It is not always easy to find the right person to answer your questions, but it is advisable to seek out such people throughout your career and build strong relationships with them. Also, different people bring different perspectives, so I recommend seeking out those who are open to new ideas and who think differently to avoid 'group think'. Establishing an open work environment with colleagues who embrace change and recognise blind spots is the way to progress both yourself and the firm. Keep learning. This space is evolving and

changing, so it is important to be tapped into industry groups and peers at other firms. Carve out this time to be relevant and be an active participant at the table.

**Roitman:** First and foremost, know your stuff. Male or female, there is simply no shortcut to competence. You need to know the rules and regulations, in addition to the underlying business. Risk and compliance professionals are not there to say no, but, more importantly, are there to help develop commercial solutions which drive business and, at the same time, mitigate risk. Specifically, I offer three pieces of advice. First, focus on your commercial knowledge and never stop learning. You cannot protect the business if you do not understand it. Second, ask many questions. The only dumb question is the one that was not asked. Third, remember your job as a compliance officer is not to say no. Your job is to understand rules and regulations and help to identify and evaluate risk and, where possible, find commercial solutions to difficult problems.

**Scherm:** My advice to all young women seeking career opportunities is to be authentic. We see areas where a deep subject matter expertise is of importance and then it is sometimes hard to find qualified women. But in compliance we all have different backgrounds – from purchase and sales to business administration and quality. With this variety we have a broad and great source of talent.

Diversity of experience is what a good compliance organisation is made of – and, of course, expertise. Further, in nearly all cases I have seen since I became a compliance officer, the delinquent was male. We have very few examples of compliance cases driven by women, as there is a belief that women tend more to follow their inner, ethical compass, which is especially important in a weak environment.

**Allen:** Not only are there a growing number of jobs in the compliance field, but the roles are rewarding and often pay well. You are keeping the organisation on the right side of legal action and regulatory compliance, most often with results that help consumers, employees, societies and countries. From one perspective, it is actually a patriotic position. I think that there is also ample opportunity for women to move up in their organisation from a compliance role, especially if they also have operations experience. A background in compliance can provide a good career path to the chief executive role.

**R&C: How important is it for women operating in compliance to develop a personal 'brand' as a compliance specialist?**

**Scherm:** A personal brand is very important in compliance, as well as in other businesses. I also want to be seen as a highly qualified and





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## MINI-ROUNDTABLE

experienced person and not as the token woman. Besides qualifications, my female strengths such as empathy, a holistic approach and my unique perspective have helped a lot to build my brand. I truly believe teams benefit from all kinds of diversity. This automatically brings different views and with it more solutions.

**Allen:** I personally believe that every senior executive needs to create their own 'brand'. No position is forever, and neither is any company engagement. Being known as a professional in compliance is likely to lead to other career opportunities in other organisations. Some examples of what you can do to build your brand include speaking at conferences, presenting to the board, volunteering to work with a variety of teams internally, contributing articles to business publications, and continuing to learn and maintain certifications in the compliance and risk management profession.

**R&C: What steps can companies take to truly celebrate diversity and create an ecosystem for success? Is there a pressing need to actively attract, recruit and retain female compliance officers?**

**Allen:** There is definitely a need for businesses to attract and retain talent in compliance. Because women approach risk differently than men do, they



should be part of enterprise risk management (ERM) teams and should be at the table for discussions around risk tolerance and risk management policies. Because of the shortage of skilled and experienced professionals in this area, it is even more important for firms to attract and retain women.

**Scherm:** Today, a critical part of supporting diversity is offering unconscious bias training so that we can be more successful in stronger, mixed teams. We should shift the conversation from 'What can the company do to support diversity?' to "What is the value added in this specific area and what can diversity contribute to the success of our company?" Problem solving is much easier when several points of view are brought to the table, based on different experiences, biases and backgrounds. Therefore, the question is not about being male or female, but also about diversity with age and cultural backgrounds, and so on. In this context, we should also think about making bold moves in recruitment. For example, a smart lateral entrant might be a better choice than an expert who is not able to think outside the box. Unconscious bias might push the similarity principle, and we can only overcome this when gender diversity is already implemented.

**R&C: What role can male counterparts play in helping to advance the cause of women in compliance?**

*"Today, a critical part of supporting diversity is offering unconscious bias training so that we can be more successful in stronger, mixed teams."*

*Sandra Scherm,  
Siemens*

**Khamis:** Male counterparts can help by being open to diversity and understanding their blind spots. Men should also strive to embrace flexibility and move away from 'old school' thinking.

**Roitman:** Male colleagues need to appreciate diversity in the workplace and resist stereotypes that prevent women from having a strong voice. Also, they should be advocates for change.

**Scherm:** A mindset change is the basis for pushing female candidates into management. We need male colleagues to actively promote diverse

activities, as well as strong succession planning which actively includes female candidates. Our processes have appropriate sensitivity, but in some areas there is still room for improvement when it comes to implementation. To give one example: in our technology department there was a management position to fill. The superior had been waiting for female employees to apply for it as well. In the discussion in the women's network, they came to the conclusion that the female colleagues were waiting for him to address them, assuming that he would already consider who he wanted for the role. As a result, none of the women wanted to impose themselves.

**Allen:** In every organisation, men can be, and often are, the sponsors of women getting ahead. Men are mentors. They are executives who can bring talent along with them as they move up the ladder. They are on boards and can proactively support diversity by bringing women onto the board and in the C-suite as role models. Men can put together teams and require that there be a significant number of women on them. All of these actions can advance women in this field.

**R&C: How do you envisage the influence of women in compliance evolving in the years ahead? What actions can**

**leading female compliance practitioners take to help today's – as well as future – generations of women in this space?**

**Keller:** The role of women in compliance is not so different from the role of women in any corporate firm. Hard work, perseverance, good managers and a bit of luck can propel women into the most senior roles at a firm. As individuals, each of us is responsible for our careers, determining when to stay and when to leave. Unlike many areas in finance, for the most part women have found equal roles in the field of compliance. It is important to be honest,

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*Lisa Roitman,  
Bloomberg L.P.*

learn, do not wait, read rules and enforcements, and watch and see what other professionals are doing and ask questions. And, most of all, reach out to your fellow professionals and share.



**Scherm:** Leading female managers have to be role models, sharing their knowledge and promoting how gender diversity helps to optimise teamwork in day-to-day business. And they have to network. It is about connecting young talent with male colleagues of influence, helping them get face time and providing them with the opportunity to understand each other's strengths, biases and limitations. A mentor can play an especially important role in giving guidance and acting as a sparring partner. It also helps to be flexible in terms of working hours when you have small children. But most of us are quite well organised, so it is more about visibility, the chance to prove oneself, access to information and high-quality mentoring.

**Khamis:** Female compliance practitioners should lead, develop strengths, be courageous and network. The rest will naturally fall into place.

**Allen:** Women tend to be more collegial. They listen better. They take into consideration multiple stakeholders, not just stockholders. And they are terrific at risk management and compliance. They treat regulators with respect and understand the roles people play.

**Roitman:** Women need to call it like they see it and be part of the change. The best role models lead through example and, in compliance risk and control positions, this means being a business partner who understands risk, commercially solves problems and has the ability to lead with a strong moral compass so that firms make ethical decisions. **RC**