# NAVEX®

# Getting Started with Compliance:
## An Essential Checklist for SMBs

With so many new local, state, and federal laws being passed all the time, ensuring compliance with all of them, all the time, all at once can seem like an overwhelming task for small and medium-sized businesses (SMBs) with limited staff and compliance budgets.

Starting with a strong foundation is essential, and at NAVEX, we've got your back with resources to help guide your compliance efforts. The checklist below will walk you through the foundational elements of a compliance program, which is the most essential function for helping a business stay on the right side of the law.

## 1. Identify relevant laws and regulations

**Action:** While some laws and regulations apply to all companies equally, others apply only to certain industries, or specific size businesses, or certain size businesses in certain industries, or only businesses that operate in certain states.

In short, there are many nuances keep track of for what applies and to whom, and staying informed with which laws and regulations apply to your business can seem overwhelming at times. Industry associations are a good starting point. Like a trusted best friend, they'll be your biggest support system. The National Federation of Independent Business (NFIB) is just one example of a member-driven organization that educates SMBs on recent legislative developments. The National Small Business Association is another one, but there are many more.

> **NAVEX solution:** Simplify regulatory compliance with NAVEX compliance program management solutions.

## 2. Implement policies and procedures

**Action:** Policies and procedures are two different things but are equally important to ensure compliance with relevant laws and regulations.

Policies are the rules that govern your company's approach to certain topics, while procedures are the measures that implement your policies. While policies and procedures will vary business-to-business, depending on the laws that apply, there are a few general compliance topics all policies and procedures should address. Such topics include, but are not limited to, anti-bribery/anti-corruption; diversity, equity and inclusion (DEI) issues; wage and hour compliance; workplace health and safety issues; data security; and more. Policies and procedures should evolve as the regulatory landscape evolves.

> **NAVEX solution:** Create, store and track your policies with automated reminders for updates with NAVEX One Policy & Procedure Management software.

Also available is the [NAVEX One Compliance Hub](#), your one-stop-shop for housing important information and resources for your team. This also includes [NAVEX One Compliance Assistant](#) which makes policies and procedures even more accessible. With an AI-enabled chat feature allowing people to ask questions and receive answers quickly and simply, Compliance Assistant puts the information your team needs at their fingertips.

## 3. Develop your code of conduct

**Action:** A code of conduct is not the same as a policy. While policies are rules, the code of conduct essentially is a guiding light for employees and business partners. It outlines the ethical values, ethos, and principles of the business. It should also spell out what disciplinary measures will be taken if they violate company policy. A code of conduct should be clear and concise. Brevity is key. It should also be available in multiple languages. It's also important that employees sign a form acknowledging they have received, read and understand the code of conduct.

> **NAVEX solution:** Create, distribute, and track employee acknowledgments with the [NAVEX Code of Conduct web-based solution](#).

## 4. Train your employees

**Action:** Having policies and a code of conduct is an important starting point, but those resources must also be supported by employee training. Your employees should be trained on relevant laws and regulations and key areas of compliance. Examples include anti-bribery and corruption, workplace harassment and discrimination prevention, health and safety, and many more. Training on the code of conduct, and where and how to report any issues or concerns, should also be provided.

> **NAVEX solution:** [NAVEX One Ethics & Compliance Training](#) offers a comprehensive library of legally vetted online training modules on various compliance subjects.

## 5. Implement an internal reporting channel

**Action:** It's critical that your business implement a safe, trusted and anonymous reporting channel for employees, business partners and others to report any concerns. Without such a reporting channel in place, your business could be left in the dark about areas of non-compliance, misconduct, or other important employee matters that could create legal, financial and reputational damage if it goes unaddressed.

A third-party hotline provider can provide the anonymity many reporters seek. It's also important to encourage an open-door policy as well, fostering a culture where your employees feel comfortable reporting matters directly to their supervisor or the compliance officer.

> **NAVEX solution:** [NAVEX One Whistleblowing & Incident Management software](#) offers a secure and confidential reporting system.

## 6. Manage your third-party risks

**Action:** Your third-party vendors, suppliers, and business partners can pose significant risks to the business without proper oversight controls in place. This is especially the case as it relates to cybersecurity concerns, supply-chain disruptions, or regulatory compliance failures.

It's important to implement a risk-based approach to managing third-party relationships. Which third-party vendors, suppliers, and business partners play a significant role in the daily operations of the business? Which ones potentially pose the highest corruption risk – based on region or past misconduct, for example? Which ones pose a high cybersecurity or data security threat, based on a past data breach or cyberattack? Depending on the type of risks the business is looking to mitigate, certain third parties will require more due diligence than others.

> **NAVEX solution:** [Third-Party Due Diligence](#) and [Third-Party Screening and Monitoring software](#) streamlines the vendor due diligence process and risk assessments.

## 7. Establish a centralized compliance system

**Action:** Consider onboarding a vendor to automatically collect all of the business's critical data in one centralized location. Having essential risk and compliance data in one location makes it easier to share and analyze among leaders within the business. Such data can help SMBs measure the effectiveness of the compliance program and further identify where hidden risks may lurk. Establishing a centralized compliance system also helps the business spend less time collecting and researching data, and more time drawing critical business insights from it to make strategic business decisions faster and more seamlessly.

> **NAVEX solution:** [The NAVEX One risk and compliance platform](#) can help you create a bespoke compliance program with easy-to-administer features and a variety of options, from bundled options to individual solutions. With a variety of data-collection options, NAVEX enables businesses to gain better oversight over their risk and compliance data to assess the overall health of their business and compliance culture.

## Conclusion

The above checklist is intended to be only a starting point for your SMB. Compliance risks and needs will vary depending on your industry, the size of your business, and where you operates. For regulations that impose especially complex compliance obligations, consider seeking the help of a business advisor.