

# Definitions and Key Terms for Compliance

## Compliance

Adherence to laws, regulations, standards, and internal policies relevant to the organization's operations.

## Regulation

A rule or directive issued by an authority to regulate conduct within a specific area.

## Policy

A formal statement of principles or rules that guide decisions and achieve rational outcomes.

## Procedure

Detailed, sequential instructions that describe how a compliance policy is implemented in practice.

## Audit

A systematic review or assessment to ensure adherence to established criteria and to identify areas for improvement.

## Risk Assessment

The process of identifying, analyzing, and evaluating risks associated with non-compliance.

## Due Diligence

Reasonable steps taken to satisfy legal requirements, especially in avoiding involvement in illegal activities.

## Remediation

Actions taken to correct or mitigate deficiencies identified during an audit or risk assessment.

## Sanction

A penalty or corrective measure imposed for non-compliance with laws or regulations.

## Control

A mechanism or practice designed to reduce or manage risks and ensure compliance.

## Important Notes

- This document provides a reference for commonly used terms in compliance-related activities.
- Definitions may vary depending on jurisdiction and organizational context.
- Always consult applicable regulations or legal counsel for specific guidance.
- Regular review and updates are recommended to maintain accuracy and relevance.