

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.