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Select a Compliance Officer

by Gil Van Over

Last time I announced an ambitious project titled "What Compliance Looks Like." Its stated goal is to provide a thumbprint sketch, on a weekly basis, of the 25 or so components of a good compliance program. Component number one is to provide a strong message from the organization's leader. The second component is to select a Compliance Officer to organize the program and monitor its success.

Like any other position in your dealership, it is useful to first determine the best candidate and then to provide a job description.

Candidate

Your selection of a Compliance Officer can depend on the size of your organization. If you have less than five dealerships, you will probably want to assign additional compliance responsibilities to existing management. For example, some dealerships will appoint the Office Manager or General Manager as the Compliance Officer, who then delegates certain of the program's components to other employees while retaining the monitoring responsibility.

Dealer groups with more than five stores generally find it more successful to appoint a full-time employee to the Compliance Officer position.

The candidate must be someone with the ability to discipline, or at least influence the disciplinarian. Your Billing Clerk may seem like a good candidate because she is detail oriented, but quite frankly, few managers in your dealership are likely to accept any discipline she tries to dish out.

Your new Compliance Officer must be organized. A solid compliance program contains a number of recurring tasks that must be completed daily, weekly, monthly and annually. Anyone assuming the position must be able to plan, schedule, follow-up and execute.

Finally, a competent Compliance Officer must be able to balance risk versus reward. Avoid the candidate that believes the best compliance program is one that erects the Berlin Wall around your dealership. The wall didn't work in Germany and it won't work at your dealership either.

Job Description

Here are some of the areas your new Compliance Officer must monitor:

- Identity Theft prevention, including
 - o Safeguards Rule ongoing effectiveness
 - o Privacy Rule
 - o FACTA compliance
 - o Upcoming Red Flag Rule
- Used Car Rule

- Adverse Action notification
- Regular deal jacket reviews
- Implementation of policy and procedure manual
- New hire training on group's compliance program
- Adherence to the Acts:
 - o Truth in Lending
 - o Fair Credit Reporting
 - o Equal Credit Opportunity
 - o Fair and Accurate Credit Transactions
- Requirement to stay abreast of industry changes
- Regular reports to ownership

Next week I will start discussing the individual components of a compliance program. Until then, good luck and good selling.

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