The importance of integrity supervision

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INTEGRITY SUPERVISION BRINGS TRUST
INTEGRITY SUPERVISION
MITIGATES PRUDENTIAL RISKS
INTEGRITY SUPERVISION
A GLOBAL STANDARD
HOW CAN INSTITUTIONS DO MORE TO COMPLY?
WHAT KIND OF CORPORATE CULTURE IS NECESSARY?

"Swell! You got the memo about our new Burberry corporate culture."
SEVEN ELEMENTS OF ETHICAL CULTURE

- Responsibility
- Accountability
- Balanced actions
- Consistent actions
- Openness to discussion
- Leading by example
- Feasibility
- Transparency
- Enforcement
- Spirit of the law
BALANCING OF INTERESTS/ BALANCED ACTIONS

- identifying all relevant interests
- demonstrably taking them into account
CONSISTENT ACTIONS

acting in line with objectives and choices
OPENNESS TO DISCUSSION

giving scope for discussing, decisions, other views, errors and taboos
LEADING BY EXAMPLE

- good behaviour at the top personal integrity
- prevention of an (apparent) conflict of interests
FEASIBILITY

- Setting realistic targets
- Removing perverse incentives and temptations
TRANSPARENCY

➤ determining and communicating targets and principle choices to all stakeholders

So – what do I mean when I talk about "radical transparency"?
ENFORCEMENT

attaching consequences to non-compliance
ROLE OF THE COMPLIANCE OFFICIAL, THE RISKMANAGER, HR AND INTERNAL AUDITOR

I’LL MAKE YOUR LIFE MISERABLE! I’LL THWART YOUR EVERY MOVE!

HI. I’M THE NEW SADIST.

WHAT HAPPENED TO THE OLD ONE?

HE WENT TO SADIST PARADISE.

THE AUDITING DEPARTMENT?
ROLE OF THE SUPERVISOR
HOW IS YOUR INSTITUTION MAKING AN EFFORT?