

# ANNUAL CERTIFICATION INSIGHTS 2019

How Does Your Company Compare to Others?



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# INTRODUCTION

Preparing, disseminating, capturing and maintaining annual certifications is standard practice in virtually all financial services firms. Some firms choose to handle certifications at the end of the calendar or fiscal year, while others choose to spread certification requirements throughout the year.

Regardless of what schedule a firm uses, compliance staff working to ensure all covered employees have completed required certifications sometimes wonder how their firm's experience compares with other similarly-sized firms. In a firm where there are still several (or dozens) of incomplete certifications after the submission deadline has passed, the CCO may question whether that experience is normal.

There is no question that chasing down "stragglers" who have failed to complete certifications before the firm's deadline can be frustrating. In the blog, "[Stopping the Cycle: Holding Stragglers Accountable](#)," several useful tactics are outlined to address the issue including educating employees, starting the certification process early, documenting the behavior, speaking with employee's manager, holding face-to-face meetings, and imposing penalties/reducing privileges.

In this paper, we'll review ComplySci's recent certifications data for a one-year period showing late and incomplete certifications. Nearly every firm deals with this issue. Let's see how your firm stacks up.

# ON-TIME PERCENTAGE: DIFFERENCES BY FIRM SIZE

## COMPLYSCI CERTIFICATION BENCHMARKS

# OF EMPLOYEES	SMALL (1-50)	MID-SIZE (51-500)	LARGE (500+)	TOTAL
Total Distinct Certifications	2,511	1,854	616	4,981
Average # Distinct Certifications	9.16	11.73	30.80	11.02
Total # Certifications Sent	79,395	225,475	185,280	490,150
# Completed On Time	69,477	198,309	165,098	432,884
% On Time	88%	88%	89%	88%
# Completed Late	8,399	23,485	17,230	49,114
% Late	11%	10%	9%	10%
# Not Completed	1,519	3,681	2,952	8,152
% Not Completed	1.91%	1.63%	1.59%	1.66%

In all, the data for certifications completed between January 1, 2018 and March 31, 2019 shows that ComplySci clients sent a total of 490,150 certifications (4,981 distinct certifications) to employees or registered persons for completion. Of that total, 88 percent were completed on time; follow-up system reminders helped the firms capture an additional 10 percent of late certifications, while 1.66 percent ultimately remained incomplete.

When the numbers are broken down by firm size, it is interesting to note that certification on-time completion averages are roughly the same in any size firm. However, small firms

struggled more with those who fail to certify than their midsize and large firm counterparts.

Firms with at least 500 employees, which accounted for 37.80 percent of the total number of certifications sent using the ComplySci system, saw 89 percent of their certifications turned in before the assigned deadlines, with 9 percent submitted after the deadline. Year-over-year, the on-time completion rate is an improvement over [2017 data](#), with large firms' on-time completion rate rising from 87 percent to 89 percent. Midsize firms' on-time completion rate also improved, from 87 percent last year to 88 percent this year.

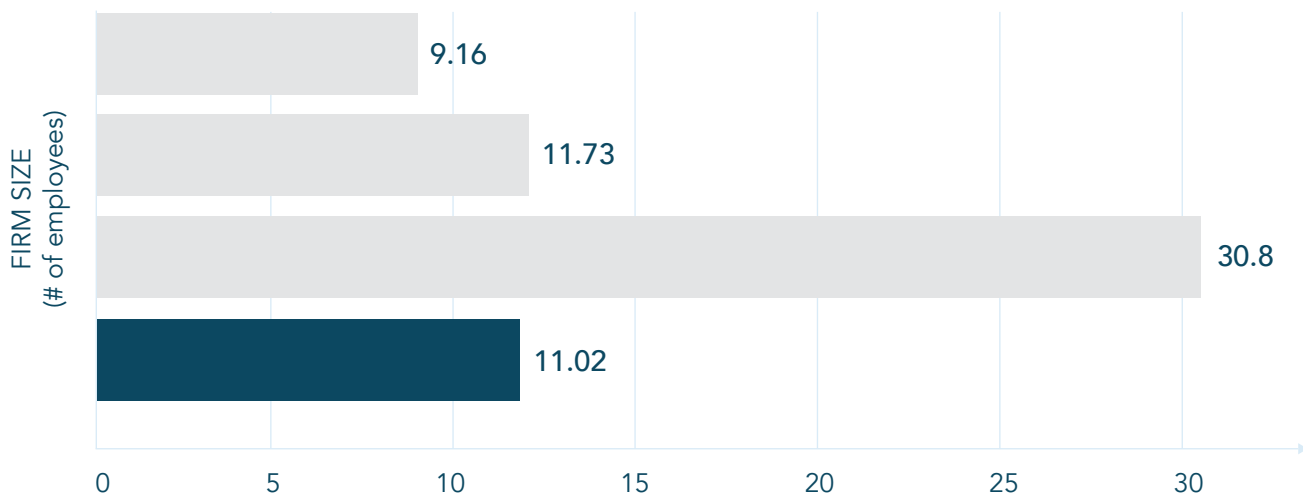
# DISTINCT CERTIFICATIONS

Firm size also impacts the number of different certifications compliance departments require various employee groups to complete. While the average number of distinct certifications across all firms was 11.02, large firms averaged 30.80 distinct certification forms.

Mid-sized firms, in contrast, averaged 11.73 distinct certification forms. This group includes firms with 51-500 employees, and accounted for 46 percent of the total number of certifications completed through ComplySci during the one-year period in question.

Of course, the type of firm also plays a part in how many different certification forms a firm will need. Some firms prefer to capture separate certifications for specific policies and procedures; other firms may include multiple policies in one annual certification form. For example, some firms may include an insider trading certification or an outside business activities disclosure certification with the firm's annual code of ethics certification; other organizations may wish to capture employee responses separately.

## AVERAGE # OF DISTINCT CERTIFICATIONS



# HOW DOES YOUR FIRM STACK UP?

Is your firm's annual certification experience better or worse than other similarly-sized firms? Though using the ComplySci Platform will not guarantee that all of your employees will complete annual certifications on time, ComplySci can demonstrably ease the administrative burden on compliance personnel.

ComplySci clients can create and customize certification forms, distribute them, flag unusual or questionable responses for review, track completion and send reminders automatically.



ComplySci is a leading provider of technology solutions that help compliance organizations identify, monitor, manage and report on conflicts of interest arising from employee activities, including personal trading, gifts and entertainment, political contributions, outside business affiliations, and other code of ethics violations. Founded in 2003 by early pioneers in the development of automated compliance management solutions, ComplySci is now trusted by over 1,100 customers, including some of the world's largest financial institutions. Compliance Officers rely on ComplySci's scalable and sophisticated platform to stay ahead of risk.

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