

## What the Latest Survey Data Says About High-Performing Compliance Programs

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Regulatory uncertainty is rising. Emerging risks, from artificial intelligence (AI) to cybersecurity, are multiplying. Staffing shortages are a looming issue. Yet some banks are keeping pace, while others are falling behind. So, what separates high-performing compliance programs from the rest?

New insights from the [Ncontracts 2026 Future of Compliance Survey](#), which gathered data from banks and other FIs with assets from under \$250 million to more than \$10 billion, point to six clear differentiators. Together, they show what sustainable, resilient compliance looks like in today's environment — and what your bank should focus on next.

### 1. Building the Right-Sized Compliance Team

If your compliance team feels overextended, you're not alone. Nearly 4 in 10 financial institutions operate with just 1 or 2 compliance professionals. Among FIs with assets under \$250 million, that figure jumps to 78%. Often, a single employee is responsible for everything compliance-related, from fair lending and Bank Secrecy Act and anti-money laundering (BSA/AML) to third-party risk and cybersecurity.

What's more concerning is that this resource imbalance continues as institutions grow. A quarter of FIs in the \$1 billion to \$10 billion range still rely on one or two compliance officers to manage the increasingly complex regulatory requirements. Even among FIs over \$10 billion, nearly one in four operate with teams of just three to five.

High-performing programs recognize an essential truth: compliance cannot remain static while the bank evolves. It must scale with complexity, not just asset size. Treating compliance as a fixed cost inevitably leads to burnout, gaps, and heightened regulatory risk.

**Key takeaway:** If your bank has grown faster than your compliance function, it's time to reexamine sustainability. That may mean adding headcount, investing in automation, or both.

### 2. Investing Strategically When Budgets Stall

Only 25% of FIs expect their compliance budgets to increase over the next 12 to 18 months, while 45% anticipate flat funding. On paper, flat budgets can feel manageable. In practice, they often mask growing risk.

Regulatory requirements aren't standing still, and operational risks continue to expand. When expectations increase but resources don't, banks can fall behind — often without realizing it until an exam exposes the cracks.

Budget pressure is most pronounced among smaller institutions. Seventy-two percent of FIs under \$250 million expect no budget change, while larger institutions are more likely to invest proactively.

For mid-sized banks, flat budgets should signal a candid conversation with leadership. Manual processes appear cheaper in the short term, but they can create long-term volatility. Making wise technology investments can stabilize costs and improve consistency and examiner confidence.

**Key takeaway:** High-performing programs make the business case for compliance funding by demonstrating ROI — fewer exam findings, faster response times, and scalable processes that don't require more headcount.

### **3. Addressing the Talent Gap Before It Hits**

A looming talent transition is one of the most overlooked compliance risks. Nearly a quarter of institutions say up to 25% of their compliance team will be retirement-eligible within five years.

Today's compliance teams are highly experienced. More than 64% of respondents have over 8 years in the field, and 36% have over 15. But as those professionals near retirement, banks face a dual challenge: preserving institutional knowledge and attracting the next generation of talent. Compounding this challenge, experienced compliance professionals are increasingly recruited by competitors, fintechs, and consulting firms — making retention as critical as succession planning.

While hiring pressures have eased slightly since 2021, affordability is still a barrier. One in four institutions reports that, even when qualified candidates are available, budget constraints make hiring difficult.

High-performing programs aren't waiting for departures to react. They are documenting processes, formalizing training, and building succession plans well in advance. Increasingly, they view technology not just as an efficiency tool but as a way to preserve institutional knowledge.

**Key takeaway:** Document workflows, centralize compliance content, and treat your systems as long-term knowledge libraries — not just task managers.

### **4. Managing New Risks and Growing Responsibilities**

Four years ago, compliance risk conversations centered on BSA/AML and cybersecurity. Today, regulatory uncertainty tops the list, cited by 38% of respondents. Fair lending follows at 33%, with limited resources and training close behind. Third-party risk and artificial intelligence are also on the radar.

Responsibilities are expanding as well. Lending compliance remains the most common responsibility, but third-party risk management (TPRM) has grown significantly. Involvement in information security has more than tripled since 2021.

High-performing programs don't react to every emerging issue the same way. They anchor their efforts in core compliance principles — fairness, transparency, and sound risk management — and tackle new risks based on institutional exposure rather than regulatory noise.

**Key takeaway:** Regulatory priorities will continue to shift, but core compliance principles endure. Build your program on those fundamentals while remaining flexible enough to adapt.

## 5. Using Automation to Close the Resource Gap

Automation is one of the clearest dividing lines between struggling compliance functions and high-performing ones.

FIs relying primarily on spreadsheets and emails report significantly more examiner questions and far lower satisfaction with their role and resources. Yet nearly one-third still rely almost entirely on manual tools.

Examiners expect clear audit trails, consistent documentation, and sustainable systems — areas where manual processes routinely fall short.

Perhaps most telling is the gap between perceived support and reality. While 82% of compliance professionals report board support, only 63% are satisfied with their resources. Automation helps close that gap. Compliance officers using automated tools report satisfaction rates nearly twice as high as those relying on manual processes.

**Key takeaway:** Technology is critical for forward-thinking banks. High-performing programs view automation as force multiplier — extending team capacity, improving exam confidence, and reducing reliance on key individuals.

## 6. Building Compliance Programs for What's Next

Compliance expectations — and the examination process itself — are changing. Nearly half of institutions report that exams now focus on specific risk areas, such as cybersecurity and third-party risk, with virtual exams and extensive pre-exam data requests

becoming the norm. Compounding the challenge, 39% of FIs report working with newer or less experienced examiners, putting greater emphasis on clear documentation, consistent processes, and defensible risk decisions.

At the same time, the compliance function continues to expand beyond traditional boundaries. FIs report a stronger focus on compliance culture, improved coordination across departments, and early (but cautious) adoption of data analytics and AI. While interest in AI is growing, adoption is uneven as data quality, regulatory uncertainty, and privacy concerns slow broader implementation.

High-performing programs are preparing for what's next by integrating compliance into institutional culture, breaking down silos that limit effectiveness, and adopting technology strategically to scale capabilities without proportional increases in headcount.

**Key takeaway:** Future-ready compliance programs are built for consistency, scalability, and change. Institutions that invest now in durable processes, cross-functional alignment, and modern tools will be better positioned to navigate evolving exams and emerging risks with confidence.

### **Turning Compliance into a Strategic Advantage**

High-performing compliance programs treat compliance as a strategic asset — not a cost to minimize. They invest deliberately in people, processes, and technology. They plan for succession early. They automate with purpose. And they stay grounded in enduring risk management principles while evolving with change.

Now is the moment for an honest assessment. Where does your bank stand across these differentiators? And what steps can you take now to close gaps before they surface in exams or staffing crises?

The future of compliance belongs to banks that build programs designed to scale with complexity — not those trying to keep pace with yesterday's tools and tomorrow's constraints.