

# Glossary of compliance definitions and activities

**KEY**  
 Green – definition  
 Blue – activity  
 White - reference  
 Grey – out of scope for National Compliance Qualifications Project

Read from top to bottom and left to right



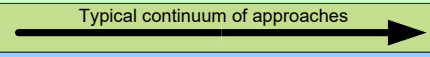
**Regulation** is  
 The process of making the rules  
 i.e. Laws  
 Regulations  
 Gazette Notices  
 Mandatory Standards  
 Voluntary Standards

**Compliance** is  
 The process of ensuring people comply with or exceed the rules

**Community Engagement** is a reference to providing and receiving community input to improve compliance approaches

“Information” based approach (incorporating education, persuasion and assistance activities) is a reference to approaches designed to encourage compliance based around the idea that if people know what they have to do they will comply

“Enforcement” based approach is a reference to one of the approaches to achieving compliance usually involving investigation/sanctions of some kind



**Information**  
 education and persuasion  
 assistance to comply  
**Enforcement**

Generally, the approach chosen depends on the attitude to compliance, i.e.:  
 - Motivated to comply = information  
 - Resistant to compliance = enforcement.

**Self-regulation and co-regulation** are terms used to describe approaches to making rules, and to ensuring compliance, that usually involve those who are required to comply in either being responsible for determining the rules/compliance or doing so in partnership (beyond “consultation”) with Government

**Detection** relates to how possible non-compliance is identified – for example: through receipt of complaints, intelligence, auditing, monitoring, surveillance

**Auditing, monitoring and surveillance** are processes or tools generally used to assess compliance with the rules/detect non-compliance. Apparent non-compliance identified through these processes can lead to **enforcement** or **information based approaches** to encourage compliance.

**Investigations** are processes/activities designed to determine the facts of a matter – usually whether a rule has been broken or not. **Investigations** may lead to sanctions, or **information approaches**, to encourage compliance

**Sanctions** are actions taken against non-compliant people for the purpose of encouraging future compliance, sometimes achieving compensation, penalising non-compliance, and deterring others from non-compliance. The severity of the sanction is usually based on the seriousness of the non-compliance, and need for punishment and deterrence.

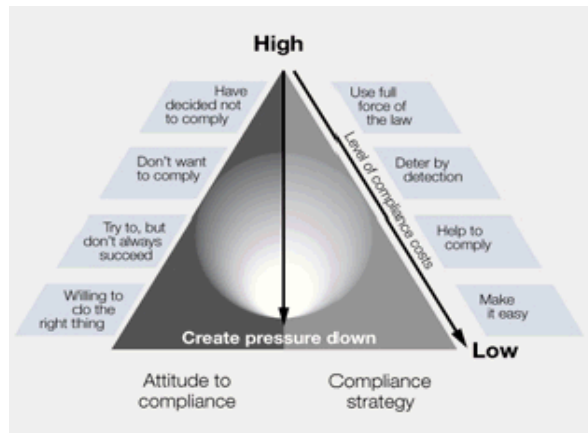
**Administrative Action** is the process of entering a settlement or imposing a sanction that usually doesn't involve court proceedings

**Warnings, infringement notices** etc are types of administrative sanctions intended to encourage compliance. **Settlements** are administrative agreements to change behaviour, pay compensation etc; **Licence suspensions and cancellations** are severe sanctions that remove the privilege to operate

**Criminal Prosecution/Civil Action** is the process of taking court action against someone who has (allegedly) not complied

**Pecuniary penalties, orders for compensation, fines, home detention, community service, incarceration** are types of sanctions that can result from civil actions or criminal prosecutions

**Prevention and deterrence** are terms that describe actions intended to stop people from engaging in non-compliant behaviour. In keeping with the continuum of approaches (above), information approaches help to prevent non-compliance and assist motivated people to comply; enforcement processes punish and deter through demonstrating consequences of non-compliance.



TEN THINGS YOU NEED TO KNOW ABOUT REGULATION BUT NEVER WANTED TO ASK  
 Valerie Braithwaite ISBN 978-0-9803302-2-9, RegNet Occasional Paper No. 8 December 2006  
<http://demgov.anu.edu.au/papers/Braithwaite2006OP10.pdf>

**Intelligence** is the direction, collection, processing and dissemination of information for the purposes of identifying relationships, predicting trends and setting strategic direction. It operates at three levels – tactical, operational and strategic. It contributes to regulation, compliance, enforcement-based and information-based activities

**Voluntary Compliance** is a reference to the desired end state (compliance) achieved through information approaches and incentivised by cases where enforcement action has been taken.

Refer to the regulatory pyramid concept used by many agencies.  
 The Department of Internal Affairs example is at:  
[http://www.gazette.govt.nz/Pubforms.nsf/URL/Fact\\_Sheet\\_Four.pdf/\\$file/Fact\\_Sheet\\_Four.pdf](http://www.gazette.govt.nz/Pubforms.nsf/URL/Fact_Sheet_Four.pdf/$file/Fact_Sheet_Four.pdf)