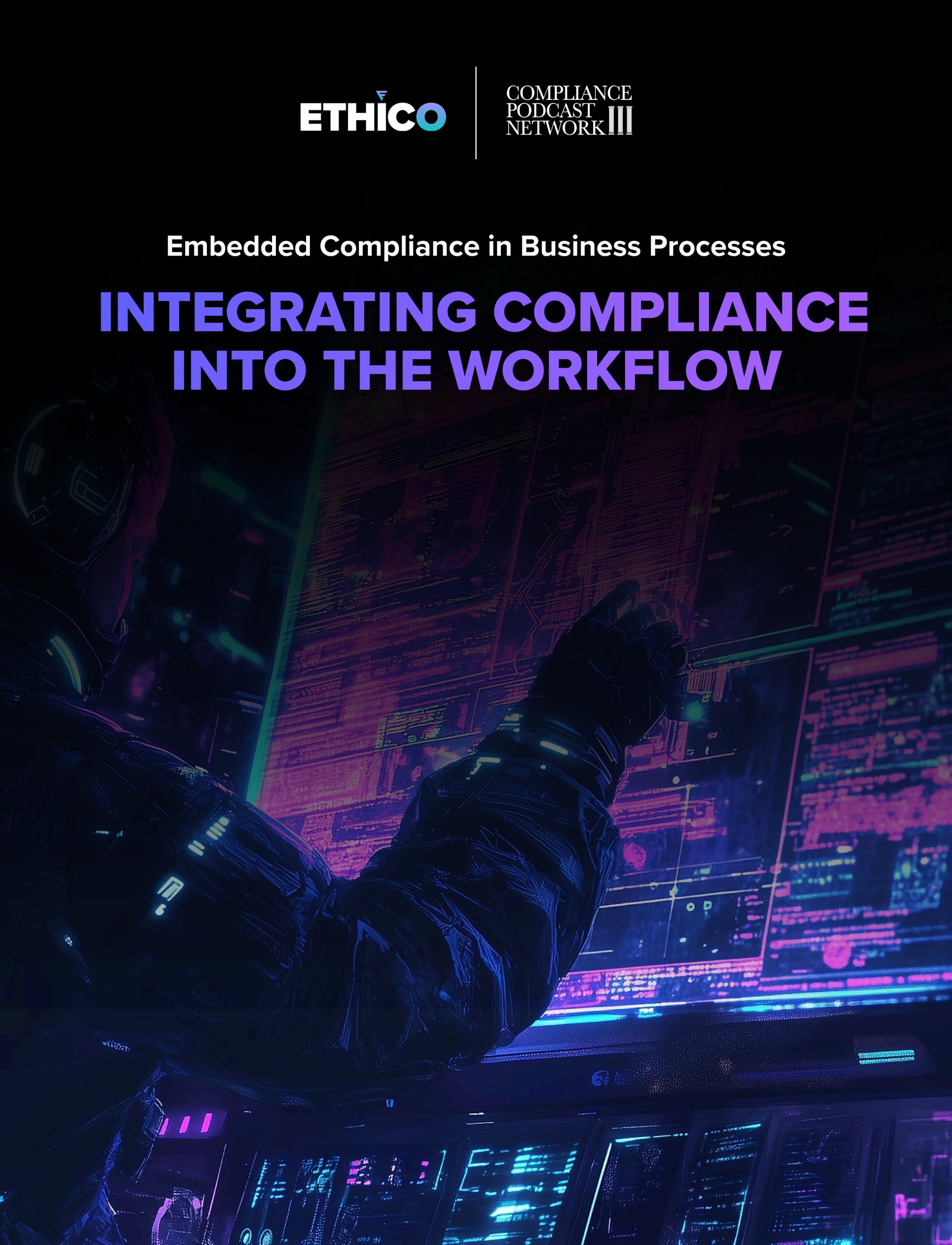




COMPLIANCE
PODCAST
NETWORK III

Embedded Compliance in Business Processes

INTEGRATING COMPLIANCE INTO THE WORKFLOW



Introduction

As Andrew McBride has noted, “Rather than being a separate function, compliance is being embedded into everyday business workflows using API-driven solutions. Automated policy checks, contract reviews, and real-time compliance scoring are integrated into core operational systems.” Embedded compliance means compliance is built into everyday workflows, providing instant, in-process guidance on regulatory requirements and legal mandates. For example, instead of having a compliance officer review transactions at day’s end, an embedded compliance system can automatically flag or prevent non-compliant actions as they occur. [Apiax](#) identified this as “the ability to provide instant answers to regulatory questions when and where they are needed – fully integrated into [the] existing infrastructure.” In other words, compliance is no longer an add-on or hurdle at the end of a process, but a seamless part of the process itself.

The significance of this shift cannot be overstated.

Traditionally, compliance was often siloed with a dedicated department performing manual audits, reviews, and approvals separate from core operations. This could lead to delays, inefficiencies, and sometimes gaps where business activities proceeded without proper compliance oversight until it was too late. [Now](#), driven by ever-changing regulations and the demand for faster, more transparent operations, companies recognize that “compliance must be integrated into business operations from the start and at every step, rather than being an add-on.” By embedding compliance into workflows, businesses can streamline operations, reduce risk, and improve compliance outcomes. A [financial institution](#) that bakes compliance checks into its customer onboarding or transaction processing systems can “know what to do in any situation, quickly and confidently” without waiting for a separate compliance sign-off. This leads to more agile decision-making and fewer costly compliance errors.



“Compliance is no longer an add-on or hurdle at the end of a process, but a seamless part of the process itself.”

Businesses across industries are thus shifting from traditional compliance functions, characterized by periodic audits and reactive issue remediation, to integrated compliance solutions that operate in real-time. Several factors drive this trend. One is the sheer volume and pace of regulatory change business change and geopolitical instability. Companies find that trying to handle compliance manually, after processes are executed, is untenable. [Droit](#) has said, “organizations find themselves reactively responding to regulatory updates rather than proactively building systems to future-proof compliance around [the] workflow.” Embedded compliance flips this script by proactively embedding rules and controls so that compliance is continuously ensured. Another driver is technology: modern API-driven platforms, AI, and RegTech tools are making it feasible to integrate compliance at scale. As a [result](#), “RegTech and more advanced tools, such as generative AI, are now at the forefront of business agendas and operations” to help align business activities with regulatory requirements.

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Through APIs, these “immediate answers” are delivered on demand. Developers can integrate compliance APIs so that whenever a certain event happens (e.g. a contract is drafted, a customer is onboarded, a financial trade is executed), an automated compliance query runs in the background. This could check the action against regulatory rules, internal policies, or risk models and then either approve it, flag it, or prevent it, all in milliseconds. By leveraging APIs in this way, compliance becomes an integral part of the transaction flow rather than a separate review later.

Section One

Strategies for Embedding Compliance

✓ 1 | Automated Policy Checks

One common application of API-driven compliance is automated policy checking. Companies can encode their corporate policies or external regulatory rules into a rules engine that is accessible via API. Before a user completes a workflow step, the system calls the API to validate compliance. For instance, consider employee expenses or procurement approvals. Instead of relying on a manual review of each expense report for policy violations, an embedded compliance solution can automatically cross-check each expense against policy limits or prohibited items through an API call. If a violation is detected (say an amount exceeds the allowable limit or an unapproved vendor is used), the system can immediately notify the user or require additional approval. This pre-activity check prevents compliance breaches from occurring in the first place. As [Apiax](#) describes, embedding compliance enables organizations to “conduct pre-activity checks... so that compliance breaches do not occur at all.

In practice, banks embed such checks to ensure frontline staff only offer financial products to customers when it is compliant, such as checking if offering an investment product to a client in another jurisdiction is allowed under cross-border rules. By replacing lengthy policy manuals with instant API-based answers, organizations “replace complex policies with instant, accurate and actionable regulatory answers” right in the workflow”. This minimizes the need for post-hoc corrections and reduces the burden on compliance teams.

☰ 2 | AI Powered Contract Review

Another powerful example is using AI via APIs to review contracts and documents for compliance issues. Contract management systems can integrate AI services that analyze legal documents in real time, flagging any clauses that might violate laws or internal policies. For example, modern AI contract review tools can automatically check if a draft contract includes required data protection clauses or if it deviates from approved language that could introduce risk. According to Lambda, these tools “verify compliance with regulations, for example, ensuring GDPR-compliant clauses are included in data processing agreements.” By embedding such AI reviews into the contract workflow, companies catch issues early.

Look at the business process involving contracting with a new company. It will begin creating a new engagement or creating a new contract. Your contracting policy should automatically guide the business user on what needs to happen. Your workflow should have all aspects of your compliance policy and controls were embedded in that process, it would make things so much easier. In the process of contract negotiation and creation, there will be exceptions and the need to approve any exceptions. But your business process may have higher levels within the business unit review the exceptions. This is different from your compliance teams reviewing everything, rather it is managing by exceptions. You want compliance as a part the review and approval process and embedded compliance is the way to do so.

DocuSign’s AI-assisted contract review is a [case in point](#), it empowers business users to review and negotiate contracts while “not sacrificing compliance with legal and business requirements,” thereby speeding up deal cycles without increasing risk. Through an API or built-in integration, the compliance AI can score each contract for risk, highlight problematic language, and even suggest corrections, all before a human signs off on the agreement (the Human in the Loop).

This means legal and regulatory compliance is assessed in real-time, long before a binding agreement is executed, greatly reducing the chance of non-compliant terms slipping through

3 | Real-Time Compliance Sorting

In addition to checks and reviews, organizations are leveraging APIs to get real-time compliance scoring of their operations. This refers to dynamically assessing and quantifying an entity's compliance status at any given moment. For instance, a cybersecurity compliance platform might continuously evaluate an organization's adherence to standards (like [PCI DSS](#) or [ISO 27001](#)) and produce a live "score" or dashboard. Such [platforms](#) "provide real-time scoring that visually represents the organization's compliance posture", allowing teams to immediately identify gaps.

By pulling data from various systems, such as whether security controls are enabled, training is completed, or processes followed, the platform updates compliance scores instantaneously. Another example is in financial services: banks use real-time risk scoring for transactions to comply with anti-money laundering (AML) rules. As transactions flow through payment systems, an embedded compliance engine (accessing sanction lists and risk models via API) can score each transaction's risk level and stop those that exceed a threshold, effectively doing on-the-fly AML compliance. The key benefit of real-time compliance scoring is continuous awareness. Instead of discovering non-compliance during an annual audit, companies see their status live and can address issues proactively.

While at Albemarle, McBride initiated a similar protocol for the employee expense management process. Some of the areas he was able to use AI included the following. The company restricted the ability of employees to utilize corporate credit card with certain vendors such as gambling establishments and strip joints. Albemarle was able to achieve a 'De-duplication and re-wording' of expense classifications in Concur and re-mapping to correct General Ledger Accounts. The key here was to make it as simple and easy as possible for employees to identify the correct expense type.

Additional areas included just in time guidance for employees in Concur on required supporting documentation, inclusion of a gifts and hospitality pre-approval within Concur to which a subsequent expense would need to be matched and immediate fraud testing upon submission by Concur Detect. There was also an escalation of flags to compliance and just in time guidance for management reviewing expenses with red flags. Finally there was longer term employee expense monitoring over time to track excessive gifts & hospitality to one customer.

In all these examples, the automated policy checks, AI contract reviews, and real-time compliance scoring, API-driven solutions act as the connective tissue that weaves compliance into the fabric of day-to-day operations. They enable automated, instantaneous checks against complex rule sets, which previously might have required manual interpretation by compliance experts. By doing so, they drastically reduce the latency between action and compliance verification. The result is a more agile and preventive compliance approach.

4 | Policy Review and Update

Many compliance professionals do not have the ability to measure when does a question come in about a compliance policy? How does a question come in? Where does it come from? When an employee does a procedure that implements a policy, are they doing that correctly? Now there's manual processes to follow up on that. But if we can automate that type of information that would get to a compliance professional, literally in real time, or at least in the short time; a compliance professional could then either take a look at it to see what has caused the anomaly and or deliver a compliance solution. That solution could be training, it could be additional update, or it could be compliance communications.

Lambda says that policy management is an area ripe for incorporating feedback, from your employees.

This includes questions from employees, which you can treat as feedback into the policy to improve the policy. Synthesizing all those questions that come up, any feedback that comes up, and then just having it ready for incorporation into your compliance policy is a great benefit of embedded compliance. AI can really ease the burden on any manual processes you are using in this area.

Moreover you can synthesize that information over any time frame you might choose: three months, six months, 12 months. What questions did you receive? What inquiries have we received? These questions can all form the basis for additional or more targeted compliance communications which we have the additional benefits of not only meeting the DOJ guidelines but reinforcing a culture of doing business ethically and in compliance.

A final benefit is keeping the policy documents updated and informed. AI can help draft them based on your specific needs. But it's something that hopefully everybody's doing already. This is like, maybe the most basic use of AI, which is to prepare the initial draft of policy based on very specific guidelines. I think the final part of this puzzle, is having those policy updates automatically. When you update a policy document, some of your processes are now out of date with the new policy. Getting visibility into that and potentially some suggestions on recommended changes can also be of great benefit.

Section Two

Lessons for the Compliance Professional

For compliance professionals, the rise of embedded compliance and API-driven solutions means their role is evolving. Rather than spending most of their time on manual monitoring and after-the-fact reviews, they will increasingly collaborate with technology and business teams to design, implement, and oversee these integrated compliance systems. Below are 10 actionable lessons and insights for compliance officers and professionals to adapt to and champion embedded compliance in their organizations.

1 | Embrace Technology as an Enabler, Not a Replacement

Advanced tools like AI and automation can supercharge compliance efforts, but they don't eliminate the need for human expertise. Use technology to handle repetitive checks and analyze large data sets, freeing up your time for complex judgment calls. However, always maintain human oversight over automated decisions. Compliance officers should verify and tune AI models, investigate the red flags AI raises, and handle the nuanced decisions that algorithms alone shouldn't make. This ensures that automation enhances, rather than undermines, the quality of compliance. In practice, treat AI outputs as recommendations or alerts that you will interpret, for example, if an AI flags a transaction as suspicious, a compliance analyst should review the context before reporting it. By partnering with AI, you can cover much more ground while still applying the critical thinking that only experienced compliance professionals can provide.

2 | Design Compliance into Processes from the Start

Do not wait for a process to go live and then overlay compliance controls as an afterthought. Instead, embed compliance requirements during the design phase of business processes, systems, and products. This echoes the principle of [Compliance by Design](#), which is about weaving compliance into the fabric of operations and technology at the outset. If your company is developing a new customer onboarding workflow, be at the table to ensure that at each step; data collection, identity verification, record-keeping, compliance checks are built in. By doing this, you prevent gaps that would require costly remediation later. Compliance by design also means collaborating closely with IT, product, and operations teams. Create cross-functional working groups where compliance requirements are translated into user stories or technical specifications. When compliance is an integral part of the initial blueprint, it's much easier to implement effective controls and far harder for the business to inadvertently bypass compliance in pursuit of other goals.

3 | Leverage APIs and Automation to Reduce Manual Work

Manual compliance processes are not only slow but prone to error. Identify areas where your team spends significant time on rote tasks – checking entries against lists, filling spreadsheets, generating reports – and explore API integrations or automation tools to handle those. For instance, if your team manually reviews employee travel requests for policy compliance, consider an automated tool that cross-checks requests against travel policies and flags only exceptions for human review. Hubifi believes that in shifting from manual to automated compliance processes “improves efficiency and accuracy, freeing your team to focus on strategic decisions”. As a compliance professional, you should upskill yourself in understanding how these tools work. You do not have to be a coder, but you should know the basics of what an API or RPA bot can do. By doing so, you can work hand-in-hand with IT to implement solutions that directly address your pain points. The lesson here is to work smarter: use technology to handle the heavy lifting of compliance data processing so you can concentrate on analysis, advisory, and oversight.

4 | Maintain Data Quality and Tackle Silos

Embedded compliance relies heavily on data, rules, transaction data, customer data, etc. One of the biggest challenges is ensuring that the data feeding your compliance systems is accurate, consistent, and comprehensive. AI models are only as effective as the data they are trained on, and similarly, any embedded compliance rule is only as good as the data it checks. Compliance professionals should therefore become champions of data quality and integration. You should partner with your data management teams to identify and fix gaps or inconsistencies in data that could lead to false positives or false negatives in compliance monitoring. For example, if different systems spell a client’s name differently or categorize products in different ways, an integrated compliance rule might miss transactions. Work towards a “single source of truth” for key compliance data points. Also, break down data silos. If your sanctions screening tool isn’t seeing all relevant customer data because some is locked in another system, lobby for integration. Integrating data from diverse sources is essential, and without it, data silos can persist, undermining the effectiveness of AI [and compliance] tools.

By internalizing these lessons, compliance professionals can effectively navigate the transition to embedded compliance. The role becomes less about box-checking and more about system design, data analysis, and strategic advising. It’s an exciting evolution – compliance officers move from the back-office to being central players in digital transformation of their companies, ensuring that innovation and compliance go hand in hand.

5 | Champion a Culture of Compliance and Train for Adoption

Technology alone does not guarantee compliance; it is effective only if people use it properly and trust it. As compliance becomes embedded in processes, the role of frontline employees also shifts, they will be interacting with compliance prompts or systems more directly. Compliance professionals should take on the role of educators and change agents to cultivate a culture that welcomes these tools. Emphasize to colleagues that embedded compliance tools are there to help, not to police them. Provide training sessions on how the new integrated compliance processes work and why they benefit everyone.

Solicit feedback from users on the ground, if a compliance control is overly cumbersome and causing workarounds, you need to know and refine it. Moreover, encourage the mindset that compliance is everyone’s responsibility. With compliance integrated into daily tasks, employees should understand that they are the first line of defense. For example, if a salesperson receives an automated alert that a potential deal raises a compliance concern, they should take it seriously and not see it as just an IT glitch. By reinforcing the importance of compliance and showing how the embedded systems make it easier to do the right thing, you strengthen the overall efficacy. Early adopters of AI-driven compliance demonstrate a commitment to ethical business practices and gain competitive advantage. Frame your initiatives as part of being a forward-thinking, trustworthy organization, something everyone can be proud of. This not only aids adoption but also reduces resistance when new compliance features are rolled out.

Section Three

Conclusion

Corporate compliance is experiencing a transformative shift from reactive, manual oversight to embedded compliance, seamlessly integrated into daily business workflows through innovative, API-driven solutions. This strategic evolution highlights the shift away from compliance as a standalone function toward real-time, automated integration into core business processes. Embedded compliance achieves this by integrating automated policy checks, AI-powered contract reviews, and real-time compliance scoring directly into business systems.

API-driven compliance is at the core of this integration. By embedding compliance rules within APIs, organizations achieve instant, proactive compliance monitoring, ensuring non-compliant actions are identified or prevented at the very moment they arise. For instance, financial institutions leveraging automated compliance checks can swiftly navigate regulatory complexities such as cross-border transaction rules, dramatically reducing manual reviews and enabling faster, confident decision-making.

AI also significantly enhances contract reviews, streamlining the identification of non-compliant clauses in real-time. Modern AI tools analyze contracts proactively, flagging issues such as missing GDPR-required clauses, thus minimizing the risk of regulatory breaches before agreements become binding. DocuSign's AI-assisted contract review exemplifies this approach, enabling faster negotiations without compromising compliance integrity.

Real-time compliance scoring represents another revolutionary strategy. Organizations dynamically assess compliance status through live dashboards and continuous monitoring. Cybersecurity platforms, for example, offer real-time compliance scores, swiftly highlighting gaps and facilitating proactive issue resolution rather than relying solely on periodic audits. Andrew McBride's approach at Albemarle illustrates embedding compliance in practice. By automating employee expense management, Albemarle successfully enforced spending policies and swiftly flagged improper transactions, significantly reducing compliance breaches and improving internal control efficiency.

Technology should empower, not replace, human oversight. Compliance officers must remain engaged, tuning automated solutions and providing nuanced judgment where needed. Designing compliance controls from the outset and maintaining rigorous data quality standards are crucial to successful integration. Moreover, fostering a robust compliance culture ensures technology adoption and operational trust.

Uber's innovative use of AI further underlines the power of embedding compliance. Uber employs real-time data analytics for ride matching, dynamic pricing, route optimization, fraud detection, and predictive maintenance. These strategies underscore how predictive analytics and proactive risk management can dramatically enhance compliance effectiveness and operational reliability.

Embedded compliance via API-driven solutions and AI represents not merely an operational upgrade but a strategic imperative. This approach delivers compliance seamlessly into business workflows, providing instant regulatory clarity, significantly reducing compliance risks, and enabling proactive, efficient, and confident organizational decision-making. Compliance professionals are positioned at the forefront, guiding their organizations through this exciting digital transformation, ensuring compliance remains an enabler of business success rather than a hindrance.