

CEP

MAGAZINE

A PUBLICATION OF THE SOCIETY OF
CORPORATE COMPLIANCE AND ETHICS

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HOW TO CREATE A COMPLIANCE AND ETHICS COMMITTEE

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Whether the creation of a compliance and ethics committee is required by regulation, a result of audit findings, or a proactive idea to reinforce an ethical and compliant culture in the workplace, bringing the committee to fruition is a massive undertaking. Often individuals have fantastic visions of the gap this committee can fill, but don't know where to begin or haven't accounted for all the gritty details that come with the creation and oversight of such a mechanism. This article aims to pare down some of these gritty and cumbersome details in a realistic fashion to provide a strong starting point for professionals who are tasked with such an assignment.

What is your purpose? Be honest.

Is this committee being created to provide you, as the compliance professional, with resources and

depth? Or is the committee intended to resolve an existing problem? Is the creation of this committee a politically charged situation? What's the institutional history behind committees such as this one?

I could spend the entire article peppering you with questions, but I'm guessing you understand my premise. Providing honest context to the creation of this committee will guide you through answering all the following questions in a productive fashion that keeps your goals in check and realistic for your given industry and situation.

How much support do you have?

Performing a transparent evaluation as to how much support is needed versus how much you currently possess tells you not only what your scope and expectations look like for this committee, but also how much marketing you will need to wrap into

building your committee. Ask the hard questions, and know your answers, such as whether your committee truly has teeth, and how big said teeth are or are not. Don't view the need of more support as daunting or uphill. Rather, no project can ever conjure enough support, and that's just a given component to your work. Again, focus on classifying your support into groups such as "must-have" versus "bonus," and view this entire list of questions as merely a fact-finding mission. You don't have to make any heavy and hard decisions until all the data is gathered.

Who are your stakeholders?

This step will be more specific depending on your industry, and even more specific to your role, then most specific to your individual organization. Stakeholders can be anyone from the literal client to the business, and you must be clear about each and every one of them as they tie to your committee. For example, my industry is research compliance, so if I was in-house at an organization conducting research, my stakeholders could be everyone from providers, researchers, subjects, patients, fellow compliance colleagues, and so on. If you are in any way a visual learner, I sincerely recommend drawing out these relationships and their connections to the mission of your committee. Completing this step fully ensures you can then best move on to the appropriate model and membership.

What models exist already?

Admittedly, if you spend time around my work, you'll find I am a bit of a broken record about this next point, but it truly saves you every single time. Hit the library and do your research on your

industry regulations! Always head to the "regs" for ideas on models, as well as bullet-proofing your committee. The regulations really do spell out expectations if you read them carefully. Chances are a compliance or ethics committee in your given niche isn't novel, and your organization isn't the first to do it. Why waste time and resources reinventing an already round wheel?

The key is to determine where ethics or compliance committees in your industry are mandated, and if you research regulatory structure surrounding those committees, the oversight agencies likely have requirements. You might even find, for example, stipulations for varied affiliations, subject matter expertise, ethnicity, gender, etc., stated in the very regulations. Once you evaluate the rationale for the stipulations, and how closely the regulation applies to your committee's true purpose, you may find the parameters for your model come together quite easily.

Regulations certainly aren't the only place to research, and some compliance areas may not utilize the committee approach as frequently, but I do always suggest starting there. If you find yourself at a bit of a loss, I would then begin researching other like-minded organizations that you know have implemented a type of ethics or compliance committee similar to that which you seek. Don't make the hallmark mistake of only researching the successful ones! You need to know as much about why certain ones worked as you do about the ones that fell short. And remember, armchair research will only take you so far — ask around; a wee bit of networking will take you the extra mile to garner the deep dive information. People

always love to speak endlessly about their successes or complain to a sympathetic ear as to why something failed.

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Be prepared

You'll need resources, administrative assistance, standard operating procedures (SOPs), education, and training. If I had a dollar for every board or committee I've sat on that couldn't have been more enthusiastic to accomplish the intended purpose, but which never took flight because of poor planning...well, I'd be retired! This component certainly isn't the shiniest, but man is it important. Think of these steps as your skeleton, bones, joists, and frame to your home. Without these pieces solidified, the rest will tumble.

This phase and the membership one directly below will inevitably overlap as you need membership to accomplish some of these steps. However, if you are the one charged with creating this committee, be prepared to lead the effort and keep the committee focused. Start asking all of the necessary

questions and collecting answers before you recruit members. Here are examples of questions you likely need addressed:

◆ **Will you be taking minutes?**

If so, in what medium and who will be responsible? Will there be deadlines for circulating the prepared minutes and approving them? Who will store the minutes and for what retention period? Is there a regulatory agency or document that governs details such as these?

◆ **How often does the committee need to meet?**

For how long? And where? Will it need catering resources or technology provided? Who will arrange all this scheduling and these determined arrangements?

◆ **Will there be attendance requirements?**

How will you remind and verify attendance for members? Who will note who was present at the meetings and should it be documented? How?

◆ **What education and training do members need to possess upon membership?**

What education will need to be provided in a continuing fashion? Who will provide it, including expertise, coordination, CEU paperwork, and validation?

Again, these are just examples to highlight my point, but you can easily see that although these more mundane details seem simple, the workload and need for assistance and coordination increases quickly. The more of these details you have prepared prior to recruitment, the better you demonstrate your committee's legitimacy to potential members. Likely many of the individuals you hope to recruit are already quite busy, but your committee membership invitation is much harder to decline

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when it's obvious you have a solid infrastructure that simply requires the member's expertise.

Membership recruitment

Pick your members carefully, have term limits, and rotate regularly. Don't overlook diversity, politics, and conflicts. As if the ending to my point above wasn't foreshadowing enough, I'm reiterating. The more infrastructure you have fully developed before you recruit members formally, the more success you'll find in the recruitment process. Sure, you will have organic situations whereby someone phenomenal crosses your path and you jump to mention the committee you're forming. Certainly. Don't miss opportunities, but also, don't get ahead of yourself.

Once you've arrived at formal recruitment, you should be reading and re-reading the membership requirements you've forged from the aforementioned model steps as you brainstorm. Remember, term limits are a must for success, so tap your membership lightly and strategically so you will continue to have a pool to draw from as you rotate. Term limits ensure your committee remains active, diverse, and current, and prevents power vacuums and burnout.

If members can serve multiple purposes, and there's no regulations forbidding it, create intentional overlap. Seek out members for

different types of expertise. For example, you need individuals who are subject-matter experts as much as those who are bringing leadership and board experience. Be reasonable — if you know a great individual who will never say no to membership, but is likely already overcommitted, wait until another time on that person.

Likewise, ensure political diversity within your organization and that your committee isn't merely a group of your favorite colleagues. Challenge the committee and yourself to represent all potential stakeholders and all views on the issues this committee will tackle. Even if you have to grit your teeth through recruiting certain members due to personal differences, keep the goal to think global and best represent the stakeholders. The staunch other side of this coin is that no one enjoys being on a committee known for bickering, so know the limits of this challenge, and again, handle your membership delicately so you work with the grain, not against it, in your intra-organizational politics.

Call your committee into action and hand it over

Believe me, I know handing over your "baby" after all the love and care you've provided to create this committee is synonymous with handing over your child to

the babysitter for the first time. But, it must be done. You will guide, oversee, manage, advise, administrate, and otherwise continue to likely be a huge presence within this committee. However, if you refuse to allow them to do the intended purpose, or if you continue to do all the work and guide them in only selfish directions, they will never thrive. I'm in no way trying to understate how hard this step is, but rip off that bandage and keep truckin', or all your hard work up to now actually *will* be wasted.

Maintenance and monitoring — think short — and long-term

This phase shouldn't be entirely ignored until the committee is formed and meeting, and likely you couldn't complete your pre-recruitment preparations without some questions being raised as to sustainability. Note, however, I do intend to review oversight in this section more than

resources, as I presume, again, that component was previously determined.

I struggle to write terribly specific steps here, because this phase is the most industry-specific piece, and it's tailored exclusively to the purpose of your committee. Instead, I will relay my experience. When dealing with committees that are regularly audited by a regulatory authority of some sort, I typically see better infrastructure and management, but also much less efficiency. The opposite is usually true when the committees in question are less regulated and don't face monitoring. Your goal, in my opinion, is to fall somewhere in between the two. Capitalize on the fact you're creating the committee's existence and skip inefficient controls. But, don't allow so little ongoing oversight that the committee is in want of a fire beneath their seats. Determine maintenance and monitoring mechanisms that assure integrity, but also are realistic for your

resources and won't subvert your recruitment efforts.

Conclusion

As previously discussed, creating a compliance and ethics committee is no small feat, and you should allot the appropriate time and resources to ensure success. The committee's success relies not only on solid infrastructure and utilizing the appropriate model, but also on continued oversight and management as the committee grows and evolves. Although this article focused primarily on the infancy stages of your creation process, I still urge you to view your committee as a living and breathing entity that absolutely should develop over time. Continue to revisit the process outlined in this article to re-evaluate your committee over time, and you should be well equipped for managing the progression of your creation.

Best of luck to each of you tasked with such an adventure, and happy committee building! 

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- ◆ To create an effective compliance and ethics committee, you must determine what information and resources you will require by asking important fact-finding questions.
 - ◆ Models for your specific type of committee are likely already in existence within your regulatory structure or other like-minded organizations.
 - ◆ Determining your purpose and resources will heavily influence your process, and there are several questions one must answer to make these determinations.
 - ◆ You can learn just as much from ineffective implementation of a committee as you can from a successful one.
 - ◆ The creation process can be tedious, but the task is not insurmountable, and you should adjust your timelines and expectations accordingly so they remain realistic.