

# Letter from the CEO

**ROY SNELL**

Odell Guyton, Global Compliance Officer for Microsoft, and I have had many discussions about the fate of the compliance and ethics profession. Both of us have been deeply involved in the

## **Professional certification for compliance and ethics professionals: The time has come**

profession for ten years and over the course of those years we have been asked repeatedly, "What can we do to legitimize this emerging compliance profession?" Compliance/Ethics professionals are justifiably proud of their profession and expertise. They want the profession to be taken seriously by those within and outside our organizations.

There has been considerable "splashing around" in an effort to improve and illuminate the compliance and ethics professionals' image. Most of this has come in the form of meetings, writing and ruminating—memos, emails, white papers and articles abound. Much time has passed waiting for action. Yet we know that just telling people Compliance and Ethics is an important profession is ineffective. We have had more than adequate time for discussion, now we need to take action.

How old is our profession? A decade? Since the Sentencing Guidelines were issued? Years before? Whatever you estimate our age to be, we have waited too long to move decisively.

I am happy to say that the groups I have had the opportunity to work with are taking action now. They have called on leaders who have a vision for action, and have insisted on soliciting professional expertise for the heavy lifting. As a result of this leadership we are now

poised to accomplish one of the most important steps in the maturation of our profession—a professional credential for compliance and ethics professionals across all industries.

According to Christian and Timbers and smartmoney.com the compliance and ethics professional is one of the top 10 hottest jobs in the country. That being said, we are also a relatively young profession. Therefore, establishing credibility and our place in corporate America is going to take effort and time. Gaining respect and recognition for this new profession is dependant largely on how we develop and manage our profession. I have been deeply involved in this profession, first as a compliance officer and founding president of the Health Care Compliance Association (HCCA), and now as the CEO of the HCCA and the Society of Corporate Compliance and Ethics (SCCE). SCCE and HCCA are nonprofit membership-based 501 c(6) organizations that are dedicated to serving the compliance and ethics profession. Our experience in healthcare compliance certification, and the track record of other

professions, tells us that few projects can have a greater effect on the image of the compliance and ethics profession

than professional certification. Indeed, most respected professions of any importance have a professional certification. For example, medical doctors and nurses have long sought certification beyond the minimum legal requirements.

Healthcare compliance professionals have had a professional certification program for almost eight years. Ignoring those who said that this task was impossible or would never get off the ground, certification has gone from obscurity to significant recognition during this period. There are over 1,000 compliance professionals who have obtained the Certified in Healthcare Compliance (CHC) credential. Companies are now listing the CHC as a preference in job postings. Organizations are asking multiple employees to obtain the CHC certification. Health and Human Services' Center for Medicare and Medicaid Services now has employees who have obtained this credential, the Texas State Inspector General has obtained the CHC credential, and many outside counsel and consultants are following this lead. Some organizations have dozens of employees with the CHC credential, and they are sending a strong message to the enforcement community that they are committed to compliance. Nor is healthcare compliance alone in this. There is a certification program for privacy professionals, and one for compliance and ethics professionals in



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Australia. It is time that compliance and ethics professionals in all industries have a professional certification. It is time that they have a credential that reflects their professional training and working knowledge of the field.

One year ago, the Society of Corporate Compliance and Ethics began the development of a professional certification for compliance and ethics professionals in all industries. The credential—Certified Compliance and Ethics Professional (CCEP)—is designed to help the professional demonstrate individual knowledge and expertise. Odell Guyton, Chair of the SCCE Advisory Board, has enlisted the assistance of compliance and ethics professionals from organizations such as Radio Shack, DuPont, Eddie Bauer, the University of Louisville, Holland and Knight, Brown McCarroll, SAP Public Services, MediRegs, The Philadelphia Stock Exchange, Foley and Lardner, Tenet Healthcare, and many others.

This is a difficult and time consuming task that takes serious attention and expertise. SCCE has hired Applied Measurement Professionals (AMP) to oversee the development of the Certified Compliance and Ethics Professional credential. AMP is a company of experts in this area that has helped set up certification programs for many professional societies. AMP psychometricians oversaw every step of our certification development process. A psychometrician is a PhD statistician who has focused his or her studies and career on the development, administration, and analysis of the credentialing process. More specific information about applying to become CCEP certified is included at the end of this article along with a complete list of the those who participated in its development.)

**The development of a professional certification involves many steps. The steps we have taken in the process include:**

- Selection of a firm to assist with the technical aspects of this process
- Development of a rigorous job analysis survey (to establish what the job entails)
- Establishment of fair criteria to sit for the exam (prior education, continuing education requirements, years in the profession, etc.) that send a signal of professionalism
- Development of a comprehensive test
- Establishment of a cut score (i.e., passing grade)
- Elimination of, or correcting questions that do not perform well
- Administration of the program

Most professional organizations that undergo the development of a professional credential eventually develop multiple levels of certification. However, they typically start with the baseline certification which has fewer restrictions for entry but requires rigorous testing for competency. The CCEP credential is such a baseline credential. It is designed to be inclusive and to credential anyone working in the compliance and ethics profession who meets the requirements. We have recognized that this is a growing field with many levels and positions; indeed, the Murphy & Leet book, "Working for Integrity" reports over 800 different compliance and ethics job titles in companies. Thus, the CCEP credential is not just for compliance and ethics officers alone, but for individuals involved in education, auditing and other key aspects of an organization's compliance and ethics efforts. It is also

designed to include those involved in ancillary components of the profession, such as academics, outside attorneys, consultants, vendors, and the enforcement community.

Several years from now we anticipate the development of a more advanced level of credential, often referred to as "fellowship". The subsequent credential(s) will be more exclusive and will further delineate the specific expertise of the individuals who obtain the credential. It may delineate those in the top of the profession and in subsets of the profession such as individual expertise in manufacturing, finance, retail, technology, etc.

It is absolutely essential that we pursue this effort with rigor and diligence. To do less is to betray ourselves and our fellow professionals. I have seen the development of "credentials" occur with a group of "experts sitting in the back room" deciding what to test. Their "credential" often involves the purchase of a book or spending significant money on a workshop. They have not enlisted the recognized professional expert services to help ensure the process is effective and rigorous. In some fields certification may represent little more than that "the check cleared." It is unlikely that these profit-oriented schemes could ever pass National Organization for Competency Assurance (NOCA) accreditation, the organization recognized for certifying credentialing programs. Their criteria are rigorous, and the SCCE program is designed to comply with all of their standards. With the help of AMP, the SCCE took great pains to ensure that the entire examination process can be defended from a technical standpoint in

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compliance with NOCA accreditation.

One of the main objectives of professional certification is to let people know that the person holding the credential has a basic level of competency in their profession. Therefore, an essential first step that AMP helped us take was to develop a job analysis survey. The survey consisted of more than one hundred questions designed to help establish what functions compliance and ethics professionals perform. Each question was designed to determine if compliance and ethics professionals perform a specific task and the importance of that task to the performance of the job.

The Job Analysis Committee identified every conceivable task that a compliance and ethics professional might perform and it was up to the professionals completing the survey to tell us if, indeed, they perform the task. It is important not to test for what the job was or what the job might be someday, but rather, what the job entails today. Those recognizing the credential (i.e., prospective employers) want to be assured that the individual holding the credential has some competence in the job as it exists today. This survey must be repeated every few years to ensure that the evolution of the profession is closely tracked for change. The credentialing process must be constantly modified to reflect that change.

The job analysis survey was broken into eight sections as described in the recently updated U.S. Sentencing Guidelines (including risk management as an 8th element.) The SCCE's Job Analysis Committee worked with psychometricians employed by AMP to eliminate tasks that were not common to all profes-

sionals. Any task that was not performed by at least 85% of the compliance and ethics professionals was not included in the test development process. It is very important not to bias the certification by industry, geography, personal preferences, etc. Thus, the results were also divided so that responses by subgroups of the population could be compared to ensure bias was minimized to the extent possible.

The committee studied the job analysis survey data to see if there were significant differences among industries and regions of the country. Tasks were eliminated if they showed bias toward any group. With the aid of the survey results the group was also able to determine what proportions of each of the eight categories should be tested. Some elements of the job represented a larger portion of the professional's time and effort. Those sections would need more testing. The number of questions required to adequately test each of the eight categories was determined.

The last major task the Job Analysis Committee performed was to break each of the eight sections into three different test question types—recall, application and analysis. Some areas of the job require more analysis, others require more recall and another category might require more application testing. In the end, the group identified the tasks common to all professionals, the number of questions needed to test each of the eight elements of compliance and ethics, and what type of questions each category required (recall, application and analysis.)

Several hundred people completed the survey. The consistency of the data between industries was stagger-

ing. Although risk areas differ greatly between industries, the base function of the compliance and ethics professional is remarkably similar. There is a common set of tasks we all perform regardless of our industry. Those in the Committee who were initially skeptical that this level of analysis could be performed on a cross-industry basis were surprised at how readily the work could be done as the project proceeded.

After completing all of these steps as well as other related tasks, the Job Analysis Committee passed their work off to the Test Development Committee. Developing an exam for a certification program is an arduous process. As is often the case with hard work, however, it is also the most rewarding. It is essential to prevent the development of questions that can be answered by someone who does not know the subject matter. Some test takers know clues or tricks that inadvertently identify the correct answer. The psychometricians make sure that the questions are neither misleading nor obvious. For instance, AMP helped us avoid writing questions and answers with the longest answer as the correct answer (one of those "tricks" of test taking). They also prevented us from writing questions using a phrase from the question which is also in the answer. There are many other rules that must be followed so that someone who "knows how to take a multiple choice test" does not have an advantage. It is also important not to disadvantage those who struggle with the multiple choice testing format. The idea is to test mastery of the subject, not one's test-taking ability.

Along with prior education, continuing

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education, and on-the-job experience requirements, the CCEP qualification will include successful completion of a 100 question test. To have an effective testing system it is desirable to start with a bank of 200 questions and ultimately build up to 500 questions. In this way, test forms do not necessarily include the same questions to minimize the effectiveness of those who choose to share information. The committee must write approximately 300 questions just to end up with 200 usable ones, as many questions are eliminated by the committee during the review process. The test development committee takes the test a couple of times to identify questions that do not perform well, or are vague or confusing. They also look for questions that should not be placed together in the same test because they are too similar. Also, questions that inadvertently help answer another question in the test are noted and not used on the same test.

Once the first group of CCEP candidates has taken the test (and before they receive their pass/fail notification) the questions are reviewed again. Based on these first results, questions can then be eliminated for poor performance. The psychometricians perform statistical analyses that identify items that are not performing as intended. For example, if those scoring in the top 20th percentile overall get a particular question wrong while lower scoring candidates respond correctly, there is a good chance that there is something wrong with that question. The committee will review those and all other questions that the psychometricians identify as potentially problematic. Some questions will be changed, others will be eliminated, and on occasion the committee will look at

a question and determine that it is just a tough question and leave it as is.

SCCE will follow the organizational model used by HCCA to ensure the integrity and independence of the certification process. In health care compliance certification a separate board—the Healthcare Compliance Certification Board—administers the test and the certification. Similarly, SCCE will ensure such a separate body handles the credentialing process. Among other responsibilities, they will ensure the extremely high level of security necessary to protect the legitimacy of the testing and certification process.

SCCE knows that this is a difficult road to travel. We intend to put in all the hours and suffer all the headaches this task calls for; the profession has a right to expect nothing less. We started with one of the best firms in the country to oversee the development of the CCEP credential. We have enlisted the assistance of many of the best compliance professionals in the country. These individuals have repeatedly flown across the country to meet and perform the detailed labor this project demands. For me personally, this is the second certification process that I have experienced. These high-competency, highly motivated individuals have not only worked well together but have been extraordinarily effective in meeting the deadlines. Many years from now they will look back and be able to say, “I was there and I helped develop our professional certification.” Those who developed the certification for the health care compliance profession feel a great deal of pride today.

The development of a worthy credential most often only occurs once in a profes-

sion. This group should be very proud of their work. They are serving their profession well. They have taken action as opposed to ruminating and hoping. As a result of their work, they have helped the compliance and ethics profession mature and they have improved the compliance and ethics professionals’ chances of being recognized and respected for their unique and valuable talents.

The first CCEP testing will be done at the SCCE annual meeting in Chicago on September 14, 2006. Individuals can also take the computer-based exam at one of more than 140 locations around the country. All fees associated will be waived for the first group taking the test at the annual meeting. Individuals taking the test offsite between September 14 and October 15 at one of the computer-based sites around the country will receive a 50% discount. The regular application fee is \$250 for SCCE members and \$350 for non-members. More information on the certification process can be found on [www.corporatecompliance.org](http://www.corporatecompliance.org).

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#### **Job Analysis Committee**

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Frank Sheeder, Brown McCarroll  
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Brian Sears, Lockheed Martin

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# SCCE's 5th Annual Compliance and Ethics Institute

**C**orporate Compliance & Ethics weighs heavily on the shoulders of corporate officers, directors, and others who are legally, morally and professionally responsible for corporate actions. The Institute will provide attendees with the knowledge and professional support to make informed decisions.

As an Attendee of the 5th Annual Compliance and Ethics Institute you will be able to:

- Provide your organization with the most current views concerning the corporate regulatory environment, internal controls, and the overall conduct of business
- Enhance strategic thinking on how to develop compliance and ethics programs to address potential corporate regulatory problems
- Address compliance, internal audit, and ethics issues common to all industries and professions
- Obtain insight on how to develop and implement an action plan for developing compliance and ethics programs that reflect current trends and guidance from broad industry segments

Who should attend:

- Compliance professionals, ethics professionals and risk managers
- Human resource managers and information officers
- Corporate executives including CEOs and CFOs
- Consultants and counsel—both in-house and outside
- Regulators and other government personnel
- Compliance and ethics journalists
- Researchers and policy makers
- Staff educators and trainers
- Privacy officers
- Students

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Scott Mitchell, OCEG  
Al Josephs, Tenet Healthcare  
Dan Roach, Catholic Healthcare West  
Kim Van Doorn, TIAA-CREF  
Steve Lefar, MediRegs  
Roy Snell, SCCE  
Lisa Kuca, Holland & Knight  
Greg Triguba, Eddie Bauer  
Outside observer: Paula Desio, US Sentencing Commission

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