The Relationship between the Board of Directors and the Compliance and Ethics Officer

Society of Corporate Compliance and Ethics and the Health Care Compliance Association

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OBJECTIVE:
This survey was conducted in order to investigate if the relationship between the board of directors and the compliance ethics officer is as strong as it should be and if it is even serving its intended role of enabling the board to exercise sufficient oversight.

METHODS USED:
A total of 626 responses were collected during the fourth quarter of 2013 from compliance and ethics professionals in the database of the Health Care and Compliance Association and the Society of Corporate Compliance and Ethics. Of the responses received, 69% were from women.

KEY FINDINGS:
- 53% stated the Chief Compliance Officer and Ethics Officer reports directly to the board.
  - For those not reporting to the board, half reported directly to the CEO and 20% reported to legal.
- 34% of respondents stated four or more regularly scheduled meetings with the board is the norm. While 28% reported meeting 5 or more times per year.
- 64% of compliance professionals are satisfied with the regularity of board contact.
- 55% of compliance officers felt that the board values the compliance and ethics programs a great deal.
  - The numbers were highest (63%) among publicly traded companies possibly reflecting the greater pressure for boards to support compliance.
- 48% of compliance officers rated the quality of the interaction with the board positively.

CONCLUSION:
- Although resistance exists from some in separating the compliance and ethics role from the general counsel, such is already the case for most companies.
- Overall, the relationship between compliance and the board seems to be a strong one.

Full Report