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Quarterly reports to the board Audit & Compliance Committee: Tips

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One of a compliance officer's duties includes reporting to and working with their compliance committees. This also includes regularly reporting to the board-level audit and compliance committee or similar committee of the organization that is tasked with the oversight of the compliance program. Smaller organizations may not have a board-level committee for the compliance function, and the full board or governing body may have to be briefed on compliance operations. It is fairly typical and a best practice that boards or board committees meet and receive reports from the compliance officer on a quarterly basis. Some boards of a semi-governmental nature, such as hospital districts, may even meet monthly.

Reporting to the governing body is a crucial element of an effective compliance program. The reporting needs to be informative and enable boards and board committees to exercise their due diligence, conduct proper and effective oversight, and allocate appropriate funding and budgets for the compliance program. Compliance officers' reporting should also help board committee members remain aware of internal risks and industry compliance risks so they can develop risk control strategies and remain proactive in the long term.

Every compliance officer who has ever prepared the quarterly board materials and reports knows that the time until the next board committee meeting always comes faster than expected. Making the meeting preparations and content presentation efficient, concise, and comprehensive while allowing board committees to react and provide input is a critical success factor. Efficient presentations can be mastered by having a standard agenda format and using report templates and formats that are repetitive and intuitive, but that also allow for detailed reports to be provided and attached separately to the main report materials. The following are ten tips that compliance officers may keep in mind when developing a routine for reporting to the board audit and compliance committee in the midst of compliance operations, routine duties, and other challenges many compliance officers often face.

1. Agenda items

Keeping a standard set of agenda items that touch upon the seven elements of an effective compliance program each quarter will help compliance officers organize a plan and approach from the start. It will also make drafting the annual report on the compliance program easier, because much has already been reported by the time an annual summary becomes necessary. It may not be necessary to have detailed content or reports on every element at each meeting, but keeping on top of each element throughout the year will take the pressure off when it comes to the annual review and report. Board committee members will have already heard about many issues and had the opportunity to provide feedback on such issues, which will help limit the amount of surprising updates by the time of the annual report. The following list includes some standard agenda items/elements and parts of a template:

- Committee name

- Date/Time
- Location
- Meeting time opened
- Introduction
- Attendance
- Conflicts of interest
- Regulatory update/Education
- Written guidance/Policies
- Training/Education initiatives
- Hotline activity
- Auditing and monitoring/Risk assessment
- Enforcement and sanction screening
- External audits/Investigations
- Executive session
- Approval of meeting minutes
- Meeting adjourned/Next meeting date

Taking minutes of the meeting will also be easier if a standard agenda template is used. If the board committee is a joint committee between the audit and compliance departments, the compliance officer should carve out a set time and discuss needed time allocation with the board committee chair. Having a minimum of 30 to 60 minutes per quarter available for the compliance officer to report to and interact with board committee members can be considered a reasonable request for time and practice. The necessary time for the compliance portion of the joint committee also depends on the size and complexity of the organization and may therefore be well over one hour.

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