CEP Magazine – March 2021
Remote ethics and compliance board reporting invites bolder conversations

By Maurice L. Crescenzi, Jr.

Maurice L. Crescenzi, Jr. (mcrescenzi@aol.com) is a Managing Director at FTI Consulting Inc. in New York City, USA.

An organization's governing authority (typically the board of directors) has a fiduciary duty of care and oversight to the organization. In this context, boards are expected to be knowledgeable about the content and operation of its organization's ethics and compliance (E&C) program. To help boards satisfy this expectation, an organization's E&C leader is expected to provide timely, complete, and accurate information directly and autonomously to the board.[1] There is no exception—express or implied—in agency guidance, relevant case law, or guiding frameworks that obviates the need for E&C leaders to provide updates to their boards when working in a remote environment. In fact, a strong case can be made that, given the increased level of risk related to fraud, misconduct, cybersecurity, and other substantive areas of risk, the need for effective E&C board reporting is *greater* in a remote environment.

Without question, COVID-19 and the accelerated shift to a remote working environment present unique challenges regarding E&C board reporting. For the time being, gone are the days of in-person board meetings. The physical distancing imposed by COVID-19 and remote working environments—together with the cumbersome logistical and technological aspects of planning and carrying out virtual meetings—creates an unfortunate opportunity for some organizations to deprioritize, deemphasize, or eliminate E&C matters from board agendas, resembling something akin to the "out of sight, out of mind" phenomenon. Unless E&C leaders take affirmative steps to be included on their boards' agenda, ethics and compliance as a board reporting topic may be overlooked or dismissed as noncritical.

Leading practices

Notwithstanding the challenges imposed by COVID-19 and remote working environments, there is, at the same time, an opportunity for ethics and compliance leaders to be *more* effective with regard to how they keep their boards informed. The shift to remote working has opened the door to changing the format of board meetings, one that is less formal, more intimate and flexible, and, in some ways, bolder. These factors create terrific opportunities for E&C leaders to communicate with their boards in more meaningful ways—all the while holding true to certain key leading practices related to effective board reporting, such as the imperative that these leaders have direct and autonomous access to their boards.

Below are a few leading practices that E&C leaders can leverage when planning and delivering board reports over a virtual platform:

- **Develop, refine—and refine again—your agenda, presentation, and materials.**There is no such thing as good writing, only good rewriting. Take the time to develop, proof, and refine the topics you intend to cover, making sure that the topics flow in a logical, cogent manner.

- **Circulate prereading materials.** Virtual presentations are often shorter than in-person presentations. It is

important to develop and circulate prereading materials ahead of your board presentation so that your board members come to your presentation educated and armed with questions.

- **Do a dry run of your presentation.** There is no substitute for being prepared, and this is especially true in a remote environment. The virtual platform is still new for many professionals, so getting the hang of "eye contact" and other dynamics is important before you go live.

- **Test technology, lighting, sound, and camera angles.** Remember that you are representing your organization's ethics and compliance function. You will want to be sure that your message isn't diluted due to poor lighting, a subpar microphone, distracting camera angles, or a poor internet connection.

- **Confirm dress code for your presentation to the board.** While working remotely over virtual platforms has generally nullified or relaxed certain traditional formalities (like handshaking or business attire), take the time to check beforehand on the expected protocols and dress code you should follow for your presentation.

- **Consider spreading your presentation over two or three 15-minute sessions, if necessary.** Conducting meetings or presentations over virtual platforms can induce screen fatigue. It is also difficult to confirm that your audience members are fully engaged during the meeting and not distracted by multitasking not visible to you. For lengthy presentations, it may make sense to divide them over a few sessions to help maximize the level of the board's engagement.

- **Schedule a brief executive session.** Even though E&C board reporting is currently mostly being conducted virtually, it is still critically important for you to have the opportunity to meet directly and autonomously (e.g., through an executive session) with your board or committee members. A separate virtual meeting can accomplish this.

- **Observe online etiquette.** There are several unspoken rules that help online meetings stay focused. Mute your microphone unless you are speaking and avoid multitasking, which can make you appear distracted. If you are joining a meeting from home, make sure you are undisturbed by pets, children, and other family members. If you are presenting from your own computer, turn off your screen notifications.

- **Collect feedback.** Designing and executing effective virtual meetings is still a relatively new concept. Asking for feedback on your agenda, materials, presentation, and format will help ensure that your virtual board reporting sessions are as effective as possible.

While the above leading practices can apply equally to in-person board meetings, they take on new and heightened significance in the remote environment.

This document is only available to members. Please log in or become a member.

Become a Member Login