

# The Complete Compliance and Ethics Manual 2023

## APPENDIX 3-D: Sample Compliance Committee Charters

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### Sample 1

#### **[Organization Name] Compliance Committee Charter**

Adopted: [Date]

The committee shall assure that the [ORGANIZATION NAME] has an effective compliance program. The committee shall create, approve, and oversee the compliance program, which shall include specific policies and procedures and related monitoring activities. The compliance program shall ensure compliance with applicable federal and state laws and regulations, as well as compliance with reporting requirements under applicable private arrangements. The compliance program will assist [ORGANIZATION NAME] to operate an ethical and compliant operation.

The committee shall direct the appropriate resources of [ORGANIZATION NAME] to assure that appropriate creation and execution of the compliance program, including the proper records maintenance to document material compliance matters undertaken by the committee. The committee shall receive regular reports from a compliance officer appointed by the committee regarding the discharge of duties, including, but not limited to, the status of internal compliance programs and processes and reported violations of the compliance program and the response to any such alleged violations.

The committee shall have the authority to sanction individual employees responsible under the compliance program and to undertake any investigations it deems appropriate related to the operation of the compliance program. Upon request, the committee shall provide periodic reports to the executive committee or the board of directors.

The compliance officer shall have ultimate responsibility for operating the compliance program, with the support and assistance of the compliance committee. The committee shall consist of ### members, representative of each major department or area. The committee may appoint ad hoc members, each to serve at the pleasure of the committee, to assist and advise the committee in carrying out this charter. While the ad hoc members of the committee are not entitled to vote on matters formally considered by the committee, the ad hoc members shall be entitled to call a meeting of the committee and, further, to have any matter included on the agenda of any meeting of the committee. The committee shall designate the proper manner for calling meetings and the setting of agendas thereto.

The compliance officer and committee shall retain a direct line of communication with and a direct reporting responsibility to the board of directors, executive committee, and CEO.

### Sample 2

#### **[Organization Name] Executive Compliance Committee Charter**

Adopted: [Date]

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## Introduction and Purpose

[Company Name] (the company) is a publicly held company and operates in a complex, dynamic, highly competitive, and regulated environment. The company's business involves an environment that is highly regulated at both the federal and state level. To assist the company's senior management in its responsibilities relating to the company's operational compliance with applicable legal requirements and sound ethical standards, the company's senior management has established an executive compliance committee, which will provide oversight of and direction to the compliance officer and receive a report from the compliance officer no less frequently than every quarter.

## Composition

The executive compliance committee comprises the following positions:

- Chief financial officer
- General counsel
- Senior vice president of human resources
- Corporate controller
- Chief information officer or designee
- Chief executive officer, ex officio
- Compliance officer
- Internal auditor representative, ex officio
- Chief operational officer
- President, ex officio
- And such other positions appointed by the chief executive officer

## Meetings

The executive compliance committee shall meet quarterly, approximately two weeks before each board of directors meeting. A majority of the committee constitutes a quorum for the transaction of business. The committee shall take action by the affirmative vote of a majority of the committee members present at a duly held meeting.

## Responsibilities and Duties

The executive compliance committee will undertake the following responsibilities and duties and any other activities related to the company's compliance program.

## Compliance Standards and Policies

- Oversee the development or modification, issuance, distribution, and review of the code of conduct and appropriate compliance policies.

- Oversee the development and implementation of employee communication and training regarding the code of conduct, policies, and ethics and compliance issues.
- Oversee the development and implementation of employee and contractor training.
- Oversee the development and implementation of appropriate and adequate training regarding the code of conduct, policies and compliance program.
- Oversee the development and implementation of employee communication regarding the compliance program and issues.
- Oversee administration of a certification program for all employees and appropriate contractors to ensure that they receive, read, acknowledge understanding of, and agree to comply with the company's code of conduct and policies.

## **Reporting and Complaints Processes**

- Oversee the company's processes, including a toll-free telephone number, through which employees may seek advice on application of the company's code of conduct and policies and report potential code, policy, and legal violations.
- Oversee, on the basis of quarterly reports from the compliance officer, the investigations of compliance violations reported to the compliance officer.

## **Monitoring and Auditing Compliance**

### *With Code of Conduct, Policies and Legal Requirements*

- Ensure appropriate internal and/or external audits and surveys are conducted to verify adherence to the code of conduct, policies, and applicable legal requirements.
- Oversee periodic employee surveys to test awareness of the company's compliance guidelines and procedures.
- Direct the compliance officer to commission special audits as necessary to verify adherence to the code of conduct, policies, and/or legal requirements.

### *Enforcement and Discipline*

- Oversee appropriate and consistent discipline is imposed for violations of the code of conduct, policies, and legal requirements
- Receive quarterly reports from the compliance officer regarding reported disciplinary action taken during the prior quarter.

### *Response and Prevention*

- Oversee the action taken by the company to ensure violations of the code of conduct, policies, and/or legal requirements are remedied.
- Oversee steps taken to prevent similar violations from occurring in the future.

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