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Reporting compliance program activities to your board of directors

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One of the most important stakeholder relationships a compliance officer can have is with the board of directors. The government has made it clear that the buck stops with the board when it comes to organizational compliance. As such, the board has a vested interest in knowing that the organization has an effectively operating compliance program. Receiving a routine report from the compliance officer is critical to fulfilling their fiduciary responsibilities. This relationship can also provide the compliance officer with an avenue for escalating critical issues that warrant governing board awareness and support.

The work of the board is typically divided into individual board committees for more focused discussion and attention. The efforts of those subcommittees are then reported back to the full board in their routine meetings. Compliance activities are typically reported through an audit and compliance, finance, or quality committee of the board. The actual committee assigned to receive the compliance report may be less important than making sure the compliance officer has an audience with the board to report the status and progress of the compliance program activities. Such committees typically meet quarterly, although some board committees meet monthly or bimonthly. It may be appropriate for the compliance officer to provide an in-person report to the full board of directors annually. All board members are responsible for compliance, not just those that oversee the subcommittee where compliance reports are received.

The following are suggestions on how to report compliance program activities to the board of directors.

Know your board members

Board members are chosen or elected for a reason. They are typically prominent community members, business leaders, or respected figures in the industry who have earned their right to serve as a board member. Board member biographies are usually posted on public websites. It's important to get to know your board members. What is their background, training, and education? What are their interests, particularly as it relates to their role on the board? What are their communication styles? What are their preferences, concerns, or hot buttons? What is most important to them? What concepts, words, or phrases will trigger a negative response? Make observation of board member reactions a personal study in your ability to better meet their needs. If a board member has a finance background, they may be interested in how an identified government overpayment affects the bottom line. If they have a background in information technology, they may be interested in knowing what the compliance officer is doing to ensure privacy and security of data. These are important factors to consider when preparing for your report to the board.

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