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Compliance expert to the board: A tool to consider

by Cornelia M. Dorfschmid, PhD, MSIS, PMP, CHC

Among the seven—by now well-known—elements of an effective compliance program, the first element deals with assignment of responsibility and infrastructure (board, compliance committee, and compliance officer), and another covers auditing and monitoring of the compliance program.^[1] Both elements are particularly important as they can harbor significant risk of inefficiencies, abuse, and potentially even fraud, let alone reputational and financial damage, if they are weak and ineffectively implemented. Governing bodies, such as boards of directors, boards of managers, owners, or advisory boards (hereafter referred to as “board”), play a critical role in overseeing the compliance program of a healthcare entity. These boards need to make judgments and decisions based on information from the compliance office, internal audit, legal, operations, and external reviewers—which they may have engaged or be required to engage in certain circumstances.

Most effective compliance programs require the compliance officer to provide quarterly reports to the governing body. The reports should integrate findings and corrective actions resulting from internal auditing and monitoring activities and other compliance operations conducted by the compliance office. The compliance committee often vets content in these reports to boards before it goes to the board. However, the details, scope, and sophistication of these quarterly reports can vary greatly. Even when such routine reporting happens, there may be instances when a deeper or more independent look at the program (i.e., by an external compliance expert to the board) may greatly benefit the board’s oversight and effectiveness of the program in the long run.

Compliance expert role

Benefit

An independent external compliance expert should be a seasoned professional. The expert to the board can be very helpful in strengthening the oversight and seeing the program through a fresh pair of eyes. The expert may detect ineffective structures and patterns and suggest improvements that can become a structural shift for the better. An independent expert could help bring the compliance program back on track or maintain its effectiveness in a changing and challenging environment. Assistance with, for example, risk of groupthink, personnel pressures, turnover, lacking skill sets or experience, onboarding issues in merger and acquisition situations, expansion into new business lines, significant regulatory changes, and external government scrutiny. Ultimately, a compliance expert to the board can be a tool in the compliance program’s toolbox and an investment in the entity’s compliance knowledge base.

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