

2016 Compliance and Ethics Program Objectives Survey

JULY 2016



A SURVEY BY
the Society of Corporate
Compliance and Ethics®
and the Health Care
Compliance
Association®



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Introduction

A wide range of benefits and objectives are often cited for compliance programs: preventing and detecting misconduct, promoting an ethical culture, meeting regulatory requirements, protecting directors and officers, and protecting corporate reputations. But, when push comes to shove, which is the primary objective? To better understand this question the Society of Corporate Compliance and Ethics and the Health Care Compliance Association conducted a survey among compliance professionals.

The results indicated that the primary objective of the compliance program, as seen by compliance and ethics officers, is not what they believe that their management or board thinks it is.

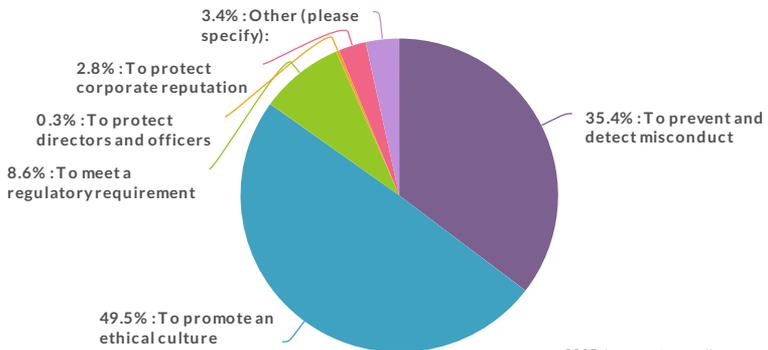
Executive Summary

The data revealed a substantial gap in what compliance officers feel the primary objective of the program is and what they think management and the board sees as the objective. Disturbingly, management is thought to see compliance as a tool for meeting external requirements.

Key Findings

- **Promoting an ethical culture was cited as the primary objective of an ethics and compliance program by just under half (49.5%) of respondents.** Preventing and detecting misconduct was the second most common objective cited (35.4%). Other objectives, including protecting corporate reputation, were cited far less frequently.

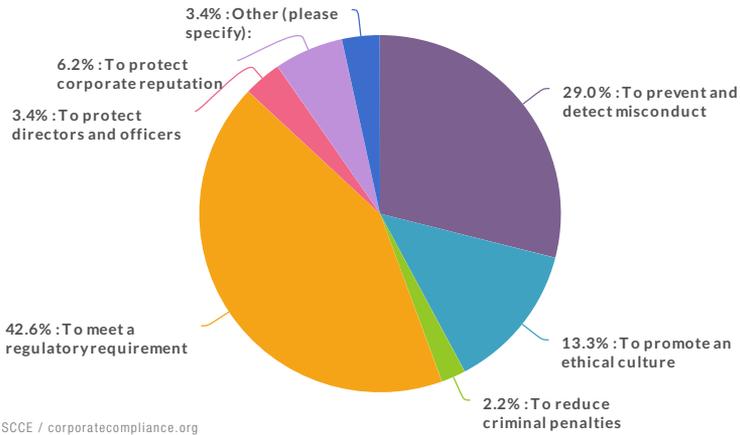
What do you see as the primary objective of your ethics & compliance program?



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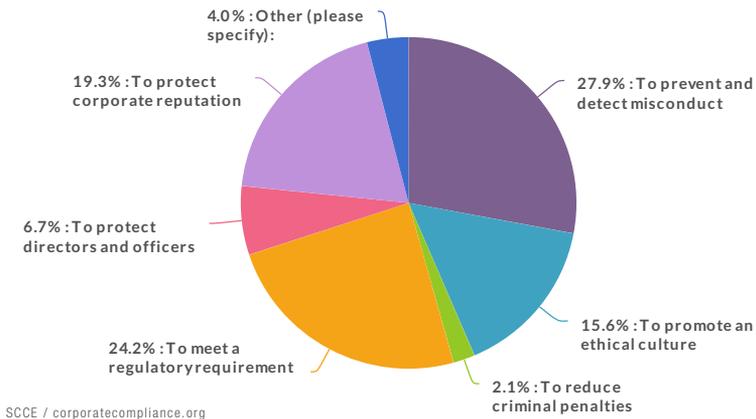
- **The compliance professionals surveyed believed that their management had a very different perspective on the objectives of a compliance program. 42.6% thought management saw meeting regulatory requirements as the primary objective of the program, followed, once again, by preventing and detecting misconduct (29%). Promoting an ethical culture came in a distant third at just 13.3%**

What do you think your organization's management sees as the primary objective of your ethics & compliance program?



- **When asked what do you think the board sees as the primary objective of the ethics and compliance program, the answers were much more mixed.** The largest group (27.9%) responded “to prevent and detect misconduct.” This was followed by meeting a regulatory requirement (24.2%) and protecting corporate reputation (19.3%)

What do you think your organization's board of directors sees as the primary objective of your ethics & compliance program?



Conclusions/Implications

- **What may be a bit surprising is the number of compliance and ethics professionals who see the primary objective as promoting an ethical culture.** While many have claimed that the rise of compliance programs has somehow shoved ethics to the side, it's clear that the compliance community very much values ethics.
- **It is disturbing that compliance and ethics professionals see themselves, their managers and boards having different primary goals for their compliance program.** In an ideal world, all three would have the same perspective.
- **Likewise it is troubling that management is seen as viewing compliance primarily to meet external requirements.** This suggests that management may not be fully bought into the value of compliance program for protecting the business and serving as an extension of the company's commitment to its values. This attitude likely furthers a belief in workers that compliance is a chore designed to meet the expectations of outsiders and does not reflect an internal commitment by the business.
- **The results suggest that there is much compliance professionals should do to ensure consistency in expectations for the compliance program.** With compliance, management and the board all on the same page, conflict would be lessened and the tone at the top would be more consistent.

Methodology

Survey responses were solicited and collected during the second quarter of 2016 from compliance and ethics professionals in the database of the Health Care Compliance Association and the Society of Corporate Compliance and Ethics. Responses were collected and analyzed using using, a web-based third-party solution.