

How to establish a Compliance Program that will Minimize the Impact of an Investigation

Douglas S. Strang

PricewaterhouseCoopers Advisory Services

Partner

Compliance Program Best Practices

Seven steps for an effective compliance program as set forth by the Federal Sentencing guidelines – Can your Company pass the Test??

1. Compliance Program, Standards and Procedures

2. Governance and Accountability

3. Due care in delegating authority and responsibility

4. Communication and Training

5. Monitoring, Auditing, Reporting

6. Consistent Discipline

7. Ongoing Improvement

The Compliance Program

Who should be involved?

Executive Management

Auditors

Third-Party Assessor

Internal Audit

Division Leaders

Employees

What should the program contain?

Formal Training

Formal Business and Ethical Standards

Reporting System and Helpline

Third-Party Due Diligence

Independent Compliance Audits

Risk Assessments

Internal Controls and Timely Monitoring

Benefits of an **Effective** Compliance Program

- Potential limitation to scope of investigation
- Increased ability to respond to requests
- Potential decrease in fines/sentencing
- Minimization of risks associated with an investigation
 - Loss of employee time
 - Additional findings
- Quickly resolve minor whistleblower issues

Benefits of an **Effective** Compliance Program

- Minimize government scrutiny
- Potentially reduce the scope of a resulting Corporate Integrity Agreement including the requirements of the Independent Review Organization
- Preparation for Electronic Discovery is timely and costly

Monitoring and Auditing “Common Issues”

- **Are you effectively testing international operations consistent with domestic operations?**
- **Are you monitoring and auditing all aspects of Health Care Provider Interactions?**
- **Is there an integrated approach between your Internal Audit and Compliance Departments?**
- **Are Hotline calls being effectively evaluated to ensure adequate follow-up and resolution?**

Effective Training

- **Information on Trends and Hot Topics**
 - Industry's Compliance Problems
 - Current Enforcement Trends
 - Company's Compliance History
 - » Prior Problems
 - » Complaints
 - » Subpoenas and Inquiries
- **Routine Training events (Min. 1 per year)**
- **Discussion of effects on overall business**
- **Knowledge of Risks Internally/Externally**
- **Includes all employees (Top-Down Approach)**