Ethics and Compliance
Work Plan Essentials that Effectively Mitigate Risk

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Today’s Objectives

- Explain the importance of conducting an ethics and compliance risk assessment.
- Describe the key components.
- Introduce a “simple six step” approach.
The Importance

Execution of a solid, ongoing risk management process allows us to:

- Focus resources on the most important areas;
- Provide transparency to high-risk transactions;
- Continuously improve our programs; and
- Demonstrate a culture of compliance throughout an organization.

What is an Ethics and Compliance Risk Assessment?

- It’s a comprehensive, forward-looking analysis of all areas of law enforcement and regulatory concern that could impact a health care organization, followed by

- a detailed scoring of both the likelihood that a particular risk event will occur and,

- the exposure that will be faced by the organization if the risk event does occur.
Poll: What types of risks do you assess on behalf of your company?

a) Operational  
b) Financial  
c) Ethics and compliance  
d) Strategic  
e) Other  
f) All of the above

Simple Six Step Approach

1. Gather Risk Data
2. Identify Risk
3. Evaluate Risk Rating Criteria
4. Assess Risk
5. Report Risk Profile
6. Determine Risk Response & Work Plan

“Simple Six Step” Approach
Step 1 – Gather Risk Data

- Audit findings
- Regulatory changes
- Analytics
- Meetings, conferences, and webinars

Step 2 – Identify Risk

Risk Event
Failure to develop appropriate policies and procedures

may result in regulatory fines and legal action.

Risk Consequence
Step 3 – Risk Rating Criteria

- Impact
- Likelihood
- Management preparedness

Poll: What functions do you collaborate with when assessing risks?

a) Internal Audit Services
b) Information Technology
c) Legal
d) Human Resources
e) Other
f) All of the above
Step 4 – Assess Risks

Assess Risks – Inherent and Residual

- **Inherent Risk:** The risk that an activity would pose without controls being in place.

- **Residual Risk:** The risk that remains after controls are in place.
Step 5 – Report Risk Profile

Poll: Who owns risk mitigation in your company?

a) Business operations
b) Legal
c) Enterprise risk management
d) Ethics and compliance
e) Other
f) All of the above
Step 6 – Determine Risk Response and Work Plan

The image contains a diagram and a list of tasks:

- Analyzing the activity
- Assessing resources and people demand
- Sizing up stakeholder support
- Setting limits and measuring success

Work Plan Discussion Guide:

- Analyzing the Activity:
  - What problem is this activity meant to fix?
  - What data or other evidence tells us that this activity will have the desired impact?

- Assessing Resources / People Demand:
  - Human Capital: What resources (time, budget, technology, etc.) need to be assigned to design and launch the activity?
  - In addition to Ethics and Compliance, what departments or functions will be tasked with supporting it?
  - What time commitments will be asked of leaders and staff members to attend meetings or develop the skills needed to understand or implement the activity?
  - What resources will be needed to sustain it?

- Sizing Up Stakeholder Support:
  - Who are the key stakeholders?
  - What actions will be required to support the activity?
  - How full is the support in place?

- Setting Limits / Measuring Success:
  - What trade-offs are we willing to make? In other words, if we do this, what may not get done?
  - How will we know this activity is complete?
  - How will we monitor/measure success?
Conclusion

Risks with greatest exposure addressed

Potential risks identified and evaluated

= Business value delivered

Any Questions?

For additional questions, please contact:

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