



A Guide for the New Ethics and Compliance Leader

Insights into Assessing, Building
and Improving Programs, Teams
and Culture

Welcome

To the New Ethics and Compliance Leader,

Congratulations on your new role! Whether you are coming into your position due to a promotion, a lateral move from another department, or as a new hire, your position leading an ethics and compliance program is bound to be exciting and challenging.

At Ethisphere, we are often asked - "do you have any specific resources for those new to the role?" The answer is yes. On [Ethisphere.com](https://www.ethisphere.com) and [Ethisphere Magazine](#), you'll find a wealth of insights from leaders in ethics and compliance.

Members of our [Business Ethics Leadership Alliance \(BELA\)](#) can tap program materials contributed by member companies, benchmark against the practices of top companies, join roundtables and events, be connected to mentors or other companies, or participate in working groups.

In this guide, we asked one of our experts, Jodie Fredericksen, about how someone might approach a new role. She has been in that spot herself and has engaged with scores of senior professionals on behalf of Ethisphere.

We first learn her insights; and then you'll find a list of questions that will prove helpful when starting a new role.

A Q&A with Jodie Fredericksen, Senior Compliance Counsel, Ethisphere

Q/ Jodie, what is the landscape today for ethics and compliance professionals?

Jodie/ The field of ethics and compliance has certainly changed since the early 2000s, when I entered the space. Not only has the understanding of what constitutes an effective ethics and compliance program changed, despite the core components of regulatory guidance staying largely the same, but we have also seen the dialogue regarding ethics and compliance evolve as well.

The focus has shifted from compliance with the law simply to mitigate risk, to a discussion about developing an ethical culture within an organization, resulting in doing business the right way according to a core set of values or principles. We expect this trend to continue.

Q/ Why is it different for new ethics and compliance leaders vs other roles?

Jodie/ Having been new to an ethics and compliance leadership role, and working with countless clients in a similar position, I have found that being new to this position comes with a unique set of challenges. Ethics and compliance functions can greatly differ from one organization to the next: where you report into, the risk-specific programs you are responsible for, and whether you conduct internal investigations, just to name a few.

Q/ For someone new to the role, where should they begin?

Jodie/ While time is often provided for a new leader to become familiar with the program and key relationships, there is generally a lot of work to be done in order to not lose the momentum of the existing program, as well as to push the program forward in a manner that you feel is moving it towards best practices.

We recommend starting by conducting a formal or informal program assessment. Program benchmarking can also be really helpful in setting context.

Taking this approach provides you with an unparalleled opportunity to become acquainted with the ethics and compliance program structure, its maturity, and effectiveness. It also allows you to become better acquainted with the business, its culture, and ethics and compliance risks faced by the organization.

Furthermore, you can begin to understand the interdependencies between your team and other areas of the business, gain clarity on what aspects of the program need priority attention, and identify opportunities for enhancement.

To help you in the process, we have put together the following list of questions and resources. I wish you well on this new endeavor, which is bound to be not only challenging but rewarding as well.



Jodie Fredericksen

Ms. Fredericksen specializes in evaluating ethics and compliance programs and providing improvement and implementation guidance on behalf of Ethisphere for leading companies. Prior to joining Ethisphere, she worked for NYSE Governance Services, a leading ethics, compliance, and risk assessment consulting company.

Ms. Fredericksen worked in-house as the Director of Compliance for IHS where she had day-to-day responsibility for the company's ethics and compliance program, including overseeing compliance policies and procedures, conducting risk assessments and audits, as well as internal investigations. Previously, she served as a litigator specializing in the securities and enforcement defense field. Her practice focused on defending corporations and executives in connection with investigations instituted by, or enforcement actions before, the Securities and Exchange Commission.

Ms. Fredericksen received her Juris Doctor degree from the University of Iowa and was an editor of the Iowa Law Review.

Top Questions to Ask When Assessing Your Program

Program Resources and Structure

- ☐ What is the structure of the ethics and compliance program and the manner in which overall responsibility for compliance oversight is assigned to particular high-level personnel?
- ☐ In particular, analyze the:
 - ☐ Staffing of the ethics and compliance team - ask yourself: Does this seem appropriate for the size and scope of the business? Consider benchmarking with peers.
 - ☐ Interactions with steering committees, the Board of Directors, and senior executive leaders
 - ☐ Interactions with other shared services groups
 - ☐ Use of ethics liaisons or ombuds persons
- ☐ Do those running the ethics and compliance program have a “seat at the table”?
- ☐ What resources and authority have been allocated to those individuals? Are they sufficient?
- ☐ Are the members of the organization’s governing authority actively engaged in the organization’s ethics and compliance program? For instance:
 - ☐ Are they knowledgeable about its content and operations?
 - ☐ Do they exercise reasonable oversight of that program, including the performance of person with overall responsibility for the ethics and compliance program?
 - ☐ What ethics and compliance training is provided and how frequently?

Perceptions of Ethical Culture

- ☐ How does the organization gather information about the culture of its workforce?
- ☐ What does the organization do in response to the information (e.g., how does it use that information)?
- ☐ How often does the organization measure its overall ethical health and compliance environment?
- ☐ Does the measurement include:
 - ☐ Awareness and perceived effectiveness of available ethical resources,
 - ☐ Tone at the top and the middle (ethical leadership from executives and direct supervisors),
 - ☐ Pressure to commit misconduct,
 - ☐ Confidence in reporting,
 - ☐ Fear of retaliation, and
 - ☐ Perceived organizational justice
- ☐ Do members of both executive management and the governing authority exhibit support for and involvement in the program (e.g., “tone from the top”)?
- ☐ Does middle management exhibit support for and involvement in the program (e.g., “tone from the middle”)?

Resource: Access Ethisphere's [Ethical Culture Insights Reports](#)

Volume One:
Observing and
Reporting
Misconduct

Volume Two:
The Outsized Role
of the Manager

Volume Three:
Training and
Communication

Written Standards

- ☐ What is the status of documentation supporting the ethics and compliance program, including the following:
 - ☐ Written code of conduct,
 - ☐ Key standalone policies, and
 - ☐ Other relevant standards
 - ☐ Are the documents well-written, comprehensive and well-communicated?
 - ☐ Where are the documents and when were they last updated?
 - ☐ Are they versions of policies and codes created for specific audiences when needed (e.g., a Code of Conduct for the Board of Directors or a Supplier's Code, etc.)?
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Ethisphere Insight

In recent years, codes of conduct have moved beyond static magazine-style layouts to take advantage of the novel capabilities offered by digital media. Whether in PDF or online eBook form, leading codes now make use of videos, interactive learning aids, and interactive navigation elements. Combined, these features make for an engaging experience that keeps readers' attention and helps them better understand the guidance in the code. Other companies are bolstering their code's content by providing supplemental resources—such as Q and A's—on their intranet site.

-Ethisphere's 2019 World's Most Ethical Companies Insights Report - Volume One

Training and Communication

- ☐ What are the company's current compliance training and communications program components? Are there risk areas that are not covered?
- ☐ How often is training delivered, to whom, in what format/modality, and how it is tracked?
- ☐ How does the company enforce its training requirements?
- ☐ How, and how often, is the quality and effectiveness of the training and communication initiatives measured?
- ☐ How does the company provide information to managers on their special role in supporting the ethics and compliance program?

Resource: Access Ethisphere's 2019 [World's Most Ethical Companies Insights Report Series](#)

Volume One:
Diversity,
Transparency, and
Leading Written
Standards

Volume Two:
Structuring and
Resourcing Your
Ethics and
Compliance
Program

Volume Three:
Maximizing the
Effectiveness of
Managers

Risk Assessment, Monitoring & Auditing

- ☐ Does the organization conduct periodic evaluations of the effectiveness of its ethics and compliance program?
- ☐ How often and in what form does the organizations conduct a risk assessment to evaluate the company's high-risk areas, such as:
 - ☐ Conflicts of interest disclosures
 - ☐ Gifts and entertainment tracking
 - ☐ Travel and expense reporting
 - ☐ Business specific high risk situations – (e.g., large deals, sales incentives, interactions with government officials, etc.)
- ☐ What are the organization's supply chain oversight systems and anti-bribery compliance efforts?
- ☐ Does the organization employ auditing and monitoring systems designed to prevent and detect misconduct?
- ☐ Is the organization is using reasonable efforts to exclude from positions of high authority any individuals who have engaged in illegal activities or other improper conduct?

Expert panel on *Risk Assessment: How to Identify and Prioritize Key Risks* from Ethisphere's Global Ethics Summit



Enforcement, Discipline & Incentives

- ☐ Does the organization operate a whistleblower system, giving employees a way to anonymously report potential or actual misconduct and seek guidance on issues or questions?
- ☐ Does the organization have a case management system and does it have an integrated tracking platform?
- ☐ Who conducts ethics and compliance investigations and how are they trained?
- ☐ What is the process for investigations and how is it communicated?
- ☐ What steps does the organization take to respond to and prevent instances of similar misconduct, including making any necessary changes to its policies and procedures?
- ☐ How does the organization promote non-retaliation and monitor for retaliation against those who have raised concerns?
- ☐ Does the organization use systems that incent and promote employee behavior in the areas of ethics and compliance? Does the organization enforce and encourage compliance through disciplinary measures?
- ☐ Does the organization's promotion system and performance evaluation systems allow for ethics and compliance input?

Expert panel on *Preserving the Speak Up Culture Through Smarter Investigations* from Ethisphere's Global Ethics Summit



Relationships with Key Business Partners

- ☐ What is the perception of the ethics and compliance function among other areas of the business?
- ☐ Who are the champions and allies for the ethics and compliance function within the business?
- ☐ Where are there relationship challenges that hinder collaboration?

Expert panel on *Partnering with HR to Engage the Employee Culture* from Ethisphere's Global Ethics Summit



Additional Insights from Ethics & Compliance Leaders Captured at Ethisphere's Global Ethics Summits

Measurement that Matters: Information That Drives Integrity



Effectively Managing the Global Compliance Team

Building a High Performing and Diverse Team of Talent





**Where the Best Companies
Come Together to Advance
Business Integrity**



EXPLORE THE BELA COMMUNITY

Become an enterprise member of BELA and you and your team can [engage](#) with senior legal, ethics, and compliance leaders from 60+ industries in more than 300 companies worldwide. Be part of a community that shares [best practices](#) and [expertise](#). Gain access to [exclusive data](#), [benchmarking](#), opportunities to [showcase your program](#), and more.

Learn more at bela.ethisphere.com

Become a Member