



## Is Your Board Meeting its Fiduciary Obligations?

Board members are increasingly aware of and concerned about their fiduciary duty to monitor an organization's compliance with laws; and to provide oversight to their organization's compliance program. How well do your board members understand these duty-of-care obligations? Is your board satisfying its obligations to provide oversight to the compliance program and to the organization's compliance with legal and regulatory requirements?

### Arete's Compliance Program Expert and Board Advisory Services

At Arete we have decades of experience working with organizational boards to help them better understand their fiduciary duties in the area of compliance program oversight, and to help them adopt appropriate structures, procedures and oversight practices to facilitate assurance that these fiduciaries duties are being met. Our compliance experts have:

- Served as board members with responsibility for compliance oversight for healthcare provider organizations
- Worked as staff to boards (in legal counsel, compliance officer and other capacities)
- Conducted formal compliance program evaluations and advised boards on the strengths and weaknesses of their organizational compliance programs
- Served as Compliance Experts pursuant to CIAs, with responsibility for evaluating and advising boards on the effectiveness of their organization's compliance program

If you need assistance in assuring that your board is meeting its duty-of-care-related compliance oversight obligations, we can help.



## What is Required of Boards to Assure Appropriate Compliance Oversight?

Recent Corporate Integrity Agreements (CIAs) provide insight into what governmental agencies and courts will expect of boards in this area of compliance oversight. CIAs now specify board training requirements, frequency of compliance officer meetings with the board, and the nature of materials that board should review as they provide compliance oversight. Recent CIAs also require each board member to annually sign a resolution detailing their compliance oversight activities, and their resulting conclusions about the effectiveness of the compliance program. The required resolution typically states:

"The Board of Directors has made a reasonable inquiry into the operations of the [ORGANIZATION's] compliance program, including the performance of the compliance officer and management compliance committees. Based on its inquiry and review, the Board has concluded that, to the best of its knowledge, [ORGANIZATION] has implemented an effective compliance program to meet Federal health care program requirements."

Because actionable theories of individual director liability exist, board members must be ever vigilant in their oversight of an organizational compliance program, and of the state of organizational compliance.

## How Can Arete's Compliance Expert and Board Advisory Service Help?

We work with client boards to help them answer these and other questions related to their oversight of the compliance program:

- What should board members consider when determining whether their organization has implemented and is operating an "effective" compliance program?
- What is required for a compliance program to be "effective?"
- What do regulators and enforcement officials look for when they are judging the effectiveness of compliance program after a problem has occurred?
- Are the compliance officer's reporting relationships and access to the board appropriate?
- Does the compliance officer spend adequate time with the board to facilitate appropriate oversight?
- Is the Board currently receiving and evaluating the right compliance-related materials?
- Is the board made aware of allegations or concerns of significant inappropriate conduct?
- Is the organization correlating information to properly identify risks?
- Does the board see appropriate evidence that corrective action plans for compliance and audit issues are timely and fully implemented?
- Are experts being used appropriately to bolster the board's understanding and oversight of the compliance program?

We can also help the board in its oversight role by conducting a formal evaluation of the structure and operation of the compliance program. If you need an advisor to work with your board on compliance oversight, please reach out to us at [info@aretecompliance.com](mailto:info@aretecompliance.com).

**At Arete Our Mission is to Help You  
and Your Organization Succeed.**