

# Compliance and the COVID-19 Pandemic

A survey by the Society of Corporate Compliance and Ethics & Health Care Compliance Association

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Society of Corporate  
Compliance and Ethics



**HCCA**  
Health Care Compliance  
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## Introduction

The COVID-19 pandemic has upended countless organizations and how people work. Supply chains have been disrupted, operations have slowed or stopped, and large segments of the workforce have turned their homes into offices.

Compliance programs have also felt the impact. Teams have had to adjust the way they work to ensure that regulatory mandates are still met—all while staying on top of the myriad regulation changes meant to address the pandemic.

To assess the impact of the pandemic on compliance programs, the Society of Corporate Compliance and Ethics & Health Care Compliance Association fielded a survey in May 2020. More than 300 responses were received.

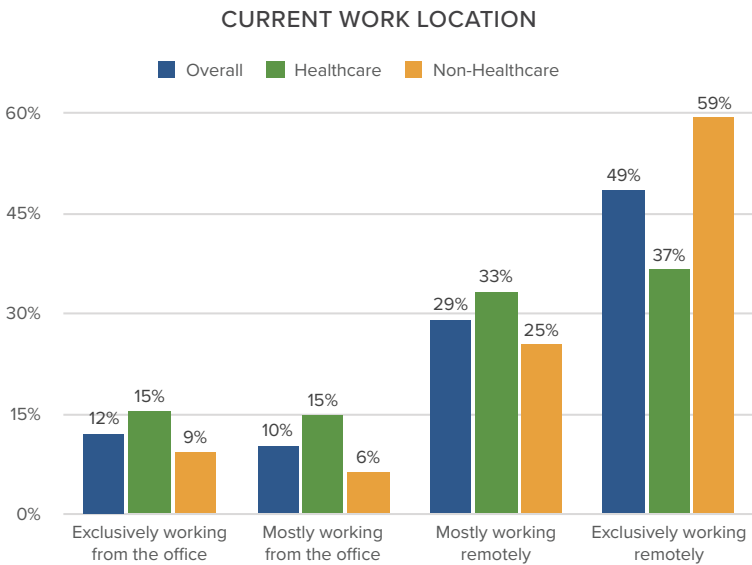
## Executive Summary

Compliance professionals have significantly changed their work habits as a result of the pandemic. They have had to adjust to working remotely, and they report that the transition has gone well. Despite the change, interactions with other departments in the organization have stayed steady or increased, reducing fears that compliance might be sidelined.

At the same time, two worrying signs have emerged. Budgets for many are already under pressure, and a significant number of respondents reported an increase in inquiries to the compliance team.

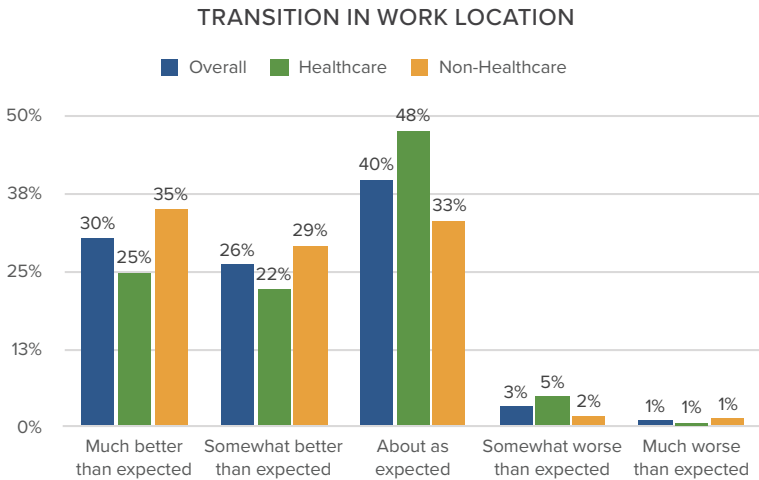
## Key Findings

Like so many other professions, compliance has seen a dramatic shift to remote work. Although 78% of respondents reported that they were now exclusively or mostly working remotely, not every industry was similarly affected. In healthcare, 37% of respondents reported that they were exclusively working remotely; but outside of healthcare the number was significantly higher at 59%.



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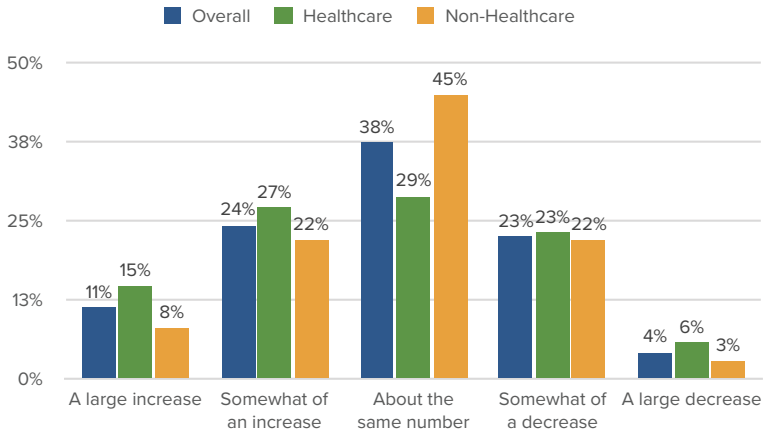
**On balance, compliance professionals reported that the transition in working environments had gone better than expected.** Overall, 40% reported the transition had gone as expected. Another 26% reported it going somewhat better than expected, and 30% reported that it had gone much better than expected. Only 4% expressed the view that the transition had gone worse than expected. Once again, there were differences among industries: 47% of healthcare respondents said the transition had gone much or somewhat better than expected, and 64% of those outside of healthcare gave the same responses.



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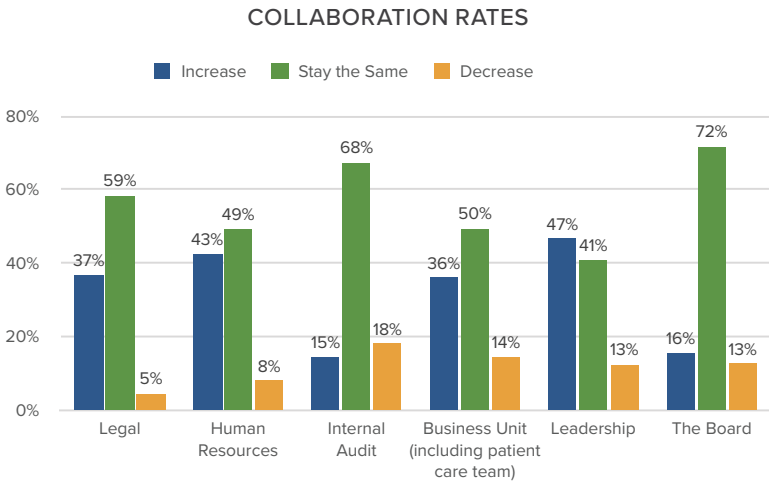
The pandemic has seen a reported increase in the number of inquiries to the compliance team. Across industries, 36% reported that there has been a somewhat or large increase in inquiries, compared to just 27% showing a decrease. Notably, the healthcare respondents were much more likely to report an increase (42%) than those outside of healthcare (30%).

### CHANGE IN NUMBER OF COMPLIANCE INQUIRIES



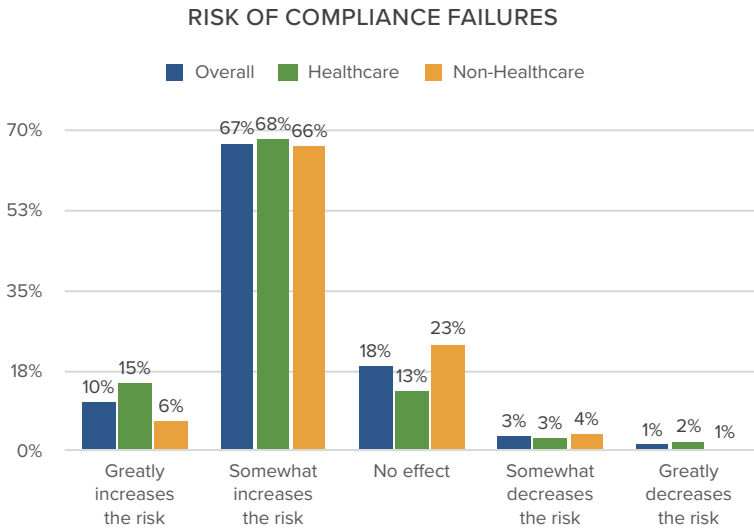
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**In general, the pandemic has not hurt compliance’s collaboration with other departments.** In some cases, interaction has increased. 47% reported increased collaboration with leadership, 43% reported an increase with human resources, and 37% reported the same for their relationship with legal. On the negative side, 18% reported decreased collaboration with internal audit.



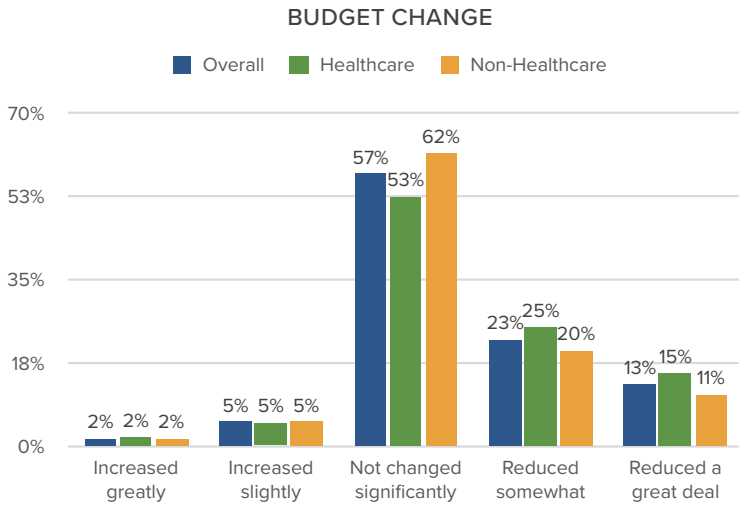
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**Survey respondents expressed significant concerns about an increased risk of compliance failures as a result of the pandemic.** The assessment that the pandemic somewhat increased the risk of failures was shared by 67% of respondents, and another 10% felt it greatly increased.



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**In a troubling—but not unexpected—development, budgets are starting to feel pressure.** Compliance budgets, including staffing, have been somewhat reduced according to 23% of survey respondents. Another 13% reported they had been reduced a great deal.



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## Conclusions/Implications

- **Although the transition to the pandemic model of business has gone well so far, there are some dark clouds on the horizon.** It is heartening to see that the transition in work environments has worked well for the most part and that compliance is so integrated into the business. However, an increased number of inquiries could be a sign of significant compliance challenges in the future.
- **While healthcare professionals have reported some differences in their experiences compared to other industries it is to be expected.** Sitting on the front lines of this crisis, healthcare professionals have confronted greater stresses and are less likely to be working remotely.
- **The level of interaction with other teams demonstrates that compliance departments have become much more integrated into their organizations.** A crisis can expose cracks in an organization and those that may be marginalized can feel even more so. In the case of compliance, despite dramatic changes, the data indicate that relationships with other parts of the enterprise are as strong as or stronger than before.

## Methodology

Survey responses were solicited and collected during May 2020 from compliance and ethics professionals in the database of the Society of Corporate Compliance and Ethics & Health Care Compliance Association. Responses were collected and analyzed using SurveyGizmo, a web-based, third-party system. A total of 343 responses were collected.