Standardizing Compliance Policy Form and Format: Tips for Compliance Officers

By Richard Kusserow | August 27, 2020

Compliance Officers all know that a critical part of any effective compliance program must include the development, implementation, and distribution of written policies and procedures. The policies and procedures must not only establish the infrastructure of the compliance program, but also address specific high-risk areas of potential fraud and abuse. The importance of policies and procedures has been repeatedly stated in the Department of Justice (DOJ) Guidelines and Department of Health and Human Services (HHS) Office of Inspector General (OIG) compliance guidance documents. Policies are formal documents that instruct employees on what is expected of them, but also may implicate laws and regulations, so they need to be very clear and precise. However, they should not be technically written as a legal document, using unfamiliar terms. These documents often cover complex issues, and some employees may not have the same comfort level with the material as others do. As such, they should, as a rule, be limited to only one to three pages in length and address a single specific issue area. If the document is likely to run significantly longer than this, consider separating the document into different policies.

Meeting these challenges can be simplified by standardizing compliance-related policies to avoid gaps in any such document or process. A successful policy is one that is user friendly, easily readable and understandable, using short sentences and paragraphs. It is important to standardize the form and format of the policy document so that it is immediately recognizable to everyone. This includes the use of standardized language, organization, fonts, titles, and other styling specifics. This will improve employees' comprehension of the policies. The more consistent these are, the easier it will be for employees to navigate the content to find what they need to know. Organizing information in a standardized format will make it easier for users to fully comprehend what is expected of them. What this means is that the policy elements should remain the same regardless of the subject of the policy. Create a template to standardize documents that include what information and sections are needed, as well as organization and section titles. Sections should not be added, deleted or renamed. This practice will help ensure that gaps and errors in developing the document are avoided. The following is an example of a common method of formatting:

- **Header/Footer Blocks.** In the absence of a document management software, it is advisable to use these blocks for administrative control. The header/footer blocks should include the following: (a) policy title; (b) responsible party for the policy; (c) policy approval date; (d) effective date; (e) policy number; (f) approval authority; and (g) whether it replaces or modifies an existing policy.

- **Background Section.** This can be used to introduce the context of the policy, which is helpful to employees in understanding the policy's relevance.
- **Purpose/Objective Section.** It is useful to provide a short and direct statement that defines the intent and objectives of the policy.
- **Definitions.** It is important to clarify and define terms used in the policy.
- **Policy Statements.** This section should include general statements describing the goals to be met by the implementation of the policy.
- **Procedure Statements.** This section should clearly define the specific tasks required to address the purpose and objectives of the policy in a step-by-step format.
- **Related Policies Section.** This should be part of the policy documents to help avoid confusion when there is more than one policy that touches on the same issue areas.
- **References.** This section is recommended for when policies and procedures are based on specific legal and regulatory requirements.

For more information on policy templates see, www.complianceresource.com/products/policy-resource-center/.