

April 10, 2020

## **A MESSAGE FROM THE PRESIDENT OF ETHICS**

Dear ETHICS members – The Strategic Committee has decided that during this phase of the COVID 19 crisis ETHICS will take two new initiatives: FIRST, special editions of the ETHICS In Action newsletter will be published weekly in order to keep members up-to-date on major ethics and compliance issues related to the pandemic. SECOND, our Executive Director, Clarisse Aillet, will be organizing a series of Webinars for ETHICS members relating to topics covered in the Special Editions. This is the first Special Edition of ETHICS In Action. It addresses the impact of COVID 19 on corporate controls.



Roeland Van Aelst

## **Managing Corporate Control Processes and Procedures During the Pandemic**

Ethics and Compliance officers have spent years developing sophisticated control processes and procedures to ensure that our employees and companies act ethically and within the law. We are now discovering that many of these processes and procedures are not adapted to the COVID 19 pandemic crisis. Things are moving too fast. What made sense two months ago simply may not work today. For example:

- Countries and HCOs are making massive purchases. Often procurement rules are not being respected or the rules are being changed with little prior notice.
- Orders and deliveries are sometimes chaotic. HCOs are placing orders with multiple suppliers in an effort to ensure that they can re-stock critical depleted inventories. In some cases, delivery instructions are changed at the last minute due to storage limitations or shortages at other locations.
- Supply chains are disrupted. Sometimes there are too few products in the chain and sometimes too many. In certain situations, unplanned substitute measures have to be taken on an emergency basis to ensure that products move through the chain rapidly.
- Payment flows from customers and distributors are being disrupted and may get worse. There is a significant risk in some countries that HCOs will significantly delay payments for orders made during the current emergency due to financial constraints. Also, some distributors who have carried delayed payment burdens for our companies in the past

may not be able to do so in the future and some of them may even go bankrupt and never pay.

- **Adverse events reporting.** Many HCPs and HCOs are overwhelmed and do not have time to report adverse events in a timely manner.
- **Donations.** Many companies have announced that they will be making donations to hard-pressed HCOs and individual HCPs, particularly in cases where there are acute shortages of life-saving drugs and equipment.

In the current environment it is often difficult or even impossible to respect or implement to the standard controls and procedures which we normally use. How should we respond?

The following checklist may be helpful:

1. First and foremost: Do what is right under the circumstances. If there is an urgent need for a product make sure it gets there on time even if normal procedures cannot always be followed.
2. Record derogations from your standard procedures as they occur with explanations of why.
3. Healthcare Professionals and Healthcare Organizations are overwhelmed. They may not be able to complete paperwork in a timely manner. It is up to companies to keep proper records and to put into place effective systems so that the necessary paperwork can done later.
4. Continue adverse events reporting to the extent possible and implement a procedure to capture adverse event data when the current crisis subsides.
5. Donations to hard-pressed HCOs and HCPs of life-saving drugs and equipment are positive gestures, but companies must quickly adopt clear and transparent emergency donation policies to avoid potential future negative scrutiny, particularly if the donations involve current or prospective customers or purchasing decision makers.
6. Ensure that your medical and sales teams are available on-line or by telephone. Make it easy for HCPs and HCOs to contact them in order to obtain information and medical advice as needed. However, do not overload them with information that they cannot handle at this time.
7. Use this pandemic as an opportunity to streamline existing processes and procedures permanently. If processes do not work in this crisis, improve them so they will work in all circumstances in the future.

If you have ideas, experiences or compelling stories which could help your colleagues and that you would like to share with other ETHICS members relating to the impact of COVID 19 on ethics and compliance, please let us know by contacting the ETHICS In Action editor, John McLoughlin, at [john.mcloughlin.ethics@gmail.com](mailto:john.mcloughlin.ethics@gmail.com)