
Institutional Compliance

Texas Association of State Senior College and University Business Officers

Creating a Culture of Compliance Consciousness

Bobby J. Mason
AVP Institutional Compliance
Chief Compliance Officer

Agenda

- Introduction
- What is Institutional Compliance?
- Compliance Structures
- Structures Common in Higher Education
- Program Elements – Federal Sentencing Guidelines / DOJ Guidance
- Benefits
- Challenges
- **Why now?**

What is Institutional Compliance

- Institutional compliance programs collaborate with university stakeholders, including subject matter-specific compliance functions embedded across the university, to assist the University community navigate the ever growing and changing crowded field of federal and state regulatory requirements in meeting their compliance obligations, and promote a culture of ethics and compliance with applicable laws and regulations.
- In 2019 the Higher Education Compliance Association created a comprehensive compliance matrix based on publicly-available government agency websites and relevant secondary sources, including resources from the NACUA member institutions. This matrix identifies 278 possible compliance points.

Compliance Structures

Various Higher Education Compliance Models

		Oversight	
		Centralized	Decentralized
Implementation	Centralized	Where some institutions have gone, but requires significant staff	This one wouldn't make much sense
	Decentralized	Oversight is at highest levels in compliance with FSG, but implementation is pushed out to subject matter experts	Where most institutions have been, but difficult to develop board-level reporting and accountability

Most Common in Higher Education

- **Decentralized Compliance with Centralized Oversight**
 - The Compliance Office does not assume the duties of the various departments with respect to compliance, and all ongoing compliance activities continue in their existing areas of responsibility.
- **Establish Program Architecture**
 - Chief Compliance Officer
 - Compliance Committee(s)
 - Program, Policies, Standard of Conduct
 - Compliance Matrix
- **Identify Priorities**
 - Goals: Short, Medium, Long Term
 - Risk Assessments
- **Value Subject Matter Expertise**
 - Develop Compliance Partnerships
 - Education and Awareness
 - Empower and Ensure
- **Establishes reporting line outside of the identified risk areas.**
- **Provides protection from retaliation.**

Elements of an Effective Compliance Program

Chapter 8 of the Federal Sentencing Guidelines provides guidance and direction for establishing and maintaining an effective ethics and compliance program. The Guidelines prescribe two overarching requirements:

- An organization “shall exercise due diligence to prevent and detect criminal conduct;” and
- An organization “shall otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.”

The Guidelines identifies seven essential elements for effective ethics and compliance programs. The compliance profession has refined those elements to better define how they work in practice.

- **Established standards, policies, and procedures**
 - The organization must establish clear written guidance to facilitate compliance
- **Oversight and accountability**
 - Appropriate senior leadership must oversee the compliance program, with one specific executive given overall responsibility for the program

Elements of an Effective Compliance Program

- **Education, training and awareness**
 - The organization must ensure its members are adequately trained and aware of the compliance program and their compliance obligations
- **Effective Communication**
 - Effective lines of communication to report compliance issues
 - Hotlines
 - Consistency in messaging
- **Enforcement and disciplinary guidelines**
 - The organization must ensure its members abide by their compliance obligations
 - Enforcement must be fair and consistent
- **Internal monitoring and auditing**
 - The organization must have systems in place to evaluate compliance
 - Compliance assessments
- **Ongoing program improvements**
 - The compliance program must evolve as the risks confronting the organization change
 - Appropriate response and corrective action plans

Texas State University Program History

Institutional Compliance and Ethics Implementation Plan – Year 1

- Establish Institutional Compliance – Hire CCO
- Establish Compliance Partners Committee – 32 Partners
- Develop Institutional Compliance Matrix
- Develop Institutional Compliance Reporting Calendar
- Conduct Compliance Assessments
 - Compliance Questionnaires
 - Compliance Risk Registry
- Establish Compliance Executive Committee

Institutional Compliance and Ethics Implementation Plan – Year 2

- Annual Document Review
- Annual Self-Assessments
- Ethics Training
- Code of Ethics / Standards of Conduct
- Targeted Assessments

Institutional Compliance and Ethics Implementation Plan – Year 3

- Annual Self Assessments
- Comprehensive Compliance Program Assessment

What are the benefits?

- The creation of the Office of Institutional Compliance demonstrates the university's commitment to meeting our legal and regulatory responsibilities;
- Fosters a university culture that promotes ethical conduct and does not tolerate illegal or unethical behavior and prompts faculty and staff to consider the potentially adverse consequences of unethical conduct;
- Solves problems by improving collaboration, and communication;
- Reduces the risks of non-compliance, while increasing the likelihood of early detection and correction;
- Provides a source of best practices and assistance for the entire university community.

Program Challenges

- **Obtaining Buy-In**
 - All levels of the chain of command
 - Aligning Expectations
 - Developing Partnerships
- **Resources**
 - Money
 - People
 - Things
- **Changing a Culture**
 - Communication
 - Accountability

Why now?

- The continued pursuit of our core mission depends integrity and ethical conduct.
- Institutions of higher education operate in an increasingly complex regulatory environment, which requires us to sharpen our focus on accountability and ensure compliance with our legal and ethical responsibilities.
- We can't afford not too!

Questions

