

Compliance

Original Implementation: July 26, 2016

Last Revision: None

INTRODUCTION

This policy sets forth the rules governing the creation, implementation, and periodic evaluation of an institutional compliance program for the university. The program is designed to provide a framework for promoting an organizational culture that: (1) promotes a commitment to ensure the highest level of compliance with all applicable laws and regulations, institutional policies, procedures and other rules governing higher education, including research and health care to the extent applicable and (2) prevents and detects criminal conduct or other conduct inconsistent with an effective compliance program.

DEFINITIONS

- A. University - Stephen F. Austin State University (SFA) and all of its components, regardless of the source of funding.
- B. Employee - All persons receiving compensation from the university, including faculty, staff, and students. The term also includes any volunteer who provides services to the university through an official arrangement with the university or a university organization.
- C. Substantial authority personnel - high-level personnel or individuals who exercise substantial discretion when acting within the scope of their authority.

COMMITTEES

SFA utilizes two committees: Executive Oversight Compliance Committee and Compliance Coordinating Committee.

EXECUTIVE OVERSIGHT COMPLIANCE COMMITTEE

The Executive Oversight Compliance Committee's primary function is to direct policy and instill the importance of compliance in the university community. This committee monitors progress on key compliance initiatives, reviews updates on compliance developments and best practices, and allocates resources as necessary to achieve the compliance program goals. Its members consist of:

1. President
2. Provost & Vice President for Academic Affairs
3. Vice President for University Affairs
4. Vice President for Finance and Administration
5. Vice President for University Advancement
6. Associate Provost
7. Chief Audit Executive (advisory)
8. General Counsel

In exercising its overall responsibility for the university's compliance program, the Executive Oversight Compliance Committee shall be regularly briefed by the chair of the Compliance Coordinating Committee about the content and operation of the program, and also when criminal conduct is discovered.

The Executive Oversight Compliance Committee shall take reasonable steps to:

1. Not include within the substantial authority any individual who has engaged in illegal activities or other conduct inconsistent with an effective compliance program.
2. Communicate periodically and in a practical manner the standards and procedures of the compliance program by conducting effective training programs and otherwise disseminating information appropriate to the respective roles and responsibilities of the entire university community involved in the compliance program. Such training may include informal staff meetings, and monitoring through regular "walk-arounds" or continuous observation while managing a designated compliance area.
3. Ensure that the compliance program is followed including monitoring and auditing to detect illegal activities or other conduct inconsistent with an effective compliance program.
4. Have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby university employees and agents may report or seek guidance regarding potential or actual criminal conduct or other conduct inconsistent with an effective compliance program without fear of retaliation.
5. Consistently promote and enforce the compliance program throughout the university through appropriate incentives for performing in accordance with the program, and appropriate disciplinary measures for engaging in criminal conduct or other conduct inconsistent with an effective compliance program and for failing to take reasonable steps to prevent or detect such conduct.
6. Respond appropriately after criminal conduct or other conduct inconsistent with an effective compliance program has been detected, including making any necessary modifications to the compliance program to prevent further similar conduct.
7. Assess the risk of criminal conduct or other conduct inconsistent with an effective compliance program and take appropriate action to design, implement, or modify the program to reduce the risk of such conduct identified through this process at least annually.

COMPLIANCE COORDINATING COMMITTEE

The Compliance Coordinating Committee's primary function is to oversee the implementation of the compliance program throughout the university. This committee disseminates information about compliance updates and activities to the responsible parties and keeps those individuals updated on any changes in laws or regulations and makes recommendations to the Executive Oversight Compliance Committee. Its members consist of:

1. General Counsel (Chair)
2. Chief Audit Executive (Advisory)
3. Assistant General Counsel
4. Athletic Director
5. Controller

6. Director of Procurement and Property Services
7. Director of Human Resources
8. Chief Information Officer
9. Director of Research and Sponsored Programs
10. Director of Environmental Health, Safety, and Risk Management
11. Chief of Police
12. Executive Director of Development
13. Director of Financial Aid
14. Executive Director of Enrollment Management
15. Chair of the Academic Affairs Policy Committee
16. Dean of Student Affairs
17. Chair of the Chairs Forum
18. Registrar

The Compliance Coordinating Committee shall be provided adequate resources and appropriate authority to carry out its duties and responsibilities.

- A. The General Counsel shall chair the Compliance Coordinating Committee and shall regularly brief the Executive Oversight Compliance Committee and the Board of Regents about the content and operation of the university's compliance program, and also when criminal conduct is discovered.
- B. The Compliance Coordinating Committee will utilize a Compliance Matrix to assist the responsible committee members in carrying out their duties. The matrix is designed to further the coordination and documentation efforts of existing and ongoing compliance initiatives and is broken down into different compliance areas assigned to the committee member responsible for ensuring compliance, representative issues associated with the compliance area as well as the applicable laws.
- C. Compliance Calendars will be generated by the Compliance Coordinating Committee and distributed to the committee members. The calendars will aid in tracking the myriad reporting requirements and due dates
- D. The Compliance Coordinating Committee, through its members, shall assist the Executive Oversight Compliance Committee in training the university community which may include informal staff meetings, and monitoring through regular "walk-arounds" or continuous observation while managing a designated compliance area.
- E. The Compliance Coordinating Committee is also responsible for creating and maintaining a compliance web page on the university's website. At a minimum the web page will include the Compliance Matrix, Compliance Calendars, Compliance Coordinating Committee members, and instructions on how to anonymously and confidentially report suspected fraud or other criminal conduct or conduct inconsistent with an effective compliance program without fear of retaliation.
- F. The Compliance Coordinating Committee is responsible for implementing and operating a risk-based process that:
 1. builds compliance consciousness into daily business processes,
 2. monitors the effectiveness of the processes, and
 3. communicates instances of non-compliance to appropriate administrative officers for action.

DEPARTMENT HEAD RESPONSIBILITY

The department head of each operating unit within the university is responsible and shall be held accountable for compliance and compliance-related activities in their respective units. The department head shall maintain documented procedures and records for their activities and areas of responsibility.

PRESIDENT RESPONSIBILITY

The president is responsible and shall be held accountable for:

1. the sufficiency of resources allocated to compliance activities, and
2. the appropriateness of corrective and disciplinary action taken in the event of noncompliance.

AUDIT SERVICES RESPONSIBILITY

Audit Services may provide advisory or audit services, as necessary and appropriate, to the compliance operations. The chief audit executive is responsible and shall be held accountable for:

1. independently evaluating the design and effectiveness of the various compliance functions as included on the annual audit plan,
2. making recommendations for improvements, as necessary and appropriate, and
3. reporting recommendations to the Board of Regents Finance and Audit Committee and the president.

EMPLOYEE RESPONSIBILITY

Each employee of the university shall be responsible for establishing an organizational culture that encourages compliance with its legal obligations, complying with all applicable federal and state laws, meeting and complying with any reporting requirements required by law, and complying with the mandates and standards in this policy.

REPORTING STRUCTURE

The reporting obligations set forth below are to fulfill the purposes of this policy, to enable the university to do a risk assessment to determine if additional resources should be allocated, and to assist the university to respond as needed. These requirements do not replace, change or modify applicable reporting requirements or any other action required of the university under federal or state laws or regulations.

The general counsel and chief audit executive shall report to the Executive Oversight Compliance Committee the workings of the Compliance Coordinating Committee, including agenda items, member concerns, and recommended changes in policies or procedures.

The chair of the Compliance Coordinating Committee shall promptly report to the Executive Oversight Compliance Committee any suspected compliance violation that has caused or poses an

imminent risk of injury or harm to persons, property or the surrounding community, or reputational harm, as soon as possible after discovering or receiving the report of the suspected violation.

The general counsel and chief audit executive are responsible to:

1. conduct a compliance program investigation or monitor the investigation conducted by an appropriate operating unit of the suspected violation(s), and
2. as appropriate, make findings and recommendations to the chair of the Board of Regents, chair of the Finance and Audit Committee, and the president.

Cross Reference: U.S. Federal Sentencing Guidelines; Fraud (2.7)

Responsible for Implementation: President

Contact for Revision: General Counsel

Forms: None

Board Committee Assignment: Finance and Audit