



UT System Administration Policy Library -- Policy # UTS119

## Institutional Compliance Program

Responsible Officer: Executive Vice Chancellor for Business Affairs

Sponsoring Office: System Audit Office

Effective Date: February 12, 2002

Last Reviewed: February 12, 2002

Next Scheduled Review: February 12, 2008

Errors or changes to: [policyoffice@utsystem.edu](mailto:policyoffice@utsystem.edu)

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## **POLICY STATEMENT**

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The University of Texas Institutional Compliance Program is documented in the Action Plan to Ensure Institutional Compliance (Action Plan) approved by the Chancellor and presented to the Business Affairs and Audit Committee of the Board of Regents on April 24, 1998.

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## **RATIONALE**

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A pro-active program to maximize compliance with applicable laws, rules, regulations, policies and procedures became an essential part of every organization's internal control infrastructure after the passage of the United States Sentencing Guidelines (Sentencing Guidelines).

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## **SCOPE**

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All institutions and UT System Administration

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## **WEBSITE ADDRESS FOR THIS POLICY**

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<http://www.utsystem.edu/policy/ov/uts119.html>

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## **RELATED POLICIES, REQUIREMENTS OR STANDARDS**

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<b>UT System Administration Policies &amp; Standards</b>	<b>Other Policies &amp; Standards</b>
	<a href="#">U.S. Sentencing Guidelines</a>

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## CONTACTS

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If you have any questions about UT System Administration Policy UTS119, *Institutional Compliance Program*, contact the following offices:

Subject	Office Name	Telephone Number	Email/URL
	System Audit Office	(512) 499-4390	<a href="http://www.utsystem.edu/aud/">http://www.utsystem.edu/aud/</a>

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## DEFINITIONS

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N/A

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## RESPONSIBILITIES

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### **UT System Administration**

- Has an institutional compliance mission statement modeled after the system-wide mission statement.
- Determines the appropriate compliance infrastructure and policies and procedures.

### **UT System Institution**

- Has an institutional compliance mission statement modeled after the system-wide mission statement.
- Determines the appropriate compliance infrastructure and policies and procedures.

### **Executive Compliance Committee**

- Oversees and directs the System-wide compliance function.
- Meets quarterly.

### **System-wide Compliance Committee**

- Facilitates communication and sharing of ideas, best practices, exposures, and other information related to common areas of high risk among the institutions.
- Meets periodically as circumstances require.

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## PROCEDURES

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A mission statement, including Goals and Objectives, for the program ([Exhibit A](#)) has been developed to reflect the requirements of the Sentencing Guidelines.

System Administration and each institution must have an institutional compliance mission statement modeled after the System-wide mission statement.

System Administration and each institution have the authority to determine the appropriate compliance infrastructure and policies and procedures for their respective institutions.

Responsibility and accountability of the parties in the Institutional Compliance Infrastructure are detailed in the Action Plan and are reproduced in The Responsibility and Accountability for Compliance ([Exhibit B](#)).

The Executive Compliance Committee provides oversight and direction for the System-wide compliance function. The Committee is comprised of the Chancellor, the Executive Vice Chancellors for Business Affairs, Health Affairs, and Academic Affairs, the Vice Chancellor and General Counsel, and the System-wide Compliance Officer. The Chancellor is the chairman of this Committee. The Committee meets on a quarterly basis.

The System-wide Compliance Committee facilitates communication and sharing of ideas, best practices, exposures, and other information related to common areas of high risk among the institutions. The System-wide Compliance Officer is the chairman of this Committee, and membership is composed of knowledgeable staff in the representative high-risk areas from institutions. The Committee meets periodically as circumstances require.

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## FORMS AND TOOLS/ONLINE PROCESSES

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N/A

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## APPENDICES

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### [Exhibit A](#)

### [Exhibit B](#)

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#### **Exhibit A - Mission Statement**

The University of Texas System endeavors to fulfill all of its responsibilities to the people of Texas in an environment based upon ethical behavior and compliance with applicable laws and rules.

#### **Goals**

The Institutional Compliance Program shall provide:

- Assurance that all faculty and staff are aware of their duties and responsibilities in establishing and sustaining that environment; and
- A mechanism for continuously assessing the effectiveness of that environment in assuring that all UT System business is conducted with integrity.

#### **Objectives**

1. An Institutional Compliance infrastructure shall be established at System Administration and each institution that must include:

- A Compliance Officer
- A Compliance Committee
- A Compliance Office, if appropriate for the organization.

2. Each segment of the compliance infrastructure, as indicated in number 1 above, shall have its own duties and responsibilities.

3. System Administration and each institution shall develop and annually update a Risk-Based Compliance Plan that must include the following sections for each 'high-risk' area:

- Responsible Party
- Monitoring Plan
- Specialized Training Plan

4. The System-wide Compliance Officer shall establish a reporting mechanism to provide information as appropriate on the status of the Institutional Compliance Program at System Administration and each institution. Copies of the periodic reports shall be compiled by the System-wide Compliance Officer and distributed to the Board of Regents, Executive Compliance Committee, System-wide Compliance Committee, and each institution's Compliance Officer.

5. The Executive Compliance Committee shall provide guidance and oversight of the System-wide Compliance Function. This Committee consists of the Chancellor, the Executive Vice Chancellors for Business Affairs, Health Affairs, and Academic Affairs, the Vice Chancellor and General Counsel, and the System-wide Compliance Officer. The Chancellor serves as chair of this group.

6. The System-wide Compliance Officer serves as chair of the System-wide Compliance Committee. This committee serves as an advisory group to provide guidance to the System-wide compliance function. Knowledgeable staff in the high-risk areas from the institutions must be included on the committee.

7. System Administration and each institution shall have a network of monitoring, reporting, and training methods to maximize compliance.

8. Employees at System Administration and each institution shall be provided compliance-related training and information to ensure understanding of their duties and responsibilities for ethical and legal behavior.

9. Responsible parties at every level of System Administration and each institution shall be held accountable for their failure to act ethically and in compliance with applicable laws and rules.

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### **Exhibit B - The Responsibility and Accountability for Compliance**

- The Executive Compliance Committee is responsible for providing oversight and guidance to the System-wide compliance function.

- Employees of System Administration and institutions are responsible for compliance with laws, regulations, and policies and procedures and will be held accountable for their actions.
- The System-wide Compliance Officer is responsible and shall be held accountable for apprising the Chancellor and the Board of Regents of the institutional compliance functions and activities at System Administration and each institution. The System-wide Compliance Officer is also responsible for bringing institutional compliance matters at System Administration and each institution to the Executive Committee for Compliance at the UT System.
- The System-wide Compliance Committee is responsible and shall be held accountable for providing information and recommendations to the System-wide Compliance Officer on the design, operation, and status of the UT System Institutional Compliance Program.
- The Institutional Compliance Officer at System Administration and each institution is responsible and shall be held accountable for implementing and operating a risk-based process that:
  - (1) builds compliance consciousness into daily business processes,
  - (2) monitors the effectiveness of the processes,
  - (3) communicates instances of non-compliance to appropriate administrative officers for action, and
  - (4) provides the System-wide Compliance Officer with quarterly activity reports.
- The Institutional Compliance Committee at System Administration and each institution is responsible and shall be held accountable for providing advice and guidance to the Compliance Officer and to the Chief Administrative Officer on the design and operation of the institutional compliance program.
- The department head of each operating unit within System Administration and each institution is responsible and shall be held accountable for compliance and compliance-related activities in their respective units.
- The Chancellor and each Chief Administrative Officer is responsible and shall be held accountable at their respective institutions 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.
- In accordance with UTS129, Internal Audit Activities, Internal Audit may provide consulting and assurance services, as necessary and appropriate, to the compliance operations at System Administration and each institution.
- Internal Audit is responsible and shall be held accountable for:
  - (1) independently evaluating the design and effectiveness of the compliance function at System Administration and each institution, and
  - (2) making recommendations for improvements, as necessary and appropriate.