

**Texas A&M University**  
**University-wide**  
**Risk Management Program**  
**Compliance Program**

*Presented By*

**Office of University Risk & Compliance**

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**for**

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# New University-wide Approach

- Executive Management advocates a University-wide approach to risk management and compliance
- Many departments and units across the campus have models, processes, and procedures to manage risk and compliance for specific areas or responsibility
- A new office was established to
  - **Implement** and **coordinate** a University-wide approach for risk management and compliance efforts

# University-wide Programs - Drivers

- Manage growth in a changing environment
- Public Trust - Accountability
  - Corporate scandals
    - Sarbanes Oxley
    - Federal Sentencing Guideline Amendments
  - Large fines to Institutions of Higher Education
- Increased scrutiny
  - Legislature
  - Response to public interests
  - Sponsors – federal/state agencies, private
  - Board of Regents
  - Peer institutions

# On the Radar Screen

## Competition

- Funding – public, donor, federal, private sector
- Quality students, faculty, and staff
- Student service preferences

## New Technologies

- Online courses
- E-commerce
- Data exchange
- Communication

## Public Concerns

- Accountability – Public Trust
- Student accessibility
- Increasing tuition
- Diversity
- Campus Safety – Terrorism

## Entrepreneurial Ventures

- Intellectual Property
- Nontraditional academic programs
- Collaboration and partnering ventures

# University-wide Risk Management

- Risk is any event or action that adversely impacts the University's ability to achieve its objectives
- University-wide approach is new model
  - Integrates and coordinates risk management across the entire University
  - Change from
    - silo approach in which risks are managed by individual departments to
    - sharing of information and building on each unit's strengths and initiatives

# University-wide Risk Management Mission

- To integrate an enterprise-wide risk management process within the University designed to identify and assess risks and the risk management strategies used to provide reasonable assurance regarding the achievement of the University's objectives

# University-wide Risk Management Components

- Support from the top
- Involvement of personnel at all levels
- Risks and mitigating activities identified
- Accountability, responsible party identified
- Continuous monitoring and reporting

# University-wide Risk Management Implementation Strategy

- Introduce University-wide risk management and establish a common risk language
- Identify risks (high level)
- Analyze and assess risks (prioritize -probability of occurrence/potential impact)
- Identify mitigating activities for managing risks and gaps
- On-going monitoring, periodic reporting to President/Provost

# Risk Categories



# Compliance Program Mission

- Develop and maintain an effective, proactive, compliance program aligned with the University's strategic goals to
  - Promote and support a culture that requires accountability
  - Demonstrate commitment and due diligence to deter and detect compliance violations
  - Expect compliance and ethical conduct as the norm.

# University-wide Compliance Program

## Focus

	Excellence	
	Training	
<b>Accountability</b>	Human Factor	<b>Coordination</b>
<b>Due Diligence</b>	Interactive Process	<b>Communication</b>
<b>Ethics as a Norm</b>	Commitment	<b>Collaboration</b>
	Shared Responsibility	

# University Compliance Areas

(List is not all inclusive)

- Health and Safety
  - EPA, FAA, CDC
  - Campus – Clery Act
- Privacy
  - FERPA
  - HIPPA
  - Gramm Leach Bliley
- Research Misconduct
- Research Integrity
  - Human, Animal, Biosafety
- Grant/Contract mgmt
- Drug Free Workplace
- Labor Laws
- ADA
- Financial reporting
- Procurement
- Tax Codes
- Record Mgmt
- Patriot Act
- Immigration (SEVIS)
- Export
- Controlled Substances
- NCAA

# Compliance Program Benefits

- Promote integrity in operations
- Increase accountability and public trust
- Support stakeholder interests
- Reduce compliance violations and potential fines and penalties
- Mitigate fine punishment
- Reduce likelihood of whistleblower actions
- Meet expectations of regulators, sponsors, accrediting authorities
- Attract highly qualified faculty, staff, and students
- Enhance employee morale

# Compliance Program Framework (Based on Sentencing Guidelines)

- Effective Compliance Program Requirements
  - Standards to deter and detect misconduct
    - Formal policies and rules
    - Form a network of compliance expertise
  - Assign overall program coordination at high level
    - Direct access to executive management
    - Coordination, communication, collaboration
  - Care in delegation of authority
    - Demonstrate integrity and ethical conduct

# Compliance Program Framework (Based on Sentencing Guidelines)

- Effective Compliance Program Requirements  
(Continued)
  - Provide on-going education and training
  - Monitor, assess, and provide system for employees to report or seek guidance on compliance issues without fear of retaliation
  - Enforce consistently and use appropriate discipline and incentives
  - Periodically assess program effectiveness and report compliance status to executive management

# University Risk and Compliance Programs



## University Offices

(Not all Inclusive)

- Finance (Controller, Purchasing, HR, Training)
- Research
- Student Affairs
- Student Financial Aid
- Admissions & Registrar
- UPD
- International Programs
- Information Technology
- Utilities
- Transportation
- Athletics

# University Risk and Compliance Programs



## System Offices

(Not all inclusive)

- Policy Implementation and Compliance
- General Counsel
- Risk Management and Safety
- Internal Audit

# COORDINATE

Compliance Program	Risk Management Program
<ul style="list-style-type: none"> <li>Establish policies and procedures to deter and detect non-compliance from a University - wide perspective that is aligned with strategic goals and objectives</li> </ul>	<ul style="list-style-type: none"> <li>Establish an integrated University-wide approach to manage risk that is aligned with the University vision, goals, and objectives</li> <li>Use a common framework to integrate activities and a common language for risk dialogue - view risks as justification for the importance of controls</li> </ul>
<ul style="list-style-type: none"> <li>Assign high level management overall authority, responsibility, and resources and delegate responsibility for operations to unit personnel</li> </ul>	<ul style="list-style-type: none"> <li>Involve and assign responsibility to personnel at all levels of the University</li> </ul>
<ul style="list-style-type: none"> <li>Use reasonable efforts to exclude from authority individuals that, the organization knew or should have known, have engaged in illegal activities or acted inconsistently with the compliance program</li> </ul>	
<ul style="list-style-type: none"> <li>Provide on-going communication and compliance and ethics training at all organizational levels</li> </ul>	<ul style="list-style-type: none"> <li>Communicate information and train personnel at all levels in risk management practices</li> </ul>
<ul style="list-style-type: none"> <li>Evaluate program effectiveness through periodic monitoring, and provide a system for employees to report or seek guidance on compliance without fear of retaliation</li> </ul>	<ul style="list-style-type: none"> <li>Allow flexibility for diverse units to establish relevant risk management models that are effective in providing useful data for that unit and the University as a whole</li> </ul>
<ul style="list-style-type: none"> <li>Respond to compliance violations to prevent similar offenses, enforce compliance consistently using appropriate incentives and discipline, and modify the program as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Focus on continuous monitoring, follow-up, and modifications</li> </ul>
<ul style="list-style-type: none"> <li>Periodically assess program effectiveness and report the status to executive management</li> </ul>	<ul style="list-style-type: none"> <li>Report to inform executive management of the status of risk management activities</li> </ul>

# INTERFACE

# Rules

The University has formal rules that provide an umbrella of governance and establish structure to support accountability. Rules supplement System policies and regulations and are established at the University level to:

- Define delegations of authority
- Define structure
- Address matters specific to the University
- Support uniform compliance

# Standard Administrative Procedures (SAPs)

SAPs supplement University Rules and are established at the University level to:

- Provide step by step instruction
- Support uniform compliance

# University Risk and Compliance's (URC) Role

- Coordinate the development, review and approval of new and revised University rules and saps
- Distribute approved new and revised rules and saps
- Provide University comments regarding new and revised draft System policies and regulations

# Guidance and Direction

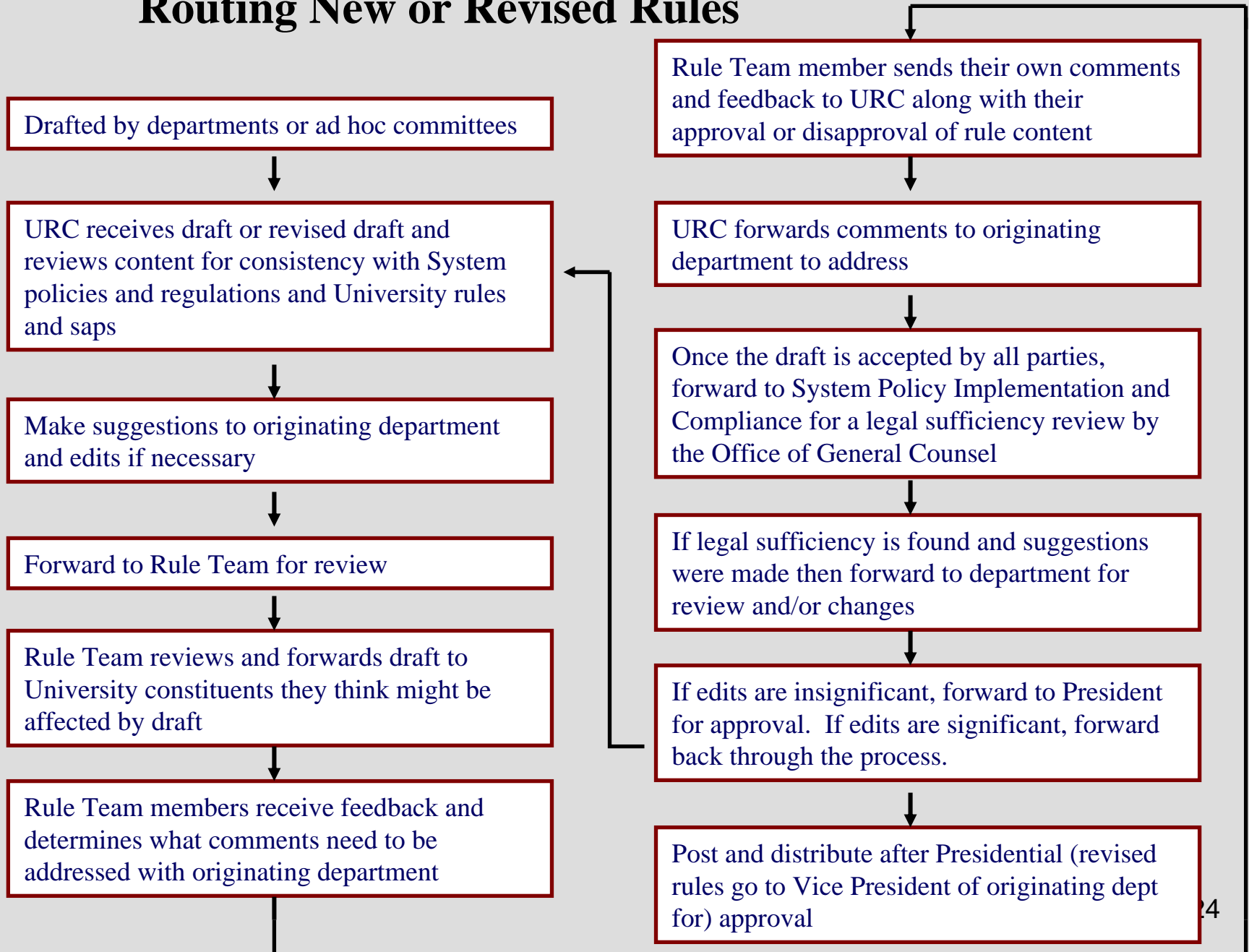
- 01.01.01.M1: Development and Approval of TAMU Rules
  - Rules clarify what should be done
- 01.01.01.M2: Standard Administrative Procedures (SAPs)
  - SAPs clarify how to do it- direction and specific steps to accomplish the rule

# University Rule Team

- Tom Reber
- Dr. Karan Watson
- Dr. Martyn Gunn
- Dr. James Anderson
- Polli Satterwhite
- Robert Bisor
- Terry Lovell
- Dr. Paul Meyer
- Penny King
- VPR Representative

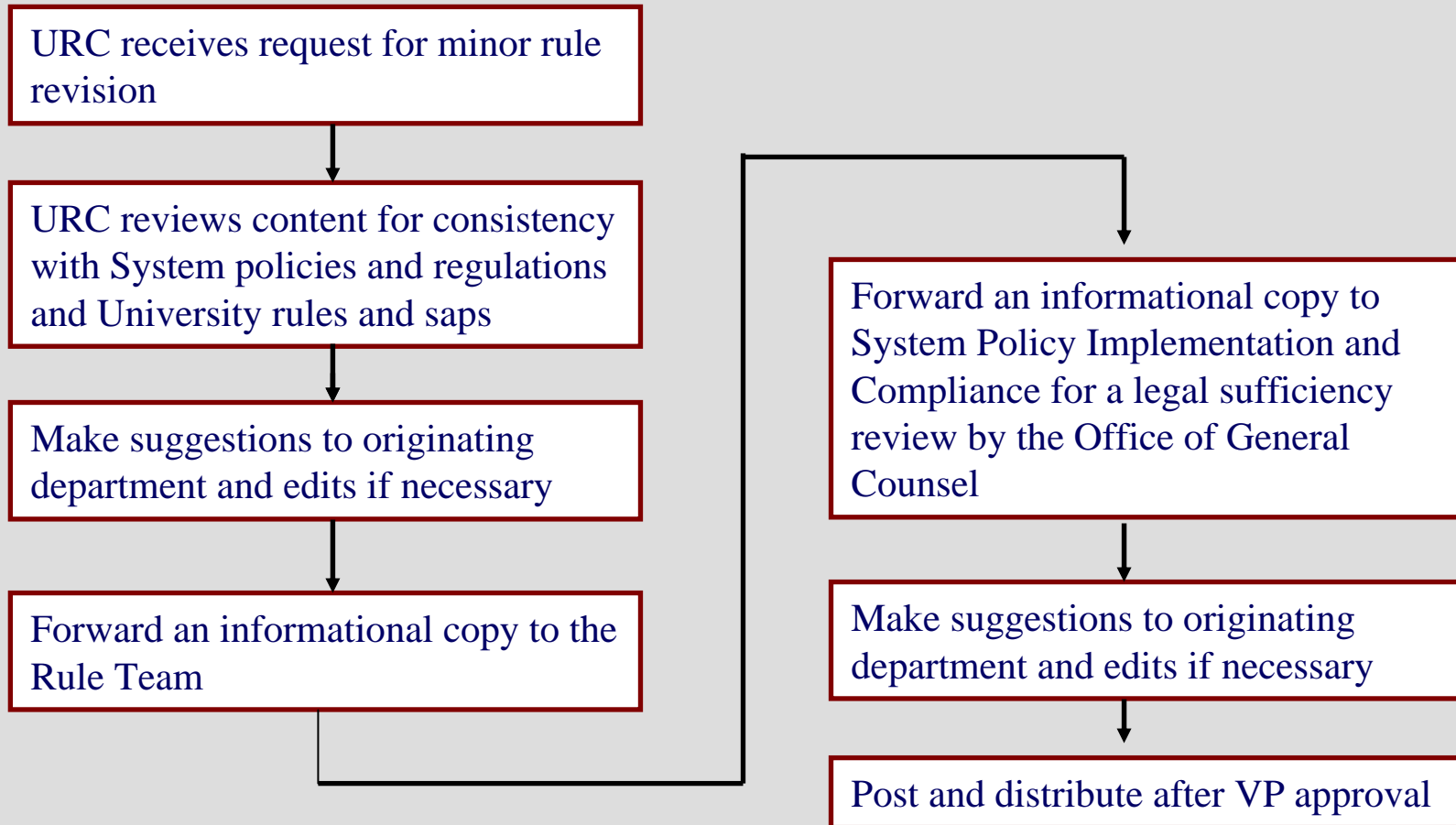
Responsibility - distribute draft Rules and SAPs to constituents for comments and feedback.

# Routing New or Revised Rules

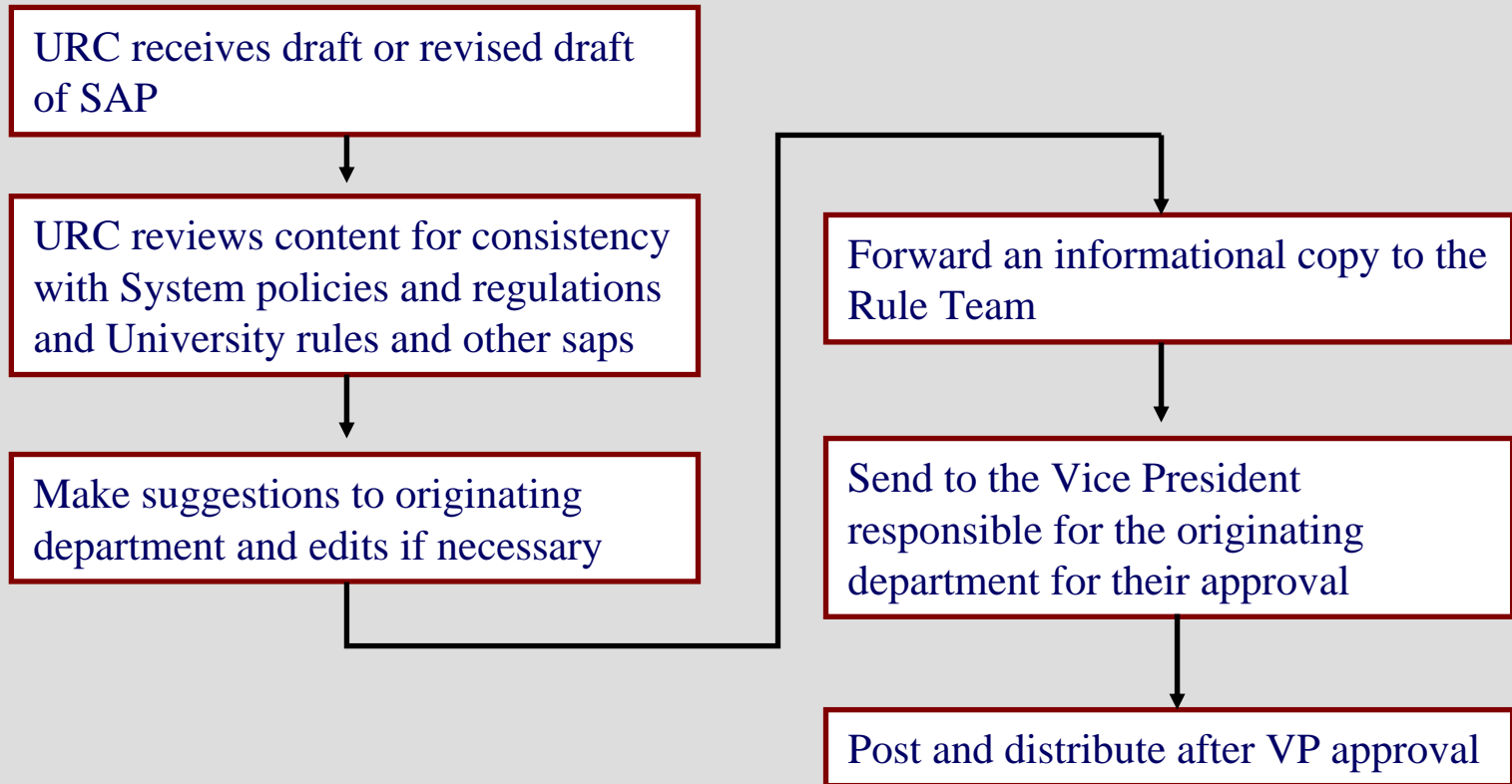


# Routing Minor Revisions made to Rules

**Limited to: changes in statutory code references, titles, and office of responsibility.**



# Routing New or Revised Standard Administrative Procedures (SAP)



# Contact Persons

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