

# **Texas A&M University**

## **University Risk and Compliance**

*Presented By*

**University Risk and Compliance Office**

**Charley Clark**

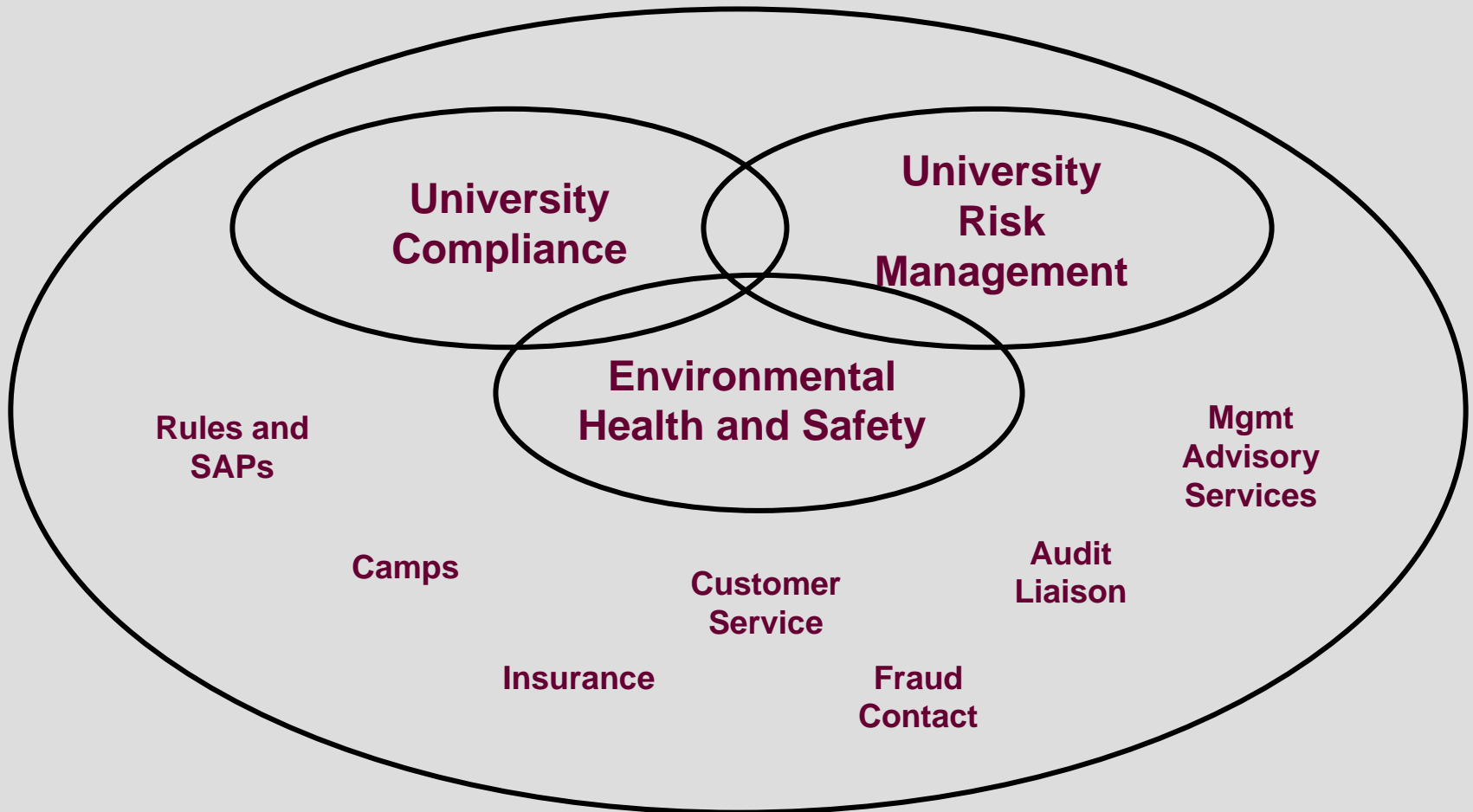
**Annette Wallis**

**Peggy Zapalac**

# 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
- An office was established to:
  - **Implement** and **coordinate** a University-wide approach for risk management and compliance efforts

# University Risk and Compliance Office



# Mission

**URC** -To support the University's commitment to integrity and accountability through leadership and coordination of University-wide risk management; compliance and rules; environmental health and safety; and management advisory services and audit liaison.

**University-wide Risk Management** – to integrate an enterprise-wide risk management process within the University designed to identify, assess, manage, and control potential events/situations to provide reasonable assurance regarding the achievement of the University's objectives.

**Compliance and Rules** - to provide a proactive compliance program that heightens awareness of applicable laws, policies, rules, grant/contract terms and conditions, and enhances a University-wide commitment to due diligence in compliance.

**Environmental Health and Safety** - to provide services that promote a healthy and safe environment for the University community.

**Management Advisory and Audit Liaison Services** - to work in an advisory role with University personnel to collaboratively address risk and compliance issues, affect change, facilitate communications, and develop solutions to problems.

# University Risk and Compliance

## Organizational Chart



# C O O R D I N A T E

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>

# I N T E R F A C E

# University-wide Compliance Program

## Focus

	<b>E</b> xcellence	
	<b>T</b> raining	
<b>A</b> ccountability	<b>H</b> uman Factor	<b>C</b> oordination
<b>D</b> ue Diligence	<b>I</b> nteractive Process	<b>C</b> ommunication
<b>E</b> thics as a Norm	<b>C</b> ommitment	<b>C</b> ollaboration
	<b>S</b> hared Responsibility	
	<b>C</b> ode of Conduct	

# University Compliance Areas

(not all inclusive)

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

# University-wide Risk Management

- University-wide approach is fairly new and integrates and coordinates risk management across the entire University
  - move from silo approach in which risks are managed by individual departments
  - move towards sharing of information and building on each unit's strengths and initiatives
  - expand use of TAMU's best practices and models by introducing them in other units
- **Definition of Risk and Risk Categories**
  - Risk is any event or action that adversely impacts the University's ability to achieve its objectives
  - Financial, Strategic, Reputational, Operational, and Compliance

# Risk Categories



# Risk Response



## Residual Risk

(risk remaining after mgt has taken action to alter the risk's likelihood or impact)

# University-wide Risk Management Discussion Group

- Identify high level university-wide risks

- Members include:

Dr. Prior

Dr. Gunn

Dr. Perry

Dr. Watson

Dr. Bresciani

Dr. Ewing

Dr. Anderson

Dr. Weichold

Dr. Bennett

Ms. Redman

Mr. Sippial

Dr. Cantrell

Mr. Byrne

Mr. O'Quinn

Mr. Clark

# Implementing ERM

- Identify risks (Discussion Group/campus survey)
  - Perform risk assessments
    - Provost
    - President's Office
    - Research
    - Finance
    - Student Affairs
    - Administration
    - Athletic and Athletic Compliance
    - Development
    - Governmental Affairs
    - Faculty Senate
    - Assessment and Diversity
    - Communication
- Rank risks
  - Probability of occurrence and significance of impact
- Identify mitigating activities
- Report on gaps, if any

# Environmental Health and Safety

- Presidential Apartment Fire Task Force Recommendation
  - “The University should consider a higher-profile for the Environmental Safety and Health Office on campus. For instance, at present the Office deals almost exclusively with occupational safety and health issues. Its purview might be expanded to include in a more comprehensive manner safety and health issues for students, campus visitors, and so forth.”

# Camp and Enrichment Program

- Status of rule change
  - preliminary
- Suggestions to change the rule include:
  - routing
  - electronic forms

# URC Contacts

- **Charley Clark**, Assistant Vice President of University Risk and Compliance, [cbc@tamu.edu](mailto:cbc@tamu.edu), 845-1323
- **Chris Meyer**, Director of Environmental Health and Safety, [c-m-meyer@tamu.edu](mailto:c-m-meyer@tamu.edu), 845-2132
- **Annette Wallis**, Director of University Compliance, [a-wallis@tamu.edu](mailto:a-wallis@tamu.edu), 862-7737
- **Peggy Zapalac**, Director of University Risk Management, [m-zapalac@tamu.edu](mailto:m-zapalac@tamu.edu), 845-8115
- **Tammy Sims**, Management Advisor (Audit Liaison), [tsims@tamu.edu](mailto:tsims@tamu.edu), 845-0847
- **Julie Kuder**, Senior Policy Administrator (Rules/SAPs), [jkuder@tamu.edu](mailto:jkuder@tamu.edu), 845-8116
- **Virginia Skelton**, Sr. Office Assoc. (Camps), [ves@tamu.edu](mailto:ves@tamu.edu), 862-2842

Thank You

# 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 Risk and Compliance Programs



## System Offices

(Not all inclusive)

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

# 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 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.

# 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-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

# 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

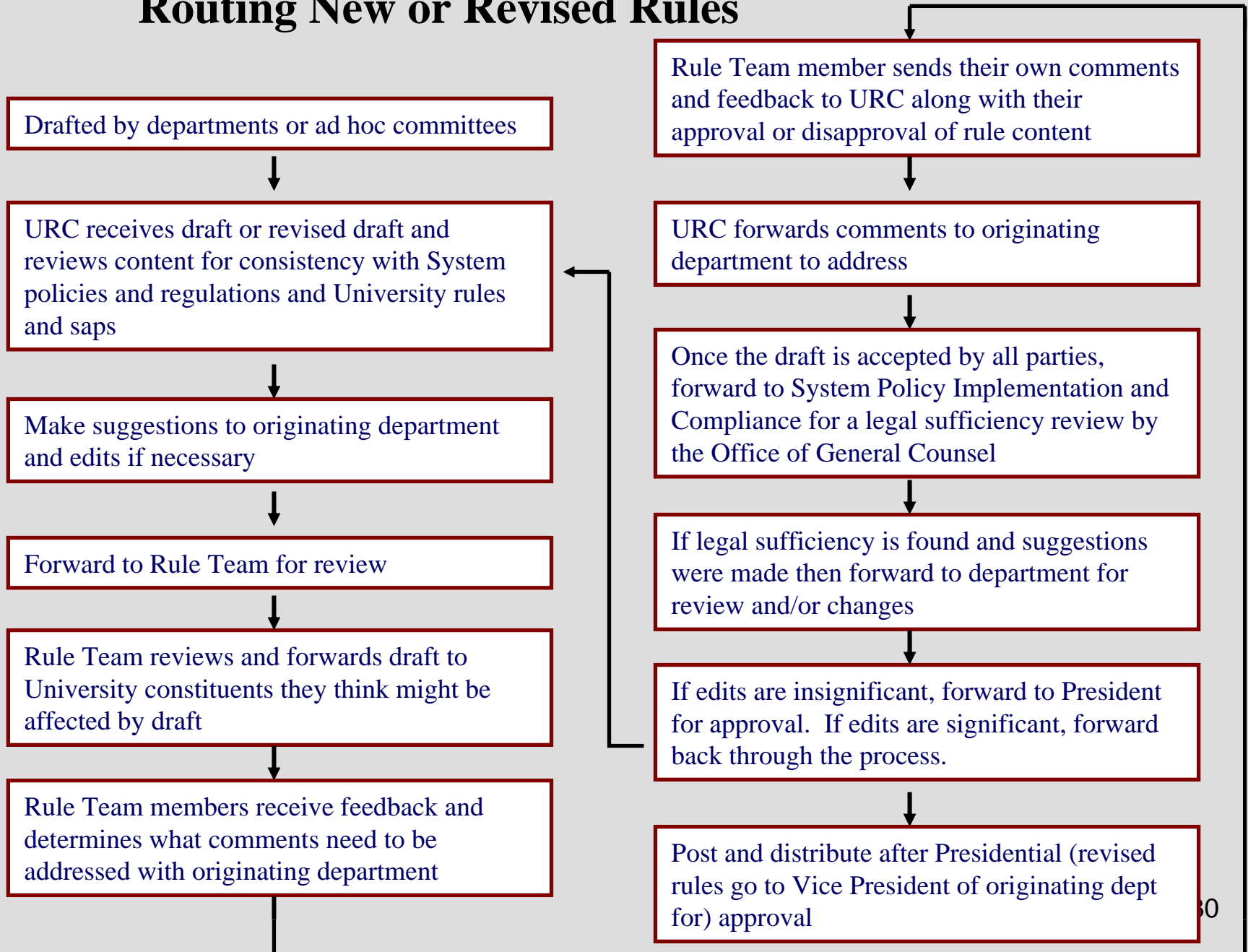
- 01.01.01.M1: Development and Approval of TAMU Rules
  - Rules clarify what should be done
- 01.01.01.M2: Standard Administrative Procedures (SAPs)
  - SAPs clarify how to do it- direction and specific steps to accomplish the rule

# 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

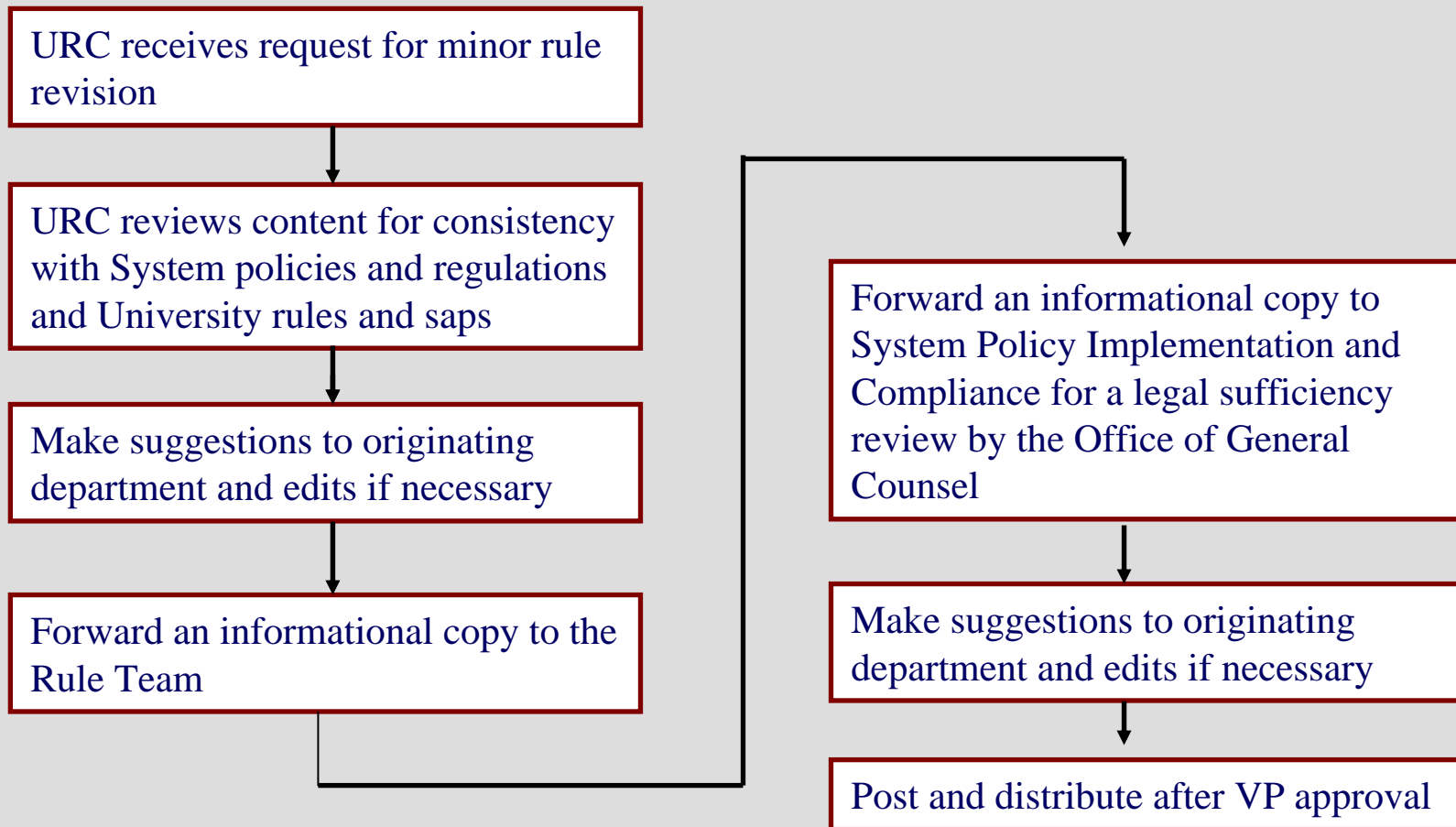
Responsibility - distribute draft Rules and SAPs to constituents for comments and feedback.

# 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)

