



## University Compliance Program

BUSINESS AND FINANCIAL AFFAIRS  
Risk, Compliance and Policy Services  
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## Program Goals

Higher education is one of the most regulated industries in the nation where requirements are continuously increasing and changing, creating a challenge for institutions with limited resources. Compliance focuses on following requirements, detecting and correcting non-compliance, and mitigating the risk of penalties, litigation, or other action such as investigations. Compliance requirements include, but are not limited to:

- Federal laws and regulations
- State laws and regulations
- Local municipal laws
- Case law
- Accreditation standards
- Western's own internal rules, policies and procedures
- Contractual obligations (including collective bargaining agreements)

The University Compliance Program is housed within Risk, Compliance, and Policy Services (RCPS) under the purview of the Vice President for Business and Financial Affairs. To facilitate the myriad of compliance requirements; the program's primary long-term goals are to:

- Maintain an effective compliance program ("Program") that meets the standards of the *Elements of an Effective Compliance Program* as outlined in the Federal Sentencing Guidelines (see page 3 below),
- Establish a "hybrid" University compliance program that centrally supports compliance owners and facilitates efforts of decentralized compliance areas across campus,
- Work in coordination with the University's Enterprise Risk Management (ERM) Program, Ethics Program, and the Office of the Internal Auditor to:
  - Establish a risk-based approach in prioritizing compliance efforts, and
  - Enhance the University's community culture by promoting a workforce committed to administering the institution with the highest standards of professionalism, ethics, and integrity.
- Establish and maintain an annual compliance plan to be reviewed by executive leadership and the Board of Trustees.

# Elements of an Effective Compliance Program

In 1991, the U.S. Sentencing Commission established the most recognized standards for an effective Program within its [Sentencing Guidelines Manual](#). While primarily designed for investment corporations to prevent and deter organizational wrongdoing, these Guidelines are now widely used by higher education institutions to design and implement their programs.

While there is no standard program design for higher education institutions in general, there are core elements that the Guidelines state must exist to have an effective program which are as follows:

## 1. Organizational Leadership and Culture

The University shall have a governing authority and leadership which will:

- a) Exercise due diligence and reasonable oversight over the implementation and effectiveness of the Program,
- b) Assign overall responsibility for the Program to high-level personnel who ensure the Program is effective and includes the federal standards as noted above, and
- c) Promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

## 2. Risk Assessment

The University shall periodically assess the risk of misconduct and non-compliance, and take reasonable steps to implement these elements to reduce risk identified through the assessment.

## 3. Establish Policies, Standards and Control Procedures

The University shall establish written policies, standards, and procedures that communicate compliance requirements and standards of conduct to prevent and detect non-compliance and unethical behavior.

## 4. Training and Education

The University shall take reasonable steps to periodically communicate its policies, standards, required practices, and other aspects of the Program to University employees at

all levels and to the University's agents (such as volunteers and contractors) when applicable. Communication shall be conducted in a practical manner, including accessible and effective training programs and disseminating information to individuals with respect to their roles and responsibilities.

#### **5. Evaluation of Program Effectiveness**

The Program shall include monitoring and auditing activities that are designed to:

- a) Periodically assess the effectiveness of the Program, and
- b) Provide anonymous or confidential reporting mechanisms allowing University employees and agents the opportunity to report or seek guidance regarding potential or actual misconduct or non-compliance without fear of retaliation.

#### **6. Enforcement**

The University shall promote the Program and efficiently and effectively enforce accountability throughout all levels of the organization. Identification of misconduct or non-compliance should be readily followed by appropriate remedial action to prevent and/or detect similar problems in the future.

## Roles and Responsibilities

The following roles and responsibilities are designed to ensure the above-listed elements are addressed.

### **Board of Trustees**

The Board of Trustees' Finance, Audit, and Risk Management (FARM) Committee is responsible for providing oversight for the University's Compliance Program. The Associate Vice President for Business and Financial Affairs briefs the FARM Committee on emergent and high-risk compliance issues and makes recommendations for and progress on mitigating those issues.

### **Division Leadership**

Division leadership includes the Provost, Vice Provosts, Vice Presidents, and Associate and Assistant Vice Presidents. Their responsibilities are to:

1. Designate Compliance Owners (COs) within their respective divisions to be documented in the University's Compliance Matrix,
2. Review compliance status and associated risks under their purview,
3. Consult with RCPS when needing to address compliance issues, such as when responding to internal and external compliance audits or complaints,
4. Support the compliance efforts of the COs including assistance with securing resources necessary to achieve and maintain compliance,
5. Ensure COs and compliance partners are held accountable for their compliance role and responsibilities, and
6. Ensure communication at the Executive level (including the Board of Trustees as appropriate) regarding compliances status reports and emergent compliance issues.

## **Compliance Owners (Cos)**

COs are upper management, generally Deans or Directors, that are delegated substantive responsibility for the University's compliance with a specific regulated area (see University Compliance Matrix). Their responsibilities are to:

1. Establish a compliance program that sufficiently meets the elements of an effective compliance program (see page 3-4) to ensure University compliance with the regulatory area they have been assigned to oversee,
2. Serve as primary advisor to the University community on compliance issues relative to their compliance area,
3. Responsible for identifying and working with Compliance Partners (CPs) to develop, implement, and maintain effective tools and activities to achieve compliance,
4. Ensure resources are in place to be kept abreast of new and revised regulations and compliance strategies and report updates to CPs and the University Compliance Manager as needed,
5. Participate in compliance risk assessments coordinated by RCPS and leads efforts to address identified risks, and
6. Consult with the University Compliance Manager during compliance audit or investigation exit processes to collaborate on recommendations and responses.

COs responsibilities must be included in the position job description.

## **Compliance Partners (CPs)**

CPs are management level personnel whose responsibilities within the University cross-over or can impact a compliance area for which they are not the delegated CO. Their responsibilities are to:

1. Support COs, and/or directly responsible for, the development and implementation of policy, procedures, standards and training tools related to legal or contractual compliance requirements for their area of responsibility;

2. Ensure effective communication with COs in regards to:
  - a. Identified vulnerabilities and risk issues, and
  - b. Changes in operations, regulations, and internal and external processes that impact compliance.
3. Participate in compliance risk assessments and assist COs in mitigating risks;
4. Assist in the development of compliance status reports when requested by the CO or University Compliance Manager; and,
5. Ensure department representation at compliance-related meetings as requested.

### **University Compliance Manager**

The University Compliance Manager reports to the Director of RCPS. The Manager's responsibilities are to:

1. Establish and maintain a "hybrid" compliance program that:
  - a) Centrally supports and coordinates efforts of decentralized compliance areas across campus, and is
  - b) Structured around and measured against the federal standards for an effective compliance program,
2. Work with leadership in designating compliance owners; maintain the University Compliance Matrix that identifies compliance areas, compliance owners, and responsible executive officers,
3. Facilitate compliance risk assessment processes in alignment with the University's ERM Program and Internal Audit activities,
4. Foster a working relationship between compliance owners and their compliance partners to assist the University in achieving its compliance objectives.
5. Work with Human Resources and compliance owners to develop and deliver training as necessary to improve compliance effectiveness,

6. Work with the Office of the Internal Auditor to identify and recommend solutions for deficiencies in internal controls that impact compliance,
7. Assist departments in developing management responses to compliance audit findings, and
8. Develop written compliance program progress reports and action plans, compliance risk assessments, and audit progress reports for senior administration and the FARM Committee.

## **Officers**

An Officer title for a specific regulation, or regulation category, may be delegated by vice presidential leadership to a University position when such delegation is required by law. The responsibilities of the Officer will depend on the type of management needed to effectively and efficiently meet compliance.

For example, leadership may delegate the Officer title, as well as the role of compliance owner, to the same position. In other instances, the Officer's responsibilities may be to prioritize, lead, and report on compliance activities amongst multiple departments whose operations fall under the subject regulation. In such a case, a program document must be written to:

1. Identify the key responsible departments, compliance owners and partners to be held responsible for ensuring compliance of a particular rule of the regulation,
2. Specify their roles and responsibilities, including that of the Officer, and
3. Be approved by the appropriate division leadership.

The specific responsibilities of the Officer must be included in the delegation letter and the position job description.

## **Office of the Internal Auditor**

The Office of the Internal Auditor supports the Program and will:

1. Communicate deficiencies in compliance and internal controls to the University Compliance Manager identified through special investigations and other means, and



2. Provide consultation on conducting compliance program and internal control activities, such as compliance risk assessments and monitoring strategies.

### **Compliance Liaisons**

Key personnel will be delegated the role of Compliance Liaison to establish a point of contact in specific areas of the University. Their responsibilities are to:

1. Support compliance efforts made through the Program,
2. Attend liaison meetings to discuss compliance issues and strategies to remove barriers and improve compliance in their areas,
3. Complete compliance related training identified by the University Compliance Manager in order to become a knowledgeable compliance resource to personnel in their area of responsibility,
4. Provide feedback on policies, procedures, standards, required compliance practices, training content, and other educational and communication mechanisms to promote compliance awareness,
5. Ensure information received from Risk, Compliance, and Policy Services is disseminated throughout their responsible area and provide training when appropriate,
6. Support the Program by raising internal control and compliance issues identified in meetings and projects, and
7. Monitor and report compliance and internal control deficiencies to appropriate personnel, including the University Compliance Manager.

### **Supervisors**

Supervisors, at all levels, are responsible for the following:

1. Model and incorporate compliance and ethical best practices within their business operations,
2. Communicate expectations in regards to compliance and ethical behavior,

3. Ensure participation in compliance and ethics related training as appropriate to job duties,
4. Ensure employees receive and understand communications regarding updates to compliance requirements,
5. Ensure performance evaluations review efforts in maintaining and/or improving compliance, and
6. Ensure effective corrective action is promptly implemented.

### **All Other University Employees**

The success of the University Compliance Program requires the commitment and efforts of every employee in order to support Western's Mission and Strategic Plan. Each employee is responsible for upholding the University's standards of conduct, complying with applicable regulations and University policy, and reporting concerns of unethical, illegal or non-compliant activity.

Employees are encouraged to provide feedback to the University to the appropriate compliance owner or partner, their compliance liaison, or the University Compliance Manager on ways to strengthen compliance and promote active engagement of employees in the University's compliance efforts.