

Policies of the University of North Texas System Administration	Chapter 02 Administration
<b>02.403 Compliance and Integrity Program</b>	

**Policy Statement.** The University of North Texas System Administration is committed to ethical and lawful conduct at every level of the organization and to providing education and implementing practices that prevent and detect violations of the law; encouraging all members of the System Administration to conduct themselves lawfully, honestly and with integrity; and preventing retaliation against individuals who participate in the System Administration’s Compliance and Integrity Program.

**Application of Policy.** All employees of the University System Administration and individuals acting on behalf of the University of North Texas System, except this policy shall not apply to law enforcement activities.

**Definitions.**

1. **Compliance and Integrity Program.** “Compliance and Integrity Program” means the structure and process designed to identify, assess, monitor, oversee and ensure officers and employees of the System Administration comply with applicable laws, Regents Rules, System Regulations and System Administration policies.
2. **Compliance Risk.** “Compliance risk” means conduct (action and inaction), practices or circumstances that expose the System Administration to legal or regulatory sanctions, including fines or penalties; or damage to the University’s reputation due to an officer’s, employee’s, agent’s or independent contractor’s failure to comply with applicable laws, Regents Rules, System Regulations or System Administration policies.
3. **Compliance Risk Assessment.** “Compliance risk assessment” means the periodic identification and evaluation of conduct (action and inaction), practices, and circumstances that expose the System Administration to sanctions or reputational harm.
4. **Compliance Work Plan.** “Compliance work plan” means a method or tool developed after completion of a risk assessment to focus compliance activities on the System Administration’s highest compliance risks.
5. **Days.** “Days” means calendar days unless otherwise stated in this policy.
6. **Good Faith Report.** “Good faith report” means a reasonable belief that conduct violates law, Regents Rule, System Regulation or System Administration policy based on the reporting individual’s training and experience.

7. Management Official. “Management official” means a System Administration employee who has supervisory responsibilities over one or more faculty or staff employees; exercises substantial discretionary authority when acting within the course and scope of employment; or acts as an agent on behalf of the System Administration.
8. Mandatory Training. “Mandatory training” means regularly scheduled training related to federal and state laws, Regents Rules, System Regulations, System Administration policies or specific operational practices that are essential to developing consistent ethical and compliant conduct.
9. Misconduct. “Misconduct” means wrongdoing as described in Regents Rule 04.1100, including any action or a knowing failure to act that results or has potential to result in fraud, waste, abuse, illegal activity, financial misstatements, accounting irregularities, or violations of federal or state laws, Regents Rules, System Regulations, or System Administration policy.
10. Responsible Senior Official. “Responsible Senior Official” means the Chancellor of the University of North Texas System and System Administration.
11. Retaliation. “Retaliation” means any action, treatment or condition likely to dissuade a reasonable person from reporting or causing to report, or from participating in an investigation of suspected misconduct or a related proceeding, including an action that affects an individual’s enrollment or business relationship, or an employee’s compensation, promotion, transfer, work assignment, or performance evaluation.
12. Substantial Discretionary Authority. “Substantial discretionary authority” means authority to make discretionary decisions within the course and scope of employment that affect the financial, organizational or operational posture of the University of North Texas System Administration (e.g. set prices, negotiate contracts, etc.) regardless whether the authority is formally delegated in writing pursuant to state law, Regents Rules or System Administration policy.
13. System Administration. “System Administration” means the University of North Texas System Administration (System Administration).

## **Procedures and Responsibilities for the Compliance and Integrity Program**

### **1. Chief Compliance Officer and Compliance Committees**

#### **1.1. Chief Compliance Officer.**

- a. The UNT System Administration Chief Compliance Officer (“CCO”) is responsible for maintaining an effective Compliance and Integrity Program (“Program”), including the day-to-day operation of the Program, proposing the budget necessary to conduct compliance risk assessments and work plans, managing the compliance reporting system, regularly assessing and monitoring System Administration policies

and practices related to detecting and preventing misconduct, conducting an annual assessment to evaluate compliance risk and the measures implemented to control identified risks, and regularly evaluating the overall effectiveness of the Program. In addition, the CCO shall regularly monitor the measures implemented to mitigate compliance risks identified in the annual assessment and, in consultation with the Chief Audit Executive, determine when risks are sufficiently mitigated and when to inform the Chancellor when risks are mitigated.

- b. The CCO shall have direct and unrestricted access to the Chancellor and unrestricted access to individuals and information throughout the System Administration as necessary to maintain an effective compliance program and consistent with applicable legal privileges.

Responsible Party: Chancellor and Chief Compliance Officer

## 1.2 Executive Compliance Committee.

- a. The Executive Compliance Committee, which is comprised of the Chancellor, Vice Chancellors, CCO and any other employee(s) designated by the Chancellor, is responsible for providing leadership, oversight and direction for the Program and for ensuring it has the necessary resources and support to fulfill its objectives. In addition to these general responsibilities, the committee may:
  - 1. review the compliance risks identified in the annual compliance risk assessment;
  - 2. review the annual compliance work plan prior to submission to the Board of Regents;
  - 3. review the effectiveness of the Program, including the reporting system and education and training program;
  - 4. review the resolution of compliance investigations and any enforcement and corrective measures imposed for violations; and
  - 5. recommend incentives to encourage compliance.

Responsible Party: Chancellor, Vice Chancellors and Chief Compliance Officer

## 1.3. Institutional Compliance Coordinating Committee.

- 1.3.1 The CCO may recommend individuals to participate on an Institutional Compliance Coordinating Committee (ICCC) with approval from the employee's supervisor. Committee members should be employees who report directly to the Chancellor or a Vice Chancellor and who have expertise in operational or compliance-related areas, or an employee of a component of

the UNT System who is responsible for an operation that affects the entire System.

1.3.2 The ICCC is responsible for assisting and supporting the CCO and for:

- a. advising the CCO concerning specific compliance education and training;
- b. assisting in identifying compliance risks and controls to mitigate those risks;
- c. reviewing the annual compliance risk assessment before it is submitted to the Executive Compliance Committee; and
- d. assisting in reviewing the annual compliance work plan before adoption.

Responsible Party: Chief Compliance Officer and Committee Members

## **2. Mandatory Compliance and Integrity Program Policies**

The System Administration shall maintain policies that facilitate the detection and prevention of criminal activity, and that promote integrity, ethical behavior, and compliance with federal and state laws, Regents Rules, System Regulations, System Administration policies and standards adopted by applicable accrediting bodies. These policies shall include, at a minimum:

- a. Ethics and standards of conduct;
- b. Conflict of interest disclosure;
- c. Background checks;
- d. Dual employment and other outside activities;
- e. Prohibition against sexual assault/sexual harassment;
- f. Reporting suspected wrongdoing;
- g. Rights and responsibilities of employees under the Compliance and Integrity Program; and
- h. Fraud.

Responsible Party: Chief Compliance Officer and Vice Chancellors

## **3. Background Checks**

Criminal history background checks shall be conducted for all positions with financial or substantial discretionary authority or proximity to minors, or for all security sensitive positions upon hiring or upon assumption of materially different responsibilities; and for all third parties conducting substantial business with or acting on behalf of UNT. Excluded-parties/persons, and debarment checks shall be conducted as applicable.

Responsible Party Human Resources and Risk Management Services

**4. Compliance and Integrity Program Education and Training**

- 4.1 Mandatory Education and Training. All employees are required to complete compliance education and training related to the Compliance and Integrity Program policies, emerging compliance topics and to their positions. Compliance education and training also shall inform employees, students and other individuals of the ways to report suspected misconduct.
- 4.2 Format of Education and Training. Education and training required under this policy may be delivered in-person or using available technology.
- 4.3 Notification and Record of Education and Training. Employees shall be notified of their obligation to complete mandatory training no fewer than 30 days before the date by which it must be completed. The training topic, date the training occurred and format by which training was delivered shall be maintained in the System Administration's learning management system.
- 4.4 Enforcement of Education and Training Obligations. An employee who fails to complete education and training required under this policy is not eligible for salary increases of any type during the year in which the employee did not complete the training and is subject to disciplinary action, including termination. Also, an employee who fails to complete mandatory training, may be denied access to information technology resources until training is completed.

Responsible Party: Chief Compliance Officer, and Human Resources

**5. Compliance and Integrity Hotline Reporting**

- 5.1 An individual who in good faith suspects a person of criminal conduct should contact law enforcement immediately. All other good faith suspicions of misconduct may be reported through the compliance and integrity hotline, which shall allow for anonymity and be maintained by the Compliance and Integrity Program.
- 5.2 Complaints of suspected misconduct made through the Compact with Texans, "Internal Audit" Contact Us form, or any other reporting system maintained by a unit of the System Administration must be forwarded immediately to the CCO, who is responsible for informing the appropriate System Administration or campus official(s) and for monitoring resolution of the report.
- 5.3 An individual who knowingly makes a false report of suspected misconduct or who provides false information during a compliance investigation is subject to disciplinary action, including termination of employment, termination of authority to act on behalf of the System or System Administration, or termination of business relationship or affiliation.

**6. Reviewing and Investigating Reports of Misconduct**

- 6.1 Reports of suspected misconduct shall be reviewed by the Compliance and Integrity Program to determine whether an investigation should be conducted by the System Administration, except for reports for which other System Administration departments or campus officials are responsible for investigating, such as discrimination, sexual assault/harassment (Title IX-related), environmental health and safety, etc. The CCO may consult Internal Audit, the Office of General Counsel and the appropriate campus police department to ensure reports are referred to the appropriate System Administration or campus official for investigation.
- 6.2 A System Administration or campus official or department who is responsible for investigating a report of suspected misconduct, of any nature, shall promptly review the report and document any investigation, and inform the System Administration CCO as set out in section 7 below or the appropriate campus CCO as set out in the campus Compliance and Integrity Program policy.
- 6.3 The CCO shall confirm or take appropriate steps to ensure that individuals who report suspected misconduct are informed when a report has been resolved.
- 6.4 The CCO shall evaluate the effectiveness of the Program following each finding of misconduct. At a minimum and as applicable, the evaluation should:
- a. assess whether individuals involved directly or indirectly in the misconduct were in compliance with training requirements;
  - b. assess the effectiveness of disciplinary and corrective action taken for any prior misconduct;
  - c. assess the timeliness of the response to the report of suspected misconduct;
  - d. assess the completion rate and timeliness of the annual compliance risk assessment for the area in which the misconduct occurred;
  - e. ascertain whether any previous external regulatory enforcement actions have been taken related to the type of misconduct;
  - f. prepare a work plan, with the assistance of the Chief Audit Executive where appropriate, to assess whether corrective actions (if any) have been effectively implemented; and

- g. include anonymous surveys of individuals who accessed the compliance reporting system.

Responsible Party: Chief Compliance Officer

**7. Informing the Chief Compliance Officer of Compliance Investigations and Related Actions**

7.1 Notice of Investigations and Findings. A System Administration official who investigates a report of suspected misconduct, except a law enforcement official, shall notify the CCO no later than 14 days after an investigation is initiated and within 14 days after the investigation is completed. The notice should be submitted through the on-line reporting process which can be accessed on the Program webpage.

7.2 Notice of Sanctions/Corrective Action. A System Administration official who takes disciplinary action or implements corrective measures as the result of a finding of misconduct shall notify the CCO within 14 days after the action is taken or measures are implemented. The notice should be submitted through the on-line reporting process which can be accessed on the Program webpage.

**8. Informing the Chancellor and Board of Regents of Reports of Misconduct**

8.1 Notifying the Chancellor. The CCO may notify the Chancellor of any report of alleged misconduct, but shall, in consultation with the Chief Audit Executive, inform the Chancellor of:

- a. all reports of suspected misconduct or potential criminal conduct involving Management Officials or individuals with substantial discretionary authority,
- b. all reports alleging potential criminal conduct,
- c. all reports when the estimated financial impact is in excess of \$25,000,
- d. all reports that involves the potential loss of federal or state funds.

8.2 Notifying the Board of Regents. The Chancellor shall inform the Board of Regents or the appropriate committee of the Board:

- a. of all reports of suspected misconduct or potential criminal conduct by Management Officials and individuals with substantial discretionary authority,
- b. of all reports alleging potential criminal conduct,
- c. of all reports when the estimated financial impact is in excess of \$25,000,
- d. of all reports that involves the potential loss of federal or state funds,

- e. when there is a material violation of a Regents Rule.

The CCO shall report to the Board of Regents or the appropriate committee of the Board a minimum of one time per quarter. The report shall include information the CCO, in consultation with the Chief Audit Executive or Vice Chancellor and General Counsel, as appropriate, determines is necessary to promote an effective compliance program.

- 8.3 Notifying the Office of General Counsel and External Entities. The CCO shall notify the Vice Chancellor and General Counsel upon completion of any investigation that may require notifying a federal or state governmental agency. The Vice Chancellor and General Counsel, in consultation with the CCO, shall advise the Chancellor whether a finding of misconduct should be disclosed to the agency and is responsible for timely informing the Chair of the Board of Regents or appropriate committee of the Board of the required disclosure.

Responsible Party: Chief Compliance Officer

## 9. **Protection against Unlawful Retaliation**

- 9.1 Retaliation Prohibited. No action shall be taken against any individual who in good faith reports or causes to be reported suspected misconduct, participates in an investigation conducted under the Program, or seeks guidance regarding any matter within its scope. An individual who engages in retaliation is subject to disciplinary or administrative action, including termination of employment or business relationship, as applicable.
- 9.2 Self-Reporting. An individual who reports suspected misconduct in which he or she was involved is subject to disciplinary or administrative action for engaging in the behavior, including termination of employment or business relationship. The fact that an individual voluntarily self-reported misconduct may be considered in mitigating any disciplinary or administrative action.

Responsible Party: All individuals

## 10. **Confidentiality and Protection of Information**

- 10.1 Confidential Information. As permitted under section 51.971 of the Texas Education Code and as authorized in this section, information is confidential and shall not be disclosed if it directly or indirectly reveals the identity of an individual who reports suspected misconduct, who participates in an investigation conducted under a Compliance and Integrity Program, or who seeks guidance from the program. In addition, information that directly or indirectly reveals the identity of an individual accused of suspected misconduct is confidential if a



compliance investigation determines the accusation is unsubstantiated or without merit.

10.2. Non-confidential Information Protected from Disclosure. Information may be protected from disclosure even when it is not confidential when it is:

- a. collected or produced pursuant to a compliance investigation and releasing the information would interfere with an ongoing compliance investigation; or
- b. collected or produced by a System Administration official for the purpose of reviewing a compliance process.

10.3 Authorized Disclosure of Information. Confidential information and information protected from disclosure under this section may be released, upon request:

- a. with the written and signed consent of the individual whose identity would be disclosed;
- b. to a law enforcement agency or prosecutor;
- c. to a governmental agency responsible for investigating the matter that is the subject of a compliance report, including state and federal equal opportunity agencies, in consultation with the UNT System Office of General Counsel; or
- d. to a UNT System Administration or campus management official who is responsible for a compliance investigation or for reviewing an investigation conducted under the Compliance and Integrity Program.

Responsible Party: Chief Compliance Officer

## **11. Enforcement and Corrective Action.**

11.1 Obligation to Correct Misconduct and Remedy Retaliation. Supervisors and management officials shall take immediate action to correct misconduct and address retaliation once detected, including taking disciplinary action when appropriate. When taking corrective action, every effort shall be made to protect the confidentiality of individual(s) who report or participate in compliance investigations and to protect the individual(s) against retaliation.

11.2 Corrective Action. Corrective action includes remediating any harm resulting from misconduct and considering whether the misconduct must be voluntarily disclosed to federal or state governmental agencies.

11.3 Disciplinary Sanctions. Individuals found to have engaged in misconduct or retaliation are subject to immediate disciplinary or administrative action, including termination of employment, termination of authority to act on behalf of the System Administration or termination of business relationship or affiliation as applicable. In determining the appropriate disciplinary sanction, the official taking the action shall consider:

- a. the nature and seriousness of the misconduct;
- b. whether the individual is in a position with financial or substantial discretionary authority;
- c. whether the individual has engaged in prior misconduct;
- d. whether the proposed sanction is sufficient to enforce a culture of compliance or discourage others from future misconduct;
- e. the disciplinary sanctions imposed by the System Administration for similar acts of misconduct; and
- f. whether the individual self-reported the misconduct and cooperated in any related investigation(s).

Responsible Party: Supervisors and Management Officials

**12. Annual Assessment of Compliance and Integrity Program.**

12.1 The CCO shall regularly assess and monitor the effectiveness of the Program, including conducting an annual assessment. At a minimum, this assessment shall review:

- a. whether the Chancellor and Vice Chancellors communicated support for the program;
- b. the System Administration's compliance with education and training requirements;
- c. compliance committee participation;
- d. the frequency of communication between the CCO, the Chancellor and the Executive Compliance Committee;
- e. the level of enforcement and corrective action for compliance violations across the System Administration ;

- f. the effectiveness of incentives or rewards offered for contributing to a culture of compliance;
- g. the System Administration's response rate on the annual compliance risk assessment;
- h. the number and resolution of internal investigations, including timeliness;
- i. the number and resolution of external regulatory enforcement actions against the System Administration; and
- j. the satisfaction of individuals who access the compliance reporting system through the use of surveys, including anonymous surveys.

12.2 The CCO shall coordinate with the UNT System Chief Audit Executive to periodically evaluate the Program no fewer than one time every three (3) years beginning with the effective date of this policy.

Responsible Party: Chief Compliance Officer

### **References and Cross-references**

UNT System Regulation 02.1001, Compliance and Integrity Program  
Regents Rule 04.1100, Reporting Suspected Wrongdoing  
Regents Rule 04.500, Audit and Compliance  
Regents Rule 10.700, Fraud Policy

### **Forms and Tools**

Investigator's Notice of Investigation Form  
Investigator's Notice of Completed Investigation Form  
Notice of Disciplinary/Corrective Action Form

Approved: April 17, 2018

Effective: April 17, 2018

Revised: