



MIDWESTERN STATE UNIVERSITY

Operating Policies & Procedures Manual

University Operating Policy/Procedure (OP)

OP 02.42: Institutional Compliance and Ethics Program

Approval Authority:	President
Policy Type:	University Operating Policy and Procedure
Policy Owner:	President's Office
Responsible Office:	General Counsel
Next Scheduled Review:	09/01/2022

A. Policy Statement

This policy sets forth the rules governing the creation, implementation, and periodic evaluation of an institutional compliance and ethics program for Midwestern State University (MSU). The program is designed to provide a framework for promoting an organizational culture that: (1) encourages ethical behavior; (2) promotes a commitment to ensure the highest level of compliance with all applicable laws and regulations, institutional policies, procedures and other rules governing higher education, including research and health care to the extent applicable; and (3) prevents and detects criminal conduct or other conduct inconsistent with an effective compliance and ethics program.

B. Applicability

As an institution of higher education and a state agency, MSU has myriad obligations for compliance with external and internal mandates and standards. Compliance with these mandates and standards is the responsibility of every member of the MSU community. This policy applies to all MSU regents, officers, faculty, staff, student employees, agents, and volunteers.

C. Standards and Procedures

This policy establishes a protocol for the creation, implementation, and periodic evaluation of MSU's compliance and ethics program. The program takes into account the decentralized culture and institutional history of MSU, including our tradition of shared governance.

1. **Board of Regents**

The Board of Regents shall be knowledgeable about the content and operation of the University's compliance and ethics program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the program. In exercising such oversight, the Board of Regents' Audit, Compliance, and Management Review Committee shall be regularly briefed by the chair of the University's Compliance and Ethics Coordinating Committee about the content and operation of the University's compliance and ethics program, and also when criminal conduct is discovered (see subsection 3.b. below).

2. **Executive Oversight Compliance and Ethics Committee; Cognizant Policy Officers**

The Executive Oversight Compliance and Ethics Committee is comprised of the members of the President's Cabinet (the senior executive body of the President of MSU) and shall ensure that the University has an effective compliance and ethics program and is assigned overall responsibility for such program. The program shall be reasonably designed, implemented, and enforced so that it is effective in encouraging ethical conduct; promoting a commitment to ensure the highest level of compliance with all applicable laws and regulations, institutional policies, procedures and other rules governing higher education, including research and health care to the extent applicable; and preventing and detecting criminal conduct or other conduct inconsistent with an effective compliance and ethics program. Committee members serve as Cognizant Policy Officers and are assigned overall responsibility for designated compliance areas within the program.

- a. In exercising its overall responsibility for the University's compliance and ethics program, the Executive Oversight Compliance and Ethics Committee shall be regularly briefed by the chair of the University's Compliance and Ethics Coordinating Committee about the content and operation of the program, and also when criminal conduct is discovered (see subsection 3.b. below).
- b. The Executive Oversight Compliance and Ethics Committee shall take reasonable steps to:
 - 1) Not include within the substantial authority personnel (high-level personnel or individuals who exercise substantial discretion when acting within the scope of their authority) any individual who has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.

- 2) Communicate periodically and in a practical manner the standards and procedures of the compliance and ethics program by conducting effective training programs and otherwise disseminating information appropriate to the respective roles and responsibilities of the entire MSU community involved in the compliance and ethics program. Such training may include informal staff meetings, and monitoring through regular walk-around or continuous observation while managing a designated compliance area.
- 3) Ensure that the compliance program is followed, including monitoring and auditing to detect illegal activities or other conduct inconsistent with an effective compliance and ethics program.
- 4) Evaluate periodically (at least once a year) the effectiveness of the compliance and ethics program.
- 5) Have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the University's employees and agents may report or seek guidance regarding potential or actual criminal conduct or other conduct inconsistent with an effective compliance and ethics program without fear of retaliation.
- 6) Consistently promote and enforce the compliance and ethics program throughout the University through appropriate incentives for performing in accordance with the program; and appropriate disciplinary measures for engaging in criminal conduct or other conduct inconsistent with an effective compliance and ethics program, and for failing to take reasonable steps to prevent or detect such conduct.
- 7) Respond appropriately after criminal conduct or other conduct inconsistent with an effective compliance and ethics program has been detected, including making any necessary modifications to the compliance and ethics program to prevent further similar conduct.
- 8) Periodically assess (at least once a year) the risk of criminal conduct or other conduct inconsistent with an effective compliance and ethics program and take appropriate action to design, implement, or modify this policy to reduce the risk of such conduct identified through this process.

3. Compliance and Ethics Coordinating Committee; Compliance Partners

The Compliance and Ethics Coordinating Committee is comprised of key representatives Compliance Partners - from various University departments who shall have day-to-day operational responsibility relevant to a compliance area within the program. To carry out such operational responsibility, Compliance Partners shall be provided adequate resources and appropriate authority.

- a. Compliance Partners serving on the committee include the following MSU personnel:
 - 1) Controller;
 - 2) Associate VP Facilities Services;
 - 3) Associate VP Student Affairs & Dean of Students;
 - 4) Associate VP Undergraduate Education & Assessment;
 - 5) Chief Information Officer;
 - 6) Chief of Police;
 - 7) Director, Athletics;
 - 8) Director, Board and Government Relations;
 - 9) Director, Financial Aid;
 - 10) Director, Human Resources;
 - 11) Director, Marketing & Public Information;
 - 12) Director, Payroll;
 - 13) Director, Purchasing & Contract Management;
 - 14) Director, Recreational Sports / Wellness Center;
 - 15) Director, University Development;
 - 16) Executive Associate Athletic Director / Director of Compliance;
 - 17) Medical Director, Vinson Health Center; and
 - 18) Registrar.

- b. The University's Controller shall chair the Compliance and Ethics Coordinating Committee and shall regularly brief the Executive Oversight Compliance and Ethics Committee and the MSU Board of Regents' Audit, Compliance, and Management Review Committee about the content and operation of the University's compliance and ethics program, and also when criminal conduct is discovered. The University's Director of Internal Audits shall provide support services, and the University's General Counsel shall serve as legal advisor to the Committee.

- c. The Compliance and Ethics Coordinating Committee will utilize a Compliance Matrix to assist the responsible Compliance Partners in carrying out their duties. The matrix is designed to further the coordination and documentation efforts of existing and ongoing compliance initiatives and is broken down into different compliance areas assigned to the Compliance Partner responsible for ensuring compliance, representative issues associated with the compliance area as well as the applicable laws.
- d. Compliance Calendars will be generated by the Compliance and Ethics Coordinating Committee and distributed to the Compliance Partners. The calendars will include the laws, regulations and policies for a specific compliance area and aid in tracking the myriad reporting requirements and due dates. Compliance Partners shall assist Cognizant Policy Officers in training the MSU community which may include informal staff meetings, and monitoring through regular walk-around or continuous observation while managing a designated compliance area.
- e. The Compliance and Ethics Coordinating Committee is also responsible for creating and maintaining a compliance and ethics Web page on MSU's website. At a minimum, the Web page will include the Compliance Matrix, Compliance Calendars, Compliance and Ethics Coordinating Committee members, and instructions on how to anonymously and confidentially report suspected fraud or other criminal conduct or conduct inconsistent with an effective compliance and ethics program without fear of retaliation.

Responsible Office

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Revision History

05/13/2016 MSU Policy 2.26 (Institutional Compliance and Ethics Program is adopted by the MSU Board of Regents as MSU Policy and Procedure. 2.26)