

THE UNIVERSITY OF TEXAS AT BROWNSVILLE  
AND  
TEXAS SOUTHMOST COLLEGE PARTNERSHIP

# **RISK BASED COMPLIANCE PLAN**

Office of the Vice President for Business Affairs

Updated: February 21, 2008

Minor Revisions: November 2009

# **UTB/TSC RISK BASED COMPLIANCE PLAN**

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## TABLE OF CONTENTS

Introduction .....	1	Intellectual Property .....	14
Compliance Plan .....	2	Confidentiality of Computer Passwords .....	14
Compliance Program & Committee .....	7	Workplace Health and Safety .....	14
UTB/TSC .....	7	Use of State-Owned Property .....	14
Corporate Compliance Committee .....	7	Family Medical Leave Act .....	14
Executive Compliance Committee Members .....	8	Fair Labor Standards Act .....	15
Corporate Compliance Committee Members .....	8	Exempt and Non-Exempt Time Keeping .....	15
Compliance Plan .....	8	Performance Evaluations .....	15
Communications and Awareness .....	9	Employee Discipline and Dismissal .....	15
Training .....	9	Fraud .....	16
Requirements .....	9	Purchasing .....	16
Code of Conduct .....	10	Purchases from Employees .....	16
Purpose .....	10	Payments to Employees .....	16
Guiding Principle .....	10	Purchases from Prison System .....	16
Management's Responsibility .....	10	Flowers .....	16
Ethics Resources .....	10	Plants .....	16
Ethics Policy .....	10	Auxiliary Enterprises .....	16
Summary of Specific Compliance Issues .....	11	Alumni Activities .....	16
Contacts with the Media, Government and Outside Investigators .....	11	Political Activities .....	16
Confidential Information .....	11	Political Contributions .....	17
Accuracy of Records .....	11	Charitable Contributions .....	17
Retention and Disposal of Records .....	12	Gifts and Gratuities .....	17
Outside Employment .....	12	Environmental Issues .....	17
Financial Interests .....	12	Compliance Program .....	17
Criminal Offense Reporting .....	13	Appendix A – UTB/TSC Fraud Policy .....	18
Contracts and Agreements .....	13	Purpose .....	18
Institutional Control and Administration of Contracts and Administration of ..	13	Definitions .....	18
Misconduct in Science .....	13	General .....	18
Drug and Weapon-Free Workplace .....	13	Audits/Investigations .....	19
Equal Employment Opportunities .....	13	Operating Audit Findings .....	20
New Employee Probation Period .....	13	EthicsLine .....	21
Privacy Act .....	13	EthicsLine .....	21
Sexual Harassment and Misconduct .....	13	Confidential Reporting Mechanism .....	21
Computer Software .....	14	Risk Assessment .....	22
Classroom Copying Books and Periodicals and Educational Uses of Music.	14	Risk Assessment Bottom-Up Risk Methodology .....	22
Internet Files .....	14		

Accounting Manager Risk Assessment Training .....	22	Monitoring Plan Matrix Controls .....	27
Risk Area Consolidation .....	22	Application Systems Logical Access.....	27
Institutional "A" List Determination .....	22	Asset Management .....	28
Communication of "A" List Risks to Effective Management .....	23	Equal Employment Opportunity/Employment Discrimination .....	29
Managing Institutional "A" Risks .....	23	Endowment Compliance/Scholarships/Fellowships, Miscellaneous and Chairs .....	29
Responsible Party .....	23	Endowment Compliance Training.....	30
Monitoring Plan .....	23	Financial Aid Eligibility/Fund Management .....	30
Specialized Training Plan .....	23	Financial Aid Reporting .....	31
Reporting Plan .....	23	Fire Safety .....	31
Assurance Strategies .....	23	Grants & Contracts .....	32
Certification .....	23	Hazardous Materials & Chemicals .....	33
Oversight Controls: The Compliance Function Inspection .....	23	Reconciliations - Cost Center .....	33
High Risk Matrix .....	24	Reconciliations - Leave Balance .....	33
Asset Management .....	24	Security Awareness Training .....	34
Endowment Compliance .....	24	Sexual Harassment .....	35
Equal Employment Opportunities/Employment Discrimination .....	24	Training & Monitoring .....	36
Financial Aid/Loan Funds .....	25	Asset Inventory Management .....	36
Fire Safety .....	25	Endowment Compliance .....	36
Grants and Contracts Risk .....	25	Equal Employment Opportunity/Employment Discrimination .....	37
Hazardous Materials and Chemicals .....	25	Financial Aid/Loan Funds .....	38
Reconciliations – Cost Center .....	26	Fire Safety .....	39
Reconciliations – Leave Balance .....	26	Grants and Contracts Management .....	40
Security Awareness Training .....	26	Hazardous Materials & Chemicals .....	41
Sexual Harassment .....	26	Reconciliations: Cost Center & Leave Balance .....	41
		Sexual Harassment .....	42

## INTRODUCTION

On January 16, 1998, the Chairman of The University of Texas System (U.T. System) Board of Regents requested that the Chancellor create an Ad Hoc Committee to develop an Action Plan to ensure U.T. System compliance with applicable laws, regulations, policies, and procedures. The Chairman requested that the Action Plan include an appropriate governance structure and that it designate the appropriate officer who would be responsible to the Board of Regents for system-wide compliance.

On January 23, 1998, the Chancellor asked Mr. R. D. Burck, Executive Vice Chancellor for Business Affairs, to chair a system-wide Ad Hoc Committee on Institutional Compliance. The Ad Hoc Committee met at The University of Texas Health Science Center at Houston on March 2, 1998. The meeting featured a three-hour presentation by representatives of Deloitte & Touche LLP entitled, "Corporate Compliance for Universities and Academic Medical Centers." After the presentation, the Ad Hoc Committee discussed the requisite elements of a U.T. System Action Plan to Ensure Institutional Compliance (Compliance Action Plan). Since the meeting on March 2<sup>nd</sup>, the Compliance Action Plan has been circulated to all members of the Ad Hoc Committee for review and comment.

The following pages present the 1998 Action Plan items by "Responsible Party." The Action Plan includes the following key elements:

- Designation of the Executive Vice Chancellor for Business Affairs as the U.T. System-wide Compliance Officer.
- The Appointment of an Institutional Compliance Officer at System Administration and at each component institution by June 1, 1998.

- The creation of a U.T. System-wide Compliance Committee and parallel institutions which meet at least quarterly.
- The mandate for a continuous and proactive compliance function which reports to the Institutional Compliance Officer at System Administration and each component institution.
- The allocation of sufficient resources at System Administration and at each component institution to fund compliance activities (including information resources, training, and monitoring activities) that reduce compliance risk to a reasonably low level.
- The requirement that the Institutional Compliance Officers and Committees at System Administration and the component institutions report their activities to the U.T. System-wide Compliance Officer at least quarterly.

The Ad Hoc Committee believes that it is important to clearly distinguish responsibility and accountability for compliance with laws, regulations, policies and procedures as follows:

- The U.T. System-wide Compliance Officer is responsible and will be held accountable for apprising the Chancellor and the Board of Regents of the institutional compliance functions and activities at System Administration and at each of the component institutions.
- The Institutional Compliance Officers at System Administration and at each component institution are responsible and will be held accountable for a risk-based process that builds compliance consciousness into daily business processes,

monitors the effectiveness of those processes and communicates instances of non-compliance to appropriate administrative officers for directive, restorative and/or disciplinary action.

- Responsibility for actual compliance with laws, regulations, policies, and procedures rests with each individual employee. Accountability resides primarily with the department head of each operating unit.
- The Chancellor and each Chief Administrative Officer is responsible and will be held accountable for the sufficiency of resources allocated to compliance activities and the appropriateness of corrective and disciplinary action taken in the event of non-compliance.
- Internal Audits is responsible and will be held accountable for independently evaluating the design and effectiveness of the Compliance function at System Administration and each component institution on both an annual and ongoing basis and for making recommendations for improvements to the Institutional Compliance Officers at System Administration and at each component institution.

# COMPLIANCE PLAN

**May 14, 1998**

***Board of Regents***

Adopt a Board of Regents' resolution on institutional compliance.

***Implementation Guidance:***

Board resolution on institutional compliance.

**May 14, 1998**

***Chancellor, Chief Administrative Officer***

Designate the Executive Vice Chancellor for Business Affairs as the U.T. System-wide Compliance Officer.

***Implementation Guidance:***

The Executive Chancellor for Business Affairs shall be responsible to the Chancellor and the Board for the system-wide compliance function.

**June 1, 1998**

***Chancellor, Chief Administrative Officer***

Designate a Compliance Office at System Administration and at each component institution.

***Implementation Guidance:***

In most cases, the Institutional Compliance Officer should be the Chief Business Officer or a high-ranking administrative official at the component institution.

**June 1, 1998**

***Chancellor, Chief Administrative Officer***

Appoint a System-wide Compliance Committee and a Committee at System Administration and each component institution.

***Implementation Guidance:***

At least two approaches may be used to form the Institutional Compliance Committee:

- A. Appoint a cross-functional team from operating units with high-risk compliance issues (areas to be considered include accreditation; employment; student records; sponsored research; endowment; athletics; environmental health and safety; tax laws; health care billing and confidentiality; law enforcement; facilities; and other compliance requirements). Under this approach, the Institutional Compliance Officer should chair the committee.
- B. Expand the role of the Institutional Audit Committee to include: institutional compliance and change/enhance membership as necessary. Generally, this approach assumes a separate institutional Compliance function that reports to the Institutional Compliance Officer.

**August 31, 1998**

***Chancellor, Chief Administrative Officer***

Require the Institutional Compliance Committee to meet at least quarterly.

# COMPLIANCE PLAN

**September 1, 1998** *Chancellor, Chief Administrative Officer*

Organize, fund, and provide oversight to an ongoing and proactive compliance function, which meets the criteria of the U.S. Sentencing Guidelines that reports to the Institutional Compliance Officer at System Administration and each component institution.

**Implementation Guidance:**

At least two approaches may be used to organize a compliance function at each institution:

- A. If the institution uses a cross-functional team as its institutional Compliance Committee, the responsibility of planning, organizing, directing and controlling compliance activities rests with the committee itself.
- B. A separately staffed compliance function is responsible for the planning, organizing, directing, and controlling of compliance activities. Under this approach, the activities of the dedicated compliance function are regularly reported to the Institutional Compliance Committee.

**September 1, 1998** *Compliance Officer, Compliance Committee*

Develop a compliance manual which provides documentation of management's considerations of compliance, sets forth expectations and standards of conduct, and outlines methodologies to be employed to annually assess the effectiveness of the plan and each Institutional Compliance Officer.

**Implementation Guidance:**

A manual should generally document the compliance structure; include copies of relevant documents, charters and policies; show examples of monitoring and reporting activities and forms; and document the process for evaluating compliance officers and for the Compliance Committee to annually self-assess its performance.

**September 1, 1998** *Chancellor, Chief Administrative Officer*

Budget sufficient resources to fund ongoing and continuous compliance activities (information resources, training, and monitoring activities) that reduce compliance risk to an acceptably low level.

**Implementation Guidance:**

The amount of funding necessary for compliance activities depends on the size of the component institution and its associated compliance risks. The allocation of the funding depends on the organizational structure of the compliance function. It is understood that risk cannot be reduced to zero. However, it should be reduced to a reasonably low level. Funding must be provided for:

- A. Assuring good information resources to keep current on regulatory changes and interpretations;
- B. Extensive in-house or external-based training programs which provide both general compliance training to all employees on an annual basis, and ongoing specialized training tailored to the needs of each employee who has job responsibilities in areas of significant risk; and
- C. Management of vital information on the degree to which the component institution complies with laws, regulations, policies, and procedures. (Monitoring should generally be provided at three levels; within daily business processes; through the institutional compliance function, and through internal audits).

# COMPLIANCE PLAN

**September 1, 1998 Compliance Officer**

Establish a confidential mechanism that allows employees to obtain information regarding compliance issues and/or report instances of suspected non-compliance outside of the normal chain of command and in a manner that preserves confidentiality and assures non-retaliation.

**Implementation Guidance:**

The most common and acceptable methods of providing such a mechanism are the establishment of a compliance telephone hotline or post office box at System Administration and each component institution. The key elements of these confidential mechanism programs include written documentation of all notifications received; a prompt cross-functional consultation and triage function (generally involving high-ranking representatives from the legal, security, internal audit, and human resources areas) to determine the need for and nature of appropriate resolution of issues; and documentation of the ultimate disposition of all calls received. It is critical that the Office of General Counsel and institutional counsel be initially and continuously involved in both establishing and maintaining this function.

**October 31, 1998 Compliance Officer**

Submit an annual risk-based plan of compliance activities to the U.T. System-wide Compliance Officer for review and approval.

**Implementation Guidance:**

The first step in developing this plan is accumulating a compliance universe document which presents details of laws, regulations, policies, and procedures to which System Administration and the component institutions are subject (this includes federal, state, local, U.T. and institutional obligations). Next, the compliance group must assess the risk of non-compliance for all elements in the universe. Generally, the risk model should consider both the financial and embarrassment risks of non-compliance and should also candidly self-assess existing skill levels, compliance consciousness and recent histories of alleged or known non-compliant behavior. The annual risk-based plan should summarize this process by providing a listing of all significant compliance requirements and a summary assessment (e.g. high, moderate, low) of the risk of non-compliance. Based on the risk assessment, the plan should describe the institution's compliance activities that will reduce the risks to reasonably low levels. The effectiveness of the plan may be judged by documented evidence or restorative action (i.e. self-reporting of errors and repayment of monies received in error); and evidence of disciplinary action taken against employees found to have engaged in non-compliant behavior well as those who improperly failed to detect such behavior. The plan must present details of how a combination of employee training and awareness programs, monitoring mechanisms, and changes in policies and procedures will equip all employees to understand their compliance obligations, set clear expectations for appropriate employee behavior, and provide insight into the ramifications of non-compliance. In the final analysis, the plan should demonstrate how each employee will become empowered to take an active role in reducing institutional risk.

# COMPLIANCE PLAN

**October 31, 1998** *Chief Administrative Officer, Compliance Officer, Compliance Committee*

Establish functional liaisons and develop a support structure sufficient to ensure accomplishment of the plan for each activity that is deemed to be high risk (e.g. the already established medical billing and record keeping functions at medical components; environmental health and safety; and NJCAA, etc.).

***Implementation Guidance:***

While to a certain extent this may be a matter of coordinating existing resources and enhancing compliance-related activities, each risk area must have a formally established and documented compliance function to: obtain and disseminate information; develop and administer training; and monitoring effectiveness. In many cases this may require the establishment of subcommittees each of which will focus on one particular high-risk area.

**November 30, 1998** *Chief Administrative Officer, Compliance Committee*

Follow-up to determine that appropriate corrective and/or disciplinary action has been taken in the event of non-compliance.

***Implementation Guidance:***

The principal responsibilities of the Institutional Compliance Committee are: to ensure that compliance activities are appropriately risk-based; to continuously assess and assure the effectiveness of the program; and to ensure that the dissemination of information regarding compliance matters is not restricted. The discharge of these responsibilities includes discussion of potential areas of non-compliance and ensuring that appropriate corrective and disciplinary actions are taken in the event of non-compliance. If the Institutional Compliance Officer believes that the appropriate administratively-accountable party has not followed relevant policies and procedures regarding corrective and/or disciplinary action, then the Compliance Officer should report his or her concerns to the Chief Administrative Officer who is responsible for the appropriateness of the actions taken to resolve the compliance issue.

# COMPLIANCE PLAN

**November 30, 1998 Director of Internal Audit**

(Initial design audit to be completed by Nov. 30, 1998)  
Annually audit the design and the effectiveness of the U.T. System compliance function and the compliance function at System Administration and the component institutions.

**Implementation Guidance:**

In its audit plan, Internal Audit should include audit(s) of the design and effectiveness of the compliance functions both System-wide (System Audit Office) and at each component institution (Institutional Internal Audit Office). Based on the audit(s), recommendations for improvements should be made to the Institutional Compliance Officer. The Compliance Officer will be responsible for responding to such recommendations by developing action plans and timetables for remedial action to be approved by the Compliance Committee, which will be responsible for follow-up to ensure timely resolution.

**December 15, 1998 Compliance Officer**

(First quarterly report for the quarter ending November 30, 1998 is due Dec. 15, 1998)  
Submit a quarterly report on compliance activities to the U.T. System-wide Compliance Officer.

**Implementation Guidance:**

The quarterly report should compare progress to date with the annual risk-based plan, and should indicate areas where additional emphasis is required. Instances where initial investigation indicates probable cause to suspect significant non-compliance should be communicated to the U.T. System-wide Compliance Officer and the Office of General Counsel, if appropriate. The report format will be determined by the U.T. System-wide Compliance Officer.

**January 1, 1999****Compliance Officer**

Ensure that appropriate general compliance training for all employees and specialized compliance training for all employees whose job responsibilities involve them in high-compliance-risk activities are being provided on a regular basis and that attendance levels are acceptable.

**Implementation Guidance:**

Availability and attendance records are key monitoring data that should be provided to and considered by the Compliance Committee at every quarterly meeting.

**Second Quarter  
FY 1999****Compliance Officer**

(First report in second quarter of FY 1999)  
Summary information on hotline or post office box activities should be presented at every Compliance Committee meeting.

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# COMPLIANCE PROGRAM & COMMITTEE

The University of Texas at Brownsville and Texas Southmost College has worked with unprecedented speed and diligence to advance an active compliance program. UTB/TSC's Compliance Program is premised on the objective of establishing guidelines and procedures to protect the institution and its employees from violations of law and litigation. This is accomplished by addressing two critical elements; clearly defining and articulating to all employees the rules and regulations they must comply with; and assigning individual responsibility and accountability for compliance-related activities. The compliance program emphasis is high-risk areas.

In order to accomplish Institutional Compliance Program objectives, two entities that operate collectively have been assembled. These two groups are: the Corporate Compliance Committee, which is comprised of key faculty and staff administrators representing critical areas of the university, and the Compliance Officer.

The successful implementation of the compliance program is contingent upon three important factors; identifying persons responsible and accountable for each compliance function; utilizing and familiarizing individuals with the Corporate Compliance Plan; and campus-wide compliance education and training for all affected employees.

The Compliance Committee is responsible for recommending to the Vice President for Business Affairs, individuals to be designated as the responsible and accountable person for each compliance area. The Corporate Compliance Plan articulates compliance policy for the institution, cites relevant statutes, and documents individuals responsible for specific compliance requirements. Specialized training will be designed for employees who work in high-risk areas, and general compliance training will be designed for all employees.

The Compliance Committee reviews data collected with regard to the various areas of identified risks. Instances of non-compliance are investigated and disciplinary measures are implemented.

The Compliance Officer is responsible for planning, organizing, directing and controlling compliance activities at UTB/TSC. The Compliance Officer will integrate public safety, risk management, safety and environmental health, inventory management and administrative and financial compliance management. Specific responsibilities include implementation of training and communication processes; staffing a Compliance Hotline or insuring a confidential means of reporting non-compliance; performing internal investigations of suspected wrongdoing by assigning such investigations to existing offices charged with such responsibilities such as Environmental Health and Safety, Human Resources, Campus Police, and Internal Audits; developing and implementing a Compliance Audit Plan including certifications, investigations, on-going monitoring, and audits depending upon the risk associated with noncompliance; facilitating delivery of specialized training to ensure familiarity with laws, regulations, policies and procedures using the latest technology including the Internet, particularly for employees whose job responsibilities are in areas of significant risk; serving as a management resource (best practices, statutory/regulatory interpretation); coordinating and assisting in development of written protocols/policies for compliance; assisting management in compliance enforcement/discipline; and coordinating all compliance activities with Compliance Liaisons. The activities of the Compliance Officer will be periodically reported to the Compliance Committee and U.T. System.

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## UTB/TSC

The President shall be responsible and held accountable for the sufficiency of resources allocated to compliance activities and the appropriateness of corrective and disciplinary action taken in the event of noncompliance. The Corporate Compliance Officer is responsible and will be held accountable for a risk-based process that builds compliance consciousness into daily business processes, monitoring the effectiveness of those processes and communicating instances of noncompliance to appropriate administrative officers for corrective, restorative and/or disciplinary action.

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## CORPORATE COMPLIANCE COMMITTEE

The Corporate Compliance Committee provides oversight to the program and advises the Vice President for Business Affairs on the appropriateness of corrective and disciplinary action taken in the event of noncompliance. This will also ensure support for the program from the institution's senior management.

The Committee is comprised of a cross-functional team from operating units with high-risk compliance issues such as accreditation, employment, student records, sponsored research, endowment, athletics, environmental health and safety, tax laws, law enforcement, and facilities. It is responsible for assisting in the development, training and monitoring of the program. The committee will ensure full communication and support for the program throughout the campus.

The committee will establish mechanisms for regular assessments of the compliance functions such as self-assessments, peer reviews, and inspections.

# COMPLIANCE PROGRAM & COMMITTEE

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## EXECUTIVE COMPLIANCE COMMITTEE MEMBERS

**Dr. Juliet V. Garcia**  
*President*

**Dr. Alan F.J. Artibise**  
*Provost*

**Dr. Charles Dameron**  
*Vice President for Academic Affairs*

**Irvine Downing**  
*Vice President for Economic Development and Community Services*

**Rosemary R. Martinez**  
*Vice President for Business Affairs/Compliance Officer*

**Dr. David Pearson**  
*Vice President for Administration and Partnership Affairs*

**Dr. Ruth Ann Ragland**  
*Vice President for Institutional Advancement*

**Dr. Hilda Silva**  
*Vice President for Student Affairs*

**Dr. Antonio Zavaleta**  
*Special Assistant to the Provost*

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## CORPORATE COMPLIANCE COMMITTEE MEMBERS

**Suzanne Acevedo**  
*Associate Dean, Institutional Grant Administration for Sponsored Programs*

**Doug Arney**  
*Associate Vice President for Business Affairs/Compliance*

**Esiquiel Avila**  
*Interim Director of Environmental Health & Safety*

**Gus Barreda**  
*Director of ACE/ERP*

**Juan Cardoza**  
*Chief of Campus Police*

**Hector Castillo**  
*Assistant Vice President for Academic Affairs*

**Mari Chapa**  
*Director of Financial Aid*

**Steve Chen**  
*Chief Information Officer*

**Chris Cohen**  
*Information Security Officer*

**Karen Dahlberg**  
*Special Assistant to the Vice President for Research Development*

**Yolanda De la Riva**  
*Director of Business Office*

**Dr. Gerald Hollier**  
*Associate Professor, Business Administration*

**Jim Holt**  
*Dean for Workforce Training & Continuing Education*

**Alberto Manuel Juarez**  
*Director of Advancement Services*

**Chet Lewis**  
*Associate Vice President for Business Affairs for Financial Services*

**David Marquez**  
*Coordinator, Student Judicial Affairs*

**Rosemary R. Martinez**  
*Vice President for Business Affairs/Compliance Officer*

**Dr. Eldon Nelson**  
*Dean, School of Health Sciences*

**Norma Ramos**  
*Director of Internal Audits*

**Vince Solis**  
*Assistant Vice President for Student Development*

**Doug Stoves**  
*Director of Residential Life and Student Union*

**Rene Villarreal**  
*Interim Associate Vice President for Enrollment Planning/Director of Admissions*

**Dr. Marilyn Woods**  
*Executive Assistant to the President*

**Rene Zayas**  
*Compliance Manager*

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## COMPLIANCE PLAN

The Compliance Plan includes the following objectives:

- Identifying all university compliance related functions and assess processes currently in place.
- Develop vulnerability study/risk rating based on current compliance efforts, and clearly assign responsibilities for specific risk elements.
- Obtain access to technologies, which provide up-to-date releases on changes in regulations.
- Develop a comprehensive training and communication plan, and establish a compliance hotline.
- Identify a departmental Compliance Liaison to assist with training, self-assessment, investigation and enforcement recognizing that compliance is everyone's responsibility.
- Identify disciplinary actions related to noncompliance.
- Continue to provide and update policies and procedures which communicate controls to the organization through the distribution of business, human resources, and sponsored program guidelines using the campus website.

To ensure institutional control, there are three elements of a strong compliance program. Each area or division with identified compliance responsibility must adhere to these elements.

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# COMPLIANCE PROGRAM & COMMITTEE

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## COMMUNICATIONS AND AWARENESS

All individuals having programs or activities in any area of compliance must be informed, and the Corporate Compliance Plan shall reflect current compliance requirements.

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## TRAINING

General training must be made available for all employees. Specialized training must be made available for employees whose job responsibilities involve high compliance risk activities.

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## REQUIREMENTS

All federally-required, institution-wide assurances or plans shall be current. Most assurance documents contain detail requirements. Minimum compliance requirements are contained in the UTB/TSC Corporate Compliance Plan. The Plan is designed to bridge the gap between Regent's Rules, U.T. System Business Memorandums, the Handbook of Operating Procedures (HOOP), and information needed at the division or department level using a "one stop shopping" approach to ensure departments are aware of the latest processes and compliance requirements.

# CODE OF CONDUCT

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## PURPOSE

The purpose of the UTB/TSC Code of Conduct is to communicate an expectation of ethical conduct to all UTB/TSC employees. Responsibility for ethical conduct is a personal responsibility and every employee will be held accountable for his or her conduct. The Code of Conduct is a framework within which all employees are expected to operate. Although the Code of Conduct addresses a number of specific issues, it should not be regarded as a comprehensive listing of compliance issues. Instead, the Code of Conduct should be regarded as a guiding principle that applies to everything that we do. Questions about specific ethical or compliance issues should be directed to your supervisor, the Ethics Officer, or the compliance hotline, as appropriate.

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## GUIDING PRINCIPLE

UTB/TSC's guiding principle is simple... "Do what's right!" Although it is simple to write and say, sometimes it is difficult to ascertain what is right. When you are faced with a tough ethical decision, ask yourself:

Is it legal? Will you be violating UTB/TSC rules, institutional policy, or federal or state laws or regulations? If so, don't do it.

Is it fair and balanced? Are all parties going to be treated fairly? Everyone cannot win equally in every situation, but you should avoid lopsided, win-lose decisions that invariably result in lose-lose situations. If your decision will result in a major imbalance, don't do it.

How will I feel when it is done? Does the decision go against your own innate sense of what's right? If your actions were published in the newspaper, would you feel good about it? If not, don't do it.

The previous questions constitute an "ethics test." The legal question focuses on existing standards; the balance question activates your sense of fairness and rationality; and the last question focuses on your own standards of morality. If an ethical decision fails the ethics test, don't do it. Instead, "Do what's right!"

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## MANAGEMENT'S RESPONSIBILITY

While all UTB/TSC employees are responsible for conducting themselves in an ethical manner, management personnel have a special responsibility. Management personnel are expected to set an ethical "tone at the top" and to be role models for ethical behavior in their departments. Management personnel must create a departmental culture that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the department to raise concerns when they arise.

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## ETHICS RESOURCES

The State of Texas and UTB/TSC have defined numerous ethical standards that apply to UTB/TSC employees. The UTB/TSC Ethics website is located at <http://www.utb.edu/ba/compliance/ethics>.

This web site is intended to provide employees with brief practical guidance on some of the more common ethics/legal issues. More detailed guidance can be found in the *Standards of Conduct Digest*, published by the U. T. System Office of General Counsel and available on the World Wide Web at <http://www.utsystem.edu/ogc/ethics>.

If you have questions about matters involving ethics laws or issues, you are encouraged to contact your supervisor or the Ethics Officer. If you still have questions, you should contact the U.T. System Ethics Advisor.

All of us have an obligation to the State of Texas, the Board of Regents, and to ourselves to be good stewards of the resources that have been entrusted to us. Thank you for your commitment to ethical behavior and your compliance with applicable laws, regulations, and U.T. System policies, and UTB/TSC procedures.

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## ETHICS POLICY

UTB/TSC's Ethics is as follows:

- Officers, faculty, and employees of UTB/TSC may not have a direct or indirect interest, financial, or otherwise of any nature that is in conflict with the proper discharge of the officer's or employee's duties.
- Officers, faculty, and employees shall timely furnish such written disclosures as may be required by state and federal authorities or by System requirement.
- All officers, faculty, and employees shall adhere to the laws, rules, regulations and policies of applicable governmental and institutional authorities and the following standards of conduct. The failure to do so may be grounds for disciplinary action, up to and including termination of employment.
- No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties or that the employee knows or

# CODE OF CONDUCT

should know is being offered with the intent to influence his or her official conduct.

- No employee shall intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another.
- No employee shall accept employment or engage in any business or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of his or her official position.
- No employee shall disclose confidential information gained by reason of his or her official position or otherwise use such information for his or her personal gain or benefit.
- No employee shall transact any business in his or her official capacity with any business entity of which the employee is an officer, agent, or member, or which the employee owns a substantial interest.
- No employee shall make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest.
- No employee shall accept other employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's public duties.
- Sexual Harassment and Misconduct: The educational and working environments of the

System and its component institutions should be free from inappropriate conduct of a sexual nature. Sexual misconduct and sexual harassment are unprofessional and unacceptable. UTB/TSC shall adopt policies prohibiting sexual harassment and sexual misconduct and procedures for review of complaints. These policies and procedures shall be reviewed by the VPBA/EEO/ADA/Ethics Officer as appropriate, and shall be published in UTB/TSC's Handbook of Operating Procedures.

Specific questions about the ethics policy should be directed to your supervisor, the Ethics Officer, or the compliance hotline, as appropriate.

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## SUMMARY OF SPECIFIC COMPLIANCE ISSUES

### Contacts with the Media, Government and Outside Investigators

UTB/TSC is committed to compliance with state and federal laws and shall cooperate with all reasonable demands made in any government investigation of UTB/TSC or a UTB/TSC employee; however, UTB/TSC deems it essential that the legal rights of UTB/TSC and UTB/TSC employees are protected. If any UTB/TSC employee receives a subpoena, inquiry or other legal document in regards to UTB/TSC business, whether at home or in the workplace, from any governmental agency, the UTB/TSC employee shall first notify his/her supervisor who then should alert the appropriate Vice President who then alerts U.T. System General Counsel as soon as possible. If a UTB/TSC employee is contacted at home by a governmental agency concerning

UTB/TSC business, the individual is instructed to ask the agent to contact him/her at UTB/TSC the next business day and shall immediately contact his/her supervisor who should then alert the appropriate Vice President who then alerts U.T. System General Counsel as soon as possible to discuss the matter.

The Director of News & Information acts as the spokesperson for UTB/TSC. If any UTB/TSC employee is contacted by the media, the individual should instruct them to contact the Office of News and Information.

### Confidential Information

Confidential information about UTB/TSC's students, employees, strategies and operations is a valuable asset. Although an employee may use confidential information to perform a job, it must not be shared with others outside of UTB/TSC unless the individuals have a legitimate need to know this information. Confidential information includes personnel data maintained by UTB/TSC, student information, employee information, financial data, strategic plans, marketing strategies, employee lists and data, supplier and subcontractor information, and proprietary computer software.

### Accuracy of Records

UTB/TSC's philosophy is to ensure that all billings to third party payers (government and private insurance payers) are accurate and conform to appropriate federal and state laws and regulations. It is unacceptable for any UTB/TSC employee to intentionally submit an incorrect claim for payment.

# CODE OF CONDUCT

## Retention and Disposal of Records

UTB/TSC strives to maintain an active and continuing records management program that identifies vital and confidential records and that ensures the appropriate retention and disposition of records. A generalization of key requirements is as follows:

- Fiscal records – through the end of the fiscal year plus three years.
- Contracts and leases – until the contract or lease expires plus four years.
- Employment records – until terminated plus five years.
- Student records – permanently

Questions about specific records retention requirements should be directed to the institution's Records Management Office.

## Outside Employment

Members of the faculty or staff should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to UTB/TSC of such activity is the improvement of the individual by virtue of his or her continuing contact with nonacademic problems in the nonacademic world.

Members of the faculty or staff should be discouraged from accepting regular employment with units outside UTB/TSC because this action would be divisive of loyalties and does not provide the return to UTB/TSC.

Conflict of interest should be avoided in all instances of outside employment. Conflict of interest in an academic institution means outside activity that intrudes upon the academic functions of teaching, scholarly activities, and service to the institution.

No member of the faculty or staff engaged in outside remunerative activities shall use, in connection therewith, the official stationery of UTB/TSC, or give as a business address any building or department of the institution.

No member of the faculty or staff shall accept employment or any position of responsibility if the discharge of such employment will be antagonistic to the interests of the State of Texas, U.T. System, or UTB/TSC.

Every member of the faculty or staff who gives professional opinions must protect UTB/TSC against the use for such opinions for advertising purposes. If the employee does work in a private capacity, the employee must make it clear to those who employ him/her that the work is unofficial and that the name of UTB/TSC is not in any way to be connected with the employee's name, except when used to identify the employee as the author of work related to the employee's academic or research area.

No member of the faculty or staff shall accept pay from private persons or corporations for tests, essays, chemical analyses, bacteriological examinations, or other such work of a routine character, which involve the use of property owned by UTB/TSC, unless advance permission has been obtained from the Chief Administrative Officer and provision has been made for compensation to UTB/TSC.

No member of the full-time staff of UTB/TSC, on a twelve or nine-month basis, shall be employed in any outside work or activity or receive from an outside source a

regular retainer fee or salary until a description of the nature and extent of the employment has been filed with and approved by the Chief Administrative Officer.

A member of the faculty or staff may hold other non-electives offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by state or federal law, and if there is no conflict between holding the office or position and holding the original office or position for which the member of the faculty or staff receives salary or compensation.

Before a member of the faculty or staff may accept an offer to serve in other non-elective offices or positions of honor, trust, or profit with the State of Texas or the United States, the member of the faculty or staff must obtain, from the Chief Administrative Officer and the Board, a finding via the docket that the requirements of this policy has been fulfilled, including the expected additional compensation to be received from such service.

The Chief Administrative Officer must keep a record of compensation received from additional state or federal employment, or both, including specifically: salary, bonuses, and per diem or other type of compensation. Faculty and staff are required to provide this information to the Chief Administrative Officer as the compensation is earned.

## Financial Interests

No UTB/TSC employee shall make personal investments that could reasonably be expected to create a conflict between the employee's private interest and the public interest. Refer to the Ethics Policy above.

# CODE OF CONDUCT

## Criminal Offense Reporting

Each institution of higher education is required to publish and distribute an annual security report to all current or prospective students and employees. The report provides crime statistics for the previous three years and includes crime statistics for the main campus as well as each satellite campus location. The report also includes information about the institution's crime prevention policies and programs.

## Contracts and Agreements

Only individuals expressly authorized by the Chief Administrative Officer may sign contracts and agreements on behalf of the institution. Such authorizations must be documented in writing via delegation of authority letters signed by the Chief Administrative Officer.

## Institutional Control and Administration of Contracts and Administration of Contracts and Grants

Facilities, equipment, or other resources at UTB/TSC may not be utilized in the performance of a contract or grant that is not administered and controlled by the institution. An employee who utilizes the facilities, equipment, or resources at UTB/TSC for any purpose related to a contract or grant that is not subject to the administration and control of the institution may not be paid a salary by the institution until the contract or grant becomes subject to administration by the institution or such activities are discontinued.

## Misconduct in Science

Misconduct or fraud in research is an offense that damages not only the reputation of those involved, but also that of the entire UTB/TSC community. Misconduct or fraudulent activities are unacceptable. Examples of misconduct/fraud in research include fabrication, falsification, plagiarism, or other practices that materially deviate from those that are commonly accepted within the academic community for proposing, conducting, or reporting research and subject to disciplinary actions.

## Drug and Weapon-Free Workplace

UTB/TSC is committed to a drug-free and weapon-free environment. Reporting to work with a weapon or under the influence of any illegal drug or alcohol, or having an illegal drug in your system, or using, possession, or selling illegal drugs during work time or on UTB/TSC property may result in immediate termination.

## Equal Employment Opportunities

UTB/TSC is an Equal Opportunity/Affirmative Action Employer. In the administration of its employment policies and practices, UTB/TSC will not discriminate against employees or applicants for employment because of race, color, national origin, sex, religion, age, status as a disabled veteran, or veteran of the Vietnam era, or disability. UTB/TSC will take affirmative steps to insure that applicants are employed, and employees are treated, during employment, in a non-discriminatory manner. The university's commitment to equal opportunity principles applies to all aspects of employment, including recruitment, promotion, compensation, benefits, and training.

## New Employee Probation Period

All newly hired classified employees are subject to a probationary period of six continuous months from the beginning date of employment. During this period, the hiring authority is free to terminate the employment of any probationary employee who is judged not to be competent or otherwise qualified to continue employment without said employee being subject to the discipline and dismissal policies and procedures.

## Privacy Act

UTB/TSC is responsible for establishing certain safeguards to protect the personal privacy of individuals whose records are maintained by UTB/TSC. When UTB/TSC collects information from individuals, UTB/TSC is required to disclose to the individual their rights under the Privacy Act.

## Sexual Harassment and Misconduct

Sexual harassment and sexual misconduct are unprofessional behaviors and employees who engage in such conduct will be subject to disciplinary action, up to and including termination. Examples of behavior that could be considered sexual misconduct or sexual harassment include but are not limited to:

- Physical contact of a sexual nature including touching, patting, hugging, or brushing against a person's body;
- Explicit or implicit propositions or offers to engage in sexual activity;
- Comments of a sexual nature including sexually explicit statements, questions, jokes or

# CODE OF CONDUCT

anecdotes; remarks of a sexual nature about a person's clothing or body; remarks about sexual activity; speculation about sexual experience;

- Exposure to sexually oriented graffiti, pictures, posters, or materials;
- Physical interference with or restriction of an individual's movement.

## Computer Software

Unauthorized duplication of copyrighted software is a violation of federal copyright law. Furthermore, it is illegal to install licensed software expressly provided for more than one installation.

## Classroom Copying Books and Periodicals and Educational Uses of Music

UTB/TSC's policy on Classroom Copying of Books and Periodicals and Education Uses of Music governs the photocopying of copyrighted materials by faculty, staff and students. All individuals are expected to abide by this policy.

## Internet Files

Use of the Internet via institutional computers is limited to activities directly related to education, research, institutional, or administrative purposes and in accordance with applicable System or component policies. Improper or illegal use of the Internet by employees may subject them to disciplinary action.

## Intellectual Property

Intellectual property includes any invention, discovery, trade secret, technology, creation, scientific or technological development, computer software, or other form of expression of an idea that arises from activities of persons employed by UTB/TSC, anyone using UTB/TSC facilities under the supervision of UTB/TSC personnel, or candidates for master's degrees. When intellectual property results from work done on UTB/TSC time, using UTB/TSC facilities, or with any UTB/TSC support, all rights to the intellectual property must be assigned to UTB/TSC. Income derived from commercial exploitation of intellectual property is split 50/50 between the creator and UTB/TSC after licensing and patent costs are recaptured. UTB/TSC can decide not to exploit its interest in intellectual property. In such cases, the creator is free to deal with the intellectual property as he or she chooses.

UTB/TSC will not assert an interest in faculty produced textbooks, scholarly writing, art works, musical compositions and dramatics and non-dramatic literary works that are related to a faculty member's professional field unless such work is commissioned by UTB/TSC. If work is commissioned by UTB/TSC, the U.T. System shall have sole ownership of the intellectual property. The U.T. System Office of General Counsel has responsibility for all legal matters concerning intellectual property.

## Confidentiality of Computer Passwords

It is a violation Chapter 7 of the Texas Penal Code to disclose computer passwords. Disclosing a computer password is now a crime with penalties ranging from a Class B misdemeanor to a felony depending on the related monetary damage. Therefore, computer

passwords should be considered highly confidential. Never disclose your computer password to anyone. Furthermore, do not write or otherwise document your passwords in a place that is accessible by others.

## Workplace Health and Safety

UTB/TSC must comply with all state, system and government regulations and rules and with institutional policies or required facility practices that promote the protection of workplace health and safety. All employees should become familiar with and understand how these policies apply to their specific job responsibilities and seek advice from their supervisor or the Safety Officer whenever there is a question or concern. It is important to advise supervisors or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

## Use of State-Owned Property

It is the responsibility of each UTB/TSC employee to preserve the institution's assets including time, materials, supplies, equipment, and information. Institutional assets are to be maintained for business related purposes. As a general rule, the personal use of any UTB/TSC asset is prohibited. The occasional use of items, such as e-mail or telephones, where the cost to UTB/TSC resources for personal financial gain unrelated to UTB/TSC business is prohibited.

## Family Medical Leave Act

Any eligible employee, whether faculty, classified, or administrative, may request and receive a leave of

# CODE OF CONDUCT

absence without pay for up to twelve weeks per year for family and medical reasons specified by the Family and Medical Leave Act of 1993. Eligibility criteria are defined in the Act. In short, an eligible employee must have been employed by the State of Texas for twelve months and must have worked at least 1,250 hours during the twelve-month period immediately preceding the commencement of leave.

A qualified purpose for FMLA leave is:

- Birth of a son or daughter and care after such birth (during the child's first year of life);
- Placement with an employee of a son or daughter for adoption or foster care (during the first year following placement);
- Serious health condition of spouse, child, or parent of employee; or
- Serious health condition of employee (unable to perform essential job functions).

## Fair Labor Standards Act

The Fair Labor Standards Act requires UTB/TSC to compensate a non-exempt employees for hours actually worked in one week over 40 hours at one and one-half times the employee's normal rate of pay. Paid leave and holidays do not qualify as time actually worked. All overtime must be approved by the Vice President for Business Affairs prior to the overtime actually being worked.

UTB/TSC's policy is that overtime should be compensated with time off at a mutually convenient time for both the employer and the employee within one year from the week it is earned. Non-exempt employees may

not accrue more than 240 hours of compensatory time. Payment for overtime is at the discretion of your supervisor and may be granted when compensatory time is not practical. Employees must be paid for any unused compensatory time when they terminate employment.

Equivalent time is granted on a straight hour for hour basis when the total number of hours actually worked plus paid leave and holidays exceeds 40 hours in one week. In such cases, non-exempt employees shall be allowed equivalent time off equal to the number of hours in excess of 40. Equivalent time off for exempt employees may be approved by the appropriate Vice President. Employees are not paid for unused equivalent time when they terminate employment.

## Exempt and Non-Exempt Time Keeping

All employees eligible to earn vacation and sick leave balances must report vacation and sick leave taken in accordance with institutional procedures. Non-exempt employees must maintain complete time and leave records to account for hours worked, vacation, sick leave, compensatory, equivalent and floating holiday balances.

## Performance Evaluations

All employees (administrative, faculty, and staff) are to be formally evaluated at least annually.

## Employee Discipline and Dismissal

Conduct that is subject to disciplinary action includes the following:

Work Performance: Failure of an employee to maintain satisfactory work performance standards can constitute

good cause for disciplinary action including dismissal. The term "work performance" includes all aspects of an employee's work.

Work performance is to be judged by the supervisor's evaluation of the quality and quantity of work performed by each employee. When, in the opinion of the supervisor, the work performance of an employee is below standard, the supervisor should take appropriate disciplinary action.

Misconduct: All employees are expected to maintain standards of conduct suitable and acceptable to the work environment. Disciplinary action, including dismissal, may be imposed for unacceptable conduct.

Examples of unacceptable conduct include, but are not limited to:

- (1) falsification of time sheet, personnel records or other institutional records;
- (2) neglect of duties or wasting time during working hours;
- (3) smoking anywhere except in designated smoking areas;
- (4) gambling, participating in lotteries or any other games of chance on the premises at any time;
- (5) soliciting, collecting money or circulating petitions on the premises other than within the rules and regulations of the institution;
- (6) bringing intoxicants or drugs onto the premises of the institution, using intoxicants or drugs, having intoxicants or drugs in one's possession, or being under the influence of intoxicants or drugs on the premises at any time;
- (7) abuse or waste of tools, equipment, fixtures, property, supplies or goods of the institution;
- (8) creating or contributing to unhealthy or unsanitary conditions;

# CODE OF CONDUCT

- (9) violations of safety rules or accepted safety practices;
- (10) failure to cooperate with supervisor or co-worker, impairment of function of work unit or disruptive conduct;
- (11) disorderly conduct, harassment of other employees (including sexual harassment) or use of abusive language on the premises;
- (12) fighting, encouraging a fight or threatening, attempting or causing injury to another person on the premises;
- (13) neglect of duty or failure to meet a reasonable and objective measure of efficiency and productivity;
- (14) theft, dishonesty or unauthorized use of institutional property including records and confidential information;
- (15) creating a condition hazardous to another person on the premises;
- (16) destroying or defacing institutional property or records or the property of a student or employee;
- (17) refusal of an employee to follow instructions or to perform designated work that may be required of an employee or refusal to adhere to established rules and regulations;
- (18) repeated tardiness or absence without proper notification to the supervisor or without satisfactory reason or unavailability for work, and
- (19) violation of policies or rules of UTB/TSC or The University of Texas System.

## Fraud

The minimization of fraud, waste, abuse is every employee's responsibility. There is a specific UTB/TSC Fraud Policy that sets out individual responsibilities and actions regarding fraud/dishonest acts. For your

protection, every employee should become familiar with the UTB/TSC Fraud Policy located in Appendix A.

## Purchasing

All purchases must comply with institutional purchasing procedures. UTB/TSC employees should strive to achieve the current Historically Underutilized Business (HUB) purchasing goals.

## Purchases from Employee

Purchases from or sales to an employee of supplies, materials, services, equipment, or property must have the prior approval of the Chief Administrative Officer and the applicable Vice President. Any such purchases shall be made only if the cost is less than from any other source. This policy does not apply to sales or purchases made at a public auction.

## Payments to Employees

Payments to UTB/TSC employees for services unrelated to or over and above their regular job duties must be approved by the Chief Administrative Officer prior to the engagement of such services. All payments to employees are subject to withholding and employment taxes.

## Purchases from Prison System

When using state accounts, UTB/TSC institutions must purchase goods produced by the Texas prison system when such goods are equal or lower in price than goods of a comparable quality when purchased on the open market.

## Flowers

State funds may not be used to purchase flowers, floral arrangements, or plants for a state employee or for friends or family of a state employee.

## Plants

State funds may not be used for the purchase, rental, or maintenance of live or artificial plants used purely for aesthetic purposes.

## Auxiliary Enterprises

No state funds may be used expended auxiliary enterprises.

## Alumni Activities

No state funds may be used for Alumni Activities.

## Political Activities

Regents' Rules and Regulations, state law, and the Appropriations Bill prohibit the use of state time and equipment for political activities. In addition, UTB/TSC personnel are not allowed to support or oppose (in writing or orally) legislative issues as UTB/TSC employees. Employees who are asked to provide information to legislative officials should coordinate their responses with the Chief Administrative Officer.

# CODE OF CONDUCT

## Political Contributions

Political Contributions from any source of UTB/TSC funds are prohibited.

## Charitable Contributions

Charitable contributions from UTB/TSC funds must be approved by the Chief Administrative Officer. The only source of funds from which charitable contributions may be made are unrestricted gift funds.

## Gifts and Gratuities

No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties or that the employee knows or should know is being offered with the intent to influence his or her official conduct.

## Environmental Issues

It is UTB/TSC's policy to comply with all environmental laws and regulations pertaining to our operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We will diligently employ the proper procedures with respect to handling and disposal of hazardous and biohazardous waste, including but not limited to medical waste.

## COMPLIANCE PROGRAM

The UTB/TSC Compliance Program is intended to demonstrate, in the clearest possible terms, the absolute commitment of UTB/TSC to the highest standards of ethics and compliance.

Every UTB/TSC component institution has a Compliance Officer, Compliance Committee, and a Compliance Hotline. The Compliance Officer is responsible for ensuring that the institution has a risk-based process that (1) builds compliance consciousness into daily operations, (2) monitors the effectiveness of compliance activities, and (3) communicates instances of non-compliance to appropriate administrators for corrective action.

The principal responsibilities of the UTB/TSC Corporate Compliance Committee are as follows:

- To perform a risk assessment of the institution's compliance issues.
- To monitor the implementation of the institution's compliance plan.
- To communicate instances of non-compliance to the institution's Compliance Officer.
- To follow-up on compliance findings to ensure that appropriate corrective action has been taken.
- To continuously assess the effectiveness of compliance activities including the effectiveness of the committee itself.

Adjustments in the institution's "A" list risks can be made at any time with the approval of the Compliance

Committee, the Compliance Officer, and the President. Of course, the governance functions must also be informed. At least annually, these interim adjustments should be formalized and incorporated into an updated risk assessment that produces the next year's "A" list risks.

Every UTB/TSC employee has a personal obligation to report any activity that appears to violate applicable laws, regulations, rules, policies, procedures, or this Code of Conduct. The Compliance Hotline is a confidential way for employees to obtain information about compliance issues and report instances of suspected non-compliance outside the normal chain of command in a manner that preserves confidentiality and assures non-retaliation. Employees should use the hotline when they are not satisfied with their supervisor's response to a compliance issue or if they fear retaliation by their supervisors. Under normal circumstances, however, compliance issues should be addressed through normal administrative channels.

# APPENDIX A

## APPENDIX A – UTB/TSC FRAUD POLICY

### Purpose

- 1.1 UTB/TSC has established reporting structures and responsibilities within their institution. The purpose of this statement is to establish policy regarding internal investigations of suspected defalcation, misappropriation and other fiscal irregularities, which is supplemental to the internal administrative policies established at UTB/TSC.
- 1.2 Good business practice dictates that every suspected defalcation, misappropriation and other fiscal irregularity be promptly identified and investigated.

### Definitions

- 2.1 The following terms are defined as follows:
  - 2.1.1 UTB/TSC – The University of Texas at Brownsville and Texas Southmost College;
  - 2.1.2 Employee – All personnel employed by UTB/TSC including faculty, staff, and students-employees;
  - 2.1.3 Office of Internal Audit – The department at UTB/TSC and at System Administration responsible for the internal audit function;
  - 2.1.4 Director of Internal Audit – The individual at UTB/TSC responsible for directing the internal audit function at the university;

- 2.1.5 Audit Committee – The committee at UTB/TSC and at System Administration responsible for audit oversight;
- 2.1.6 Campus Police – The department at UTB/TSC responsible for the police function;
- 2.1.7 Chief of Campus Police – The individual at UTB/TSC responsible for directing the police function;
- 2.1.8 Office of General Counsel – The office at System Administration responsible for the legal functions;

### General

- 3.1 The terms defalcation, misappropriation and other fiscal irregularities include but are not limited to any:
  - 3.1.1 Dishonest, illegal, or fraudulent act involving property;
  - 3.1.2 Forgery or alteration of checks, drafts, promissory notes and securities;
  - 3.1.3 Forgery or alteration of employee benefit or salary related items such as time cards, billings, claims, surrenders, assignments, charges in beneficiary, etc.;
  - 3.1.4 Forgery or alteration of medical related items such as reports, charts, prescriptions, x-rays, billings, claims, etc.;

- 3.1.5 Forgery or alteration by employees, of student related items such as grades, transcripts, loans, fee of tuition documents, etc.;
- 3.1.6 Misappropriation of funds, securities, supplies or any other asset;
- 3.1.7 Illegal or fraudulent handling or reporting of money transactions;
- 3.1.8 Acceptance or solicitation of any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties;
- 3.1.9 Destruction or disappearance of records, furniture, fixtures, or equipment where theft is suspected.
- 3.2 Allegations involving scientific misconduct will be handled in accordance with UTB/TSC policies on dealing with allegations of misconduct in science.
- 3.3 Management is responsible for establishing and maintaining a system of internal control that provides reasonable assurance that improprieties are prevented and detected. Each manager should be familiar with the types of improprieties that might occur in his/her area and be alert for any indication that such a defalcation, misappropriation or other fiscal irregularity has occurred.
- 3.4 Management will support the institution's fiduciary responsibilities and will cooperate with law enforcement agencies in the detection, investigation and reporting of criminal acts, including prosecution of offenders. Every effort should be made to recover university losses.

## APPENDIX A

- 3.5 The Office of Internal Audit will supervise all audits of allegations of defalcation, misappropriation and other fiscal irregularities. When an audit reveals suspected criminal activity, or an audit is initiated due to an allegation of criminal activity, Campus Police will be notified immediately.
- 3.6 When an audit involves allegations, or reveals suspected criminal activity, which may constitute a felony offense, the Director of Internal Audit shall, when appropriate, immediately notify the Chief Administrative Officer, or his/her designee, and then notification will be given to the System Director of Audits. The Director of Internal Audit shall consult with component legal advisors or the Office of General Counsel and the Office of General Counsel will be kept informed regarding the progress of the audit.
- 3.7 It is the responsibility of the Chief Administrative Officer to notify the appropriate Executive Vice Chancellor at U.T. System of criminal activity, as appropriate.
- 3.8 The U.T. System Director of Police should be made aware of all felony fraud investigations and will be kept current by the Chief of Campus Police, of the Progress of investigations conducted by UTB/TSC Campus Police.
- 3.9 In accordance with Regents' Rule, the Chief Business Officer will notify the Executive Vice Chancellor of Business Affairs at U.T. System as soon as it is known that a loss has occurred for approval of all insurance and fidelity bond claims.
- 3.10 The Office of Internal Audit, Campus Police, the Chief Business Officer, and the Office of General Counsel will coordinate assistance provided to State, Federal and local law enforcement agencies. All requests for information and/or assistance from such agencies, received by other areas, shall be immediately forwarded to the Campus Police for determination and handling. All reasonable assistance will be given to law enforcement agencies when requested.
- 3.11 All requests for information and assistance related to investigations conducted by auditors of federal and state agencies, which are concerned with potential dishonest or fraudulent activities within the university, shall also be forwarded immediately to the Director of Internal Audit who shall consult with the Office of General Counsel at U.T. System or appropriate Vice President who shall notify the Office of General Counsel.
- 3.12 In order to avoid the use of investigatory techniques that might prevent evidence from being used in a criminal prosecution, Campus Police will coordinate the criminal investigation once probable criminal activity has been detected. The Office of Internal Audit shall assist Campus Police in investigations of suspected defalcation, misappropriation and other fiscal irregularities that require accounting and auditing knowledge of system records.
- 3.13 The Office of Internal Audit will keep its work papers secure and limit access to only those individuals designated by the Director of Internal Audit.
- 3.14 The Office of Internal Audit is available and receptive to receiving relevant information on a confidential basis, subject to the provisions of the Texas Public Information Act. Employees and students may directly contact the Director of Internal Audit, Campus Police, or executive management, whenever an activity is suspected to be dishonest or fraudulent. The reporting individual should not attempt to personally conduct investigations or interviews/interrogations in order to determine whether or not a suspected activity is improper.
- 3.15 In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct, and to protect the university from potential civil liability, the results of audits/investigations will not be disclosed or discussed with anyone other than authorized representatives of law enforcement and/or regulatory agencies, and only those persons associated with the university who have a legitimate need to know such results in order to perform their duties and responsibilities, subject to the provisions of the Texas Public Information Act.

### Audits/Investigations

- 4.1 Audits revealing violations of the Penal Code for which an audit report will be issued should be reduced to a final report form only after consultation by Campus Police with the local prosecutor or the U.T. System Office of General Counsel to ensure that appropriate documentation of the facts has been achieved in order to permit appropriate personnel action, protect innocent persons, support appropriate civil or criminal actions, document claims made pursuant to applicable fidelity bonds, preserve the integrity of the criminal investigations and prosecution and avoid unnecessary litigation.

## APPENDIX A

- 4.2 Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid incorrect accusations or alerting suspected individuals that an audit is underway and also to avoid making statements which could provide a basis for a suit for false accusation or other offenses. Accordingly, the reporting individual should:
- 4.2.1 Not contact the suspected individual to determine facts or demand restitution;
  - 4.2.2 Not discuss any facts, suspicions or allegations associated with the case with anyone, unless specifically directed to do so by the Offices of Internal Audit, Campus Police, or the Chief Business Officer.
- 4.3 All inquiries from the suspected individual, their representatives or their attorney shall be directed to the Chief Business Officer or the U.T. System Office of General Counsel. Proper response to such an inquiry should be, "I'm not at liberty to discuss this matter." Under no circumstances should there be any reference to "what you did," "the crime," "the fraud," "the forgery," "the misappropriation," etc.
- 4.4 All reproduction of documents, evidence and reports shall be performed within the secured work area of the Offices of Internal Audit or Campus Police.
- 4.5 To the extent permitted by the applicable provisions of the Texas Public Information Act, confidentiality of those reporting dishonest or fraudulent activities will be maintained. However, the confidentiality cannot be maintained if that individual is required to serve as a witness in legal proceedings.
- 4.6 When an audit initiated due to an allegation of criminal activity has failed to detect criminal activity or when advised by the U.T. System Office of General Counsel, the Director of Internal Audit has the discretion to stop the audit, provided, however, that with regard to criminal investigations conducted by Campus Police. Only the Office of the District Attorney is authorized to review the progress of the criminal investigation and make the legal documentation regarding whether to pursue a criminal prosecution.

### Operating Audit Findings

- 5.1. Each investigation of possible dishonest or fraudulent activities has the potential to provide a unique insight into specified activities conducted by the university and may disclose control weaknesses and other areas need additional auditing or management's attention.
- 5.2 Each investigation will be reviewed by the Office of Internal Audit to determine if additional work needs to be done in order to provide the Audit Committee and management with a basis for taking corrective action.

# ETHICSLINE

## ETHICSLINE

UTB/TSC has contracted with EthicsLine to provide a confidential method for all employees to report non-compliant behavior. Publicity concerning EthicsLine has been transmitted to employees through a variety of sources including the institution's newsletter and notices posted on bulletin boards, and informative materials distributed to all employees on campus.

In order to ensure proper confidential handling of reported instances regarding suspected abuses or fraud, UTB/TSC has developed procedures regarding the handling, cross-functional consultation and disposition of any reported instances. The Compliance Officer is the designated recipient of the EthicsLine Reports. The Compliance Officer will coordinate any necessary investigations regarding any reported allegations. Investigations will be performed by personnel from UTB/TSC departments including Campus Police, Human Resources, Environmental Health & Safety, etc., or any other department as designated by the Compliance Officer. The investigative party will document and submit any findings to the Compliance Officer who will determine final resolution of the reports. Any information related to the handling of reported instances will be maintained on file at the Office of the Compliance Officer. Copies of the reports, findings, and final resolution are submitted to the Office of Internal Audits and five-person triage team.

This procedure ensures that all reported instances of suspected abuses or fraud are received and investigated properly.

## CONFIDENTIAL REPORTING MECHANISM

To assure that all hotline communications from EthicsLine are confidentially received, written reports are sent via U.S. mail directly to the Compliance Officer. An emailed version is sent to a five-person triage team. The triage team determines the notifications and preliminary actions to be taken. The Compliance Officer notifies the President and appropriate Vice President when EthicsLine Reports are received. Copies of the reports are personally handed to the following Staff Members for investigation.

### Environmental Issues

Handled by Environmental Health and Safety Officer  
*Deadline for Response: Within 15 days*

### Discrimination Issues (Staff)

Handled by EEO/ADA Officer (VPBA)  
*Deadline for Response: Within 15 days*

### Discriminations Issues (Student)

Handled by VP for Student Affairs; Provost  
*Deadline for Response: Within 15 days*

### Ethics Violation

Handled by Ethics Officer (VPBA)  
*Deadline for Response: Within 15 days*

### Labor Law Implications

Handled by EEO/ADA Officer (VPBA); Director of Human Resources; VP for Division in which employee works.  
*Deadline for Response: Within 15 days*

### Waste/Abuse

Handled by Environmental Health and Safety Officer  
*Deadline for Response: Within 15 days*

### Anti-Trust

Handled by General Counsel, UT System  
*Deadline for Response: Within 15 days*

### Harassment

Handled by EEO/ADA Officer (VPBA); Director of Human Resources; VP of Division in which employee works.  
*Deadline for Response: Within 15 days*

### Fraud

Handled by VPBA; Chief of Campus Police; General Counsel, UT System; VP of Division in which employee works; Office of Internal Audits  
*Deadline for Response: Within 15 days*

### Human Resources

Handled by VPBA  
*Deadline for Response: Within 15 days*

### Patient Resources

N.A.  
*Deadline for Response: N.A.*

A tasking letter from the Compliance Officer will be sent to the responsible staff member or entity responsible for the investigation of the reported incident/activity/occurrence. A findings report will be provided to the Compliance Officer within the deadline for response date. Final disposition of all EthicsLine investigations will be reported to the President, appropriate Vice President, Internal Audit and individual(s) accused.

Quarterly summary reports of the EthicsLine activity, including the status of open calls from previous months, will be distributed to all members of the Corporate Compliance Committee, the President and appropriate Vice President.

# RISK ASSESSMENT

## RISK ASSESSMENT BOTTOM-UP RISK METHODOLOGY

The bottom-up risk assessment process has several key benefits that make its use especially advantageous. First, it immediately gives all of the employees of the institution ownership in the compliance program. Second, it provides each unit of the institution with the information needed to develop its own compliance program. Third, it minimizes the risk of institutional management failing to recognize a potentially high impact risk area simply because it is not currently on their "radar screen".

## ACCOUNT MANAGER RISK ASSESSMENT TRAINING

The bottom-up risk assessment methodology is built upon each work unit of the institution performing a compliance risk self-assessment. It was determined that all account managers would participate in a risk self-assessment training workshop. The purpose of the workshop was to assess the compliance risks of each account manager's areas of responsibility.

The workshop tasks were to: (1) inventory all the compliance risks applicable to the account managers areas of responsibility, (2) determine the potential impact in those areas of an occurrence and the probability of an occurrence for each risk inventoried, and (3) prioritize the inventory into high risks (risks that need to be constantly managed), medium risks (risks that need to be monitored), and low risks (risk that can usually be accepted).

To identify the major risks for their areas of responsibility, all account managers used a risk assessment form. The form includes the following items:

- Internal Control Goals (Financial, Operational, Compliance)
- Activity
- Risk
- Impact of Risk (High, Medium, or Low)
- Probability of Occurrence (High, Medium, or Low)

All risks were then ranked based upon their combined measurement of probability of becoming reality, and the impact they would have on the area.

## RISK AREA CONSOLIDATION

All risks that had a High Risk/High Probability (HH) or High Risk/Medium Probability (HM) measurement value were considered "A" risks to be reviewed by the Compliance Committee.

## INSTITUTIONAL "A" LIST DETERMINATION

The Compliance Committee met, and through a negotiation process, risk area experts defended their risk areas prioritization before the committee and advocated the inclusion (or exclusion) of items in the institutions "A" list risks. Risks that currently have institutional impact were automatically placed on the "A" list. Risks that appear to have isolated or area-only impact were regulated to "B" risks. Risks that can be accepted were considered to be "C" risks.

When the consolidation was finished, it was determined that all the "A" risks fall into one of seven high-risk areas. Each of the seven high-risk areas were assigned a team leader who were tasked with forming a sub-committee consisting of experts in the area to review all "A" risks identified through the bottom-up risk assessment process. Each sub-committee compared the "A" risks

identified by the account managers to the current "A" risks, system high risk working groups, and the other academic component "A" risks. Through this process, the risk areas below have been identified.

### High Risk Areas

1. Environmental Health & Safety
2. Grants and Contracts
3. Endowments
4. Protection of Information Resources
5. Financial Aid/Loan Funds
6. Fiscal Management
7. Human Resources

When the sub-committees completed their analysis, they reported their "A" list recommendations to the Compliance Committee. The Compliance Committee reviewed the sub-committees recommendations and agreed upon the risks that would be considered institutional "A" risks. Below are the institutional "A" risks:

- 1) Environmental Health & Safety
  - Hazardous Materials and Chemicals
  - Fire Safety Program
- 2) Grants and Contracts
  - Non Performance
  - Unallowable Expenditures
  - Reporting Requirements
  - Time & Effort Reporting
- 3) Endowments – Adherence to Agreement
- 4) Financial Aid/Loan Funds - Eligibility
- 5) Fiscal Management
  - Account Manager Responsibility and Segregation of Duties
  - Asset Management
  - Cost Center Reconciliation
  - Leave Balance Reconciliation
- 6) Human Resources
  - Sexual Harassment
  - Equal Employment Opportunity
- 7) Protection of Information Resources

# RISK ASSESSMENT

## COMMUNICATION OF "A" LIST RISKS TO EXECUTIVE MANAGEMENT

The Compliance Officer presented the "A" list risks for UTB/TSC to the Executive Council, which includes all Vice Presidents, the Provost, and the President. The Compliance Officer received Executive Council approval of the "A" list risks.

## MANAGING INSTITUTIONAL "A" RISKS

### RESPONSIBLE PARTY

For each institutional "A" risk, the person having exclusive responsibility for managing the risk, appropriate knowledge to manage the risk, and necessary authority to manage the risk was assigned as the "responsible party".

The designation of the "responsible party" signaled the beginning of formal compliance activity in the "A" list risk. The initial job of the "responsible party", along with the sub-committee members, is the development of a monitoring plan for the risk.

### MONITORING PLAN

The "responsible party" must decide which of the many operating controls applicable to the risk, are significant enough to require supervisory control review.

The monitoring plan for a risk has four sections. They are:

1. The operating controls that must be properly and consistently applied to manage the risk to an acceptable level.

2. A definition of the documentary evidence created to support application of the operating controls.
3. The supervisory controls (monitoring controls) that must be performed on the documentary evidence to obtain acceptable assurance that the operating controls are properly and consistently applied.
4. A definition of the documentary evidence created to support application of the supervisory controls.

### SPECIALIZED TRAINING PLAN

The specialized training plan is an educational plan for anyone who will be involved with the process that creates the risk. The specialized training plan identifies who is trained, level of knowledge transferred, frequency of training, provider of training, and method of transfer measurement. The foundation of the specialized training program is the detailed monitoring plan.

### REPORTING PLAN

The reporting plan includes (1) activity to be reported, (2) what will be reported for each activity, (3) frequency of reporting for each activity, and (4) who receives the report for each activity. There are two types of activities that the "responsible party" reports. They are supervisory control activities detailed in the monitoring plan and the training activity detailed in the training plan.

## ASSURANCE STRATEGIES

### CERTIFICATION

Certification is the assurance given by the "responsible party" that they are appropriately performing in their area of responsibility all operating and monitoring controls that are required. On a quarterly basis, the "responsible party" is required to sign a "Letter of Certification" which certifies that what is being reported is in deed the facts.

### OVERSIGHT CONTROLS: THE COMPLIANCE FUNCTION INSPECTION

The compliance function has a duty and a responsibility to validate the information it receives periodically from each "A" risk responsible party. The compliance function can obtain this assurance through an inspection process. The inspection process uses the monitoring plan and the specialized training plan as the criteria for activity in the risk area.

# RISK ASSESSMENT

Topic	Law/Procedure/Policy	Risk/Exposure	Previous Occurrence	Potential Impact	Probability of Occurrence	Frequency of Comm Review for Compliance	Reporting Responsibility
<b>Asset Management</b>	HOOP 10.7.1, U.T. System Regent Rules, 1994 & 1996 Internal Control Action Plan, Management Responsibilities Handbook	Loss of funds, violation of laws, violation of internal controls	Yes	High	High	Annually	Director of Business Office
<b>Endowment Compliance</b>	The most important measure for endowment compliance is legal issues that may be related to an endowment and its accompanying agreements.	Adherence to the Endowment Agreement. If the recipient is not completing those terms as set forth by the endowment agreement, whether it concerns departmental issues of grade point average, UTB/TSC becomes libel for legal action. Donor could therefore claim action against The University and bad publicity would then follow	Yes	High	High	Quarterly	Development Office - Coordinator, Special Projects
<b>Equal Employment Opportunity/ Employment Discrimination</b>	Title V11 of the Civil Rights Act of 1964 as amended; Texas Commission on Human Rights Act; Texas Labor Code; UTB/TSC Handbook of Operating Procedures (HOOP) Policy	Investigation by Equal Employment Opportunity Commission (EEOC), loss of Federal Funding, negative media coverage, monetary loss, low morale	Yes	High	High	Quarterly	Director of Human Resources

# RISK ASSESSMENT

Topic	Law/Procedure/Policy	Risk/Exposure	Previous Occurrence	Potential Impact	Probability of Occurrence	Frequency of Comm Review for Compliance	Reporting Responsibility
<b>Financial Aid/Loan Funds</b>	34 CFR 668.16-17 and 34 CFR 668.25; Title IV Program Administration in accordance with relevant statutory provisions; 34 CFR 668, Subpart A; Financial need determination and satisfactory academic progress; Texas Higher Education Coordinating Board Rules and Regulations; Department of Veterans Affairs Rules and Regulations	Policies and procedures must be maintained to ensure that financial assistance is not awarded to an ineligible applicant.	Yes	High	High	Quarterly	Director of Financial Aid
<b>Fire Safety</b>	National Fire Prevention Act 101-2000, Life Safety Code. – 1910.35	Fire Life Safety Risk of employees, faculty, and staff	Yes	High	High	Quarterly	Director of EH&S
<b>Grants and Contracts Risks</b>	OMB A21 Cost Principles for Ed. Institutions, OMB A110 Grants and Agreements with Institutions of Higher Ed., UTB/TSC HOOP	Grant Post Award Performance that is not in compliance with the Terms of the Contract, specifically, non-performance, unallowable expenditures, reporting requirements and time and effort reporting.	Yes	High	High	Quarterly	Associate Dean Sponsored Programs
<b>Hazardous Materials and Chemicals</b>	29 CFR 1910 & THCA 502.009	Regulatory requirements, storage of adjacent reactive agents, stolen or lost chemicals, instructor not certified, Hazardous Communications requirements	Yes	High	High	Quarterly	Director of EH&S

# RISK ASSESSMENT

Topic	Law/Procedure/Policy	Risk/Exposure	Previous Occurrence	Potential Impact	Probability of Occurrence	Frequency of Comm Review for Compliance	Reporting Responsibility
<b>Reconciliations - Cost Center</b>	HOOP 10.7.1, U.T. System Regent Rules, 1994 & 1996 Internal Control Action Plan, Management Responsibilities Handbook	Loss of funds, violation of laws, violation of internal controls	Yes	High	High	Quarterly	Provost and appropriate Vice President
<b>Reconciliations - Leave Balance</b>	HOOP 10.7.1, U.T. System Regent Rules, 1994 & 1996 Internal Control Action Plan, Management Responsibilities Handbook	Loss of funds, violation of laws, violation of internal controls	Yes	High	High	Quarterly	Provost and appropriate Vice President
<b>Security Awareness Training</b>	HR provides security training as per TAC 202.77d & 202.77e for all new employees within 30 days of employment at UTB. Part-time staff and faculty:1. I.S. provides new part-time employee listings to department managers weekly.	Exposes the institution to actual or potential monetary loss through the compromise of information resources security.	Yes	High	High	Quarterly	Director of Human Resources
<b>Sexual Harassment</b>	Title V11 of the Civil Rights Act of 1964 as amended; Texas Commission on Human Rights Act; Texas Labor Code; UTB/TSC HOOP Policy	Could lead to charges of sexual harassment being filed with the Texas Commission on Human Rights (TCHR) or Equal Employment Opportunity Commission (EEOC). Could result in lawsuits, penalties, damages, and adverse media coverage	No	High	High	Quarterly	Director of Human Resources

## MONITORING PLAN MATRIX CONTROLS

1. Each risk in a high-risk area should be a separate entry or line.
2. Operating Controls – These are controls that are embedded in the process and are provided by the workers in the process to insure that process objectives are achieved. They apply to every transaction or event.
3. Monitoring Controls – These are controls performed within the process, or immediately after the process is completed, by first line supervisors or their representatives to insure workers in the process are properly executing the operating controls. They are usually applied to a sample of all transactions.
4. Oversight Controls – These are controls performed, on a frequent and regular basis, outside the process but still within the line management hierarchy by middle or senior managers and their representatives to gauge the existence and effectiveness of operating and monitoring controls. They are usually performed on a sample of the items subjected to monitoring controls. Internal Audit is NOT an oversight control.

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
<b>Application Systems Logical Access</b>	<ol style="list-style-type: none"> <li>1. Access listings prepared the first working day of each month by Information Systems.</li> <li>2. Information Systems sends respective reports to data owners detailing which users in all departments have access to their data.</li> <li>3. Data owners review the reports and acknowledge the review by their signature on a paper copy of the email.</li> <li>4. Data owners forward the signed copy of the email to Information Systems for filing.</li> <li>5. Data owners submit changes requests to Information Systems if any unauthorized users are found on the lists.</li> <li>6. Information Systems removes access from unauthorized users, if any.</li> </ol>	<ol style="list-style-type: none"> <li>1. Information Systems inspects for timely report generation and delivery to data owners.</li> </ol>	<ol style="list-style-type: none"> <li>1. Information Systems Management signs and dates paper copy of email sent to Information Systems as a data owner which ensures that all other reports were also generated.</li> <li>2. Data owners will sign and date their paper copy of email and forward to Information Systems.</li> <li>3. Information Systems will maintain a filing systems of all data owners signed emails.</li> </ol>	<ol style="list-style-type: none"> <li>1. Corporate Compliance Manager will randomly select data owners to review for compliance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Corporate Compliance Manager signs and dates the email copies of selected data owners and files a copy.</li> </ol>

## MONITORING PLAN MATRIX CONTROLS

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
<b>Asset Management</b>	New Purchases/Removal of Equipment from Inventory Account Managers and custodians are required to attend mandatory training for proper safeguarding, custody, and removal of equipment from inventory (I.e. transfers, sales, trade-ins, cannibalization, etc).	Business Office reviews account manager training log in training post.	Training post log.	Compliance function will periodically sample training post log to account manager roster.	Sign and initial work papers of sample items selected and reviewed.
	Annual Inventory Account Managers are required to sign a "Certification of Completed Inventory" form.	Business Office reviews account manager roster against completed "Certification of Completed Inventory" form.	Signature and date on completed form.	Compliance function will periodically sample certification form to account manager roster.	Sign and initial work papers of sample items selected and reviewed.
<b>Endowment Compliance - Scholarships/Fellowships, Miscellaneous and Chairs</b>	Distribution of the Endowment Agreement from the Advanced Services Office to the designated department. Designated department will sign the Memorandum of Understanding (MOU) as acknowledgement of receipt of new endowment.	Endowment Coordinator will review compliance of the MOU to ensure proper management of endowment agreement requirements. The Endowment Coordinator will use a checklist to perform inspections for all endowments.	The Director of Advancement Services will sign and date the checklist.	The Corporate Compliance Manager will periodically sample a random selection of endowments and review compliance with all applicable rules and regulations.	The Corporate Compliance Manager will sign and date documents.
<b>Endowment Compliance Training</b>	The Advancement Services Office will provide annual endowment training to respective staff and faculty.	The Endowment Coordinator will identify staff and faculty for training.	The Director of Advancement Services will sign and date the sign-in sheet.	The Corporate Compliance Manager will periodically sample sign-in sheets for compliance.	The Corporate Compliance Manager will sign and date documents.

## MONITORING PLAN MATRIX CONTROLS

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
<p><b>Equal Employment Opportunity/Employment Discrimination</b></p>	<ol style="list-style-type: none"> <li>1. New employees are scheduled into training classes that review policies on prohibiting discrimination in employment activities during New Employee Orientation.</li> <li>2. Retraining is required every two years for all employees. This training is done on the Training Post web site.</li> </ol>	<ol style="list-style-type: none"> <li>1. New employee signature on acknowledgement of receipt of training in Equal Employment Opportunity/ Employment Discrimination during New Employee Orientation.</li> <li>2. The Training Post records employee completion of training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Human Resources Development Manager reviews training attendance sheets and agenda to assure that newly hired employees scheduled to attend New Employee Orientation attended and that the orientation included the required Equal Employment Opportunity/ Employment Discrimination training.</li> <li>2. Human Resources Development Manager reviews Training Post records of employees scheduled for training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Director of Human Resources initials and dates review of training attendance sheets for New Employee Orientation (NEO).</li> <li>2. Director of Human Resources initials and dates Training Post records.</li> <li>3. Director of Human Resources initials and dates supervisory training attendance sheets.</li> </ol>	<ol style="list-style-type: none"> <li>1. Office of Human Resources (OHR) report to Vice Presidents of all new employees scheduled, but also did not attend the New Employee Orientation and a report on employees scheduled on Training Post for retraining who did not complete training by due date.</li> <li>2. OHR report to Compliance Manager on number scheduled and number trained.</li> </ol>

## MONITORING PLAN MATRIX CONTROLS

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
<p><b>Financial Aid Eligibility/Fund Management</b></p>	<p>Awarding rules and satisfactory academic progress rules are set up in Colleague to insure that students are eligible and awarded based on specific fund requirements. Manual awards are reviewed by staff other than processors.</p>	<p>On a quarterly basis, program coordinators select a random sample of 25 student files from a program area other than their own (grants, loans, scholarships and work-study, professional judgments, and manual awards/adjustments) to check for eligibility and overawards. Awarding rules and satisfactory academic progress rules are tested prior to the new academic year.</p>	<p>List of 25 awards and special files are signed and dated by the coordinators and an assistant director and filed in the Compliance Binder. Rules test files are provided to the Director for review.</p>	<p>Director confirms that 25 award files were selected and spot checks for eligibility and accuracy, overawards proper adjustments and sound professional judgment decisions. Directors reviews test files for rules and determines that the rules conform to funds management regulations and guidelines.</p>	<p>Director signs and dates list of 25 awards and relays findings in the Quarterly Report to the Compliance Committee.</p>
<p><b>Financial Aid Reporting</b></p>	<p>Federal FISAP report is generated through Colleague, Texas Higher Education Coordinating Board fund reports information is extracted from Colleague, and the THECB Database report is prepared with the assistance of IS programmer(s).</p>	<p>Program coordinators compare Financial Aid report results with Business Office accounting ledger data.</p>	<p>Reports are reviewed and signed by the program coordinators and an assistant director and filed in the program binders and/or electronic files.</p>	<p>The Director confirms that reports were prepared accurately and in a timely manner, transmitted/mail before the deadlines, and that appropriate signatures were collected.</p>	<p>Director relays findings in the Quarterly Report to the Compliance Committee.</p>

## MONITORING PLAN MATRIX CONTROLS

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
<b>Fire Safety</b>	Training of new fire wardens. Retraining of fire wardens once per year by EH&S using the Training Post.	Documentation of new training and of Training Post training.	New training - signatures of all trained; Retraining - completed listing from Training Post roster from Human Resources.	Director of EH&S reviews training documents.	Date and signature on all of the Director of EH&S on training documents.
	EH&S Office conducts annual fire safety inspections of the buildings.	The Director of EH&S reviews fire inspection checklists for each building.	Inspection checklists signed and dated by the Director of EH&S.	Compliance Manager will periodically sample inspection documents.	Signature of the Corporate Compliance Manager on the checklist.
	EH&S Office performs evacuation drills of the buildings or tabletop simulations can be conducted.	The Director of EH&S reviews building inspection forms used during evacuation or tabletop exercise.	Building inspection form signed and dated by the Director of EH&S.	Compliance Manager will periodically sample inspection documents.	Signature of the Corporate Compliance Manager on the inspection documents.
<b>Grants and Contracts</b>					
Unallowable Expenditures	OSP trains PI on A-21 allowable and unallowable expenditures.	Associate Dean periodically reviews log of all PI's briefed during the quarter.	Signatures and date of Associate Dean on log certifies those trained.	The Corporate Compliance Manager periodically reviews training log.	Signature and date of Compliance Director on log.
	PI authorizes the procurement of all expenditures and performs cost center reconciliation.	OSP periodically samples expenditures and reviews reconciliations for accuracy.	Signed and dated workpapers by OSP.	Associate Dean periodically samples workpapers and reports noncompliance.	Signature and date of Assoc. Dean on workpapers and documentation of any reports made.

## MONITORING PLAN MATRIX CONTROLS

High-Risk Area	Operating Control	Monitoring Control	Evidence of Monitoring Control	Oversight Control	Evidence of Oversight Control
Non Performance	Fiscal Colleague Reports % of funds spent	OSP reviews all active grant Colleague reports on a quarterly basis, identifies grants that are significantly under-spending, and provides assistance.	Signatures and date of Assoc. Dean on quarterly log of accounts reviewed and assistance provided.	The Corporate Compliance Manager periodically reviews log.	Signature and date of The Corporate Compliance Manager on log. Reporting Requirements
Reporting Requirements	OSP briefs PIs on contract reporting requirements.	Associate Dean periodically reviews log of all PI's trained during the quarter.	Signatures and date of Associate Dean on log certifies those trained.	Compliance Manager periodically reviews training log.	Signature and date of Compliance Manager on log.
	OSP maintains master report calendar to remind PI of report due dates when sponsor agencies do not issue reminders.	Associate Dean periodically reviews log of reminders sent.	Signatures and date of Associate Dean on spreadsheet.	The Corporate Compliance Manager periodically reviews spreadsheet.	Signature and date of The Corporate Compliance Manager on spreadsheet.
<b>Hazardous Materials &amp; Chemicals</b>	Posting of the hazardous communications placards & safety procedures by lab coordinators	Physical inspection of the laboratories by EH&S personnel using checklist.	Inspection checklist signed and dated by EH&S personnel.	The Director of EH&S will review inspection documents.	Signature and date of the Director of EH&S on the inspection documents.
	Ensure correct sorting and storage of chemicals & waste materials by laboratory associates.	Physical inspection of the laboratories and shops by EH&S personnel using checklist.	Inspection checklist signed and dated by EH&S personnel.	The Director of EH&S will periodically sample inspection documents.	Signature and date of the Director of EH&S on the inspection documents.
	Request for EH&S work orders for disposal of hazardous waste by laboratory associates.	UTB/TSC hazardous material is scheduled by EH&S using state disposal contract.	Signature of Teris on manifest and chemical waste log.	The Director of EH&S reviews manifest and chemical waste log.	Signature of the Director of EH&S on manifest and chemical waste log.

## MONITORING PLAN MATRIX CONTROLS

	Training of new faculty, lab coordinators, shop/lab instructors each year by EH&S personnel. Renewal of same by Training Post.	The Director of EH&S confirms all required personnel as trained through the use of the training rosters and from the Training Post.	Date and signature and date of the Director of EH&S on the face-to-face training rosters as well as the Training Post rosters from Human Resources.	Compliance Manager will periodically review training rosters and Training Post documents.	Date and signature and date of the Compliance Manager on the training rosters and the Training Post documents.
<b>Reconciliations - Cost Center: Account Manager Responsibility and Segregation of Duties</b>	Cost Center reconciliations performed under the supervision of Account Managers.	Divisional Vice Presidents designee will review each cost center reconciliation to ensure compliance of Account Managers.	Signed and dated approvals by Vice Presidents of designee of each division.	Compliance function will periodically sample for approvals.	Signature of Compliance manager on work papers of sample items selected and reviewed.
<b>Reconciliations - Leave Balance: Account Manager Responsibility and Segregation of Duties</b>	Employee leave reconciliations performed under the supervision of Account Managers.	Divisional Vice Presidents designee will review each departmental leave reconciliation to ensure compliance of Account Managers.	Signed and dated approvals by Vice Presidents or designee of each division.	Compliance function will periodically sample for approvals.	Signature of Compliance Manager on work papers of sample items selected and reviewed.

## MONITORING PLAN MATRIX CONTROLS

<p><b>Security Awareness Training</b></p>	<ol style="list-style-type: none"> <li>1. HR provides security training as per TAC 202.77d &amp; 202.77e for all new employees within 30 days of employment at UTB. Part-time staff and faculty: 1. I.S. provides new part-time employee listings to department managers weekly.</li> <li>2. HR informs all employees of pending security awareness training which must be provided every 2 years, this is done on the Training Post web site. Managers ensure that new P/T employees receive training via Training Post by having employee print blank certificate, sign it, and sending it to HR for inclusion in employee's records.</li> </ol>	<ol style="list-style-type: none"> <li>1. New employees' signature on acknowledgement of receipt of Security Awareness Training during New Employee Orientation (NEO)</li> <li>2. Training Post records employee completion of training. HR reviews receipt of signed certificates from P/T employees and notifies I.S. of non-compliance. I.S. notifies employee's supervisor of non-compliance.</li> </ol>	<ol style="list-style-type: none"> <li>1. H.R. Development Manager reviews training attendance sheets and agenda to assure that newly hired employees scheduled to attend NEO attended and that the orientation included the required Security Awareness Training.</li> <li>2. H.R. Development Manager reviews Training Post records of employees scheduled for training. H.R. lists receipts of certificates. I.S. maintains copies of emails sent for non-compliance.</li> </ol>	<ol style="list-style-type: none"> <li>1. H.R. Director initials and dates review of training attendance sheets and agenda for NEO.</li> <li>2. H.R. Director initials and dates Training Post records. Compliance reviews H.R. and I.S. documentation.</li> <li>3. H.R. Director reports to I.S. Director employees not in compliance with Security Awareness Training within the required time period.</li> </ol>	<ol style="list-style-type: none"> <li>1. H.R. Director reports to Vice Presidents of all employees not complying with the required Security Awareness Training</li> <li>2. H.R. reports to Corporate Compliance Manager on numbers scheduled, number trained and number not in compliance.</li> </ol>
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## MONITORING PLAN MATRIX CONTROLS

<p><b>Sexual Harassment</b></p>	<ol style="list-style-type: none"> <li>1. New employees are scheduled into training classes that review policies on prohibiting sexual harassment during New Employee Orientation.</li> <li>2. Retraining is required every two years for all employees. This training is done on the Training Post Web site.</li> </ol>	<ol style="list-style-type: none"> <li>1. New employee signature on acknowledgement of receipt of Sexual Harassment Training during New Employee Orientation (NEO).</li> <li>2. Training Post records employee completion of training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Human Resources Development Manager reviews training attendance sheets and agenda to assure that newly hired employees scheduled to attend NEO attended and that the orientation included the required sexual harassment training.</li> <li>2. HR Development Manager reviews Training Post records of employees scheduled for training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Director of Human Resources initials and dates review of training attendance sheets and agenda for New Employee Orientation.</li> <li>2. Director of Human Resources initials and dates training post records.</li> </ol>	<ol style="list-style-type: none"> <li>1. Office of Human Resources report to Vice Presidents of all new employees scheduled, but also did not attend the New Employee Orientation and a report on employees scheduled on Training Post for retraining who did not complete training by due date.</li> <li>2. Office of Human Resources report to Compliance Manager on number scheduled and number trained.</li> </ol>
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# TRAINING & MONITORING

## TRAINING

Specialized training will be defined and developed by specific needs identified in the risk assessment. Some of the areas where specialized training may be developed include, but are not limited to, Hazard Communications, Bio-hazardous Waste Management and Laboratory Safety. In addition, all employees whose job duties require them to work in high risk rated areas will also attend specialized training. The "A" risk responsible party will document specialized training activities to ensure that full-time, part-time and student employees receive training that is required by regulations. UTB/TSC will assess current training offerings on campus and will augment and supplement that training as needed. The Training Plan outlines the highest priority risk areas and associated training programs.

## MONITORING

Each identified high-risk area will have an associated monitoring plan. Monitoring functions may include: periodic inspections, random sampling, certification, departmental self audits, and reporting to Corporate Compliance Committee on a regular basis.

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<b>Asset Inventory Management</b>	Business Office Director  Training will be provided to account managers through the training post. The Director of Business Office and other Business Office employees regularly attend training conducted by the state, U.T. System, and other affiliated agencies to stay abreast of requirements	The Director of Business Office receives all Account Manager Inventory Certifications and reviews the training post logs to ensure compliance.	The committee receives a quarterly compliance/noncompliance report prepared by the Director of Business Office.
<b>Endowment Compliance</b>  Risk of non-compliance with the endowment agreement	The Office of Advancement Services	The Office of Advancement Services will review endowments expenditures and endowment recipient records provided by Datatel and Financial Aid respectively to ensure compliance with endowment agreement. If the endowment expenditures and the endowment recipient are not completing those terms as set forth by the endowment agreement, Advancement Services will notify the College or Department responsible, Financial Aid Office and the Compliance Committee.	The Office of Advancement Services will monitor and report any non-compliance, provide status report on new endowments for UTB/TSC and provide quarterly certification letter to the Compliance Office.

## TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<b>Endowment Compliance (cont...)</b> Inadequate training of personnel in endowment processes	The Office of Advancement Services will attend an annual training held at UT System.	The Office of Advancement Services will provide annual training on endowment compliance to staff and faculty. Informal training sessions are held as needed.	
<b>Equal Employment Opportunity/Employment Discrimination</b>	<ol style="list-style-type: none"> <li>1. Director of Human Resources</li> <li>2. Training is required by State Statue for all new hires within 30 days of hire.</li> <li>3. Retraining is required every two years for all employees.</li> <li>4. Individual employees may be required to attend training more often due to a triggering event</li> </ol>	<ol style="list-style-type: none"> <li>1. Supervisors receive a notice that their new employees are scheduled to attend training within first 30 days of employment.</li> <li>2. Supervisors receive notice when their employees are scheduled for retraining.</li> </ol>	Committee receives quarterly activity report on employees due for training and training completed.  Director of Human Resources submits a Letter of Certification or Non-Certification quarterly.

## TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<p><b>Financial Aid/Loan Funds</b></p> <p>Fiscal Management</p> <p>Financial Aid Policies and Procedures</p> <p>Manual Awarding of Special Programs</p> <p>34 CFR 668.16-17 and 34 CFR 668.25 Title IV Program Administration in accordance with relevant statutory provisions.</p> <p>34 CFR 668, Subpart A Financial need determination and satisfactory academic progress.</p> <p>Texas Higher Education Coordinating Board Rules-State Programs</p> <p>Veteran's Affairs Rules and Regulations</p>	<p>Director of Financial Aid</p> <ol style="list-style-type: none"> <li>1. Financial Aid training to include eligibility, need determination, satisfactory progress, and special programs is required for all new employees.</li> <li>2. Retraining of staff is required when restructuring of responsibilities occurs.</li> <li>3. Training for new or updated regulatory provisions is required at least 30 days prior to effective date of implementation.</li> <li>4. Select employees may be required to attend specialized training such as Department of Education Update Training Workshops and Satellite Video Conferences, Texas Higher Education Coordinating Board Workshops, Texas Guaranteed Student Loan Workshops and conferences and U.T. Telecampus Video Training Sessions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Training and staff meetings are documented on Financial Aid Calendar of Activities.</li> <li>2. Policies and Procedures are reviewed annually for compliance by the Director and Administrative Team; revisions are made as warranted by changes in rules and regulations. Director signs and dates relevant changes.</li> <li>3. Funding allocations are monitored continuously by the program coordinators and Director via the Colleague System to ensure awards are within program spending levels.</li> <li>4. Financial aid staff review file documentation (hard copy or electronic record) for accuracy and Colleague assigns awards based on applicable regulatory mandates and institutionally defined policies. Twenty-five student files from each area (grants, loans, scholarships, work-study) will be reviewed quarterly.</li> </ol>	<p>The Director of Financial Aid will distribute quarterly activity reports to the Compliance Committee regarding: award eligibility and special training.</p> <p>The Director of Financial aid will submit a Letter of Certification of Compliance or Non-Compliance to the Compliance Committee</p>

## TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<p><b>Fire Safety</b></p> <ol style="list-style-type: none"> <li>1. Fire warden training.</li> <li>2. Fire safety inspection of buildings.</li> <li>3. Evacuation drills or tabletop exercises.</li> </ol>	<p>Director of EH&amp;S:</p> <ol style="list-style-type: none"> <li>1. Ensure new fire wardens are trained and existing fire wardens are re-trained annually using Training Post</li> <li>2. Ensure annual fire safety inspections are conducted using building inspection checklist.</li> <li>3. Hold/evaluate actual and/or tabletop building evacuation drills.</li> </ol>	<ol style="list-style-type: none"> <li>1. Each department assigns two fire wardens for training.</li> <li>2. Department must comply with inspection criteria.</li> <li>3. Complete/evaluate annual fire drill.</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly activity reports for new fire warden training and existing fire warden re-training.</li> <li>2. Quarterly activity report consisting of % of building inspected.</li> <li>3. Quarterly activity report of annual fire drill activities.</li> <li>4. Director of EH&amp;S submits a letter of certification or non-certification to the compliance committee on a quarterly basis.</li> </ol>

# TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<p><b>Grants and Contracts Management</b></p> <ol style="list-style-type: none"> <li>1. OMB Circular A-21</li> <li>2. Costing Principles for Educational Institutions</li> <li>3. OMB Circular A-110</li> <li>4. Grants and Agreements Made with Institutions of Higher Education</li> <li>5. UT System Policy</li> <li>6. UTB/TSC Policy</li> </ol>	<p><u>Assoc. Dean, Sponsored Programs</u></p> <p>PI/PID participates in PI Briefing with OSP to review expenditure, reporting, and T&amp;E requirements.</p> <p>Training is coordinated by Office of Sponsored Programs.</p> <p>Departments are notified on incidences of non-compliance.</p> <p>Assoc. Dean and OSP staff regularly participates in training conducted by UT System and funding agencies to stay current on requirements.</p>	<p>OSP procedures, posted on website, inform all parties to of the PI Briefing procedure.</p> <p>PI/PID's participate in PI Briefing with OSP within 10 days of receiving contract to set-up budget and certify acceptance of compliance responsibilities.</p>	<p>The committee receives a quarterly activity report for</p> <ol style="list-style-type: none"> <li>1. <u>Non performance</u> The number of grants identified as under-spending (assistance provided) compared to the number reviewed.</li> <li>2. <u>Unallowable Expenditures</u> The number PIs trained compared to number of new grants awarded. The number of grants sampled versus those identified as having non-allowable expenditures.</li> <li>3. <u>Reporting Requirements</u> The number of PIs trained versus of number of new grants awarded. The number of report reminders sent versus the number of verifications received on reports submitted.</li> <li>4. <u>PI Briefing</u> The number of PI/PID's trained versus number of new awards during the quarter.</li> <li>5. OSP Assoc. Dean submits a letter of certification or non certification quarterly to the Corporate Compliance Committee.</li> </ol>

# TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<p><b>Hazardous Materials &amp; Chemicals</b></p> <ol style="list-style-type: none"> <li>1. Hazardous Communications Act</li> <li>2. National Security Act</li> <li>3. RCRA - Resources Conservation Recovery Act</li> <li>4. Clean Water Act</li> <li>5. Clean Air Act</li> <li>6. Toxic Substance Control Act</li> </ol>	<p>Director of EH&amp;S:</p> <ol style="list-style-type: none"> <li>1. Inspection of shops/labs for placards &amp; safety procedures.</li> <li>2. Inspection of shops and labs for correct sorting and storage of chemical materials.</li> <li>3. Disposal of hazardous waste materials.</li> <li>4. Training of new faculty, lab coordinators, and shop/lab instructors</li> </ol>	<ol style="list-style-type: none"> <li>1. Post hazardous-communications placards and safety procedures.</li> <li>2. Maintain segregated hazardous materials storage.</li> <li>3. Communicate with EH&amp;S for disposal of chemical waste.</li> <li>4. Provide EH&amp;S with list of new personnel to be trained.</li> <li>5. Complete annual lab/shop training through the Training Post.</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly activity report of lab inspections for placards and safety procedures.</li> <li>2. Quarterly inspection activity report of lab/shops for correct sorting/storage of chemical waste.</li> <li>3. Annual report for disposal of hazardous waste.</li> <li>4. Quarterly report of new faculty, lab coordinators, and lab instructors.</li> <li>5. Quarterly activity report for annual training using Training Post.</li> <li>6. Director of EH&amp;S submits a quarterly letter of certification or non-certification to the Compliance Committee.</li> </ol>
<p><b>Reconciliations - Cost Center &amp; Leave Balance</b></p>	<p>Divisional Vice Presidents  Reconciliation Coordinators, Account Managers, and Divisional Vice President's will attend account reconciliation training presented by the Internal Audit department to ensure compliance to state and UT System requirements.</p>	<p>Account Managers approve all cost center and leave reconciliations under their authority. Quarterly review by their divisional Vice President or designated person to ensure compliance.</p>	<ol style="list-style-type: none"> <li>1. The Compliance Committee receives a general report prepared by each Divisional Vice President summarizing any reconciliation activities for the quarter.</li> <li>2. Each Divisional Vice President submits a Letter of Certification or Non-Certification each quarter to the Compliance Committee.</li> </ol>

## TRAINING & MONITORING

COMPLIANCE AREA/ COMPLIANCE ISSUE	RESPONSIBLE PARTY AND TRAINING	DEPARTMENTAL COMPLIANCE ACTIVITIES	COMPLIANCE COMMITTEE MONITORING REQUIREMENTS
<b>Security Awareness Training</b>	<ol style="list-style-type: none"> <li>1. Information Systems will coordinate security awareness with Human Resources.</li> <li>2. Information Systems is responsible for training Human Resources to deliver new employee orientation/re-training.</li> <li>3. Human Resources will deliver training at new employee orientations and maintain logs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Supervisors receive a notice from Human Resources that their new employees are scheduled to attend training within the first 30 days of employment.</li> <li>2. Supervisors receive notice from Human Resources when their employees are scheduled for re-training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliance Committee receives quarterly activity report from Human Resources on employees due for training and trainings completed.</li> <li>2. Human Resources Director will submit letter of Certification or Non-Certification quarterly.</li> </ol>
<b>Sexual Harassment</b>	<ol style="list-style-type: none"> <li>1. Director of Human Resources</li> <li>2. Training is required by State Statue for all new hires within 30 days of hire.</li> <li>3. Retraining is required every two years for all employees.</li> <li>4. All employees must complete biennial retraining.</li> <li>5. Individual employees may be required to attend training more often due to a triggering event</li> </ol>	<ol style="list-style-type: none"> <li>1. Supervisors receive a notice that their new employees are scheduled to attend training within first 30 days of employment.</li> <li>2. Supervisors receive notice when their employees are scheduled for retraining.</li> </ol>	<p>Committee receives quarterly activity report on employees due for training and trainings completed.</p> <p>Director of Human Resources submits a Letter of Certification or Non-Certification quarterly.</p>