

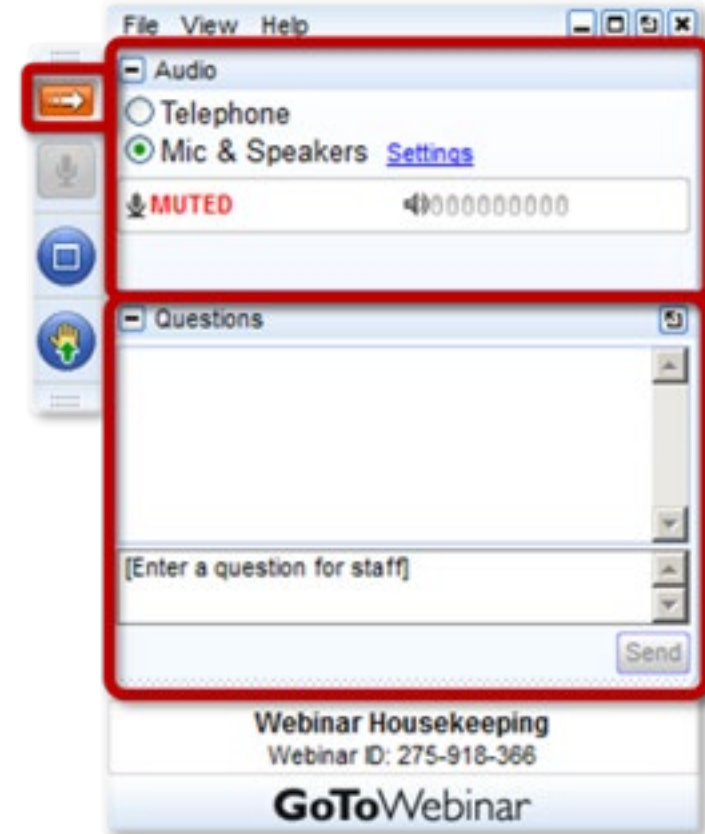
# Cutting Through the Clutter of Compliance – How Boards can Enhance Institutional Compliance with an Objective Review

September 22, 2021

# Interact With Us

Recording will be made available post-session

Questions are encouraged



# Speakers

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**Ashley Deihl**, partner, higher education practice, Baker Tilly

**Terra DuBois**, chief compliance, ethics, and privacy officer,  
University of Florida

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# Cutting through the clutter of compliance

*How boards can enhance institutional compliance with an objective review*


September 22, 2021



# Agenda

- Introductions and learning objectives
- Higher education compliance risks and the board's role
- Compliance assessment basics and benefits
- Assessment approaches and tools
- Key takeaways and lessons learned
- Open forum





# Introductions and learning objectives



## Today's speakers

**Terra DuBois, JD CCEP**

Chief Compliance, Ethics, and Privacy Officer  
University of Florida

**Ashley Deihl, CPA CIA CFE**

Partner, Risk Advisory  
Baker Tilly

## Learning objectives

- Understand the key elements (e.g., structures, processes, key activities) and benefits of performing a compliance program assessment
- Discuss compliance risks in higher education and how the board can support compliance through appropriate oversight, accountability, and resourcing
- Learn how to leverage the results of a compliance program assessment within the organization's risk management framework to provide value to institutional stakeholders



POLLING QUESTION

Does your institution have a centralized, institutional compliance program?

- A. Yes
- B. No, but we are considering establishing one
- C. No, and we have no plans to at this time
- D. Unsure



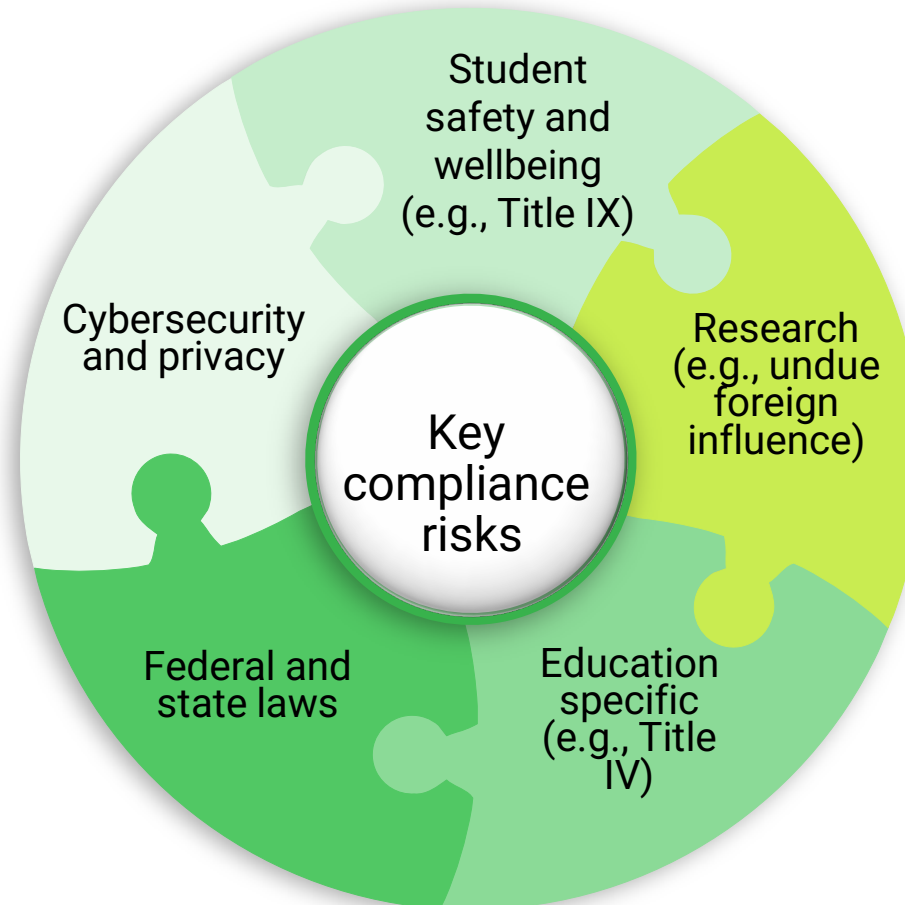
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# Higher education compliance risks and the board's role



COMPLIANCE RISKS AND THE BOARD'S ROLE

# Colleges and universities face an incredible array of compliance expectations



COMPLIANCE RISKS AND THE BOARD'S ROLE

## The Board's role in compliance

- Set the scope of the compliance program
- Support compliance program with staffing and resources
- Approve key policies (per university practice)
- Support compliance office to hold management accountable
- Review regular reporting on the compliance program
- Set the “tone at the top”





# Compliance assessment basics and benefits



COMPLIANCE ASSESSMENT BASICS AND BENEFITS

# Introduction to compliance assessments



Primary objectives of compliance assessments are to:

- **Evaluate the effectiveness and alignment** of an institution's compliance structure and processes with the institution's current and future needs
- **Inform decision-making** for institutional leadership



The engagement team **assesses the structure** of the institution's compliance function **relative to industry leading practices and federal expectations** for compliance programs via a combination of documentation review and interviews of stakeholders



COMPLIANCE ASSESSMENT BASICS AND BENEFITS

# Benefits of a compliance assessment

1. Enhance strategic compliance oversight and **improve alignment of resources** with strategic priorities
2. **Evolve compliance monitoring** and improve responsiveness to compliance and strategic needs
3. Gain clear and **optimized roles and reporting structures**
4. **Expand collaboration efforts** across various compliance functions to drive improvements across the institution
5. **Communicate roles and expectations** for the institution's compliance function to better position itself to support the institution in the future

OVERVIEW OF UF'S COMPLIANCE PROGRAM

# Florida State University System Board of Governors

## Regulation 4.003 – SUS Compliance and Ethics Programs

- Each board of trustees shall implement a university-wide compliance and ethics program (Program) as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures.
- Provides for governance structure and oversight of the Program, CCO authority and responsibility, and consistency with State Code of Ethics and Federal Sentencing Guidelines
- Required Reporting:
  - Annual Program Effectiveness Report to BOT and BOG
  - Five-Year External Review of the Program's design and effectiveness and any recommendations for improvement

OVERVIEW OF UF'S COMPLIANCE PROGRAM

# Program History

2016

- Florida Board of Governors Regulation 4.003 – Requires each SUS university to have an enterprise-wide compliance and ethics program

2017

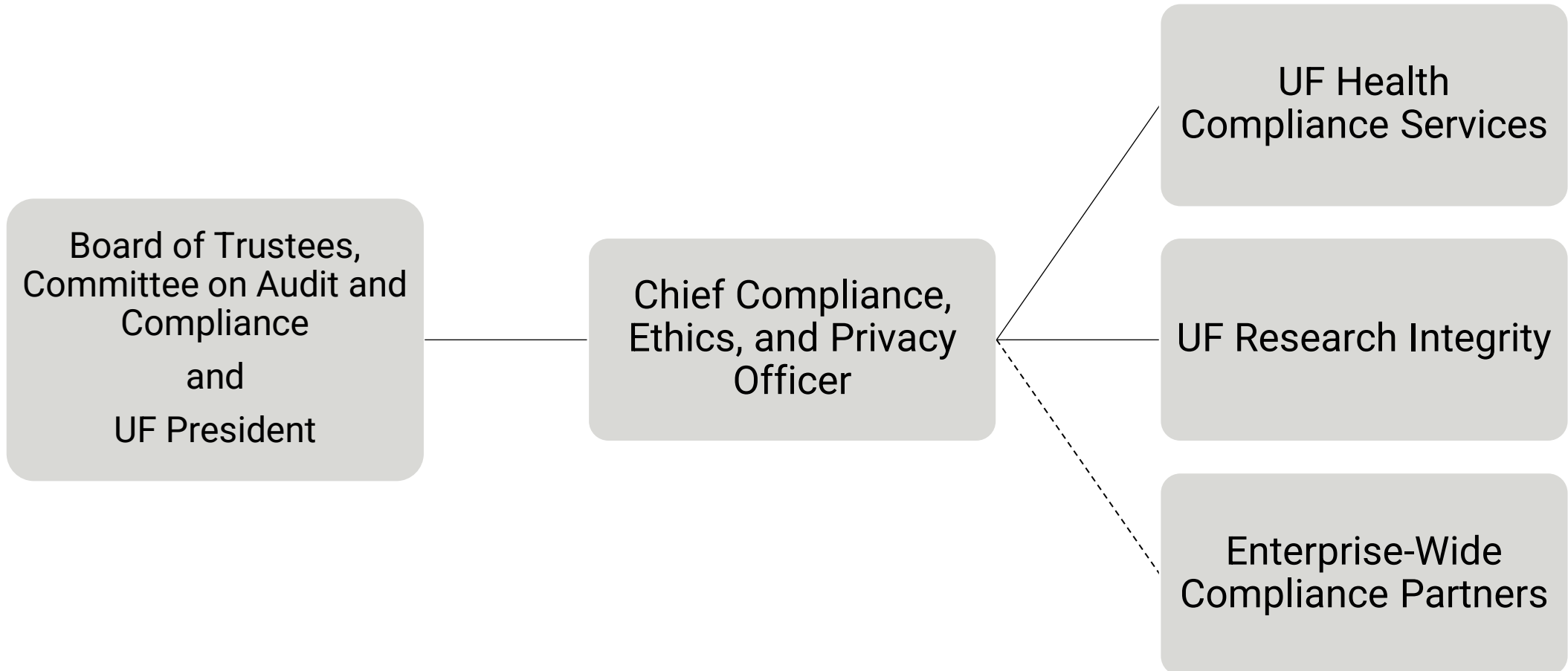
- UF Board of Trustees approves UF's compliance program plan

2020

- Program leadership changes result in enhanced programmatic oversight

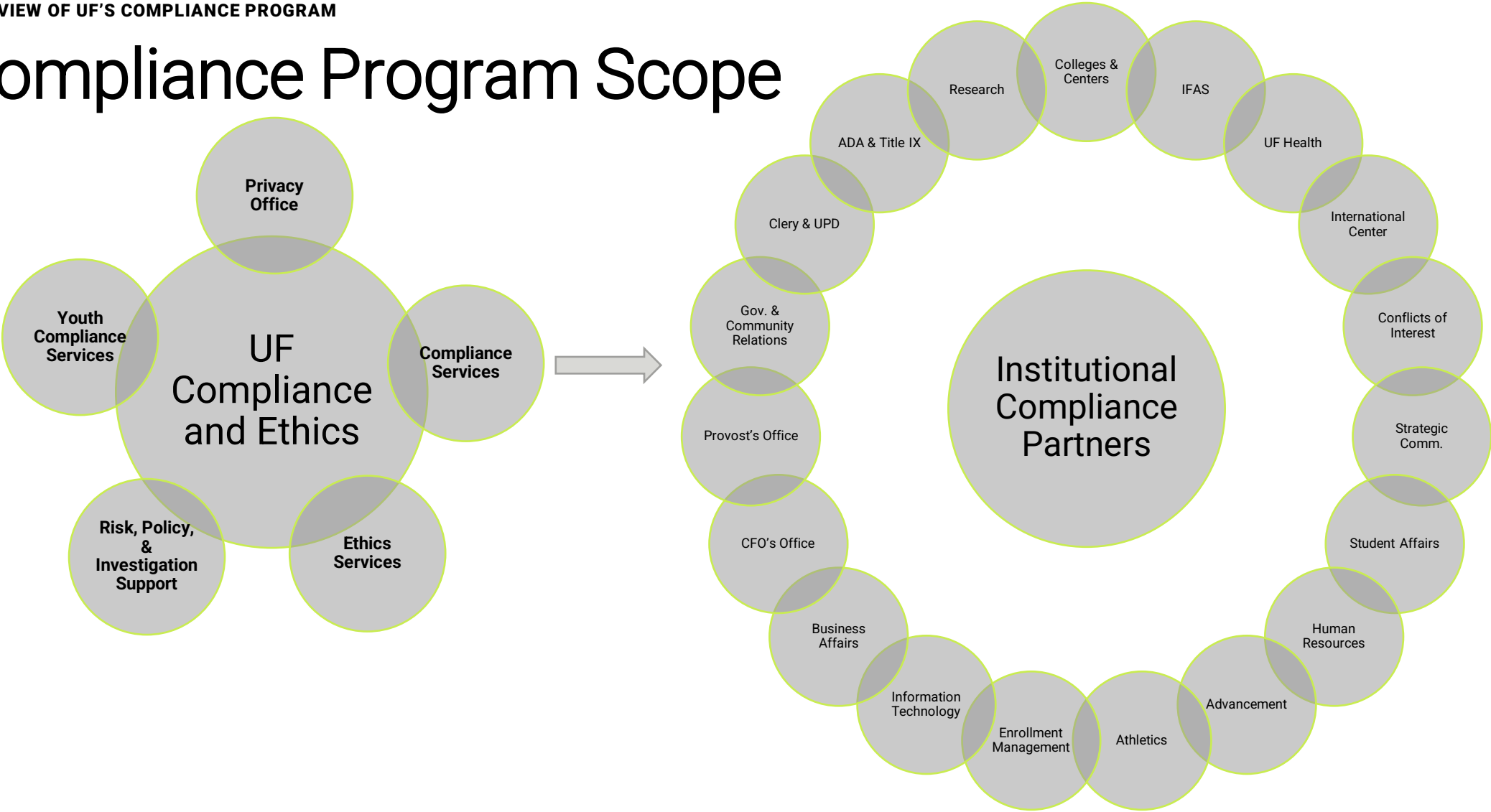
OVERVIEW OF UF'S COMPLIANCE PROGRAM

# Governance Structure



OVERVIEW OF UF'S COMPLIANCE PROGRAM

# Compliance Program Scope



## Objectives of UF's compliance program assessment

### Perform an independent, outside assessment to :

Evaluate UF Compliance and Ethics (UFCE) program related to Board of Governors (BOG) expectations and other state and federal guidelines (e.g., Federal Sentencing Guidelines)

Provide UF with insight into strengths, opportunities, and leading practices for UFCE at this stage in its evolution

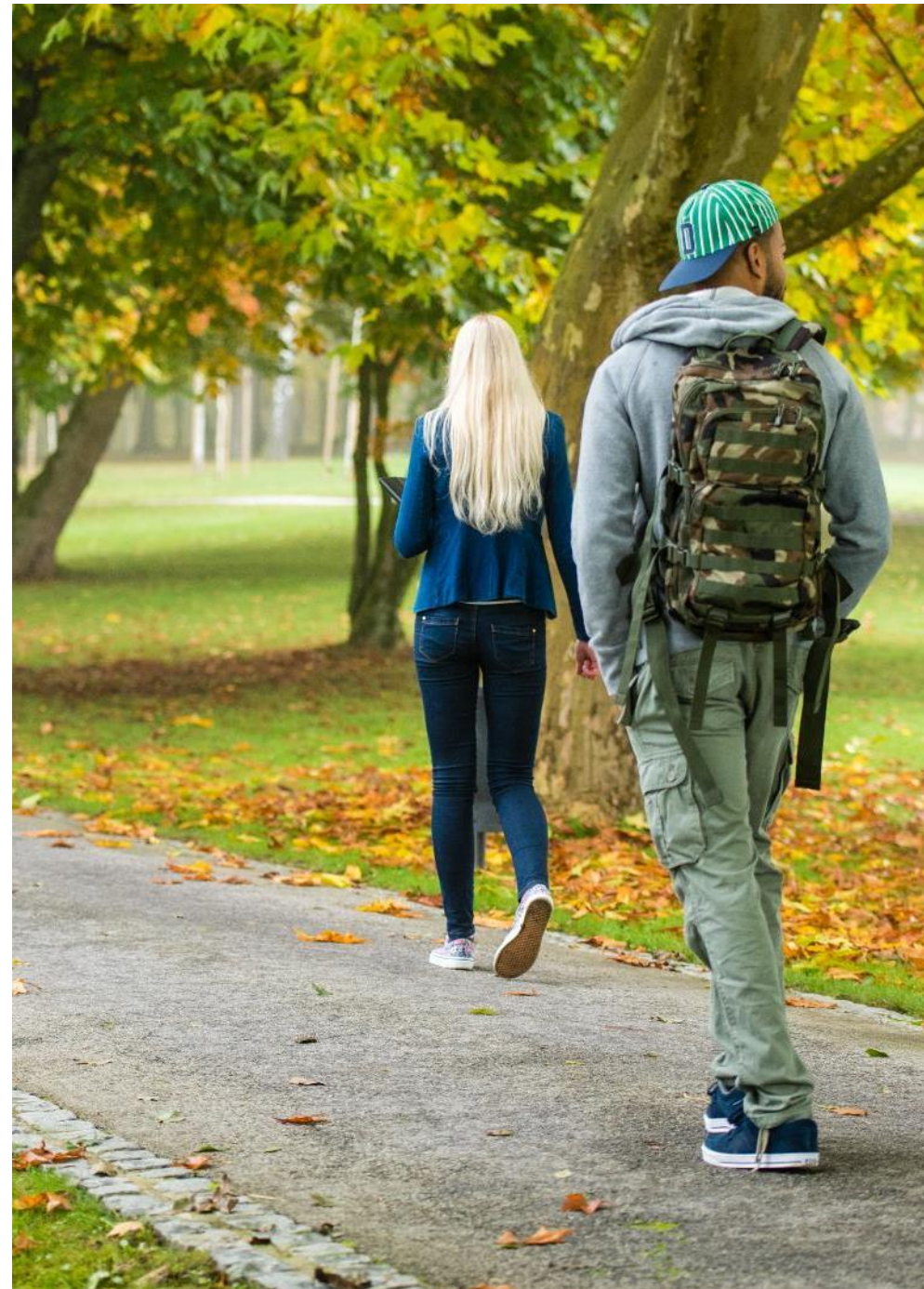
Assess alignment of UFCE's structure and processes with UF's current and future needs to inform decision-making for leadership and identify need for support and resources from executive management and the board where needed



POLLING QUESTION

Has your institution conducted an assessment of its institutional compliance program?

- A. Yes, recently
- B. Yes, but it is probably time to do so again
- C. No, but are planning to do one soon
- D. No, and we currently do not plan to do so
- E. Unsure or not applicable



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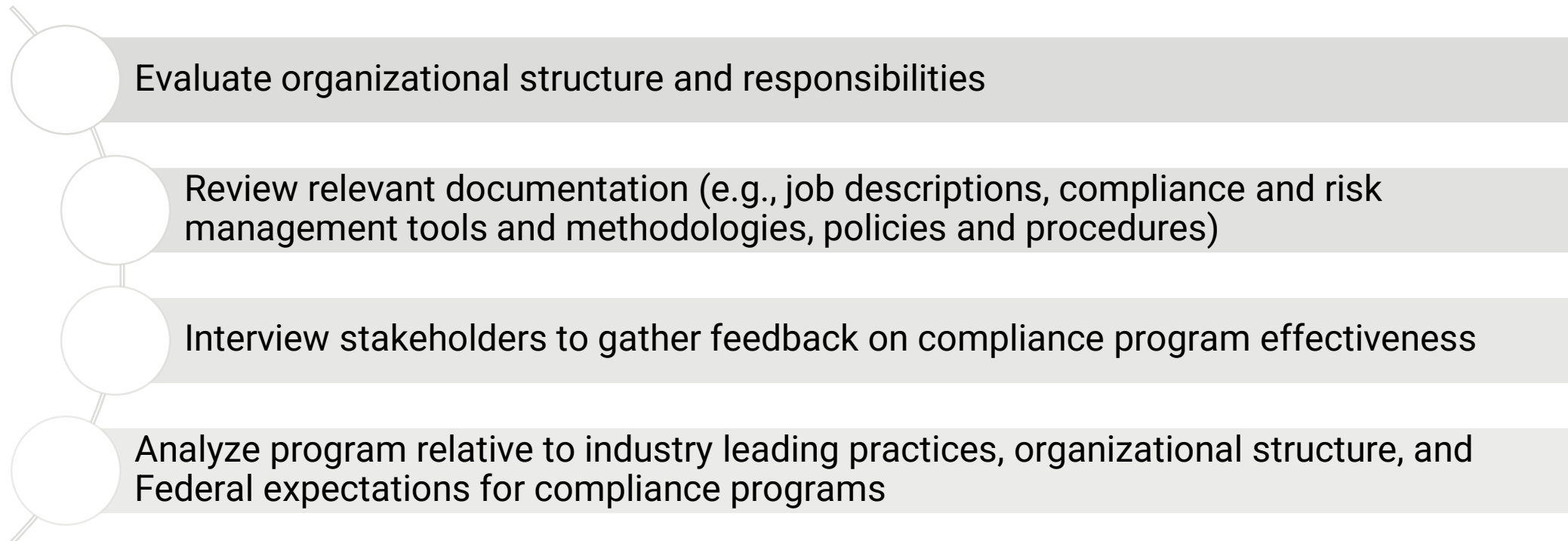
# Assessment approaches and tools





ASSESSMENT APPROACHES AND TOOLS

# Institution-wide compliance assessment process



ASSESSMENT APPROACHES AND TOOLS

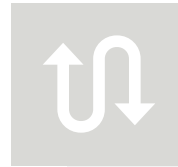
# Assessment considerations for institutions wanting to implement a university-wide compliance program



**Review existing compliance management** activities across the university's many operational areas



**Understand perspectives of senior leadership** regarding structure and alignment of compliance governance and oversight functions



**Develop a roadmap** for formalizing and enhancing existing processes into an evolved, university-wide compliance program



**Facilitate conversation** on recommended holistic institutional compliance approaches with executive stakeholders

ASSESSMENT APPROACHES AND TOOLS

# Key university stakeholders involved in assessment process



POLLING QUESTION

Where does your institutional compliance program reside?

- A. Umbrella organization with Internal Audit and ERM
- B. Umbrella organization with just Internal Audit or ERM
- C. Standalone institutional compliance office
- D. Other or not applicable





ASSESSMENT APPROACHES AND TOOLS

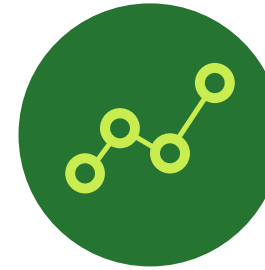
# Compliance assessment frameworks



Three Lines of  
Defense model

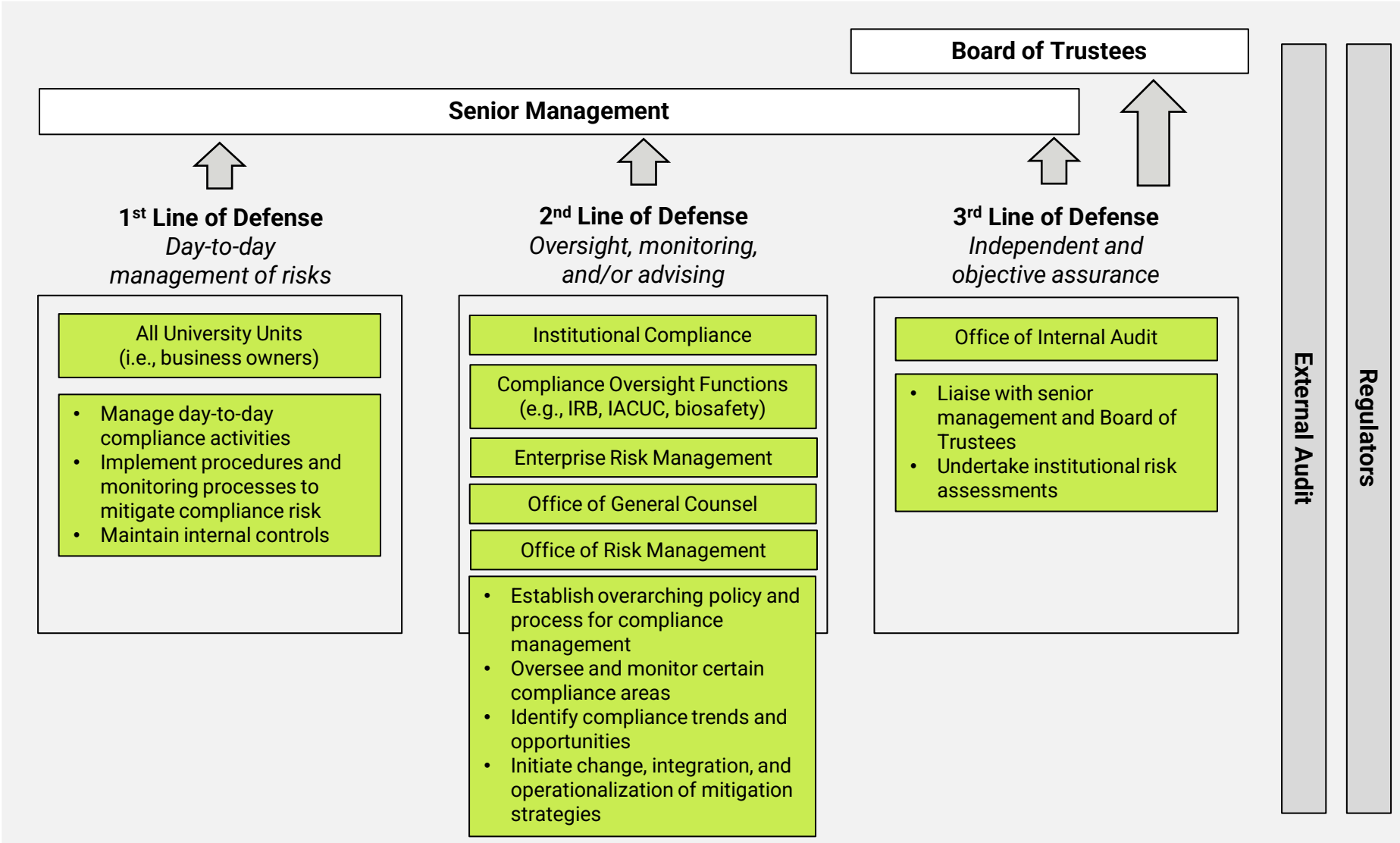


Federal  
Sentencing  
Guidelines



Maturity  
model  
assessment

# Three Lines of Defense model



ASSESSMENT APPROACHES AND TOOLS

# Important elements of a compliance program: Federal Sentencing Guidelines

- Prevention and detection of criminal conduct
- Leadership oversight of the compliance program
- Reject individuals with a history of misconduct from leadership positions
- Effective training on compliance program
- Monitoring of the mechanism used for reporting
- Positive reinforcement/punishment for misconduct
- Initiate investigations in a timely manner
- Implement periodic modifications to compliance program

# Example maturity model

<b>Level 5: Optimized</b> Processes continually improved upon through incremental and innovative advancement.							
<b>Level 4: Managed</b> Management uses defined metrics to monitor and control processes.							
<b>Level 3: Defined</b> Processes are defined, documented, and communicated.							
<b>Level 2: Repeatable</b> Processes are repeatable, possibly with consistent results.							
<b>Level 1: Initial</b> Processes are ad hoc, rarely defined, and dependent on individual accountability.							
	<b>Standards and Procedures</b>	<b>Oversight</b>	<b>Due Diligence Over Delegation of Authority</b>	<b>Communication and Education</b>	<b>Monitoring and Auditing</b>	<b>Enforcement and Discipline</b>	<b>Response and Prevention</b>

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# Lessons learned and key takeaways



LESSONS LEARNED AND KEY TAKEAWAYS

## Potential outcomes from an institution-wide assessment



### **Enhance strategic compliance oversight**

- Involve senior leaders in strategic compliance considerations
- Streamline the risk assessment process



### **Evolve compliance monitoring and analytics**



### **Expand collaboration efforts and communicate roles and expectations for the Office of Institutional Compliance**

- Expand opportunities for sharing leading practices across the university's system
- Coordinate ERM efforts with compliance and internal audit activities



LESSONS LEARNED AND KEY TAKEAWAYS

# Possible institution-wide assessment challenges

- 1 Obtaining buy-in from the compliance program and institutional leadership
- 2 Selecting the right assessment team
- 3 Identifying the right interviewees and sequencing interviews effectively
- 4 Ensuring board involvement, oversight, and support
- 5 Aligning recommendations with institutional culture, strategy, and resources

LESSONS LEARNED AND KEY TAKEAWAYS

## Strengths recognized at UF as a result of the compliance program assessment

- Expertise of Chief Compliance, Ethics and Privacy Officer
- Strong top-down support
- Quality of communication
- Compliance training
- Hotline management team and processes
- Transparent, centralized view of compliance and ethics

LESSONS LEARNED AND KEY TAKEAWAYS

## Enhancements in progress at UF as a result of the compliance program assessment

- Governance and organizational structure
- Strategic oversight and monitoring
- Resourcing
- Program plan alignment



## Key takeaways

- Gain institution-wide buy-in from the start
- Incorporate board perspectives throughout the assessment
- Involve the right stakeholders
- Compare against leading practices and standards for compliance programs
- Clearly establish recommendations and the path, time, and resources needed for implementation



## Additional resources

- [Higher Education Compliance Alliance \(HECA\) compliance matrix](#)
- [Organization for Economic Co-operation and Development \(OECD\) Council's Good Practice Guidance on Internal Controls, Ethics, and Compliance](#)
- [United States Sentencing Commission \(USSC\) elements of an effective compliance program](#)
- [United States Foreign Corrupt Practices Act \(FCPA\) hallmarks of an effective compliance program](#)
- [New York State Office of Medicaid Inspector General Compliance Program Assessment Form](#)





Open forum

## Contact information

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# Upcoming Events

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## Mental Health Issues on Campus: Time for New Solutions

September 23 | 1:00 pm ET

## Next Gen Wealth Transfer

October 19 | 2:30 pm ET

## Retreat for Board Chairs and Presidents of Public Universities and Systems

November 3 | 1 pm ET

## Foundation Leadership Forum *Early Bird Deadline is Sept 30<sup>th</sup>!*

January 30- February 2 | Orlando, FL

# Thank You

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We greatly value your attendance and participation.

Within 48 hours of this webinar you will receive a recording of this webinar, as well as a brief online evaluation.

We kindly request that you share any feedback, and please do not hesitate to contact AGB should you have follow-up questions.

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