

**The University of Texas System
Systemwide Compliance Charter**

The Mission of The University of Texas System is to improve the human condition in Texas, our nation and our world. The System will use its size, diversity, and quality to advance education, push the bounds of discovery, enhance population health, build stronger communities and shape public policy for the common good. Producing high quality human capital with a sense of service and the ability to lead, we will pursue solutions to the problems of our state, our nation and our world. We are a state university system with global impact.

Article I. Systemwide Compliance Mission:

The Systemwide Compliance Program supports The University of Texas System’s eight academic and six health institutions as they work to promote a culture of ethical behavior and to ensure compliance with all applicable policies, laws, and regulations governing higher education, research, and healthcare.

Working with each institution’s compliance officer, the Systemwide Compliance Program endeavors to ensure all UT System institutions have the most accurate, concise, and up-to-date information needed to maintain an effective compliance program and to assess the effectiveness and quality of the institutional programs.

Article II. Collaboration and Communication:

Recognizing our primary mission to foster collaboration and communication, the Office of Systemwide Compliance is committed to an open and honest dialog with each of our institutional partners on all compliance related issues. Collaboration will take many forms, including but not limited to:

- a) Implementing an institutionally chaired Institutional Compliance Advisory Council (ICAC) as further described in the ICAC guidelines;
- b) The creation of subject matter specific ICAC committees staffed with institutional representatives in key areas of academic, research, privacy, and healthcare compliance and specific high risk areas such as medical billing, Title IX, etc.;
- c) Regular in-person contact at the institutions from the Office of Systemwide Compliance;
- d) Identifying and coordinating resources across the U.T. System and the institutions, including subject matter experts, which can assist with specialized compliance requirements as needed;
- e) System attendance at institutional compliance committee meetings; and
- f) Coordinating and facilitating periodic meetings of the institutional compliance officers and their staff on a regular basis.

The goal of these collaborations is to ultimately create a seamless compliance team where the expertise of all of our institutions can be leveraged by any single institution.

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Article III. Oversight:

The oversight and structure of the UT Systemwide Compliance Program shall be based on the guidance of both the US Federal Sentencing Guidelines and the Office of the Inspector General for the US Department of Health and Human Services. To ensure independence it shall be a free standing program with the reporting relationships discussed herein.

Continual oversight is a collaborative effort between System Administration and each institution. With the explicit understanding that there are no one-size-fits-all solutions, effective oversight is a key part of the Systemwide Compliance function. Oversight is proper when it is narrowly tailored to achieve its stated goal of ensuring the effectiveness and quality of institutional compliance programs.

In accordance with The University of Texas System Rules and Regulations of the Board of Regents, Rule 20401, The Chancellor is responsible for ensuring the implementation of a systemwide compliance program.

Article IV. Systemwide Executive Compliance Committee:

Responsibility for oversight of the Systemwide Compliance Program and the execution of the Compliance Charter rests with the Systemwide Executive Compliance Committee (ECC).

The Systemwide ECC is chaired by the Chancellor. Other members include the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel.

Ex-Officio, non-voting members include the Chief Compliance and Risk Officer, the Executive Director/Deputy Compliance Officer, the Chief Audit Executive, the General Counsel to the Board of Regents, and the current chair of the Institutional Compliance Advisory Committee (ICAC).

The Systemwide ECC will meet quarterly and/or at the request of the Deputy Chancellor. Four members of the Systemwide ECC constitute a quorum for voting purposes. Minutes of all meetings will be created and maintained by the Systemwide Compliance Office. The Systemwide ECC responsibilities are to:

- a) Review and approve the risk assessment and the Annual Compliance Work Plan of the Systemwide Compliance Office;
- b) Receive a report and recommendation from the Chief Compliance and Risk Officer regarding the ongoing function and operations of institutional compliance programs;

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- c) Charter compliance advisory committees to study and make recommendations with regard to best practices for high risk areas and report periodically to the Systemwide ECC;
- d) Monitor the progress of the Systemwide Compliance Office regarding the execution of the Annual Compliance Work Plan;
- e) Provide oversight over the U.T. System institutional compliance programs;
- f) Provide guidance on investigations performed by the Chief Inquiry Officer as appropriate;
- g) Review investigation results presented by the Chief Inquiry Officer;
- h) Contribute to the Deputy Chancellor for the annual review of the Systemwide Chief Compliance and Risk Officer and the Systemwide Compliance Office's available resources to ensure that they are adequate; and
- i) Review and approve the Systemwide Compliance Program Charter as well as any revisions to the Charter.

Article V. Chief Compliance and Risk Officer

The Systemwide Chief Compliance and Risk Officer shall report directly to the Deputy Chancellor with unrestricted access to the Chancellor, Systemwide Executive Compliance Committee, and Chair of the Audit, Compliance, and Management Review Committee of the Board of Regents.

The Systemwide Chief Compliance and Risk Officer shall hold office without fixed term subject to the pleasure of the Chancellor. Any employment actions regarding the Systemwide Chief Compliance and Risk Officer are subject to review and approval by the Chancellor and Executive Compliance Committee.

The Systemwide Chief Compliance and Risk Officer collaborates, coordinates, and facilitates his/her activities as needed with U.T. System Administration staff and with institutional compliance officers and/or appropriate institutional personnel. The Systemwide Chief Compliance and Risk Officer may delegate their duties, at their discretion, to the Executive Director/Deputy Chief of Systemwide Compliance.

The Systemwide Chief Compliance and Risk Officer shall have full and unrestricted access to any officers, employees, and information throughout the U.T. System as necessary to carry out their responsibilities. The Systemwide Chief Compliance and Risk Officer will define the scope of activities for the Systemwide Compliance Program, including but not limited to:

- a) Ensuring that periodic effectiveness assessments are performed on each institutional compliance program;

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- b) Developing U.T. System policies which ensure each institutional compliance program meets or exceeds the requirements of the Federal Sentencing Guidelines;
- c) Developing and maintaining a knowledge base of essential compliance issues;
- d) Identify and coordinate resources across the U.T. System, including subject matter experts, which can assist with specialized compliance requirements as needed.
- e) Develop UT System priorities on high-risk and emerging compliance areas in coordination with U.T. System Executive Offices;
- f) Performing an annual systemwide compliance risk assessment;
- g) Assisting institutions as they implement compliance programs in high-risk and emerging compliance areas;
- h) Overseeing the functions of the Chief Inquiry Officer;
- i) Communicating findings from the quality assessments of institutional compliance programs' effectiveness to the President of each institution;
- j) Regularly apprising the Audit, Compliance, and Management Review (ACMR) Committee of the Board of Regents regarding the ongoing compliance efforts systemwide and at each institution; and
- k) Providing annual training to the Executive Compliance Committee and Audit, Compliance, and Management Review Committee of the Board of Regents on their role in overseeing the Systemwide Compliance Program and key compliance issues, and trends in higher education.
- l) The Systemwide Chief Compliance and Risk Officer provides compliance assistance to the Chancellor, the Deputy Chancellor, the Executive Vice Chancellors, the Vice Chancellors, Institution Compliance Officers, and the Chief Compliance Officer of UTIMCO in the exercise of their responsibilities.

Article VI. Institutional Compliance Officers

While each institution has full authority to determine the compliance infrastructure that is appropriate to their institution, the importance of the compliance function is critical. An institutional compliance officer must have direct access to an institution's president and any other officer or employee necessary to the efficient function of the compliance program. In addition, each institution President shall serve as the chair of the Institution's Executive Compliance Committee

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Institutional compliance officers must also have the independence necessary to be able to operate without fear of reprisal in the effective performance of their duties. Further, it is the institutional compliance officer's obligation to keep the president informed regarding key compliance risks.

Each institutional compliance officer shall report directly to the Institution President, President's Chief of Staff, or Chief Operating Officer, or other high level personnel to ensure the ability to exercise independent judgment without fear of reprisal. Unless approved in writing by the Systemwide ECC, the Compliance Officer may neither be Counsel for the institution, nor be subordinate in function or position to Counsel or the legal department, or Chief Financial Officer, in any manner.

This reporting structure demonstrates the overall importance of the institutional compliance program and reduces any inherent conflict of interest that might otherwise result from combining the compliance function with other functions of University management. In addition, the Institutional Compliance Officer will have unrestricted access to the Institution President, Institution Executive Compliance Committee, and Systemwide Chief Compliance and Risk Officer.

Any adverse employment actions regarding the Institutional Compliance Officer shall be subject to review and approval by the President, Institution Executive Compliance Committee, Systemwide Chief Compliance and Risk Officer, and the Systemwide Executive Compliance Committee.

Coordination and communication are key functions of the Institutional Compliance Officer with regard to planning, implementing, and monitoring the compliance program. As such, the Institutional Compliance Officer shall have full and unrestricted access to individuals and information throughout the institution as necessary to carry out such responsibilities.

In addition, the Institutional Compliance Officer responsibilities include but are not limited to:

- a) Ensuring the elements of an effective compliance program, consistent with those stipulated in the Federal Sentencing Guidelines, are in place and periodic quality assessments are performed to validate the overall effectiveness of the compliance program;
- b) Collaborating with the Office of Systemwide Compliance and other institutional compliance officers to promote compliance best practices;

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- c) Coordinating with the Office of Systemwide Compliance and the U.T. System Executive Offices regarding high-risk and emerging compliance areas;
- d) Working closely with the Office of Systemwide Compliance to ensure high-risk and emerging compliance areas are acted upon appropriately by management, and implemented within the institutional compliance program.

Article VII. Standards of Conduct

Effective compliance programs begin with a formal commitment from executive leaders to foster a collaborative organizational culture that values the prevention and/or mitigation, detection and resolution of problems. All U.T. System institutions shall develop, maintain, and provide Standards of Conduct for all employees, students, and vendors.

The Standards of Conduct shall communicate the institution's expectations with respect to ethical conduct and compliance with applicable laws, policies, rules and regulations. The institutional Standards of Conduct shall comply with Board of Regents' *Rules and Regulations* as well as U.T. System policy guidance. The Standards of Conduct shall also provide for the confidentiality of individuals who properly report compliance issues, as well as for protection from retaliation for those individuals who, in good faith, report compliance issues.

The Systemwide Compliance Policy and Systemwide Administration Internal Policy is directly related to the establishment, operation and oversight of the Institution Compliance Program. The Systemwide Compliance Office shall have the opportunity to review and comment on any Systemwide Policy with compliance-related implications.

Article VIII. Education and Training

Education and training activities are a significant element of an effective compliance program. Each institution administers training to all employees and, as appropriate, the institution's agents regarding compliance with relevant federal and state statutes, Board of Regents' *Rules and Regulations*, and institutional policies and procedures. While ownership of the training component may vary across institutions, each compliance department must play a key role in the development and oversight of the education and training function.

Article IX. Investigations, Instances of Non-Compliance and Corrective Action Plans

The Chief Inquiry Officer is the primary investigator of allegations of non-compliance at the System level. The Office of Systemwide Compliance will collaborate and assist the Chief Inquiry Officer on an as-needed basis. The Office of Systemwide Compliance will review the findings of investigations of noncompliance in order to make any necessary modifications to the compliance program.

Each institutional compliance program shall require employees to report known or suspected violations to their supervisor and/or the institution's compliance program. Each institution shall take prompt and appropriate action upon receipt of information of possible

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wrongdoing to determine whether corrective action is needed. The Institutional Compliance Officer or other management officials shall initiate the investigation and determine whether a violation of relevant federal and state statutes, Board of Regents' *Rules and Regulations*, and institutional policies and procedures has occurred, and if so, take the necessary steps to correct the identified problem(s). In addition, the institution should take reasonable steps to prevent further similar conduct, and make any necessary modifications to the compliance program.

The outcome of the investigation shall determine the seriousness of the corrective action plan. Conversely, the investigation may determine no violation occurred or the violation occurred unintentionally. Corrective action plans may include as appropriate: terminating the problematic practice; identifying legal responsibilities for refunding overpayments; reporting to appropriate governmental entities; recommending and monitoring disciplinary action; instituting preventative measures; determining whether the problem is systemic; and monitoring of the corrective action.

Article X. Revisions to the Systemwide Compliance Program

This Compliance Charter is intended to be flexible and readily adaptable to changes in regulatory requirements. The Systemwide ECC shall review the Compliance Charter at least annually to ensure it remains current and effective. Any recommended changes to the Compliance Charter must be approved by the Systemwide ECC.