

## Appendix Book - May 16-18, 2024 Board of Regents Meeting

### UNTS Acronym List

UNTS Acronym List rv 3.3.21

### FINANCE COMMITTEE

#### Quarterly Financial Update

Executive Report - Quarterly Financial Update

### AUDIT COMMITTEE

#### Quarterly Compliance Background Reports

UNT FY24 2nd Quarter Compliance Report

HSC FY24 2nd Quarter Compliance Report

UNT Dallas FY24 2nd Quarter Compliance Report

UNTSA FY24 2nd Quarter Compliance Report

# UNT System Acronym List

<b>ACT</b>	American College Testing: a standardized test used for college admissions
<b>ASF</b>	Assignable Square Feet
<b>AUX</b>	Auxiliary Reserves
<b>BOR</b>	Board of Regents
<b>BSC</b>	Business Service Center
<b>BSS</b>	Business Support Services
<b>CAE</b>	Chief Audit Executive
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CIA</b>	Chief Internal Auditor
<b>CIP</b>	Capital Improvement Plan
<b>CIP</b>	Construction in Progress
<b>CM</b>	Construction Manager
<b>CMAR</b>	Construction Manager at Risk
<b>CO</b>	Change Order
<b>COL</b>	College of Law
<b>CP</b>	Commercial Paper
<b>DEI</b>	Diversity, Equity and Inclusion
<b>FTE</b>	Full Time Equivalent: generally used in reference to Full Time Student Equivalent (FTSE) but can also be used in reference to Full Time Faculty Equivalent (FTFE). See FTSE or FTFE below for definitions.
<b>FTIC</b>	First Time in College: a student who has never enrolled in a college or university. Students who have earned college credits only through dual credit courses are still considered FTIC.

<b>FTSE</b>	Full Time Student Equivalent: is computed by dividing headcount enrollment by a set number of semester credit hours based on the rank of the student (Undergraduate FTSE = 15 SCH; Masters and Special Professional FTSE = 12 SCH; Doctoral FTSE = 9 SCH). FTSE is generally lower than headcount enrollment because of part time students.
<b>FTFE</b>	Full Time Faculty Equivalent: a measure of instructional faculty calculated from the percent of time directly related to teaching.
<b>FY</b>	Fiscal Year
<b>GAI</b>	General Academic Institution
<b>GMAT</b>	Graduate Management Admission Test: a standardized test for admission into graduate programs of business schools.
<b>GME</b>	Graduate Medical Education: clinical training following graduation from medical school leading to specialty certification. Texas, like most states, requires one year of graduate medical education to be eligible for state licensure. Also called residency training.
<b>GSF</b>	Gross Square Feet
<b>HEAF</b>	Higher Education Assistance Fund (also known as HEF)
<b>HERRF</b>	Higher Education Emergency Relief Fund
<b>HR</b>	Housing Reserve
<b>HR</b>	Human Resources
<b>HRI</b>	Health-Related Institution
<b>HSC</b>	Health Science Center
<b>HUB</b>	Historically Underutilized Business
<b>IA</b>	Internal Audit
<b>LAR</b>	Legislative Appropriations Request
<b>MCAT</b>	Medical College Admission Test: a standardized test for admission into medical school
<b>MP</b>	Master Plan

<b>NACUBO</b>	National Association of College and University Business Officers
<b>OBS</b>	Office of the Board Secretary
<b>OGC</b>	Office of General Counsel
<b>OGCA</b>	Office of Grants & Contract Administration
<b>OFPC</b>	Office of Facilities Planning and Construction
<b>P3</b>	Public-Private Partnership (also known as PPP)
<b>PM</b>	Project Manager
<b>PP</b>	Private Placement
<b>PUF</b>	Permanent University Fund: a sovereign wealth fund created by the State of Texas to support higher education at the University of Texas System and Texas A&M System, but not other public higher education systems or institutions in Texas
<b>PSAT</b>	Preliminary Scholastic Aptitude Test: used to prepare high school students who plan to take the SAT for admission to college. (See SAT below)
<b>QEP</b>	Quality Enhancement Plan: required for reaffirmation of accreditation by SACSCOC. The QEP describes a carefully designed and focused course of action that addresses a well-defined topic or issue(s) related to enhancing student learning.
<b>RB</b>	Revenue Bonds
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Qualifications
<b>RFS</b>	Revenue Financing System Bonds
<b>RPTC</b>	Reappointment, Promotion, and Tenure Committee
<b>RR</b>	Regents Rules
<b>SACS</b>	Southern Association of Colleges and Schools: a shortened abbreviation for “SACSCOC.” (See below).
<b>SACSCOC</b>	Southern Association of Colleges and Schools Commission on Colleges: the recognized regional accrediting body for institutions of higher education that

award associate, baccalaureate, masters or doctoral degrees in eleven U.S. Southern states.

<b>SAT</b>	Scholastic Aptitude Test: A standardized test for college admissions.
<b>SCH</b>	Semester Credit Hour: the unit of measuring educational credit, usually based on the number of classroom/instructional hours per week throughout a term.
<b>SF</b>	Student Fees
<b>SF</b>	Square Feet
<b>SFP</b>	Statement of Financial Position
<b>SRECNP</b>	Statement of Revenues, Expenses and Changes in Net Position
<b>STEM</b>	Science, Technology, Engineering and Math
<b>TAMS</b>	Texas Academy of Mathematics and Science: the nation's first early college entrance residential program for gifted high school aged students
<b>THC</b>	Texas Historical Commission
<b>THECB</b>	Texas Higher Education Coordinating Board: a nine member board appointed by the Governor that provides coordination of higher education in Texas and was created by the Texas Legislature in 1965.
<b>TRB</b>	Tuition Revenue Bond
<b>T/TT</b>	Tenured/Tenure Track Faculty: faculty who hold the ranks of assistant professor, associate professor, and professor prior to or after the awarding of tenure.
<b>VC</b>	Vice Chancellor



## Executive Report

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**To:** UNT System Board of Regents  
**From:** Susan Alanis, Deputy Chancellor  
**Department:** Finance and Operations

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### **PURPOSE:**

The Finance and Operations Department strives to provide transparent and informative financial reporting to the Board of Regents, leadership, and all constituents of UNTS. The Quarterly Financial Update and the Quarterly Operations Report contain summary information on the FY2024 year-end forecasted performance compared to budget, quarterly actual expenses and revenues, quarterly financial statements, and investment returns.

### **SUMMARY:**

The FY2024 year-end forecast as of the 2nd Quarter anticipates a net contribution to fund balances of \$29m across the UNT System due to positive performance compared to the adopted budget. The key drivers are:

- Tuition and fee revenues are projected to be greater than budget by 1%, due UNT and UNTD's increased Fall and Spring enrollment. This is slightly offset by UNT's schedule shift, adding more class days in August, causing more revenue to be classified as in in FY23.
- Grants and Contacts increased compared to the prior year from an increase in Pell and Texas Grants due to increased enrollment. HSC's AIM-AHEAD project is also contributing to this increase in revenue.

Attachments Filed Electronically:

1. Quarterly Financial Update – Q2 2024



## Executive Report

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**To:** University of North Texas System Board of Regents, Audit Committee

**From:** Clay Simmons, Vice President and Chief Integrity Officer

**Dept.:** University of North Texas, University Integrity and Compliance

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### SUMMARY:

This serves as the UNT FY24 Second Quarter compliance report on the effectiveness of its compliance and ethics program. University Integrity and Compliance (UIC) continues to build out the compliance and ethics function at UNT and conduct ongoing training, monitoring, and reviews across UNT.

### PURPOSE:

The purpose of this report is to demonstrate progress of identified areas noted in the Compliance Program Effectiveness Assessment provided by Protiviti. See Appendix for Definitions.

<b>Ongoing Process: Compliance Program Elements</b>		
<b>Maturity Progress: Framework Assessment Reporting</b>		
<b>Category</b>	<b>Ongoing Process</b>	<b>Maturity Progress</b>
Risk Assessment		<b>X</b>
Policies and Procedures		<b>X</b>
Training and Communications		<b>X</b>
Reporting and Accountability	<b>X</b>	
Third Party Management	<b>X</b>	
Commitment by Senior/Middle Mgmt.	<b>X</b>	
Autonomy and Resources	<b>X</b>	
Incentives and Disciplinary Measures		<b>X</b>
Periodic Testing and Review		<b>X</b>
Investigations of Misconduct	<b>X</b>	
Analysis and Remediation		<b>X</b>

### ASSESSMENT:

## **Risk Assessment**

UIC continues to monitor risks previously identified in the annual risk assessment while monitoring the institution and environment for emerging issues.

UIC has implemented the OneTrust GRC tool in coordination with the other UNT System Enterprise compliance offices and System IT Information Security. UIC has completed an upload of existing risk descriptions and ranking information.

Our FY24 Risk Assessment will begin in May to ensure alignment of our risk assessment process with the UNT System ERM risk assessment process, which will be completed in August. We are planning to introduce the GRC tool to risk managers and owners across the institution as we conduct our risk assessment. This system will allow risk managers and owners to better understand the risks in their areas and the controls associated with those risks. The GRC will also allow easier communication of changes to the risk assessment process than existed earlier and will improve our ability to monitor changes to control structures. Full implementation will likely be delayed until FY25 since multiple other IT systems are currently being implemented across the System Enterprise.

The FY24 Risk Assessment and associated controls will be documented in the GRC and reported out of that system going forward.

## **Policies and Procedures**

UNT reviews policies on a regular basis (at least every 6 years) to ensure they incorporate changes in law and regulation and accurately reflect current business practices. Currently, 90% of UNT policies are up to date, leaving 20 total policies overdue for review. 28 policies are in the review process, including all overdue policies. Eleven in the review process are in the approval stage, we hope to have this number reduced soon. UIC continues to work with policy partners to revise these last overdue policies and we believe that all will be up to date by the end of the calendar year.

## **Training and Communications**

Completion percentages for the four required training modules fall in the expected mid and upper 90s. These are typical rates we expect to see this time in the academic year. Faculty employee completion rates have ticked up 1% to 95% and Staff completion rates are holding at 97%. Ethics training has the lowest completion rate, but this is likely caused by an end-of-the quarter change in our ethics training module.

The *Professional Standards in the Workplace* module has been completed and is now being delivered to new hires only. As you may recall, the *Professional Standards in the Workplace* module will alternate annually with the current *Ethics and Standards of Conduct* module that serves as our main ethics training. The Chief Integrity Officer made the decision to delay the rollout of *Professional Standards* until August to prevent current employees from having to take multiple ethics modules during the same calendar year. Due to limitations in the Bridge LMS, there is no way to align the two modules without this delay. This modification should not cause any employees to fall out of compliance with ethics training requirements.

## **Reporting and Accountability**

UIC received 22 reports for the 2<sup>nd</sup> Quarter, down from 28 in the 1<sup>st</sup> Quarter. Looking back to previous years, we received 12 reports in Q2 '22 and 21 in Q2 '23. Of the reports submitted this quarter, 16 are closed, leaving 7 still under review. Of the 16 closed, 13 were queries, 1 was substantiated in full, 1 substantiated in



part, and 1 unsubstantiated.

### **Incentives and Disciplinary Measures**

UIC finalized the Integrity Champion award program, which was earned by 5 employees in the Spring, and 10 more will be given in the Fall, for a total of 15 this year. In the following years we will give 7 in the Spring and 7 in the Fall. Employees will receive an Integrity Champion pin and lanyard, and two \$15 gift certificates good for any UNT campus retail establishment. Employees are nominated by coworkers and the winners are chosen by a committee of UIC division employees according to a rubric.

### **Periodic Testing and Review**

The project on Visiting Scholars has been completed and is currently in implementation. This project is part of the international compliance enhancement project UIC started earlier in the year and is a finalization of over a year's worth of work to coordinate processes across the institution. A new policy on visiting scholars is currently in development to formalize the new processes. UIC continues testing and reviews of the scholarship award process across the institution. This process has been hampered by competing priorities but is still ongoing.

UIC began a new process review to examine compliance with Texas Education Code 51.3525, also known as SB17. UIC is developing tools and reporting documentation to ensure compliance with this wide-ranging and impactful statute in conjunction with OGC.

### **Analysis and Remediation**

UIC and Research Integrity and Compliance has completed an evaluation of risks associated with international collaborations in conjunction with the International Compliance Coordination Committee. In the next quarter the team will implement enhancements to controls surrounding international compliance risks based on this evaluation. This will be an ongoing project that we will update the Board on in coming meetings.

## Appendix

Category	Definition
Risk Assessment	<i>Does the Institution have a comprehensive risk assessment process?</i>
Policies and Procedures	<i>Has the Institution established standards and procedures to prevent and detect misconduct, including criminal conduct?</i>
Training and Communications	<i>Do Institution employees receive training regarding ethical conduct and compliance with regulations and policies, and procedures?</i>
Reporting and Accountability	<i>Does the Institution take reasonable steps to communicate aspects of the compliance and ethics program to the appropriate individuals?</i>
Third Party Management	<i>Does the Institution have a process to identify and proactively monitor high-risk vendor relationships (e.g., business associates, etc.)?</i>
Commitment by Senior /Middle Mgmt.	<i>How has the Institution responded to specific instances where compliance raised concerns?</i>
Autonomy and Resources	<i>Has there been sufficient staffing for compliance personnel to effectively audit, document, analyze, and act on the results of the compliance efforts?</i>
Incentives and Disciplinary Measures	<i>Does the Chief Compliance Officer promote and enforce the Program consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics?</i>
Periodic Testing and Review	<i>What testing of controls, collection and analysis of compliance data, and interviews of employees and third parties does the Institution undertake?</i>
Investigations of Misconduct	<i>How has the Institution ensured that the investigations have been properly scoped, and were independent, objective, appropriately conducted, and properly documented?</i>
Analysis and Remediation	<i>When noncompliance, unethical behavior, or criminal conduct has been detected, does the Institution reasonably prevent further similar behavior?</i>



## Executive Report

**To:** University of North Texas System Board of Regents, Audit Committee

**From:** Desiree K. Ramirez, CCEP, CHC, Executive Vice President, Chief Integrity and Privacy Officer

**Dept:** University of North Texas Health Science Center at Fort Worth  
Office of Institutional Integrity and Awareness

### SUMMARY:

This serves as the HSC FY2024 Second Quarter compliance report on the effectiveness of compliance program to UNT Board of Regents Audit Committee. This is provided in accordance with the UNT System Audit Committee charter

### PURPOSE:

The purpose of this report is to demonstrate progress of identified areas noted in the Compliance Program Effectiveness Assessment provided by Protiviti. As a reminder, the table below reiterates the categories and relevant information from the assessment. Please see appendix for definitions. Bolded categories are reported for this quarter.

<b>Ongoing Process: Compliance Program Elements</b>		
<b>Maturity Progress: Framework Assessment Reporting</b>		
<b>Category</b>	<b>Ongoing Process</b>	<b>Maturity Progress</b>
Risk Assessment	X	
Policies and Procedures	X	
<b>Training/Communication</b>	X	
<b>Reporting and Accountability</b>	X	
Third Party Management		X
Commitment by Mgmt.	X	
Autonomy and Resources	X	X
Incentives/ Disciplinary Measures	X	
<b>Periodic Testing and Review</b>	X	X
<b>Investigations of Misconduct</b>	X	X
<b>Analysis and Remediation</b>	X	X

## Departmental Strategic Plan

Over the last few months the Office of Integrity and Awareness has embarked on a strategic plan through FY30. The vision and vision objectives are aligned with HSC Vision Objectives and UNT System Focus areas. Key results are currently being finalized and the fully documented plan is expected in early summer of 2024.

**Vision: Cultivate transformative integrity leaders for dynamic healthcare**

### **Vision Statement:**

The Office of Institutional Integrity and Awareness envisions itself as the **premier leader in the practical application of the integrity framework**. We recognize that **prioritizing our values is paramount to upholding integrity**. In an **era marked by rapid evolution in healthcare and education**, our aim is to empower both our campus and community with the requisite tools and guidance to **navigate these changes ethically and effectively**. Our **enduring legacy** lies in **cultivating transformative integrity leaders** and facilitating enhanced healthcare outcomes, thereby **fostering a culture rooted in trust, accountability, and excellence**.

<b>Vision Objective</b>	<b>Strategic Goal</b>	<b>Goal Statement</b>
<b>Solidify and Expand our Core Services</b>	Be the model transformational Integrity Program	Integrate the integrity framework into all operations in order to be an effective partner and to ensure stability in the institutional culture and environment.
<b>New, New Services</b>	Innovative leader in incorporating ethical practices into emerging trends.	Proactively address emerging trends and risks and ensure compliance utilizing advanced technologies and immersive educational solutions. <b>(including the integration and ethical use of artificial intelligence)</b>
<b>Remarkable Team</b>	Define a transformative team that thrives together and delivers positive impact.	Create a team that is proactively developing and working together in order to drive strategic goals effectively and efficiently.
<b>Awareness and Influence</b>	World renowned for integrity practices, leadership, and support.	Distinguished strategic partner in ethical decision-making and increase visibility on the importance of integrity programs to the campus, nationally and globally.

## Training and Communication

The University of North Texas Health Science Center (HSC) is committed to maintaining a strong culture of compliance where students, employees and community partners are empowered in doing things right. HSC's Institutional Compliance Program is intended to demonstrate the commitment of HSC to the highest standards of ethics and compliance with all applicable laws, policies and regulations. It is the responsibility of all HSC employees and students to satisfy the required training component as part of an effective Compliance program.

New Employees are required to complete mandatory training within 30 days of hire. The second quarter

completion rate was **86%** completion. This includes employees who have completion dates in the following quarter.

**Reporting and Accountability**

Our Drive Analytics solution continues to provide insight into HSC Code of Culture effectiveness and policy access. The analytics track organic access (via the HSC webpage) and access from our Learning Management System (LMS) to these resources.

The refreshed Code of Culture was launched in October, 2023. There were significant spikes from viewers on the re launch day and during our Integrity and Awareness week activities. Overall, during this reporting period there were over **600** visits to the Code, a **22%** increase from the same reporting period last year. Additionally, more than 18% returned to review the Code during this reporting period. **94%** of employees assigned the Code of Culture during the second quarter the Code’s Certification of Commitment.

It was also noted that the Code of Culture continues to help connect employee and students s to policies. 30 policies were accessed during this reporting periods. However, there was a noticeable difference in the top policies accessed during the previous reporting period

<b>Current Reporting Period</b>	<b>Previous Reporting Period</b>
1. Employee Code of Ethics and Standards of Conduct	1. Non-Retaliation
2. Sponsored Programs	2. Employee Code of Ethics and Standards of Conduct
3. Campus Operations	3. Student Code of Conduct and Civility
4. Budgeting Principles	4. Pre- Employment
5. Conflict of Interest	5. Campus Operations

We will continue to observe this for trends and education/training opportunities.

**Periodic Testing and Review**

**Clinical Compliance**

The Departments of Family Medicine and Pediatrics were reviewed for clinical documentation accuracy during the second quarter. 160 cases were reviewed. A majority of the errors found were in found in evaluation and management (*cognitive services*) coding levels and unbundling (*use of multiple codes for one service*) of preventive visits; these are common error found in most documentation audits.

**Investigations of Misconduct**

The compliance and integrity program must have an efficient and trusted mechanism by which employees and students can anonymously or confidentially report allegations of a breach of the company’s code of conduct, policies, or suspected or actual misconduct. HSC encourages employees and students to report any suspected compliance concerns. FY24 second quarter yielded **13** Trustline calls. **Seven** issues were closed, **six** are currently under review by the Office of Integrity or the appropriate investigative office.

**Reference**

<b>Category</b>	<b>Definition</b>
Risk Assessment	<i>Does the Institution have a comprehensive risk assessment process?</i>
Policies and Procedures	<i>Has the Institution established standards and procedures to prevent and detect misconduct, including criminal conduct?</i>
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Third Party Management	<i>Does the Institution have a process to identify and proactively monitor high-risk vendor relationships (e.g., business associates, etc.)?</i>
Commitment by Senior /Middle Mgmt.	<i>How has the Institution responded to specific instances where compliance raised concerns?</i>
Autonomy and Resources	<i>Has there been sufficient staffing for compliance personnel to effectively audit, document, analyze, and act on the results of the compliance efforts?</i>
Incentives and Disciplinary Measures	<i>Does the Chief Compliance Officer promote and enforce the Program consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics?</i>
Periodic Testing and Review	<i>What testing of controls, collection and analysis of compliance data, and interviews of employees and third parties does the Institution undertake?</i>
Investigations of Misconduct	<i>How has the Institution ensured that the investigations have been properly scoped, and were independent, objective, appropriately conducted, and properly documented?</i>
Analysis and Remediation	<i>When noncompliance, unethical behavior, or criminal conduct has been detected, does the Institution reasonably prevent further similar behavior?</i>



## Executive Report

**To:** University of North Texas System Board of Regents, Audit Committee

**From:** Keith Maddox, Chief Compliance Officer

**Dept.:** University of North Texas at Dallas  
Office of Compliance and Integrity

### SUMMARY:

This serves as the Dallas FY24 Second Quarter compliance report on the effectiveness of the compliance program to UNT Board of Regents Audit Committee. This is provided in accordance with the UNT System Audit Committee charter.

### PURPOSE:

The purpose of this report is to demonstrate the progress of identified areas noted in the Compliance Program Effectiveness Assessment provided by Protiviti. During the second quarter of FY24, the Chief Compliance Officer (CCO) was onboarded. The new CCO has been assessing the system and working with Protiviti to help advance the maturity of the program, including developing processes, policies, and procedures to ensure an effective compliance program per the Department of Justice guidance and the previous Protiviti review.

### Risk Assessment

The foundation of an effective compliance program is an annual Compliance Risk Assessment. The UNT Dallas program is undergoing a Compliance Risk Assessment, aligning with the Enterprise Risk Management (ERM) methodology and other Institution Compliance programs. The Compliance Risk Assessment (CRA) is being reviewed and evaluated for approval by the appropriate stakeholders in conjunction with the CCO. The results of the CRA will inform a Compliance Work Plan (CWP) for the program.

### Department of Justice (DOJ) Element Status

Compliance Process	Status
<b>DOJ Guidance Question 1: Is the Compliance Program Well Designed?</b>	
Risk Assessment	In progress – drafting Dallas-specific compliance risk universe.
Policies and Procedures	Started – UNT Dallas is revising information from interim President’s for inclusion in the code of conduct policy.
Training and Communications	Not started – delivery and training requirements being reviewed to improve participation rate.
Reporting and Accountability	In progress – new process will include resources consistent across the System.
Third-Party Management	Not started – System-level efforts underway.

<b>DOJ Guidance Question 2: Is the Compliance Program implemented effectively?</b>	
Commitment by Senior and Middle Management	Started – CCO meets regularly with interim President and Cabinet members
Autonomy and Resources	Started – CCO has been hired with evaluation of additional staffing under review.
Incentives and Disciplinary Measures	Not started – CCO is evaluating program to determine actions needed for enforcement and consistency.
<b>DOJ Guidance Question 3: Does the Compliance Program Work in Practice?</b>	
Continuous Improvement, Periodic Testing, and Review	Not started – work plan will result from Compliance Risk Assessment
Investigation of Misconduct	Not started – analysis of process enhancements included in consultant proposal scope of services
Analysis and Remediation of Any Underlying Misconduct	Not started – analysis of process enhancements included in consultant proposal scope of services





## Executive Report

**To:** Laura Wright, Chair, UNT System Board of Regents  
 Melisa Denis, Chair, Audit Committee

**From:** Renaldo Stowers, Deputy General Counsel & Chief Compliance Officer  
 Steve Hill, Director of Compliance

**Dept.:** UNT System Administration Compliance & Ethics Program

**SUMMARY:** This serves as the FY24 Third Quarter compliance report on the effectiveness of the System Administration Compliance & Ethics Program. The Program continues implementing the compliance infrastructure and has begun refining processes that were implement during the program redesign.

**PURPOSE:** Inform the Board of progress made in achieving the desired level of maturity of the System Administration compliance program, including implementing recommendations from the 2022 external compliance program assessment and refining processes and systems.

The table below summarizes compliance framework categories where a defined initiative is ongoing and those where notable progress toward maturity was made this quarter:

**Framework Category:** Compliance Program Elements/Compliance Program Assessment Categories.  
**Ongoing Process:** Framework Categories where compliance program initiatives are ongoing.  
**Maturity Progress:** Framework Categories where maturity initiatives are described in detail in this report.

Framework Category		Ongoing Process	Maturity Progress
1	Risk Assessment	X	X
2	Policies & Procedures	X	X
3	Training & Communications	X	X
4	Reporting & Accountability	X	X
5	Third-Party Management	-	-
6	Management Commitment	X	-
7	Autonomy & Resources	X	X
8	Incentives & Discipline	-	-
9	Continuous Improvement, Periodic Testing & Review	X	X
10	Investigation of Misconduct	X	X
11	Analysis & Remediation of Underlying Misconduct	X	X

The following is a summary of the activities toward the desired compliance program maturity level reported this quarter:

**Risk Assessment.** The Program launched its first strategic compliance risk survey which is intended to identify activities performed by the System Administration that exposes the organization to criminal, civil, and regulatory sanctions. Specifically, the survey will allow the program to identify gaps between business functions, policies, and training, and identify opportunities to improve specific policies and training from a compliance and operational perspective. Additionally, the survey will identify opportunities to develop or enhance processes for managing changes in state and federal laws, and establish baselines in specific compliance activities to use in assessing program effectiveness and improvement.

**Policies & Procedures, Reporting & Accountability, and Continuous Improvement, Periodic Testing & Review.** The Program is focusing on implementing a “speak-up” culture in its compliance policy structure, where reporting suspected wrongdoing is recognized as a form of employee engagement that builds trust and holds the System Administration accountable in keeping with the System value of Courageous Integrity. The program addressed gaps between the Reporting Suspected Wrongdoing Policy and Compliance & Integrity Program Regulation by adding anonymous reporting as an engagement method and emphasizing the System Administration’s commitment to protecting confidentiality of individuals who report suspected wrongdoing. Additionally, the Program developed and proposed a Public Information Request policy that strengthens the organizations compliance posture, and a Government Investigation Response policy that facilitates an orderly response to government investigations, which enhances the System’s ability to protect its interests.

**Training & Communications.** Increasing the Program’s visibility and integration into System Administration operations is a continuing point of emphasis. This quarter the Program began writing and publishing ethics opinions and compliance advisories on the Compliance & Ethics webpage. This readily accessible information, modeled after a Texas Ethics Commission practice, makes ethics guidance available to all System employees. The Program also began reviewing System and System Administration mandatory trainings to ensure they aligns with applicable policies and the System Employee Training Governance Guidelines adopted last year in response to Internal Audit Report #22-004.

**Analysis & Remediation of Underlying Misconduct.** In collaboration with Human Resources and the Equal Opportunity/Title IX office, the Program has implemented a process for consistently collecting employee misconduct data. The Program has begun collecting misconduct data from the past decade to combine with the data moving forward; increasing the analysis sample size.

**Investigation of Misconduct.** The Program’s self-audit and the Protiviti external audit identified developing a defined investigation process as a critical programmatic need. The Program has developed and implemented an investigation plan template and investigation approach that will facilitate consistent, quality investigations. The Program is finalizing an investigation protocol. Both the investigation plan and protocol are based in significant part on Department of Justice guidance.