Appendix Book - May 18, 2023 Board of Regents Meeting

UNTS Acronym List

UNTS Acronym List rv 3.3.21

AUDIT COMMITTEE

Consolidated Compliance Background Report

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Protiviti Maturity Model

Ptotiviti Maturity Model.pdf

UNT System Acronym List

ACT   American College Testing: a standardized test used for college admissions

ASF   Assignable Square Feet

AUX   Auxiliary Reserves

BOR   Board of Regents

BSC   Business Service Center

BSS   Business Support Services

CAE   Chief Audit Executive

CAFR   Comprehensive Annual Financial Report

CIA   Chief Internal Auditor

CIP   Capital Improvement Plan

CIP   Construction in Progress

CM   Construction Manager

CMAR   Construction Manager at Risk

CO   Change Order

COL   College of Law

CP   Commercial Paper

DEI   Diversity, Equity and Inclusion

FTE   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.

FTIC   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.

FTSE	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.
FTFE	Full Time Faculty Equivalent: a measure of instructional faculty calculated from the percent of time directly related to teaching.
FY	Fiscal Year
GAI	General Academic Institution
GMAT	Graduate Management Admission Test: a standardized test for admission into graduate programs of business schools.
GME	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.
GSF	Gross Square Feet
HEAF	Higher Education Assistance Fund (also known as HEF)
HERRF	Higher Education Emergency Relief Fund
HR	Housing Reserve
HR	Human Resources
HRI	Health-Related Institution
HSC	Health Science Center
HUB	Historically Underutilized Business
IA	Internal Audit
LAR	Legislative Appropriations Request
MCAT	Medical College Admission Test: a standardized test for admission into medical school
MP	Master Plan

NACUBO	National Association of College and University Business Officers
OBS	Office of the Board Secretary
OGC	Office of General Counsel
OGCA	Office of Grants & Contract Administration
OFPC	Office of Facilities Planning and Construction
P3	Public-Private Partnership (also known as PPP)
PM	Project Manager
PP	Private Placement
PUF	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
PSAT	Preliminary Scholastic Aptitude Test: used to prepare high school students who plan to take the SAT for admission to college. (See SAT below)
QEP	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.
RB	Revenue Bonds
RFP	Request for Proposal
RFQ	Request for Qualifications
RFS	Revenue Financing System Bonds
RPTC	Reappointment, Promotion, and Tenure Committee
RR	Regents Rules
SACS	Southern Association of Colleges and Schools: a shortened abbreviation for "SACSCOC." (See below).
SACSCOC	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.

SAT   Scholastic Aptitude Test: A standardized test for college admissions.

SCH   Semester Credit Hour: the unit of measuring educational credit, usually based on the number of classroom/instructional hours per week throughout a term.

SF   Student Fees

SF   Square Feet

SFP   Statement of Financial Position

SRECNP   Statement of Revenues, Expenses and Changes in Net Position

STEM   Science, Technology, Engineering and Math

TAMS   Texas Academy of Mathematics and Science: the nation's first early college entrance residential program for gifted high school aged students

THC   Texas Historical Commission

THECB   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.

TRB   Tuition Revenue Bond

T/TT   Tenured/Tenure Track Faculty: faculty who hold the ranks of assistant professor, associate professor, and professor prior to or after the awarding of tenure.

VC   Vice Chancellor

Executive Report

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

SUMMARY:

This serves as the UNT FY23 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.

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

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 completed the acquisition of the OneTrust GRC tool in coordination with the other UNT System Enterprise compliance offices and System IT Information Security. This solution allows improved tracking of risks across the institutions and increase front-line management participation in describing risks and improving mitigation activities. This acquisition was an intensive effort that required significant cross-institution coordination and was effectively managed and completed by UIC Integrity Officer, Asa Johnson.

Policies and Procedures

A new UNT policy director came onboard in the second quarter, replacing the previous director who left in November 2022. The new director is reviewing internal and external procedures in addition to moving policy amendments forward.

UNT's Policy webpage received over 15,000 visitors during the quarter. UNT's policies are hosted on a publicly accessible website and can be accessed by anyone. The top accessed policies included *Student Attendance and Authorized Absences*, *Student Academic Integrity*, and *Electronic and Information Resources Accessibility*.

Development continues on the Code of Conduct for UNT employees. This will serve as a guide for our employees linking the System values with university policy and procedure. The Code was scheduled for a soft launch in May 2023, but workload considerations are forcing that schedule to slide. I now anticipate the Code to be completed by the end of the 1st quarter of FY25.

Training and Communications

UIC participated in a UNT System Enterprise review of training across all institutions. This effort is intended to ensure coordination between System Enterprise institutions and adequate training across the System.

Completion percentages for the four required training modules remain high, all at or over 98% for faculty, 98% for staff, and 93% for student employees. Student employee training shows the most improvement, up over 4% from last quarter, joining a 3% increase in faculty training completion. This improvement is credited to managers following up with employees based on UIC providing information on division completion percentages. UIC will continue to monitor training percentages, but the current numbers approach realistic maximums.

Reporting and Accountability

UIC led the transition from Navex EthicsPoint, which has been our anonymous reporting system for the last 5 years, to OneTrust Convergent. This new system is perceived to have more useful reporting functions and better options for referring investigations and internal tracking abilities. UIC anticipates that the new system will be implemented in April 2023.

UIC received 33 reports for the 2nd quarter, which is a substantial increase over the 12 received during the 2nd quarter in FY23. However, 13 of these reports were received from one department. Even removing the multiple reports from one unit, we see a substantial increase in reporting. This is attributed to the

outreach our unit has conducted over the last year and increased trust in university processes. I anticipate that reports may increase even more as we transition to a values-based culture and employees are encouraged to act in accordance with our values. This increase in reporting should be seen as a good thing for the organization, because disengaged employees are less likely to report misconduct than those who are invested in the organization.

The position description for the investigator position is being created and will be posted in the 3rd quarter of this year. This position will be responsible for conducting UIC investigations and will enable the office to expand work in this area.

Periodic Testing and Review

UIC is conducting testing and reviews of three areas/processes across campus. UIC has expanded its efforts in the area of monitoring work and is currently focusing on issues identified through trust line reports and reports from management. We anticipate most of these engagements to move quickly and result in process changes and other organizational improvements.

Incentives and Disciplinary Measures

UIC created and awarded the first Soaring Integrity award, which is made annually to the staff member who models exceptional ethical behavior. This award is accompanied by a $1000 prize and was presented during the university's staff appreciation luncheon.

Appendix

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

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 FY23 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.

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

ASSESSMENT:

Risk Assesment

The Office of Institutional Integrity and Awareness has collaborated with the HSC Compliance Advisory Council and campus stakeholders to collect identified risks for the FY23 Annual Compliance Workplan. Over the next several months the Chief Integrity and Privacy Officer will review the progress of the internal risk controls by assessing efficiency and effectiveness of operations; reliability; compliance with policies, laws and regulations and implementation of practical controls specific to the identified compliance risk.

The Office of Institutional Integrity and Awareness utilizes the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework type model for its internal control assessment. The **COSO** model provides a reasonable assurance of the achievement of objectives in the following categories:

- **CONTROL ENVIRONMENT:** Department/Unit Culture- Philosophy, commitment to values, competency, responsibility, development

- **RISK ASSESSMENT:** Impact to business objectives- strategic, financial, operational, compliance, reputation

- **CONTROL ACTIVITIES:** Actions, supported by policies and procedures, that when carried out properly and timely, manage or reduce risk; Can be preventive or detective

- **INFORMATION AND COMMUNICATION:** Identify and communicate pertinent information in a format and timeframe that enables people to carry out responsibilities

- **MONITORING:** Ongoing, evaluation and reporting; effectively functioning

Training and Communications

New Employees must complete their mandatory training within 30 days of hire. The new employee training completion rate was **94%** for the second quarter; up from 88% in the first quarter.

Each year, HSC employees and students affirm their understanding of the ethical standards and policies through education and training. The annual integrity and education training program consists of modules that equip the campus with information and resources that provide ethical awareness and skill building that foster a values-based culture. Training will be launched in April, 2023 and includes the first of our adaptive learning modules and as well as some role-based training.

Recent safety concerns across the nation such as active-shooters, workplace violence and dangerous weather conditions have required HSC to look responsibility at our education and training. It is our goal to provide education and training that is fully equipped to address the needs and concerns of our team members, our campus and our community. The Chief Operating Officer, working alongside the Police Department and Environmental Health and Safety, will soon provide details of an enhanced version of **mandatory** safety education and training to be rolled out prior to the summer. This will replace our annual active-shooter and workplace violence modules.

To enhance engagement and track the effectiveness of our communication, the Office of Integrity and Awareness is using an enhanced email tool that will track engagement and assist in predicting areas for education and training and activities that draw interest to the integrity program. As the Department of Justice (DOJ) continues to provide guidance on effective compliance programs, this information helps to create metrics and measurements for program effectiveness that help to quantify and calibrate the program.

Periodic Testing and Review- HIPAA/Privacy

In the fall, HSC worked with an external consultant to conduct a HIPAA Privacy Audit, there were some delays due to weather and holiday schedules. However, an onsite visit to the HSC campus, HSC clinical oversight areas on the Denton and Dallas campus and a virtual review was conducted. The assessment determined the following preliminary results: there were 94 checkpoints- 71 fully compliant, 8 partially compliant, 0 non-compliant and 15 non applicable. The following theme and finding include:

- UNTHSC has a strong culture of compliance
- Comprehensive policies and procedures address most requirements – a few areas were identified that could be updated to reflect current practices
- Notice of Privacy Practices should be updated to officially reflect Ms. Desiree Ramirez as the Privacy Officer
- UNTHSC has an extensive awareness training program with opportunities for re-training students and/or repeat offenders
- Centralizing all HIPAA duties within the compliance department may prove most effective for UNTHSC

The Chief Integrity Officer was officially designated the Privacy Officer in February, 2023. Privacy duties were being fulfilled by the Chief Integrity Officer since her hire, however HIPAA rules require that the Privacy Officer be named in the title of the person operating in that capacity. A final report is scheduled to be issued in late April, 2023.

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. FY23 second quarter yielded **4** Trustline calls. Issue types reported included discrimination/harassment; conflict of interest and employee misconduct. During this time the Trustline was tested to ensure processes and functions were operating efficiently.

To have synergy with the risk assessment tool and other software solutions, HSC along with the other campuses have changed Trustline vendors to produce more detailed reports and provide more robust information to predict trends and make proactive interventions in training and education, policies and procedures. Communication and posters will be updated to reflect a more solution, values and integrity-based method to wrongdoing and misconduct ("Your Concerns are Our Concerns. Let's solve it together") however this will not change corrective or disciplinary action needed for inappropriate behaviors.

Reference

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Executive Report

To: University of North Texas (UNT) Board of Regents (BOR)
           Audit Committee

From: Tim Willette, UNT Dallas Chief Compliance Officer (CCO)

Dept.:   UNT Dallas Office of Institutional Compliance (OIC)

SUMMARY:

This report summarizes compliance activities that have taken place during Quarter One (Q1) of Fiscal Year 2023 (FY23). It reviews the overall effectiveness of the Compliance and Integrity Program (Program), focusing on the Compliance Program Effectiveness Assessment (IA 22-014), and Q2 progress on the FY23 Compliance Risk Work Plan (CRWP).

PURPOSE:

The OIC monitors and reports on a wide range of existing and emerging compliance risks. The purpose of this report is to present the quarterly progress of management actions taken in response to the recommendations contained in IA 22-104, highlight Q2 FY23 CRWP actions, and note activities for the upcoming quarter and beyond.

ASSESSMENT:

Ongoing Process:	Compliance Program Elements
Material Progress:	Framework Assessment Reporting

Category	Ongoing Process	Maturity Progress
Risk Assessment	X	X
Reporting & Accountability	X	X
Commitment from Mid-Level/Senior Leadership	X	X
Autonomy & Resources	X	X
Periodic Testing & Review		X
Training & Communications	X	X
Policies & Procedures	X	X
Third Party Management		X
Incentives & Disciplinary Measures	X	X
Investigations of Misconduct	X	X
Analysis & Remediation	X	

Note: The Appendix describes each of the above categories.

Risk Assessment

The FY23 Compliance Risk Work Plan (CRWP) serves as an effective means to identify, prioritize, mitigate, and monitor key compliance risks. The processes involved in drafting the CRWP go well beyond the annual 13-week risk assessment that begins with an update of the institutional compliance risk registry and ends with the review and approval of the plan by the UNTD President's Cabinet. The CRWP includes information from on-going meetings with stakeholders, periodic surveys, collaboration among and within institutional committees, targeted testing, and pro-active engagement from leadership. In an effort to strengthen the Compliance and Integrity Program (Program), the FY23 CRWP drafted Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) goals to be tracked and reported on quarterly through completion of each risk focus area.

During the Q2 FY23, all four of the institutional Chief Compliance Officers (CCOs), along with representatives from Information Technology Shared Services (ITSS), have identified and procured a Governance, Risk, and Compliance (GRC) application. Beginning in Q3 FY23, this GRC tool will be rolled out and implemented system-wide, leading to greater collaboration, enhanced standardization, sharing of best practices, and increased efficiencies among and within each of the institutions.

Reporting and Accountability

Throughout Q2 FY23, the Cabinet, University Executive Committee (UEC), and other institutional stakeholders have been routinely updated on compliance-related concerns, as well as the overall effectiveness of the Program. These updates have included progress on the management actions being taken in response to recommendations documented in IA Report 22-014; *Compliance Program Effectiveness Assessment*, as well as the annual CRWP.

This information, coupled with the prompt communication of emerging compliance concerns, have been key to ensuring the reporting and accounting of all thing's compliance has continued. Throughout the reporting period, the CCO has received feedback from stakeholders throughout the University, as well as from external sources.

Commitment from Mid-Level and Senior Leadership

Throughout Q2 FY23, members of the Cabinet, the UEC, and other stakeholders have been engaged in identifying, communicating, and assessing emerging risks. Leadership remains aware of the evolving operational environment and its wide-ranging impact on students, faculty, staff, and members of the local community. Leadership also recognizes that transitioning from a remote work environment to a new "norm" requires individual and collective resiliency. On-going and consistent communications from leadership continues to be key in conveying a message of support.

Autonomy and Resources

UNT Dallas is committed to having in place a Program that serves as the foundation for a systematic and comprehensive approach to institutional compliance. Quarterly, the OIC reviews and updates the Program organizational structure. The Q2 FY23 Program organizational structure is available to the Cabinet, UEC members, and is posted in the OIC.

Periodic Testing and Review

IA Report 22-014; *Compliance Program Effectiveness Assessment* offered a list of 30 recommendations. One of the recommendations proposed drafting and implementing a Plan of Action & Milestones (PoA&M) to track the management actions being taken to address all 30 recommendations. One of the recommendations proposed the inclusion of management actions for testing and monitoring risks. The PoA&M and the Q2 FY23 CRWP address this recommendation.

Keeping in mind that a Program should be scalable, affordable, feasible, and enforceable, the OIC evaluates the effectiveness of the Program and the seven federal sentencing guideline objectives on a regular basis. This evaluation also examines emerging compliance challenges. Throughout Q2 FY23, OIC has continued to monitor and track the metrics of each of the FY23 CRWP risks, assessing the overall effectiveness of the Program, as well as the mitigation strategies for each risk.

Training and Communications
All UNT Dallas employees are expected to understand the rules that govern their respective roles and the values underpinning the UNT Enterprise. Stakeholders, both, internal and external, continue to receive timely and relevant reminders that UNT Dallas is committed to ethical and responsible behavior. Communication is key to a culture of compliance.

All UNT Dallas employees must successfully complete training identified in the Program, as well as compliance elements that are key in the conduct of their position. Additionally, employees are trained and periodically reminded of the ways to report suspected misconduct. In Q2 FY23, the OIC worked closely with Marketing and Communications, as well as ITSS to provide timely compliance information, including announcements regarding upcoming mandated training. The OIC has also made efforts to communicate the importance of successfully completing required training in a timely manner.

As was the case in FY22, the CCO meets monthly and as needed with the UNT Director of Business Operations Training (LMS Director). The two continue to work closely in identifying training requirements and resources with the objective of building a more robust LMS for UNTD. These discussions have touched upon the need to identify and translate into Spanish key compliance-related training courses. In an effort to track completion rates and generate reminders to employees, the CCO receives monthly reports for several compliance-related courses.

During Q2 FY23, all four of the CCOs met with UNT System Vice Chancellor (VC) Donna Asher and a member of Strategic Planning. VC Asher is overseeing efforts involving the recommendations contained in Internal Audit Report 22-004; *Training Program Identification, Development & Implementation*. Inventories of current training and the media used, along with role-based training, were collected and reviewed. This has enabled all the institutions to identify potential gaps in their respective training programs, as well as share best practices and training resources. During Q2 FY23, efforts focused on completing a draft of guidelines that all institutions can implement in introducing and communicating training requirements within their respective institutions. Additionally, protocols have been put in place to document how and who determines whether to mandate certain training courses.

Policies and Procedures
UNT Dallas is committed to the implementation and maintenance of policies that detect and prevent unethical and illegal conduct at the University. These policies promote integrity, principled behavior, and compliance with federal and state laws, Regents rules, System regulations, and the standards of all applicable accrediting bodies. Policy Management is one of the five risks included in the FY23 CRWP.

During Q2 FY23, the Policy Advisory Committee (PAC) met several times, reviewing and commenting on several requests from policy owners before the Policy Director routed each request to the Office of General Counsel for legal sufficiency. Six institutional policies were either introduced or updated during this quarter. Additionally, all four institutional CCOs continue to explore opportunities to either enhance the Policy Tech application or seek other more cost-effective and user-friendly options.

Third Party Management
UNT Dallas is identifying training that third party vendors should take and ensuring that these trainings are completed. This has required collaboration with key stakeholders. Efforts will be coordinated with those contained in Internal Audit Report 22-004; *Training Program Identification, Development & Implementation*.

Incentives and Disciplinary Measures
UNT Dallas is committed to continuous monitoring by implementing internal controls that allow for early detection and remediation of non-compliance within an organization. The role played by Internal Audit in fulfilling the approved annual Audit Plan serves to help ensure that the University has in place internal controls that do not improperly bias the assessment of business processes or compromise the integrity of our mission.

Additionally, UNT Dallas is seeking ways to promote the Program. This includes publicizing the Trust Line to the entire Trailblazer community through intranet, email, newsletters, and other forms of social media. For FY23, the OIC is drafting a schedule of timely and relevant compliance-related communications using the aforementioned media.

A recommendation in IA Report 22-104; *Compliance Program Effectiveness Assessment* notes that Compliance is not a stated category in the performance evaluation process. This recommendation will require the involvement of Human Resources. The UNTD Compliance Program Effectiveness Assessment PoA&M addresses this recommendation in more detail.

Investigation of Misconduct
UNT Dallas, through the Program, incorporates measures that help ensure employees understand the consequences of engaging in unethical behavior or participating in non-compliant activities. This includes procedures for enforcing and disciplining employees who violate compliance standards or fail to report non-compliant activities. Disciplinary provisions equitably enforced are critical to the credibility and integrity of the Program.

Throughout Q2 FY23, the Title IX Coordinator has met routinely with the president. She completes and goes over the quarterly S.B. 212 report for his review and signature. During this quarter, the Title IX Coordinator and the CCO continue to review existing investigation processes and are updating material involving a variety of investigation elements. Upon completing theses drafts, they will meet with the president to determine next steps. Also, a review of current policies is underway in anticipation of changes to the Title IX regulation by the Biden Administration.

During Q2 FY23 the four CCOs identified a new Trust Line application to replace the existing contract with Navex. This effort should afford the four institutions to leverage their purchasing power, as well as implement a standard, yet discrete, means to report misconduct. It is anticipated that a new Trust Line application will be in place by May of 2023

FINANCIAL IMPLICATIONS/TIMELINE:
With a lean budget, the OIC does not anticipate that a lack of financial resources will create any impediments to adversely impact the FY23 CRWP or the implementation of management actions in response to the recommendations contained in IA Report 22-104; *Compliance Program Effectiveness Assessment*. Quarterly reviews will continue with updates and revisions submitted to institutional leadership for review, comment, and, when necessary, approval. Any changes to existing software applications will be discussed with the objective of seeking solutions that meet the needs of the entire UNT Enterprise.

By implementing project timelines and resource allocation graphs, the OIC will be in a better position to determine whether additional resources may be necessary. It will also provide opportunities to reassess the risks, the proposed action taken to address them, and the impact of revising mitigation actions to address resource concerns.

RECOMMENDATIONS:
The OIC will focus on addressing the management actions put forth in response to the recommendations contained in IA Report 22-014; *Compliance Program Effectiveness Assessment*. The OIC will continue to collaborate with each institutional CCO to leverage resources and develop best practices. One risk focus area that will be given special attention over the next year is NAIA Compliance.

Appendix

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Commitment by Mid-Level/ Senior Leadership	*How has the Institution responded to specific instances where compliance raised concerns?*
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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: The Compliance and Ethics Program is making steady progress toward identifying and assessing System Administration compliance risks and implementing the infrastructure necessary to manage these risks.

PURPOSE: This report provides an update on the progress made toward redesigning the program's infrastructure and implementing recommendations made by the 2022 external review.

ASSESSMENT: The program's objective is to achieve the third maturity level (Defined) in each Framework Category by the target date, with the strategic goal of achieving the highest level (Optimized) by the end of FY25. "Defined" means the area is qualitatively managed as opposed to being managed in an ad hoc manner. The program's progress and activity over the third quarter of FY 23 are reflected in the chart below:

Framework Category: Components of a compliance program **Target Completion:** Projected date Framework Category achieves "Defined" level **Maturity Progress:** Assessment of progress to date **Ongoing Progress:** Categories on which the Program is focusing in the current quarter				
	Framework Category	**Target Completion***	**Maturity Progress Q2**	**Ongoing Progress Q3**
1	Risk Assessment	Aug 31, 2023	Developed strategic compliance risk identification criteria	X
2	Management Commitment	Aug 31, 2023	Invested in GRC tool	X
3	Autonomy & Resources	Aug 31, 2023	Invested in GRC tool	X
4	Policies & Procedures	Dec 31, 2023	Began developing whistleblower protection program	X
5	Reporting & Accountability	Aug 31, 2024	Finalized draft compliance charter	X
6	Training & Communications	Aug 31, 2024	Collaborated with System offices to develop System-wide training protocol	X
7	Incentives & Discipline	Aug 31, 2024	-	-
8	Investigation Process	Aug 31, 2024	-	-
9	Analysis & Remediation	Aug 31, 2024	-	-
10	Periodic Testing & Review	Aug 31, 2025	-	-
11	Third-Party Management	NA	NA	NA

The following is a summary of the six categories in which the program focused in Q3:

Risk Assessment. In addition to analyzing data on historic compliance risks, controls, and training, the program developed criteria to identify strategic compliance risks in preparation for conducting a System Administration strategic risk assessment and populating the System Administration's first automated Governance, Risk, and Compliance (GRC) tool.

Management Commitment/Autonomy and Resources. System ITSS invested in a GRC tool and partnered with the Compliance and Ethics Program. This automated tool, among other things, allows the program to transition from manual risk identification, assessment, and management, which will enhance efficiency and effectiveness.

Policies and Procedures. Developed draft whistleblower protection program document. The program reinforces the System Administration's commitment to encouraging employees to report suspected wrongdoing.

Reporting & Accountability. Finalized a draft of the System Administration's first compliance program charter. The charter is critical to implementing an effective compliance program and to achieving the program's compliance maturity objective.

Training & Communication. Collaborated with the component compliance programs, Human Resources, and component training administrators to develop a common framework for compliance training across the System.

FINANCIAL IMPLICATIONS/TIMELINE: ITSS is paying the System Administration's share of the Governance, Risk, and Compliance tool. There is no direct cost to the compliance program.

RECOMMENDATION: None at this time.

COMPLIANCE MANAGEMENT CAPABILITY MATURITY MODEL (CMM)

- The CMM defines the state of a compliance process using a common language which is based on the Carnegie Mellon Software Engineering Institute Capability Maturity Model.

- Maturity levels should not be viewed as grades nor viewed that lower ratings are inherently undesirable or inappropriate. The objective of this process is to identify the current state, and where improvements are considered appropriate, provide clarity regarding the attributes of the next level of compliance.

- Achieving a higher level of maturity may require trade-offs in the form of increased resources and/or reduced operational efficiencies. For this reason, reaching the Optimized (or even Managed) level is not necessarily reasonable or desirable for every process.

- Significant investment in people, process, and technology is typically required to achieve an optimized state. This level of maturity is more typical in highly regulated industries, such as financial services or healthcare organizations. Within the Higher Education Industry, achieving an optimized state is rare, and perhaps unrealistic.

Description	Key Characteristics of Compliance Management Maturity
Optimized	**Management of compliance is a source of competitive advantage.**
Managed	**Management of compliance is quantitative and aggregated enterprise-wide.**
Defined	**Compliance is measured and managed primarily qualitatively.**
Repeatable	**Compliance management processes are established and repeating.**
Initial	**Compliance management efforts are dependent on individuals and "fire fighting".**

Compliance Management Maturity

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