



Compliance Community

*System Compliance Program
Office of Audits & Analysis*

The Potential Cost of Noncompliance


Instances of noncompliance can be costly to institutions not only monetarily through fines, penalties, and legal fees, but also in the form of reputational damage, increased scrutiny, criminal prosecution, and even loss of accreditation. Recent examples of the costs of noncompliance in higher education include:

- The US Environmental Protection Agency fined three Texas institutions \$11,330, \$30,591, and \$141,912 for noncompliance with parts of the Resource Conservation and Recovery Act regarding hazardous waste and related record-keeping.
- The US Department of Education fined one institution \$2.4 million for noncompliance with the Clery Act, a federal campus-crime-reporting law.
- One institution reached a \$650,000 settlement with the US Department of Health and Human Services regarding noncompliance with required technical safeguards of protected health information after a computer workstation at the institution's health center was infected with malware and health records for over 1,600 individuals were compromised.
- Several institutions were denied reaffirmation and placed on warning status by the Southern Association of Colleges and Schools' Commission on Colleges for noncompliance with multiple accreditation standards.

Although achieving and maintaining compliance requires time, money, and manpower, it is more effective to use resources in a preventive manner rather than to later face consequences due to noncompliance. How can you help prevent noncompliance?

- Perform a risk assessment - Define your compliance universe and rank the impact of noncompliance as high, medium, or low. Leverage resources to concentrate efforts on each area accordingly.
- Educate - Train employees on compliance requirements.
- Encourage a culture of compliance - Foster an environment where identifying and mitigating potential noncompliance is appreciated rather than discouraged.
- Don't become complacent - Compliance requirements and the impact of noncompliance can change at any time; be alert for and aware of new requirements

as they arise.



Community Spotlight



Daniel Harper, TSUS Risk Manager

Daniel Harper joined the Texas State University System in 2012 as the Deputy Vice Chancellor for Finance, where he assists the System in finance, procurement, debt management, risk management and legislative issues. Prior to his arrival at TSUS, he spent eight years in the Texas Senate Committee on Finance, focusing on education-related budget and policy. He received his B.A. in Economics from Austin College and his M.B.A in Finance from the University of Texas at Arlington. He is the proud father of three children.

As one of his roles, Daniel oversees the Office of Risk Management (ORM) and serves as Risk Manager for TSUS. The mission of the ORM is to protect certain critical aspects of the component institutions in regard to workplace and campus safety. The ORM strives to enhance TSUS's overall mission by eliminating, reducing, or minimizing risk exposures through the use of innovative risk control, claims management, risk financing techniques, regulatory compliance, and a variety of strategic programs designed to provide a safe, healthy and environmentally sound campus.

Additionally, Daniel is a member of the Risk Management Operating Committee (RMOC), which is comprised of professionals from the System and its component institutions. The RMOC supports risk management initiatives by addressing relevant issues concerning the stewardship and preservation of TSUS assets and resources, enabling each TSUS institution to better carry out its established educational mission.

Compliance Hotline

The Texas State University System maintains a reporting hotline through a private contractor, EthicsPoint, to

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Please feel free to forward this newsletter to others who may be interested or who may benefit from the

provide a confidential avenue for reporting concerns about potential waste, fraud, and abuse of resources, the lack of compliance with laws and regulations, or violations of the System's Code of Ethics. A detailed description and the opportunity to make a report can be accessed [here](#).

information. The goal is to expand readership to offer this ongoing resource to as many members of the TSUS community as possible. New readers can subscribe by using the link below.

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The Texas State University System is committed to complying with all applicable laws, regulations and policies. The System compliance program advises and collaborates with components to develop effective ways to mitigate compliance risks on TSUS campuses. Serving to advance the goals of the System and its institutions, the compliance office offers resources, education, information and guidance while promoting a culture of responsibility and accountability.

Feedback regarding the System compliance program or the Compliance Community newsletter is welcome. Please contact [Kelly Wintemute](#) with suggestions.

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