

COMPLIANCE MANAGEMENT FRAMEWORK FOR VICTORIA UNIVERSITY

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Prepared by:
Policy Services (Compliance)
Portfolio of the Vice-President (Planning) and Registrar

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1. BACKGROUND

The University undertakes teaching, research and commercial activities across a number of disciplines and fields. With this range of activities, and complex context and environment, comes an equally diverse and complex collection of laws, regulatory requirements and best practice standards that apply or are relevant to the University's operations.

Just as individuals observe rules and laws to ensure the good order of society, the University proactively manages activities within legal and statutory requirements. Compliance management helps the University avoid financial penalties or fines, damage to organisational or individual reputation and criminal prosecution.

The Compliance Management Framework formally affirms the University's commitment to compliance and establishes a framework to proactively support and assist the University and its personnel (employees, contractors and students) to more confidently manage the obligations imposed by law that impact on the University's activities.

Development of the Compliance Management Framework involves consideration of the learning and teaching, research and commercial activities undertaken by the University and its controlled entities, as well as the multi-jurisdictional environment in which the University operates.

2. COMMITMENT TO COMPLIANCE

As a public entity, the University has a responsibility to identify and comply with all relevant obligations. Compliance means "adhering to the requirements of laws, industry and organisational standards and codes, principles of good governance and accepted community and ethical standards" (Australian Standard AS 3806 – 2006).

The University's commitment to compliance is demonstrated by:

- the sponsorship and support from the University Council, Council's Compliance, Audit and Risk Committee and Compliance Team including the formal endorsement of this Framework and a [Compliance Policy](#);
- whole of organisation commitment to compliance;
- the active engagement of senior management in the identification and management of compliance issues and risks and continuous improvement; and
- the allocation of resources throughout the University to manage compliance obligations.

3. SCOPE

This Compliance Management Framework applies to all employees, contractors and students of Victoria University and its controlled entities.

4. COMPLIANCE MANAGEMENT FRAMEWORK

The University's Compliance Management Framework is an important element of the overall governance structure of the University.

The Compliance Management Framework aims to prevent, and where necessary, identify and respond to, non-compliance with the University's obligations under laws, regulations, codes and organisational standards. An important priority for the Compliance Management Framework is to embed a culture of valuing compliance with obligations, consistent with the profile of a good corporate citizen.

The Compliance Management Framework's general aims are pursued through the following **key elements**:

1. identification and management of the University's legal and general reporting obligations in a Register of Compliance Obligations;
2. clearly articulated accountabilities and responsibilities for managing compliance;
3. a system to describe respective controls for each obligation requirement; and
4. a series of reports to monitor and evaluate the efficacy of controls and to provide a basis for continuous improvement.

This Compliance Management Framework uses the Australian Standard for Compliance Programs (AS ISO 19600:2015) as the basis for the framework.

Inform (Identifying the University's legislative Compliance Obligations) Obligations Register

The development and maintenance of an Obligations Register is a vital component in enhancing the visibility of the University's obligations. The Obligations Register will record all legislation, regulations and industry guidelines relevant to the University's core business and operations. The risk consequences rating methodology contained within the Risk Management Procedure will assist the Senior Executive Group to determine when the register will also record specific requirements of each obligation and VU systems or controls in place to mitigate compliance failure.

The Compliance Obligations Register is maintained by the Compliance Team.

Managing obligations

It is anticipated that obligation requirements specific to the University's core business and operations will be managed by staff and compliance specialists in the respective service areas. Where there is overlap in specific obligation requirements, the various operational areas, where overlap exists, will select one area to take the lead responsibility for ensuring compliance with those obligations across the University.

Controls

Controls are the mechanisms developed to ensure compliance with obligations.

The design of Victoria University's Compliance Management Framework provides for each operational area to develop and implement its own controls to ensure compliance with relevant internal and external obligations. The rationale for this approach is that the required level of operational expertise and knowledge required to ensure the efficacy of controls is contained in the discrete operational areas.

The Compliance Team will assist operational areas with strengthening their controls where monitoring reports demonstrate that the compliance obligation presents a significant risk to the University. Controls developed specifically in relation to high-risk obligations, as determined by the Compliance Team, will be documented in the University's Obligations Register.

5. ACCOUNTABILITIES AND RESPONSIBILITIES FOR COMPLIANCE

The responsibility structure for compliance management is depicted by:



All staff members have a responsibility to the University to comply with any relevant legislative, industrial and administrative requirements. In addition, certain individuals and groups across the University have specific responsibilities they are expected to undertake. These are described below:

Council

The functions and powers of Council include:

- to establish policies relating to the governance of the University; and
- to oversee and review the management of the University and its performance.

Compliance, Audit and Risk Committee

Council's Compliance, Audit & Risk Committee assists Council in the effective discharge of its responsibilities by providing independent assurance and advice to the Council regarding the University's risks, controls and compliance.

Vice-Chancellor

The Vice-Chancellor is the Chief Executive Officer of the University and is responsible for the conduct of the University's affairs in all matters including compliance. The Vice-Chancellor is accountable for approving the Compliance Framework and ensuring that the University reports any significant compliance breaches to Council's Compliance, Audit and Risk Committee.

Senior Executive Group and Senior Leadership Group

Members of the Senior Executive and Leadership Groups are accountable and responsible for compliance in their respective portfolios. Compliance will be systematically monitored via operational level management processes and preventative and corrective actions will be implemented if standards are not met. However, compliance issues will on occasion necessitate an escalation to the Senior Executive Group and/or Compliance, Audit and Risk Committee due to the nature of the risk or resources involved. In these cases, it is the responsibility of Senior Executive Group to review the situation and implement remedial procedures.

At all times, it is the responsibility of the Senior Executive and Leadership Groups members to remain aware of the compliance obligations allocated to operational areas under their supervision and the designated responsible officer's management of these obligations.

Compliance Team

The Compliance Team is responsible for:

- developing and maintaining the Compliance Obligations Register;
- developing Compliance Framework;
- facilitating adoption by the operational areas of the Compliance Framework;
- preparing reports to University Council through the Council's Compliance, Audit and Risk Committee, Senior Executive Group on compliance issues;
- facilitating training programs to raise awareness of the University's obligations;
- ensuring Compliance Policy is regularly reviewed;
- providing advice to responsible officers and other staff on compliance obligations and issues; and
- conducting regular compliance audits

Responsible Officers

Responsible officers are designated obligations and are normally the head of the operational area allocated responsibility for ensuring compliance with a specific obligation. There may be multiple responsible officers for certain obligations.

Responsible officers are required to:

- confirm that they are seeking, in the course of their operational activities, to ensure compliance with each obligation for which they are the designated Responsible officer - compliance requirements are identified, understood and documented;
- report on any incidents of non-compliance and the remedial action taken to address them, including any ongoing non-compliance issues;
- maintain a sound knowledge of their designated obligations and convey any changes to those obligations to their operational areas, other relevant operational areas and the Compliance Team.

All Staff

All University staff should be conscientious in seeking to comply with relevant obligations in the course of their duties.

Relationship to the Risk Management Framework

The Compliance Framework stipulates that operational areas identify and assess whether any compliance obligations need to be captured within a relevant operational risk profile/register (refer to section 7).

Visibility of key controls and treatment plans of compliance risks will be contained within relevant risk profiles/registers and will be reported via the risk reporting cycle outlined in the Risk Management Framework Guidelines and various reports outlined within section 7.

6. REVIEW, TRAINING AND COMPLIANCE HANDLING

Review

Responsible officers must ensure that policies, procedures and internal working practices are in place to manage compliance with obligations and reviewed annually as part of their continuous improvement process.

In addition to the annual review process, reassessment of policies, procedures and internal working practices should also be conducted whenever there are:

- new or changed activities or services;
- changes to the structure or strategy of the University;

- significant external changes; or
- changes to compliance obligations, and convey any changes to other relevant operational areas and the Compliance Team.

Training

Competence and training needs will be identified and addressed to enable staff to fulfil their compliance obligations. Training needs assessment should be based upon:

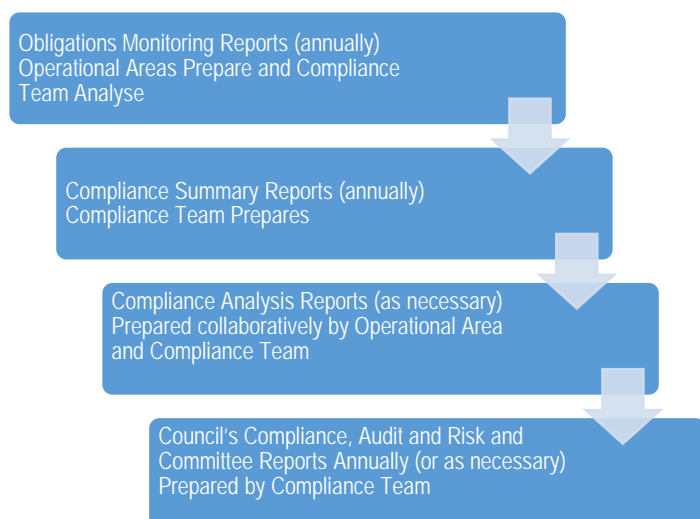
- identified gaps in employee knowledge and competence;
- changes in staff position or responsibilities;
- changes to organisational structure;
- changes in internal processes, policies or guidelines;
- changes in statutory obligations; and
- issues arising out of monitoring, auditing, reviews, complaints and incidents.

7. MANAGEMENT OF COMPLIANCE (Comply)

Reasonable management of compliance obligations incorporates the following activities:

- the identification, development and/or documentation of the relevant procedures and processes necessary to ensure compliance and to manage non-compliance;
- a systematic approach to continuous improvement of these procedures and processes on a regular basis;
- adequate recordkeeping of compliance issues and non-compliance incidents;
- assurance over compliance activities;
- adequate monitoring and reporting of non-compliance incidents, together with appropriate remedial action.

Various Reports



Obligation Monitoring Reports

Obligation Monitoring Reports are designed to establish a university-wide overview or monitoring system to capture the level of confidence each respective operational area has in their compliance controls systems.

Monitoring reports are completed by respective operational areas and analysed by the central Compliance team.

Operational areas will be invited to advise whether any compliance obligations have been captured within a relevant operational risk profile/register.

Compliance Summary Reports

Compliance Summary Reports will be prepared by the Compliance Team on an annual basis using data delivered from the Obligations Monitoring Reports. The 'traffic light reporting' system includes four colours to indicate the level of compliance risk:

Green	No Compliance risk
Yellow	Compliance risk is being controlled effectively – low risk in accordance to risk matrix
Amber	Compliance risk needs attention in the short term – major risk in accordance to risk matrix
Red	Compliance risk requires immediate intervention High risk in accordance to risk matrix

Where relevant risk profiles/registers, in accordance with the Risk Management Framework, need to be updated.

Annual Compliance Declaration

Senior Executive Group (SEG) members will be required to annually sign a compliance declaration which confirms the level of compliance with relevant legislation, provides details of any actual or potential breaches and any action taken, and the outcomes and recommendations in response.

Compliance, Audit and Risk Committee Reports

The Compliance Team will produce annually (or as necessary) reports to Council's Compliance, Audit and Risk Committee on the status of the University's compliance with its external obligations and on any specific issues that have been identified. These reports will be formulated from the Compliance Summary Reports and any Compliance Analysis Reports, and will include a summary of high (red) and major (amber) compliance risks together with a statement regarding progress towards any rectification plans.

Reporting Incidents of Non Compliance

Identification

All staff have a duty to report incidents of non-compliance as they occur to a designated responsible officer or their operational manager. Officers designated with responsibility for specific compliance obligations have primary responsibility for identifying, managing and reporting any incidents of non-compliance to the Compliance and Risk Managers. Operational managers and senior staff are responsible for encouraging and facilitating this practice. Minor instances of non-compliance should be remedied by the officer and relevant manager. However, instances of non-compliances identified with any obligations that are major and high risk compliance obligations, must be captured through a 'Compliance Analysis Reporting' system described below and recorded in relevant operational risk profile/register.

Compliance Analysis Reports

The Compliance Analysis Report provides an opportunity for in-depth analysis of compliance issues. The report offers insight into specific compliance difficulties or issues that arise and facilitates discussion of proposed solutions and improvement plans determined by the relevant operational area in conjunction with the Compliance Team. The report facilitates a collaborative approach between the relevant operational area involved and the Compliance team to resolve the compliance issue.

Compliance breaches confirmed through the Compliance Analysis Report investigation process are recorded by the Compliance Team in the Compliance Monitoring Register. This register records the breach, proposed remedial action, time frames and responsible officers involved in rectifying the matter.

Additionally, the risk profiles/registers need to be updated.

Remediation

Where possible, rectification of a compliance breach should be actioned by the relevant operational area. Remedial actions are likely to include the following actions:

- Conduct control analysis to determine where remedial action is required;
- Review relevant policies and procedures to ensure these are effective and appropriate;
- Ensure appropriate consequence management is carried out ie staff training, performance management, etc;
- Ensure all relevant stakeholders are notified; and
- Track progress and report on corrective action. This will be a function of the Management and Compliance Team.

Continuous Improvement

The performance of the Framework will be reviewed every year. This will enable the Framework to evolve as the Compliance within the organisation matures.

Summary of Compliance Framework

