

BOARD OF REGENTS BRIEFING PAPER

**1. AGENDA ITEM TITLE: Handbook Amendment: Compliance Department Charter
Title 4, Chapter 9, Section E**

MEETING DATE: October 18, 2019

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The Compliance Department Charter is set forth in Title 4, Chapter 9, Part E of the Handbook. The position of "Director of Compliance" has previously been held by a lawyer, who had dual reporting responsibilities to both the Chief Internal Auditor and the NSHE Chief General Counsel. The dual reporting at times created some confusion. Given the modified reporting structure of the Chief Internal Auditor position established by the Board of Regents in December 2018, and a current vacancy in the Director of Compliance position, an opportunity exists to both rename the "Director of Compliance" position to "Compliance Coordinator," which is consistent with the original intent of the role, and to re-align the reporting structure of the position, so that it primarily reports to the Audit, Compliance, and Title IX Committee and is supervised on a day-to-day basis by the Chief Internal Auditor. The Chief Internal Auditor, who reports to the Chair of the Audit, Compliance, and Title IX Committee and the Chair of the Board of Regents, shall direct the tasks of the Compliance Coordinator and, in doing so, shall consult with the NSHE Chief General Counsel to continue collaboration and communication.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Approve amendments to Sections 3, 4, 5 and 7 of Title 4, Chapter 9, Part E of the Handbook.

4. IMPETUS (WHY NOW?):

A vacancy exists in the Director of Compliance position, and these amendments make sense to complete before a new person is selected to fill the vacancy.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

N/A

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Increase efficiency and communication in System wide compliance efforts.
- Signal re-alignment of compliance responsibilities between Board, System, and institutions.
- Allow Compliance Coordinator position to be held by non-lawyer.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Unnecessary to make changes at this time.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Maintain the status quo.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

Approve amendments.

10. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
 Amends Current Board Policy: Title 4 Chapter 9 Part E Sections 3, 4, 5, and 7
 Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____

Other: _____

Fiscal Impact: Yes _____ No **X**

Explain: N/A

**PROPOSED HANDBOOK AMENDMENT
TITLE 4, CHAPTER 9**

Compliance Department Charter

Additions appear in **bold** and *italics* and deletions are ~~stricken~~ and [bracketed]

Chapter 9

**NEVADA SYSTEM OF HIGHER EDUCATION
INTERNAL AUDIT, FINANCE AND ADMINISTRATION POLICIES**

E. Compliance Department Charter

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Section 3. NSHE Compliance Department

The Compliance Department is hereby established as part of System Administration. The Compliance Department is responsible for the operation of the NSHE Compliance Program. The Compliance Department shall be administered by a [~~Director of~~] Compliance ***Coordinator***, who shall report [~~on functional matters~~] to the Audit, Compliance and Title IX Committee. [~~and on administrative matters to both~~] ***The Compliance Coordinator shall be supervised on a day-to-day basis by the Chief Internal Auditor, and shall work on System wide compliance matters as directed by the Chief Internal Auditor and in consultation with the NSHE Chief General Counsel.*** [~~the Vice Chancellor for Legal Affairs. Administrative matters include day-to-day management and supervision, technical direction, and performance evaluations.~~]

(B/R 12/18)

Section 4. NSHE Compliance Program

Each institution has primary responsibility for ensuring compliance relative to its activities and for operating an effective compliance program that meets the needs and obligations of the institution. The NSHE Compliance Department ***through the Compliance Coordinator shall*** support[s] and supplement[s] institutional compliance efforts and is tasked with the following roles and responsibilities:

1. secondary [(System level)] oversight of institutional compliance efforts and programs;
2. development of appropriate System level compliance policies, procedures and controls;
3. provide technical assistance as necessary and facilitate the efficient utilization of compliance resources on a System wide basis;
4. review and periodic audits of compliance controls to determine the effectiveness of System and institutional compliance programs;
5. education and training on compliance issues and obligations;
6. communication on compliance issues and risks including providing an independent reporting line through which System and institutional employees and stakeholders can report compliance concerns.

(B/R 9/17)

Section 5. Annual NSHE Compliance Plan

1. The ~~[Director of]~~ Compliance **Coordinator** shall, prior to the beginning of each fiscal year, prepare a plan detailing System and institution activities and areas that will be the focus of the NSHE Compliance Program for the upcoming year (each an “Annual Compliance Plan”). The Annual Compliance Plan will identify areas of potential or emerging compliance risk and identify priorities and goals for the NSHE Compliance Program in the upcoming year. The Annual Compliance Plan will be developed in consultation with the institutions.
2. The Annual Compliance Plan is subject to review and approval by the Audit, Compliance and Title IX Committee. Amendments and significant deviations to the Annual Compliance Plan must be approved by the Audit, Compliance and Title IX Committee. However, the ~~[NSHE]~~ Compliance **Coordinator** ~~[Officer]~~ may conduct unscheduled compliance reviews of System and institution activities outside of the Annual Compliance Plan based on specific compliance concerns that he or she learns about or are otherwise brought to his or her attention.

(B/R 12/18)

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Section 7. Medical and Healthcare Compliance

1. The healthcare industry is highly regulated and is subject to an increasing complex array of regulatory and industrial compliance obligations. Penalties for non-compliance can be severe and include exclusion of reimbursement from Medicare/Medicaid and private insurers. A robust compliance program is critically important in clinical practice activities in order to avoid erroneous billing and conflicts between patient care and business operations. Therefore, NSHE institutions, units and programs (including affiliated entities, programs, and practice plans) engaged in the clinical practice of medicine or allied healthcare must develop and maintain a written compliance plan for such activities (a “Healthcare Activity Compliance Plan”).
2. Each Healthcare Activity Compliance Plan shall address each of the elements described in Section 5 above and designate a person responsible for managing and administering the Healthcare Activity Compliance Plan (a “Healthcare Activity Compliance Officer”). In addition to any line of reporting that exists within the institution, the Healthcare Activity Compliance Officer shall also have a direct line of reporting to the institution President and the ~~[NSHE Director of]~~ Compliance **Coordinator** in order to ensure independence, impartiality, and accountability.
3. Each Healthcare Compliance Plan is subject to review and must receive initial approval by the Audit, Compliance and Title IX Committee. After initial approval by the Audit, Compliance and Title IX Committee, a Healthcare Activity Compliance Plan may be amended or updated as necessary to conform to applicable compliance obligations, subject to review and approval by the ~~[NSHE Director of]~~ Compliance **Coordinator**.

(B/R 12/18)

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