

Compliance Management Framework

I. Purpose

RIT seeks to operate in accordance with the highest level of business and community ethics and in compliance with all applicable laws, regulations, and policies. RIT is committed to preventing, detecting, and correcting any conduct that is inconsistent with these principals.

The Compliance Management Framework (“Framework”) forms the structure of the RIT Compliance & Ethics Program. This Framework, facilitated by the Office of Compliance & Ethics (“OCE”), enables effective management of the compliance goals and objectives of the university.

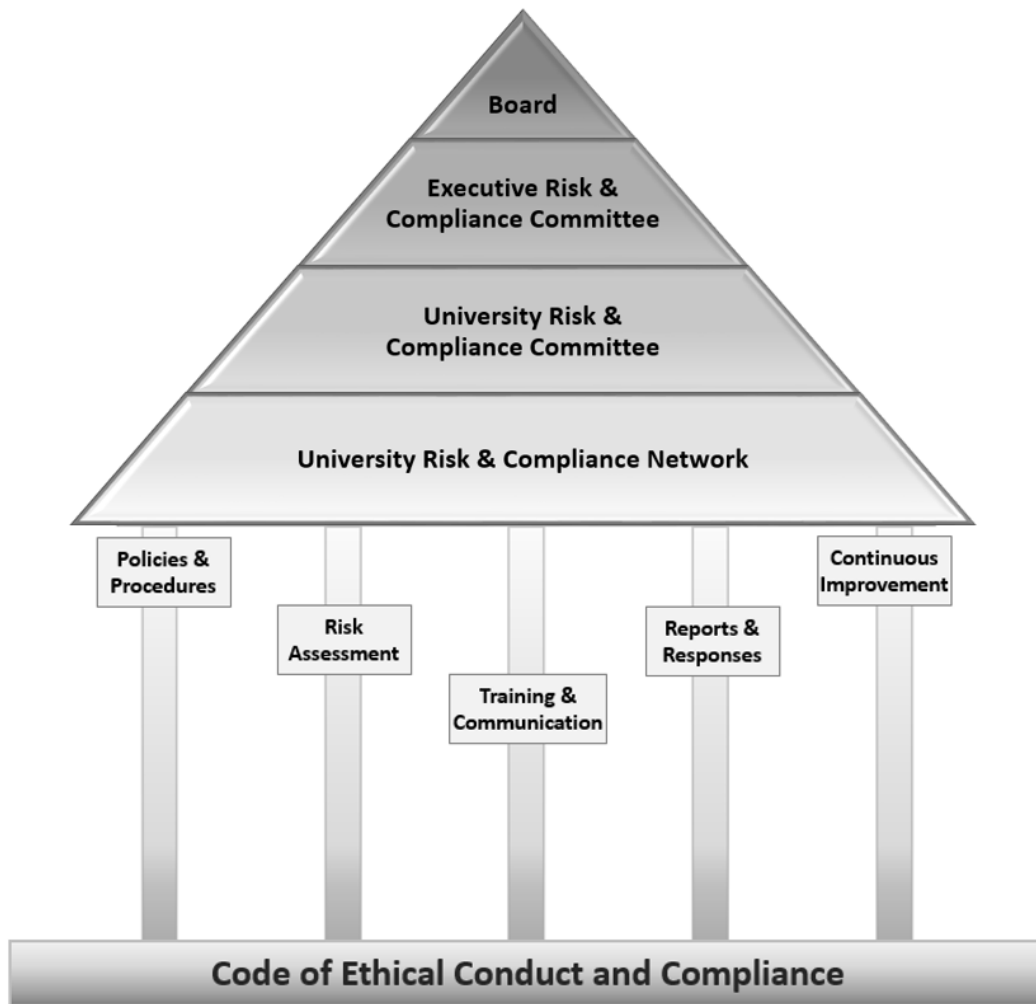
II. Scope

The Compliance & Ethics Program applies to all members of the RIT community. The success of the Compliance & Ethics Program relies heavily on the commitment and collaboration of RIT’s Board of Trustees (“Board”), the Risk and Compliance Committees, and all RIT employees. It is the expectation that all members of the RIT Community will abide by the university’s policies and the requirements of the Compliance & Ethics Program.

III. Elements of an Effective Compliance & Ethics Program

RIT’s Compliance & Ethics Framework’s is informed by the U.S. Federal Sentencing Guidelines section on an Effective Compliance and Ethics Program.¹ RIT’s Framework is comprised of critical (1) **resources**, (2) **processes**, and (3) **individuals** to oversee, identify, assess, and manage RIT’s risks.

¹ U.S. Federal Sentencing Guidelines Manual §8B2.1 (2016). *See also* U.S. Department of Justice [Evaluation of Corporate Compliance Programs](#) (2017).



A. Critical Resources and Processes

There are many evolving resources and processes that contribute to RIT's Compliance & Ethics program. Those listed below serve as constant pillars for the Compliance Management Framework and are key features of the Compliance & Ethics Program.

1. The Code of Ethical Conduct and Compliance

The [Compliance Policy and Code of Ethical Conduct \(C00.0\)](#) is the foundation of the Compliance & Ethics Program. It embodies the expectation that the RIT Community will act ethically and in compliance with applicable laws and policies in all activities on behalf of the university. It applies to all members of the RIT Community and to their conduct while representing RIT, utilizing RIT resources, on RIT property, and/or attending RIT functions.

2. Policies and Procedures

Policies and procedures specify the requirements developed by the university to address statutory and regulatory requirements. When creating key policies and procedures, various stakeholders are consulted to ensure the standards from policies and procedures are both applicable and implementable at the university. RIT maintains a University Policies [Manual](#) online to ensure university policies and procedures are easily accessible at all times.

3. Risk Assessments

RIT conducts an annual enterprise-wide risk assessment, which includes a review of legal and compliance risks. This process involves individuals from subject matter experts who undertake the university's day-to-day activities, operational management, senior management, and the Board to ensure the assessments broadly cover the university. After identification, risks are analyzed, prioritized and mitigated through quantifiable impact and likelihood scales. This process is completed each year and allows for new risks to be identified, assessed, and properly managed.

4. Training and Communication

RIT is committed to providing training to its employees to equip them to do their jobs. Special focus is given to providing training and resources to employees in control functions and high risk areas. Trainings are provided in multiple formats to support varying accessibility needs. Communication by Senior Leadership reaffirms to the entire RIT community the university's commitment to compliance and ethics.

5. Reports and Responses

RIT provides an avenue for individuals to report misconduct and noncompliance. The [Ethics and Compliance Hotline](#) is an anonymous options available both online and by phone to the RIT community. There are also designated individuals on campus who are trained and ready to receive reports confidentially and without retaliation. All allegations are reviewed, and investigations are conducted impartially by qualified personnel. Special attention is given to issues related to fraud, corruption, sexual misconduct, and allegations made by protected classes of individuals. Reports are elevated Allegations are reported to senior leadership as appropriate. Corrective action is implemented, up to and including termination, upon findings of responsibility.

6. Continuous Improvements

RIT monitors high-risk activities and continuously reviews processes and procedures within the Compliance & Ethics program. OCE partners with Internal Audit to ensure detailed reviews of high-risk areas are conducted. Additionally, risk assessments are updated annually, so the program can continue to evolve based on current risks.

B. **Critical Individuals:**

The Compliance & Ethics Program is run by a coordination of individuals and committees with varying levels of authority and different areas of expertise within the university.

1. **Governing and Accountability Structure: Effective Compliance and Ethics Oversight**

An effective compliance program requires the commitment of senior leadership and middle management to ensure effective internal controls and adherence to high ethical standards. RIT's Compliance & Ethics Program reflects a strong commitment by the President, the Board, and senior and operational leadership to comply with all applicable laws and regulations to operate the university in a manner consistent with the highest levels of integrity and ethical conduct. The governance responsibility of ensuring effective implementation of the Compliance & Ethics Program at RIT is shared among the following parties, proportionate with their roles, functions and areas of control.

➤ **The Board of Trustees: Audit Committee**

The **Board of Trustees** retains the ultimate responsibility for legal and regulatory compliance and determining the appropriate level of compliance risk the Board is willing to accept in RIT's business activities. The Board, with Senior Leadership, sets the "tone at the top" for the entire university.

The **Audit Committee of the Board of Trustees** is delegated by the Board to oversee the legal and regulatory compliance activities of the university and has the ultimate responsibility to ensure university compliance with applicable laws, regulations, policies, and procedures. The Audit Committee approves all significant Compliance & Ethics Program activities and must provide timely reports on the Compliance & Ethics Program and particular compliance matters to the full Board of Trustees. The details of the Audit Committee's responsibilities related to the Compliance & Ethics Program are in the Compliance Elements & Responsibility Matrix.

➤ **The Risk and Compliance Committees**

Below the Board, the university has three risk and compliance committees. This structure allows for more comprehensive oversight of regulations and requirements by administrators and operational managers than a single compliance officer could provide alone. This structure facilitates the sharing of best practices and recent developments with compliance contacts across the university. It also provides a forum for raising awareness on risk and compliance activities around the university.

The risk and compliance committees provide guidance and support for the operation of the Compliance & Ethics Program and support the Assistant Vice President of Compliance & Ethics in all aspects of the implementation of the Compliance & Ethics Program.

The **Executive Risk and Compliance Committee (“ERCC”)** assists the Audit Committee of the Board of Trustees and the Assistant Vice President of Compliance & Ethics in fulfilling their compliance and ethics responsibilities. The ERCC is co-chaired by the Senior Vice President of Finance and Administration and the Provost. With the Board of Trustees, the ERCC sets the “tone at the top” and monitors key risk and compliance areas.

The **University Risk and Compliance Committee (“URCC”)** is comprised of other administrators and operational managers who have responsibilities in the major compliance areas of the university. These include, among other areas, employment, student affairs, academic affairs, research, enrollment management, financial aid, development and alumni relations, diversity and inclusions, and finance. The URCC is co-chaired by the General Counsel and the Assistant Vice President of Compliance & Ethics. The URCC is responsible for overseeing, evaluating, and validating the risk and compliance issues identified by the University Risk and Compliance Network. Operational managers for areas under which a risk falls are also responsible for managing the identified risks.

The **University Risk and Compliance Network (“URCN”)** is a group of individuals identified by Operational Management as the point of contact for Compliance & Ethics Program responsibilities in their working areas. The members of the URCN are responsible for the day-to-day functional compliance activities attendant to their designated compliance areas and serve as subject matter experts on key operational and strategic risk and compliance areas. The URCN works with the Assistant Vice President of Compliance & Ethics to revise and update the Compliance Inventory as applicable to their compliance areas. The URCN is expected to coordinate and collaborate with OCE on compliance initiatives and new compliance obligations and to meet with OCE periodically on the status of compliance initiatives in their compliance areas. Their responsibilities related to the Compliance & Ethics Program are further detailed in the Compliance Elements & Responsibility Matrix.

2. **Additional Critical Parties**

In addition to the basic structure of the Compliance Management Framework, there are other parties who play vital roles in RIT’s Compliance Management Framework. Many of these individuals are members of the various Compliance Committees. Others are not part of the formal Government and Accountability Structure but step in to assist the Compliance & Ethics Program when appropriate.

➤ **Office of Compliance & Ethics (“OCE”)**

OCE is responsible for the development and oversight of the Compliance & Ethics Program. The **Assistant Vice President of OCE** is primarily responsible for the development, implementation, monitoring, communication, and enforcement of the Compliance & Ethics Program. OCE provides Compliance & Ethics Program reports to the Audit Committee, Enterprise Risk Management Subcommittee, and the ERCC. OCE ensures the maintenance of the Compliance & Ethics Matrix as well as the Compliance & Ethics Inventory.

The Assistant Vice President of OCE co-chairs the URCC, oversees monitoring and the URCN risk assessments, assists in internal investigations, and participates in compliance risk remediation activities where appropriate. The Assistant Vice President of OCE shall be responsible for drafting and revising Compliance & Ethics Program-related policies and procedures and recommending necessary changes to internal controls. OCE's responsibilities related to the Compliance & Ethics Program are detailed in the Compliance Elements & Responsibility Matrix.

➤ **Compliance Advisers**

OCE may seek the advice or counsel of specialists at RIT, and if needed, outside RIT, who have specialized knowledge or expertise in relation to a risk area. For example, RIT's Office of Legal Affairs ("OLA"), Office of Global Risk Management Services ("GRMS"), and other disciplines may act as **Compliance Advisers** to OCE on laws, other business requirements, or for further consultation in a specific field of knowledge.

➤ **Operational Managers**

Operational Managers are responsible for ensuring compliance with all compliance requirements and obligations associated with the activities of their position, including identifying, reporting, and managing any compliance breaches. Operational Managers are responsible for regularly reporting to Senior Leadership and, where appropriate, OCE the status of controls, compliance breaches, any plans for corrective action, and any proposed or enacted improvements.

As new laws and regulations emerge, Operational Managers are responsible for ensuring related risks are identified within their area. Operational Managers are also responsible for thoroughly reviewing the compliance risk profile of their divisions or units at least once a year as part of business planning and budgeting exercise; this review will consider the completeness of the risks identified, the accuracy of control assessments, and the verification of the effective operation of identified controls. Operational Managers are expected to inform and consult with OCE where appropriate.

➤ **All Employees**

Under the Compliance Policy and Code of Ethical Conduct (C00.0) all members of the RIT Community must "conduct themselves ethically, with integrity and in compliance with applicable laws and regulations." Employees must also be responsible to undertake their duties in accordance with university established policies, procedures, and guidelines.

All employees are responsible for ensuring their own compliance with all regulatory, legislative, and internal policies and procedures associated with the activities of their position including identification, management, and reporting of any compliance breaches.

In addition, employees are responsible for attending scheduled compliance training, and reporting and escalating any compliance concerns, issues, or failures in accordance with the policy.

The most important factor to ensure the success of the Compliance & Ethics Program is the commitment and attitude of all employees.

Responsible Office: Office of Compliance & Ethics

Approved by: Board of Trustees Audit Committee

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