Mitigating Risk and Instilling Ethics through Compliance

Thursday, October 25, 2018
9:15 AM to 10:15 AM

Dr. DeRionne P. Pollard, PhD
President

Kenneth Hoffman, MD
Trustee

Benjamin Wu
Trustee

Victoria Duggan
Chief Compliance, Risk, and Ethics Officer

Leslie Levine, PhD
Trustee & Second Vice Chair
Session Focus and Outcomes

During the presentation we will discuss the:

• Leading practices when establishing a compliance office, including the benefits, challenges and long range rewards
• Roles and responsibilities of a contemporary Compliance, Risk and Ethics Office
• Compliance, Risk and Ethics office’s role in enabling effective trustee governance
• Various compliance and risk management components and models, and share the pros and cons of each model
Montgomery College

Our Mission

We empower our students to change their lives, and
We enrich the life of our community.
We are accountable for our results.

Our Vision

With a sense of urgency for the future, Montgomery College will be a national model of educational excellence, opportunity, and student success. Our organization will be characterized by agility and relevance as it meets the dynamic challenges facing our students and community.

Our Values

excellence | integrity | innovation | diversity | stewardship | sustainability

Adopted by the Montgomery College Board of Trustees, June 28, 2011
MONTGOMERY COLLEGE BY THE NUMBERS

55,243 STUDENTS
Maryland's largest community college

51% MC students who receive financial aid

$25,000 Average household income for federal Pell grant recipients

MC students who attend part-time

65%

51% Montgomery County Public Schools graduates who stay in state for college attend MC

117 Degree and certificate programs
From mechanics to engineers and lab bench workers to scientists: We fuel the economy

DIVERSE STUDENT COMMUNITY
30.5% Black
24.9% Hispanic
25.0% White
13.4% Asian
05.5% Multi-race
00.2% American Indian
00.2% Pacific Islander

$4,974 annual tuition & fees
The most affordable higher education option for county residents

9 Faculty members named Maryland Professor of the Year in classrooms

159 Countries represented

43% New full-time students who graduate or transfer within 3 years of entering MC
Germantown Campus
Rockville Campus
Takoma Park/Silver Spring Campus
Montgomery College: Board of Trustees

OFFICERS

Mike Knapp  Gloria Aparicio Blackwell  Dr. Les Levine

Dr. Michael Brinhall  Dr. Ken Hoffman  Bob Hydorn  Bob Levey  Marsha Suggs Smith  Ben Wu  Sasini N Wickramatunga

Board website
MONTGOMERY COLLEGE TRUSTEES AND PRESIDENTS

OUR TRUSTEES
Appointed by the Governor

Since 1969

50 Trustees
23 Board Chairs
33 Board Officers
38 Emeriti Trustees

Since 1976

38 Student Trustees

133 College Policies Created (4 Retired)

OUR PRESIDENTS

9

7 Male
6 White
4 Emeriti Presidents

2 Female
3 African-American
Montgomery College President

- Appointed August 2010
- The Board's only employee

President’s website
BOARD OF TRUSTEES ROLES AND RESPONSIBILITIES

- Determine mission and purpose
- Ensure adequate financial resources
- Select the chief executive
- Protect assets and provide proper financial oversight
- Support and evaluate the chief executive
- Build a competent Board
- Ensure effective planning
- Ensure ethical and legal integrity
- Monitor and strengthen programs and services
- Enhance the organization's public standing
TYPICAL YEAR FOR THE BOARD OF TRUSTEES

10 Public Meetings Per year

5 Committees
2 Standing
3 Ad Hoc

5 Constituent Conversations Per year

Board meetings with other boards and Trustee Liaison meetings with support organizations, including:

- The UNIVERSITIES at Study Grove
  1 per year

- MCPS
  1 per year

- MONTGOMERY COLLEGE ALUMNI
  5 per year

- MONTGOMERY COLLEGE FOUNDATION
  3 per year

- PICMC
  Pinkney Innovation Complex for Science and Technology at Montgomery College
  3 per year
ABOUT MONTGOMERY COLLEGE

Compliance, Risk, and Ethics Program
Compliance at Montgomery College

Compliance, Risk, and Ethics Office
Established in 2012

- Regulatory Compliance 2012
- ADA Compliance Added in 2013
- Title IX Compliance Added in 2016
- Protection of Minors Added in 2016
- Internal Audit Added in 2016
- MD State Ethics Commission Reporting Added in 2016
- Code of Ethics Added in 2017
- Enterprise Risk Management Added in 2017
Components of a Compliance Program

- Requirements
- Rules
- Law
- Standards
- Governance
- Policies
- Transparency
- Regulations
Establishing a Compliance Office
Higher Education is one of the most regulated industries

**Leading Practices**
- Identify an office or employee for oversight of all regulatory compliance
- Empower the compliance function to report directly to the President with a dotted line to the Board
- Escalate compliance risk and monitor mitigation toward an acceptable risk level

**Benefits and Challenges**
- The Board and the President have a dedicated resource for oversight on compliance risks
- There is definition on roles and responsibilities in the many compliance responsibilities
- Provides compliance oversight versus actual compliance activities
Roles and Responsibilities of a Contemporary Compliance, Risk, and Ethics Office

• Identify laws and regulations the institution is responsible to follow
• Identify who is responsible and accountable for specific compliance requirement
• Identify specific date driven requirements
• Determine above acceptable compliance risk
• Recommend mitigation plans for implementation
• Track progress toward mitigating compliance risk
• Communicate risk status to upper management; escalate concern as needed
• Develop standards with policies and procedures
• Train and inform employees regarding compliance requirements
Compliance, Risk, and Ethics Office’s Role in Enabling Effective Trustee Governance

Compliance Officer’s Reporting Line to the Board

• Allows the escalation of risk concerns to the Board for their awareness and action
• Prevents potential reservation by College leaders to communicate “bad news” to the Board
• Protects the compliance officer

Objectivity and Transparency

• Risk awareness to the Board, that could impact the institution’s ability to meet it’s mission, is clearly communicated. This allows the Board to best plan and prepare to manage risk, increasing the odds of institutional success.
Risk Management Models: Decentralized

- Decentralized compliance function, no specific compliance resource is identified
- Compliance oversight is the responsibility of multiple people
Risk Management Models: Centralized

- Central compliance office
- Reporting directly to the President and the Board of Trustees, or
- Reporting to another suitable office, such as General Counsel or Chief of Staff
Risk Management Models: Enterprise

• From compliance risk to ALL risk management: technology, financial, human capital, reputational, etc.
• How much risk is the institution willing to take?
• What are we doing about the risk?
• How well do we manage the risks?
Questions