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

#ACCT2018

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
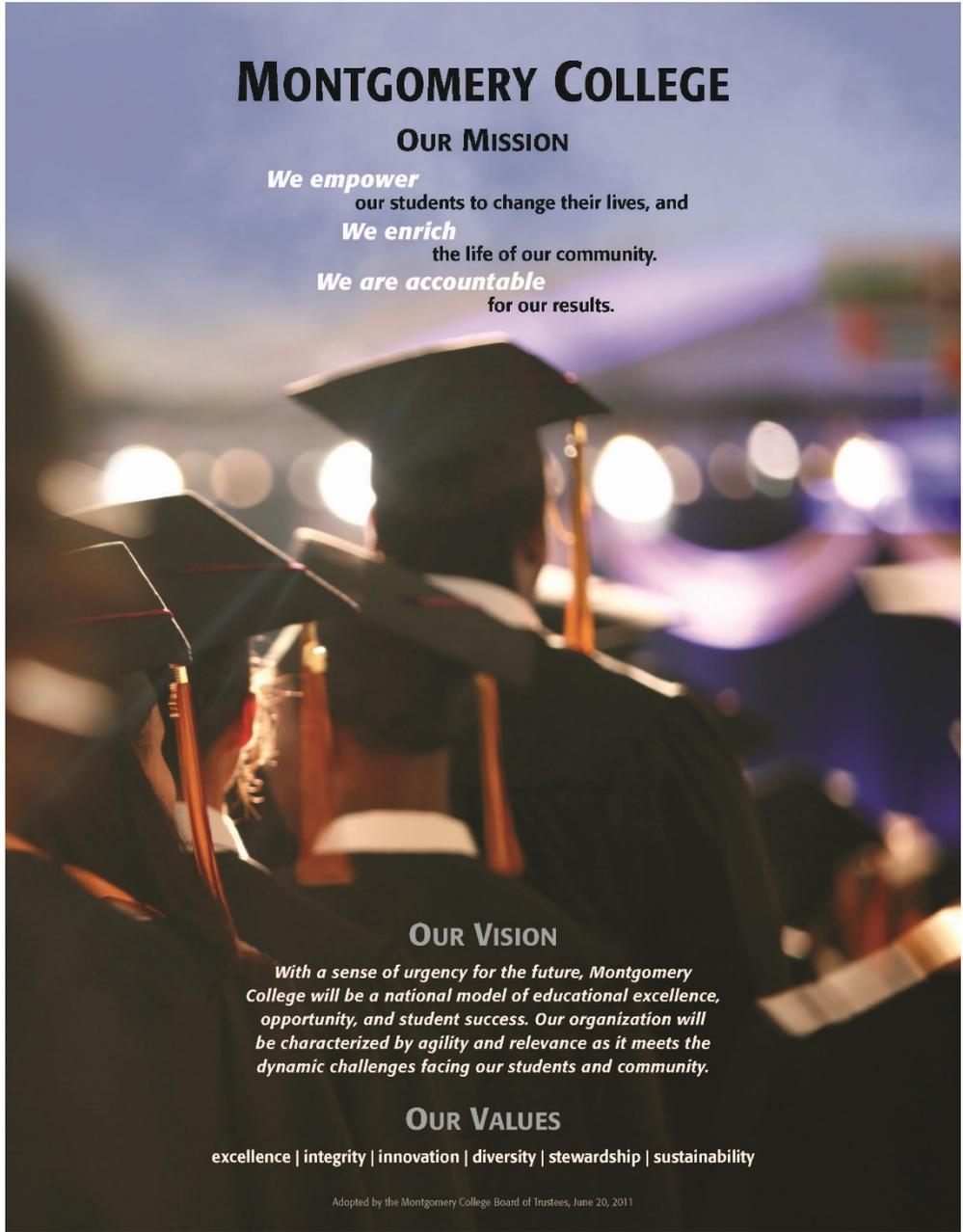
MONTGOMERY COLLEGE

At-a-Glance
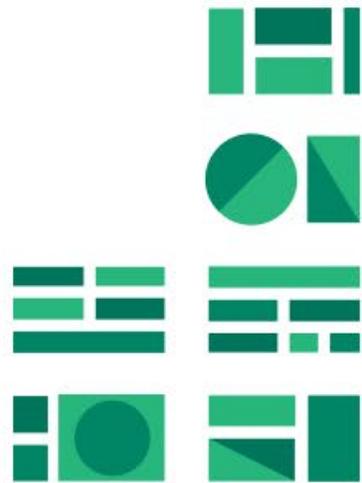
MONTGOMERY COLLEGE BY THE NUMBERS

55,243 STUDENTS
Maryland's largest community college

65%

MC students who attend part-time

25
Average student age

51%
MC students who receive financial aid

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

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

159
Countries represented

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

9
Faculty members named Maryland Professor of the Year **quality in classrooms**
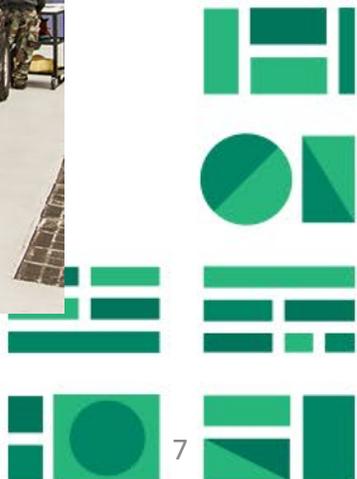
43%
New full-time students who graduate or transfer within 3 years of entering MC
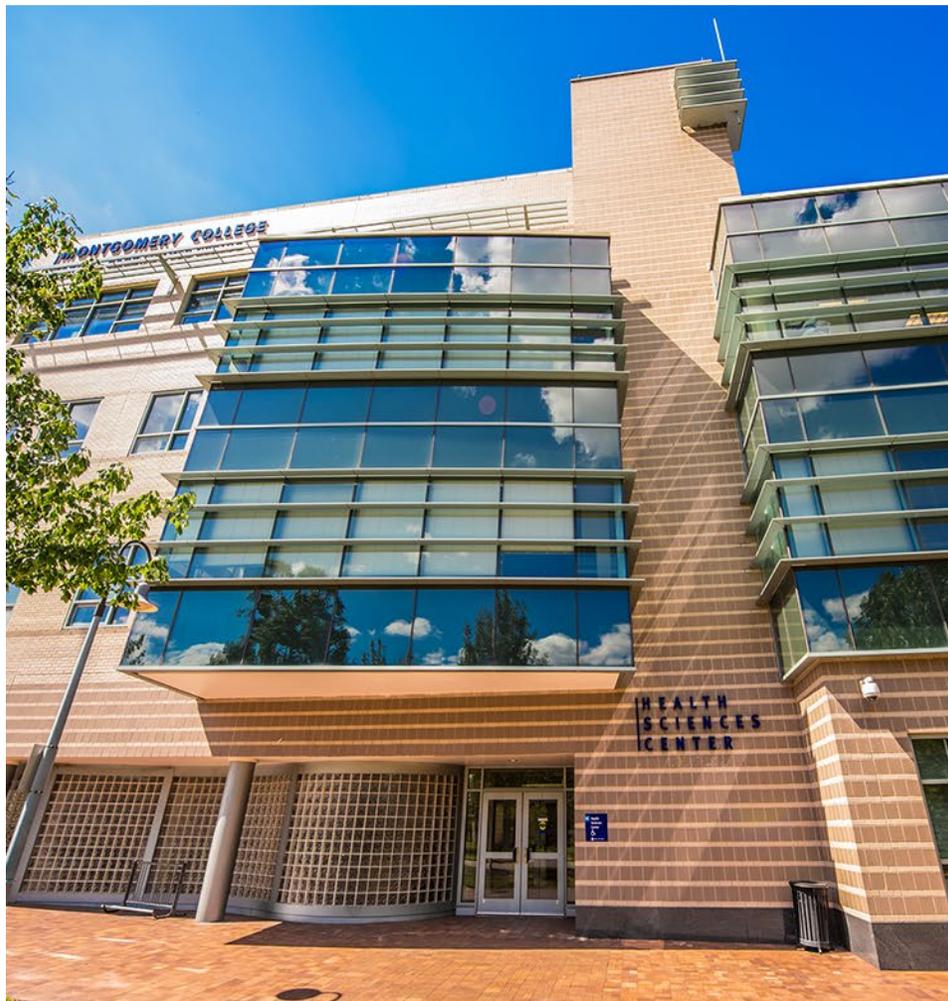
Germantown Campus

Rockville Campus

Takoma Park/Silver Spring Campus

ABOUT MONTGOMERY COLLEGE

Board of Trustees and the President

Montgomery College: Board of Trustees

OFFICERS

Mike Knapp

Gloria Aparicio Blackwell

Dr. Les Levine

Dr. Michael Brintnall

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

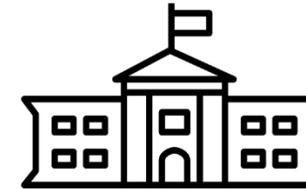Since **1976** — **38** Student Trustees

133 College Policies Created (4 Retired)

OUR PRESIDENTS

9

7 Male
2 Female | 6 White
3 African-American

4 Emeriti Presidents

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

ACCT LEADERSHIP CONGRESS

#ACCT2018

TYPICAL YEAR FOR THE BOARD OF TRUSTEES

10 Public Meetings
Per year

5 Committees
2 Standing
3 Ad Hoc

BOARD OF TRUSTEES

10 per year — EXECUTIVE COMMITTEE

AUDIT COMMITTEE — 1 per year

COMMUNITY ENGAGEMENT — 2-3 per year

EDUCATIONAL EXCELLENCE — 2-3 per year

FINANCIAL SUSTAINABILITY — 5-6 per year
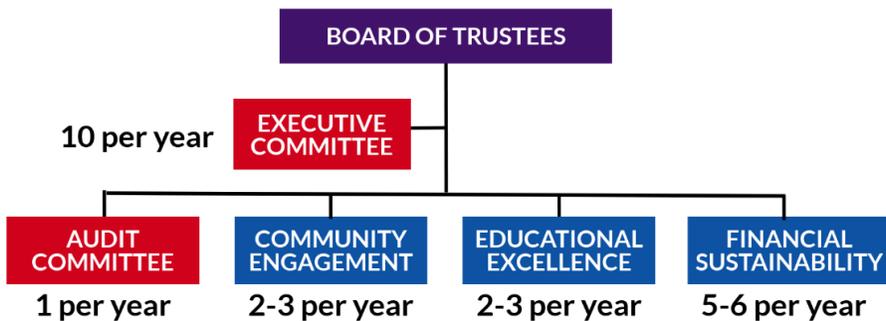
5 Constituent Conversations
Per year

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

The UNIVERSITIES at Shady Grove
1 per year

MCPS
1 per year

MONTGOMERY COLLEGE ALUMNI
5 per year

MC MONTGOMERY COLLEGE FOUNDATION
3 per year

PICMC — Pinkney Innovation Complex for Science and Technology at Montgomery College
3 per year

ACCT LEADERSHIP CONGRESS

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ABOUT MONTGOMERY COLLEGE

Compliance, Risk, and Ethics Program

Compliance at Montgomery College

Components of a Compliance Program

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
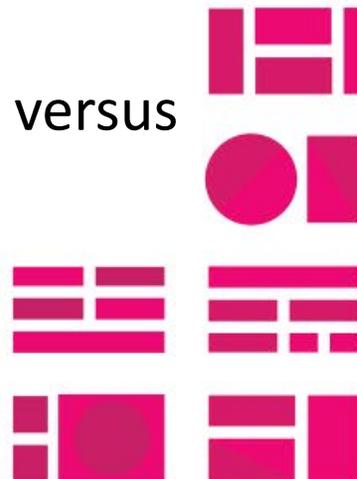
Roles and Responsibilities of a Contemporary Compliance, Risk, and Ethics Office

- 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
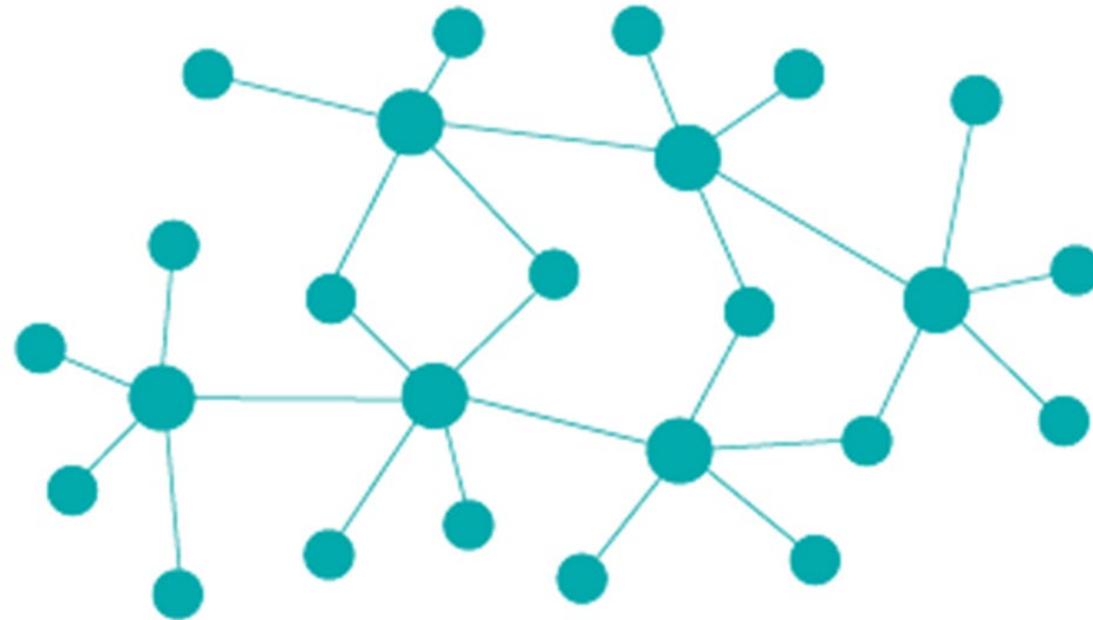
Risk Management Models: Centralized

- 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
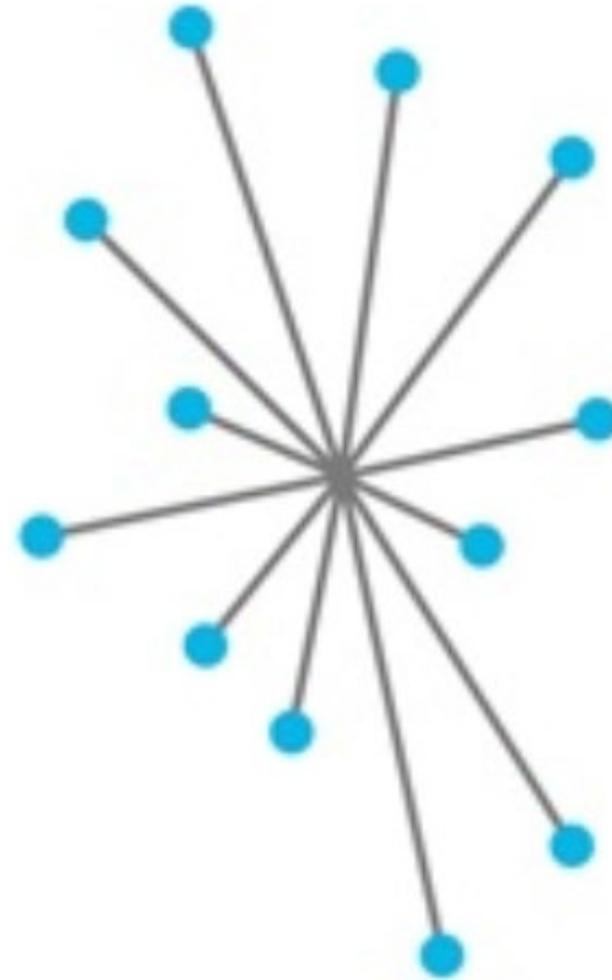
Risk Management Models: Enterprise

- 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