La Trobe University Compliance Framework

Introduction

The Compliance Framework documents the system and Compliance Process through which La Trobe University can monitor, review and comply with its legislative and regulatory obligations.

1.0 The Compliance Framework

1.1 Compliance Framework Governance

La Trobe University is committed to maintaining a comprehensive and effective Compliance Framework.

The Framework is endorsed by the Corporate Governance and Audit Committee and has been developed to encourage a positive compliance culture and minimise the risk of non-compliance.

1.1.1 Alignment to strategy and business objectives

Compliance should not be seen as a stand-alone activity, but should be aligned with the University’s overall strategic objectives.
1.1.2 The Compliance Policy

La Trobe University has a Compliance Policy and Compliance Procedures which establish the key elements of the Compliance Framework. The purpose of the Compliance Policy and Procedure is to promote and facilitate excellence in governance and continuing improvement in compliance with all applicable laws and regulations.

1.1.3 Accountability and Responsibility

Overall accountability for the Compliance Framework resides with the Corporate Governance and Audit Committee.

The Risk Management Unit has overall responsibility for the control and coordination of the Compliance Framework and for coordinating the implementation of the Compliance Process in all areas of the University with compliance responsibilities.

Management are accountable for compliance with legislative and regulatory requirements within their specific areas of operational responsibility.

Detailed responsibilities are identified in Appendix 1.

1.1.4 Communication and Consultation

Ongoing communication and consultation with stakeholders is integral in all stages of the Compliance Framework.

1.2 Compliance Framework Design

The design of the Compliance Framework is the responsibility of the Risk Management Unit and uses as its foundation the best practice model and principles set out in Australian Standard AS3806-2006.

1.3 Compliance Framework Implementation

Implementation of the compliance framework involves the central control and coordination of the Compliance Process across all areas of legislative and regulatory responsibility within the University. This implementation is the responsibility of the Risk Management Unit.

The Compliance Process (outlined in detail at section 2) consists of:

- establishing compliance requirements;
- monitoring and review of compliance performance; and
- improving compliance performance.

1.4 Compliance Framework Monitoring and Review

The Risk Management Unit is responsible for ensuring that the Compliance Framework is reviewed on a regular basis.
1.5 Compliance Framework Improvement

Central to the operation of the Compliance Framework is a formal approach to continuous improvement based upon ongoing monitoring and review of the Framework’s performance.

2.0 The Compliance Process

2.1 Establishing Compliance Requirements

2.1.1 Identification of compliance requirements

Responsible Officers identify legislative and regulatory requirements for their nominated areas of responsibility, for example: the Manager La Trobe Health and Safety is the Responsible Officer for the Occupational Health and Safety Act (2004) and other health and safety-related Acts and regulations.

2.1.2 Risk analysis

The University has a substantial number and range of compliance requirements. The Compliance Register therefore provides a mechanism for monitoring the responsibilities and status of key compliance requirements. Prioritisation of compliance requirements and the determination for inclusion onto the compliance register is based upon the risk exposure created by any non-compliance.

2.1.3 Compliance Register

All key compliance requirements are included in the Responsible Officer Compliance Register, which should be subjected to regular monitoring and review.

Compliance Registers from individual Responsible Officers are consolidated into a single University-wide Consolidated Compliance Register.

All specific requirements which have been rated as extreme or high risk are included in the Consolidated Compliance Register. Other requirements may be considered for inclusion on a case-by-case basis.

The Risk Management Unit is responsible for the overall coordination and maintenance of a Consolidated Compliance Register for the University. Each listed compliance item identifies-

- Summary of the key compliance aspects of the legislation/regulation, including:
  - Specific compliance requirements,
  - Mandatory and non-mandatory training requirements,
  - Mandatory reporting requirements;
- Audit requirements;
- Compliance risk rating; and
- Responsible area/Responsible Officer1.

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1 The Responsible Officer will generally be a nominated manager with responsibility for a specific piece of legislation and/or regulation. The Responsible Officer is responsible for determining the specific compliance obligations which are to be included in Register.
2.2 Monitoring and Review of Compliance Performance

Monitoring of compliance and, identification and reporting of compliance breaches, is undertaken through a range of activities:

- Audit detection;
- Self-disclosure;
- Third party complaints;
- Compliance certifications and review;
- Notification by regulatory agencies and other authorities;

Responsible Officers will implement processes to ensure they are notified and aware of all compliance breaches within their areas of responsibility. Such breaches will be notified subsequently to the Risk Management Unit, which will maintain a central register of compliance breaches or potential breaches.

2.3 Improving compliance performance

2.3.1 Corrective Actions

When a compliance breach is detected it is management’s responsibility to:

- Investigate the circumstances relating to the compliance breach;
- Notify the compliance breach to the Responsible Officer; and
- Ensure that timely and adequate corrective actions are taken to reinstate compliance.

Where a significant compliance breach occurs a corrective action plan should be developed by management in consultation with the Responsible Officer. The Responsible Officer will monitor the implementation of the corrective action plan to ensure that compliance is reinstated.

Where a Responsible Officer believes that management’s response to a compliance breach is not appropriate, the matter should be escalated to the Director Risk Management for resolution.

2.3.2 Continuous improvement

In order to effectively manage the compliance obligations, an annual review of compliance processes will be undertaken. This will include:-

- The review and updating of the compliance risk register(s);
- Notification of any previously un-reported compliance breaches, issues or complaints;
- Provision of updated information to the Risk/Compliance Officer; and
- Audit of compliance processes, as applicable.

The risk of compliance failure should be reassessed 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.
2.3.3 Training

Competence and training needs will be identified and addressed to enable employees to fulfil their compliance obligations. Each Responsible Officer will document mandatory and non-mandatory training needs in the Compliance Register. Training needs assessment should be based upon:-

- Identified gaps in employee knowledge and competence;
- Changes in staff position or responsibilities;
- Changes in internal processes, policies or procedures;
- Changes in statutory obligations;
- Issues arising out of monitoring, auditing, reviews, complaints and incidents.

All training requirements are to be communicated to People and Culture Division for inclusion on the University Training Calendar.

2.3.4 Compliance Performance Reporting

Formal reporting mechanisms on compliance activities include:-

- Annual Certification by Senior Managers of compliance with legal and regulatory obligations;
- Regular reporting, by the Risk Management Unit to the Corporate Governance and Audit Committee on major developments, issues and compliance incidents including the status of implementation of corrective action plans; and
- Provision of an annual, risk-based plan of compliance activities to the Corporate Governance and Audit Committee for review and approval. This plan will include a review of the compliance framework effectiveness and recommendations for improvement.
APPENDIX 1: Responsibilities under the Compliance Framework

The Risk Management Unit is responsible for:-

- Developing, implementing and ensuring continuous improvement of the Compliance Framework;
- Overall coordination of the Compliance Process and for ensuring that all responsible areas of the University fulfil their compliance responsibilities;
- Identifying, in conjunction with responsible areas of the University compliance requirements and training needs;
- Maintaining the University Compliance Register;
- Identifying compliance breaches and ensuring that appropriate and timely corrective actions are undertaken;
- Reporting compliance breaches to management and CGAC;
- Conducting regular compliance audits;
- Promoting awareness of compliance obligations; and
- Assigning a Risk and Compliance Officer to undertake day to day operation of the Compliance Framework, and other such resources as are necessary.

Management is responsible for implementing the compliance process for their specific areas of operational control:-

- Remaining aware of the compliance obligations (including monitoring for changes in legislation and regulation) within their areas of control;
- Identifying individual staff members requiring training and ensuring their participation as required to ensure continuing compliance;
- Reporting non-compliance to the Responsible Officer and the Risk Management Unit;
- Undertaking corrective actions to compliance breaches in a timely manner;
- Certifying compliance for their area of control; and
- Encourage behaviours that create and support compliance and compliance culture.

Responsible Officers are responsible for operation of the compliance process for legislation and regulations for which they are the nominated Responsible Officer, this includes:-

- Ensuring that the compliance requirements for their areas of compliance responsibility are identified, understood and documented (in their Compliance Register).
- Monitoring identified legislation and regulations for change and ensuring that compliance continues to be maintained, including providing advice to the Risk Management Unit of such change;
- Providing guidance and support to staff on the administration of the legislation;
- Monitor and advise Risk/Compliance Officer of changes to the legislation within their area of control; and
- Monitoring and reporting non-compliance.

Legal Services is responsible for:-

- Liaising with the Risk/Compliance Officer on new legislation and changes to current legislation; and
- Providing advice to the Risk/Compliance Officer and Responsible Officers on legislation, its content and application to the University.
People and Culture are responsible for:-
  • Managing training requirements across the University; and
  • Ensuring that all Position Descriptions incorporate compliance responsibilities.

All staff are responsible for:-
  • Adherence to the compliance obligations relevant to their position;
  • Performing their duties in a lawful and safe manner;
  • Undertaking training in accordance with the compliance program; and
  • Reporting and escalating compliance concerns, issues, complaints and failures.