



A GUIDE TO THE WORK OF THE COMPLIANCE UNIT: What it is and what it does

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INTRODUCTION

This brief Guide tells you about our Compliance Unit. It outlines the scope of its work and the way it will be conducted

Compliance is important because it establishes just how things should work. This makes authorities and processes clear for everyone. There are, however, other benefits to compliance. These are also discussed in the guide.

We've kept the Guide jargon-free. Compliance and audit have an awful lot of jargon! We hope you find this guide useful and look forward to working with you.

If you have any comments about the guide, or compliance matters generally, contact us at ac@usp.ac.fj.

Director of Assurance and Compliance

SECTION	CONTENTS	PAGE
1	What is compliance?	1
2	Seven reasons why compliance is important	2
3	Who benefits from compliance?	3
4	Some questions about compliance?	4
5	How is Compliance Unit work planned?	5
6	How do compliance assignments work?	6

SECTION ONE: WHAT IS COMPLIANCE?

Compliance

Compliance means adhering to specified rules and regulations. This includes appropriate conduct when undertaking University business.

What compliance ensures

Compliance is about ensuring the following things occur:

- a. University policy and procedure is consistently followed.
- b. We meet applicable laws and regulations.

Some illustrations of compliance

Here are three simple examples of compliance situations.

The situation	The compliance issue
A student submitting an essay	A student submits an essay to a lecturer by email. All essays must be submitted via Moodle. This enables the assignment to be checked using a plagiarism detector. The student has not complied. The lecturer tells the student to submit the essay via Moodle. The process of marking the essay then complies with academic regulations.
A contractor working on a building	We require people on a roof to not work alone. We do a site visit and find someone working alone. They also have no safety footwear on. This does not comply with our Health and Safety procedures. The person is ordered off the roof. The contractor is told that compliance is required or the contract will be terminated.
Getting quotes for a purchase	There is a procedure for getting two quotes. A person purchases something without getting two quotes. This means the purchase is non-compliant. The person cannot clearly demonstrate that their purchase is value for money.

SECTION TWO: SEVEN REASONS WHY COMPLIANCE IS IMPORTANT

- **It cuts transaction costs:** This is because you do the same thing the same way. That means you don't need to negotiate with everyone each time you want to do something. This cuts the costs of getting agreement and processing transactions.
- **It makes processes more efficient:** When we know how specific things need to be done, we simply follow the process. This makes conducting business easier.
- **It promotes accountability:** Clear compliance processes make clear who is responsible for what. When there is clear accountability, people know what they need to do. They also know where they need to pass responsibility on. This makes training, development and instructions for employees easier to design and implement.
- **It supports better conduct and ethics:** People can resort to unapproved ways to get jobs done. Such methods increase the risk of decisions being made that lack transparency. In contrast, following procedures means following an accepted line of conduct. That supports a better way of doing business.
- **It supplies greater levels of assurance:** Fewer exceptions to accepted processes mean increased confidence in how work is performed.
- **It supports better risk management:** Complying with procedures means following processes with built-in controls. These controls are built-in to reduce the risk of adverse things happening. So compliance supports better risk management.
- **It improves stakeholder confidence:** Following clear rules and principles sustains a positive reputation for sound business conduct.

SECTION THREE: WHO BENEFITS FROM COMPLIANCE?

Here are five categories of people who benefit.

- **STUDENTS:** Adhering to clear policies ensures standards of service are maintained. It also ensures consistency and equity in delivering services. This enables our commitments to students to be delivered efficiently and effectively.
- **STAFF:** Adhering to clear policies ensures formally agreed ways of doing business are used. These make clear what the expected scope of authority is and what standards of conduct are required.
- **FUNDERS:** Funders gain confidence when they know we conduct our business against clear policies and a Code of Conduct.
- **CONTRACTORS:** Contractors benefit from knowing our expectations. They can then ensure they conduct themselves in a way that follows our procedures.
- **THE PUBLIC:** Taxpayers contribute a lot of our funding. The public want to know their funding is managed according to proper business processes. A strong culture of compliance contributes to this.

SECTION FOUR: SOME QUESTIONS ABOUT COMPLIANCE

What happens if there is no procedure? What should I do?

- Is the decision likely to be seen as unethical conduct? You should not do it if it is.
- Compare your proposed course of action to similar activities.
- Discuss the issue with your line manager.
- Document your eventual decision. Others can learn from it. It will also help when reviewing and updating procedures.

How do I raise concerns about compliance?

- The first person to speak to is your line manager.
- The Compliance Unit can be consulted for advice. We will provide our advice on top of our planned work.
- There are fraud and whistleblowing policies covering areas of more serious concern. These policies and procedures are on the University intranet.

SECTION FIVE: HOW IS COMPLIANCE UNIT WORK PLANNED?

The Compliance Unit undertakes its work against an annual plan of activity. The Unit plans its work using the following factors. These are a mixture of documents and discussions.

FACTOR	COMMENTS
The level of risk	We undertake coverage according to assessed compliance risk.
The internal audit programme	The Unit will take account of the internal audit programme. It will avoid duplicating internal audit's independent assurance work.
Follow ups of reports	A key part of the section's activity is to do follow-ups of internal audit and other reports. This provides evidence that recommendations made have been implemented.
Compliance activity in other parts of the University	There are other sections and Units who do compliance work as part of their activities. This includes sections like our Occupational Health and Safety Unit. We will avoid unnecessarily duplicating the efforts of those teams.
Discussions with senior managers	Senior managers will have a view on where assurance about compliance is most required. This will influence the assignments to be undertaken.

SECTION SIX: HOW DO COMPLIANCE ASSIGNMENTS WORK?

These are the key parts of the process.

ITEM	COMMENT
Outline the scope of the work	<ul style="list-style-type: none"> We will advise the SMT in the area concerned what we plan to do. The assignment Terms of Reference will be agreed with the SMT.
Fieldwork reports	<ul style="list-style-type: none"> Reports outlining compliance recommendations following fieldwork will be circulated for comment. These recommendations will then be followed up.
Summary reports	<ul style="list-style-type: none"> These will go to SMT every six months. These may also be referred to the Audit and Risk Committee. Our internal auditors will also be provided with these reports.

We will grade the outcomes of our work in a similar manner to our internal auditors. The definitions are different, though. They are outlined below.

GRADINGS	DEFINITION
Critical	The issue is a severe risk to the proper functioning of the area examined.
High	The issue is a significant risk to the proper functioning of the area examined.
Moderate	The issue is a small risk to the proper functioning of the area examined.
Low	The issue is a minor risk to the proper functioning of the area examined.

We will also provide an overall conclusion from our work. This will also be graded. The grading we will use are outlined below.

GRADINGS	DEFINITION
Weak	Overall, compliance to policies and procedures is not satisfactory.
Satisfactory	There are some weaknesses noted. However, overall compliance levels are not a matter of serious concern.
Good	There is good compliance to policies and procedures in this area.