

Project Title A Nuanced Approach to Traditional Ways of Compliance Management
Principal Applicant Jake Ormond, Project Manager & Compliance Officer,
jake.ormond@gccaz.edu, (623) 845-3304, Glendale

Name, title, college/district office of each team member who created the innovation.

Winning innovations should fall into one of the following categories. Select the category most strongly aligned to the project (maximum of one)

Research, Assessment, and Accountability

Winning innovations should meet one or more of the following criteria. When submitting your college's winner, please select the criteria that best apply to the innovation (select all that apply).

Quality.

Students and/or staff agree that the innovation increases quality in the course, program, office, or institution. Evidence of quality may include student ratings or letters of support from colleagues. Quality is difficult to measure, but the committees might want to wrestle with criteria that define quality in their colleagues.,

Efficiency.

There is evidence that the innovation contributes to a more efficient way of doing things. Student ratings, perceptions of outside consultants, and pre- and post-comparison of time involved are examples of evidence.,

Cost Effectiveness.

There is evidence that the innovation adds value to the institution while at the same time containing or reducing costs. Cost data will serve as evidence.,

Replication.

The innovation selected can be replicated at other institutions with a minimum of difficulty.,

Creativity.

The innovation should be original or the adaptation creative. The program description or letters from experts are examples of evidence.,

Timeliness.

The innovation should be no more than five years old at the institution, but must have been around long enough to have been tested so that it meets most of the criteria.

Project Summary (maximum of 1,000 characters)

Changes to Glendale Community College's (GCC) Compliance Program came when new leadership wanted to bring life to compliance and proactively approach risk management. At a college with more than 15,000 students and 1,000 employees, establishing communication channels and cross-college collaboration to manage college compliance can be a challenge. GCC's Compliance Committee has thought differently about compliance management and has come up with innovative and efficient ways to measure organization-wide risk, creatively celebrate accomplishments of compliance champions, and provide training on complex topics that could be replicated at other institutions. Proactive approaches to compliance management further safeguard institutions from financial penalties, a growing concern across the landscape of higher education. It is the vision that one day, all GCC employees contextualize their role in compliance and see value in proactive compliance management.

Project Description (maximum of 1,000 words)

PROBLEMS ADDRESSED

More than 270 federal statutes govern institutions of higher education, not including state, local, or Maricopa County Community College District (MCCCD) Administrative Regulations. Department leaders across Glendale Community College (GCC) identified concerns in their department that appeared to warrant college-wide action, but when compared to college-wide compliance concerns, some seemed rather minor. This challenge is not unique to compliance, as we all have strong ties to the work we do to support our institutions of higher education, but sometimes our limited views can prevent us from seeing how they compare to larger systemic issues. The concept of a risk analysis was introduced to the GCC Compliance Committee in Fall 2019 as a systematic way of identifying and responding to risks related to federal statutes and MCCCD Administrative Regulations. The Committee developed a college-wide compliance matrix combining a template from the Higher Education Compliance Alliance with MCCCD Administrative Regulations, and then the several hundred regulators were assigned a college department who had responsibility for oversight. The template version of this has been attached.

When considering risk analysis models and templates, too many seemed subjective and as though they were comparing apples to oranges. So, why not create our own? Using the compliance matrix as a starting point, the Compliance Committee designed a rubric and formula (attached) to calculate the College's top risks based on factors such as current compliance, previous audit findings, impacts of non-compliance, and even how public awareness might impact the College's compliance effort. When determining risk, college department managers were asked to respond to the following questions for each federal statute and administrative regulation: (A) Is GCC currently compliant with this regulation? (B) What is the institutional impact of non-compliance (select the greatest impact)? (C) Is this area a "hot topic" in the news in relation to higher education or MCCCD? (D) Does the department have an internal control

mechanism (e.g., audit, established business process, etc.) to ensure compliance? (E) Has there already been an audit finding or issue related to this compliance criteria in the last three years? (F) Is it possible to conduct an internal audit or review of this area?

Between January and March 2020, more than 75 individuals engaged in the process to score all of the regulations using the aforementioned list to determine the College's greatest areas of opportunity to strengthen compliance efforts. Each question had a pre populated list of responses with corresponding values designed to calculate the Risk Indicator Value (RIV). Using the list above, the formula for calculating the RIV was as follows: $RIV = A(B+C+D+E+F)$. Rather than adding values together, the Compliance Committee wanted to ensure that areas of non-compliance or situational dependence were elevated significantly to represent the greater concern to the College. Scores could range between 5 and 105, 5 being the least risk, 105 being the highest risk. Top risks were assigned to a department or task force to champion the efforts to develop internal controls to safeguard against non-compliance.

GOALS AND VISION OF THE PROJECT

GCC Compliance will continue to strive towards the day where all employees contextualize their role in compliance and see value in proactive compliance management. Having a college-wide RIV has set the stage to set clearly defined goals to reduce the college-wide RIV to 21.5 by May 2021. All college departments now have a tool to contextualize how they can reduce the College RIV, for example, one department may choose to implement a regular audit of a business process (a contributing factor in the rubric). This aligns to the District's recent efforts to launch the Four Disciplines of Execution (4DX) and provides clear lead measures for departments that can be acted on and influence the greater outcome. The College has committed to conducting the risk analysis biennially to ensure regular monitoring of the College's RIV and allow time to develop and implement control mechanisms.

ALIGNMENT TO PROGRAM CRITERIA

Quality: Designing a consistent rubric and training increased inter rater reliability among departments to ensure the risk analysis would provide meaningful numerical results that could be easily interpreted and ranked. This rubric was developed by more than 50 individuals, all subject matter experts in their fields, demonstrating the quality of the final product.

Efficiency: Conducting the risk analysis across the College eliminated one-off audits and subjective interpretations of compliance to statutes and regulations.

Cost Effectiveness: The National Association of Student Financial Aid Administrators (2015) estimated that higher education allocates approximately \$27 billion annually to compliance management, with community colleges accounting for \$6 billion. This systematic approach to compliance management centralizes compliance efforts to reduce duplication of efforts and lengthy individual reviews and prioritizes resources of time that can be spent supporting students.

Replication: The compliance matrix and rubric could easily be duplicated across institutions. It would require a lead champion to set deadlines and communicate the value of this proactive approach to compliance management.

Creativity: When considering risk analysis models and templates, too many seemed subjective. Using specific compliance outcomes associated with numerical values, it removes the subjectivity from traditional low, moderate, and high rankings in compliance risk analysis templates.

Timeliness: The risk analysis was completed in March 2020 and compliance projects had since been assigned with 44% already completed.

PROJECT ACHIEVEMENTS

Coming up on the one year mark having completed the risk analysis, four projects have already been completed, four more on track for completion by the end of Spring 2021, and one that has been stalled due to the COVID-19 pandemic. Moving forward, the risk analysis will focus more towards small department-level interventions to further engage all members of the Compliance Committee in reducing the RIV rather than a select few projects.

REFERENCES

National Association of Student Financial Aid Administrators (2015, October 21). Study: Regulatory compliance costs higher ed \$27B per year.
https://www.nasfaa.org/news-item/6352/Study_Regulatory_Compliance_Costs_Higher_Ed_27B_Per_Year "