



MACQUARIE
University

Compliance

MANAGEMENT FRAMEWORK

2021



Introduction

Macquarie University and its controlled entities have a responsibility to comply with a range of legislative and regulatory requirements.

The University's compliance approach is based on the Australian Standard AS ISO 19600:2015 Compliance Management Systems. Effective compliance means to meet the requirements of all relevant laws, regulations, codes and University policies as applicable to the University, its controlled entities, faculties and portfolios.

The Compliance Management Framework (**the Framework**) establishes the responsibilities of management and employees in effectively managing these compliance obligations.

Compliance is not a standalone discipline, it impacts across the many functions, policies, disciplines, portfolio, faculties and University operations and activities.

The University's reputation for integrity and professionalism is paramount and a commitment to compliance requires clear processes in place for the University and its controlled entities to meet its obligations and manage new and evolving issues as they arise.

All staff have an impact and overall joint responsibility for ensuring execution of the University's compliance obligations.

Compliance Program Overview

Compliance is a shared responsibility across the University and controlled entities to ensure that operational activities are being undertaken in a manner consistent with relevant laws and regulations.

Through the University's Delegation of Authority, the Council has reserved powers over the approval and monitoring systems in place to ensure accountability.

The Audit & Risk Committee provide oversight and review as part of their terms of reference, they are required to:

- Determine whether management has appropriately considered legal and compliance risks as part of the University and controlled entities risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring the University and controlled entities compliance with applicable laws and regulations, and associated government policies.
- Provide advice to the Council regarding the issue of the University's annual Certificate of Compliance, or equivalent report.

The Office of General Counsel (Compliance Manager) has oversight of the University's Compliance Framework and Compliance Policy for the University and more broadly, the controlled entities, in liaison with the Chief Risk Officer and Internal Audit; including: -

- Managing, monitoring, and implementing this Framework
- Managing and maintaining the Compliance Obligation Register
- Assisting in managing, monitoring, and implementing the Annual Compliance Plan including the performance of:
 - Reviewing compliance risks across the faculties and portfolios
 - Evaluating Internal controls
 - Ensuring instances of non-compliance are reported, reviewed and investigated appropriately to ensure any measures for improvement are implemented
- Reporting any material non-compliance to the Audit & Risk Committee and compliance owners and management to ensure compliance issues are identified at all levels, escalated as required, and addressed promptly and effectively.
- Liaising with internal and external audit, as appropriate.

The Compliance Framework has four key functions:

1. Compliance Awareness
Ensuring all staff are aware of their obligations and any legislative changes that may impact their portfolio
2. Comply and Maintain
Identify obligations, evaluate risks, and complete compliance declarations/attestations
3. Continual Improvement
Address emerging and new compliance risks
4. Evaluation, Reporting and Breach Management
Performance evaluation, monitoring and reporting to aid continuous improvement

The key documents that support these functions and the framework are:-

- The Compliance Policy
- An Annual Compliance Plan
- The University's Compliance Register; and
- Risk Ratings Associated with the Macquarie University Risk Management Framework

MQ Health Pty Ltd (MQ Health) maintains a Risk Management Framework which sets out processes for implementation, monitoring and measurement of compliance risks, including:

- the methodology for the evaluation, treatment and mitigation of compliance risks; and
- processes for escalation of identified breaches of legislation

Compliance Awareness

Employees at all levels of the organisation are required to be aware of relevant compliance obligations and implement controls in their day to day business activities to perform their duties with honesty and integrity in accordance with the [Staff Code of Conduct](#) and other codes and policies applicable to their roles.

Compliance culture is supported through several initiatives:

- Supervision and training of employees to promote compliance-aware behaviours
- Collaborating with Compliance, Internal and External Audit with any enquiries and investigations of non-compliance
- Complying with policies and procedures
- Implementing compliance controls to support the achievement of compliance objectives
- Adequately documenting and communicating how compliance with obligations is achieved
- Considering risk
- Actively managing and resolving compliance issues and incidents, and
- Encouraging employees to escalate instances of non-compliance through breach reporting
- Assigning accountability for compliance to ensure appropriate recognition, management and reporting of compliance risks

Executive and senior staff need to establish and maintain adequate internal controls to ensure the University can meet its compliance obligations:

This includes:

- Escalating potential or actual non-compliance events to the Manager Compliance, Director, Group Risk, Internal Audit, Office of General Counsel and/or Human Resources as appropriate
- Ensuring the adequate design and operation of controls (Standard Operating Procedures and policies) in their business unit, including implementing reviews to evaluate controls, requesting support from Internal Audit or Compliance, as needed
- Performing initial enquiries of any complaints or acts of non-compliance
- Responding promptly to all allegations or indications of non-compliance
- Where control improvements are recommended by a review or audit, implementing these as soon as possible
- Assist in the implementation and maintenance of:
 - Staff awareness of the [Staff Code of Conduct](#) and this Framework
 - Educate staff about compliance obligations in their area of work
 - Promote a positive and appropriate attitude towards compliance reporting.

Training and support

Every staff member should have a general awareness of the University's compliance management framework. The University is developing a compliance awareness program for both new and ongoing staff to ensure staff are aware of their compliance obligations and their responsibility to report non-compliance.

The University will achieve this in several ways, including:

- Delivering an introductory compliance awareness program to assist in making staff aware of the University approach to compliance management
- Delivering specific tailored staff compliance training programs
- Seminars and presentations on relevant topics
- Making the [Staff Code of Conduct](#) and key attributes of this Framework available to all staff via the University's website
- Incorporating reminders to staff and students of their obligations to ethical conduct and public duties into policies, procedures, appointments, guidelines, training, and student and/or staff communications.
- Promotion of key internal controls used to manage the risk of non-compliance.

Communication

The University's approach is integrated into the governance and reporting framework and has leadership from the Vice-Chancellor and the Executive Team.

Internal communication mechanisms include:

The Audit and Risk Committee which will be requested to review and endorse the following documents:

- Compliance Management Framework
- University Compliance Exception Report
- Annual Compliance Plan.

The Executive Team which will be requested to review and approve the following documents:

- Compliance Management Framework
- Review of material breach events, as required.

Specific Compliance Forums and relevant Committees, which will review and oversee the following reports:

- Performance reports on specific obligations
- Compliance remediation progress reports.

Compliance will work with staff within Governance Services and the Policy Unit, to ensure all new and amended policy documents support compliance obligations as appropriate.

Comply and Maintain









The University's key compliance documents supporting the framework

The Compliance Policy

Establishes the overarching principles and commitment for the University to achieve compliance. This assigns responsibility to the Compliance function (within OGC) to enable and monitor the implementation of the policy across the University and controlled entities. The controlled entities are responsible for all compliance by their entity, using the support of University shared services.

The University's Compliance Register

The University's Compliance Register sets out the nature of the legislative obligation as it applies to the University's operations. Where appropriate, compliance obligations have been underpinned within relevant University rules, policies and procedures which can be found at [Policy Central](#). The Register is updated in collaboration with identified compliance owners for all key compliance categories within the University and controlled entities and as shown below: -

	Teaching & Learning		Research		Corporate		Finance
	Health Services		Health & Safety		Human Resources		Information Technology

Compliance obligations change and develop over time and this document will require regular update and review but will need to include: -

- obligation requirements, including frequency that obligations occur
- mapping obligations into categories aligning with the University structure, business activities, products, services, technology and other aspects, to identify situations where commonality can be found in similar obligations
- compliance activities and controls to address the obligation requirements (as defined and captured by compliance owners)

MQ Health Compliance Register

- MQ Health documents its compliance obligations in the Compliance Register accessed via the RiskMan database. The Compliance Register designates relevant managers who are responsible for putting in place policies and procedures required by the various compliance obligations.

An Annual Compliance Plan

- To be prepared by the Office of General Counsel (Compliance Manager) to conduct risk-based monitoring of compliance risks and processes, updated annually
- This plan should identify key structured compliance monitoring processes and some focused programs; including: -
 - Those conducted by compliance owners over areas such as financial controls, academic processes, work health and safety, and clinical risks, for example
 - Those conducted on a risk/cyclical basis by the Compliance Manager
 - Those planned by Internal and External Audit.

Supporting procedures, forms, attestations, templates and training

The schedules for self-assessments, internal audit reviews and external reviews will be kept by the Compliance Manager once agreed with key stakeholders and monitored as part of an Annual Compliance Plan. A key element of establishing the schedules and content of review is building a positive culture of disclosure.

The content of self-assessments, policies etc will be jointly developed by the relevant stakeholders to set the tone and expectations of obligations, including: -

- plans, protocols and procedures that enable a response to a compliance risk event,
- plans, systems and procedures that detail how to execute the tasks/process,
- recruitment requirements to ensure knowledge / competency in relevant obligations,
- training and capability development,
- management reviews/activities that monitor or assess performance and compliance,
- self-assessments to support ongoing improvement in and maturity of existing control strategies,
- verification and attestations that obligations are being met.

Continual Improvement

Learning the lessons from investigations and proactive reporting is an important component of ongoing compliance management. Consideration should be given to referring any local improvements or insights to the Compliance Manager who may recommend new controls or governance structures in other relevant parts of the University and its controlled entities, that may have similar exposures.

Operational Management and compliance owners are accountable for improving the overall efficacy of the compliance management system, in accordance with their respective roles and responsibilities. Regular monitoring and reviews of this Framework, compliance management policies and processes provide an opportunity for improved development. Results of significant reviews must be documented and communicated to the Audit and Risk Committee, and may include recommendations on:

- changes to the compliance management system, framework and policies
- changes to compliance processes, technology and resourcing
- areas requiring further monitoring for potential issues, new compliance risks or incidents, and
- areas for improvement.

Internal and external legislative compliance review at MQ Health

The Legislative Compliance Register for MQ Health is reviewed biennially to ensure accuracy and currency of legislation. This includes a focused review on a key or identified risk area-

MQ Health Executive and the Safety, Risk and the Compliance Manager will review the Compliance Program on a biennial basis to ensure continued suitability, adequacy and effectiveness, with a focus on continual improvement.

The internal review may include:

- Whether the program is operating effectively
- The extent to which objectives and targets have been met
- Results of monitored activities
- Status of corrective and preventative actions and timelines for resolution
- Previous compliance reviews (external and internal) and recommendations
- Changes in internal and external environment
- Adequacy of resources
- Adequacy of the Compliance Policy

The annual management review will consider:

- Any changes required to improve the compliance program including policy, objectives and targets, systems, resources and personnel
- Corrective actions with respect to compliance failures
- Long term continual improvement activities

Evaluation, Reporting and Breach Management

A key objective of the compliance management system is to assess compliance performance. This is achieved through establishing and monitoring a set of measurable indicators of Operational Management and Compliance performance, to continually improve the efficiency and effectiveness of the compliance management system.

Reports will be generated to communicate the University's initiatives and performance in achieving compliance obligations.

Reports will include:

- Communication of findings arising from monitoring and review activities by key stakeholders
- Annual Compliance Plan
- Generation of a Compliance Exception Reports to the Audit and Risk Committee which details:
 - a. any material changes to compliance obligations and the University's performance
 - b. the key performance achievements, and
 - c. issues relating to how the University addresses compliance, the nature of additional actions required to strengthen performance, and progress updates concerning agreed actions.

Breach Management

Operational Management is primarily responsible to ensure early identification and remediation of compliance issues and incidents and to effectively manage or mitigate potential consequences. Where a compliance breach arises, the breach is expected to be communicated as soon as reasonably possible to the Manager / supervisor. Managers / supervisors are expected to:

- gather sufficient information to determine the severity of the breach;
- ensure the information gathered is communicated either by phone, email or through the Risk Online Active Reporting (ROAR) form, RiskMan or a Code Yellow, as appropriate;
- initiate steps to limit any immediate repeat or continuation of the breach at that time;
- contact the person accountable for compliance in their area; and
- contact the Office of General Counsel where the breach is deemed material. That is the breach has a:
 - University-wide impact,
 - Could generate widespread media and reputational damage, or

- Requires notification to an external authority.

Once communicated a review/investigation commensurate with the nature of the breach will occur. Where the breach is material, notification to an external authority is required and / or clarity over the adequacy of the remediation plan is required, the Office of General Counsel will be involved.

A report on each material breach will be provided to the Audit and Risk Committee as part of the Compliance Exception Report.

Breach Management specific to MQ Health

MQ Health reports legislative compliance breaches to regulatory authorities as appropriate (e.g. NSW Health, Environmental Protection Authority). Clinical compliance breaches are reported to the Clinical Care Committee, Patient Care Review Committee and the Medical Advisory Committee as appropriate.

All legislative compliance breaches are reported through the Risk, Safety and Quality Committee and Board Audit and Risk Committee.

The MQ Health Risk Management Framework provides details of an escalation process for the reporting of incidents based on the level of risk. Any non-compliance posing an extreme risk will be escalated to the Board of Directors by the Chief Executive Officer.

Summary of Compliance Activities

Compliance Activity	Action	Designated Officer	Timing
Review compliance policy	Review currency and effectiveness of policy	Review by Compliance Manager, approval authority General Counsel (OGC)	Every three years
Review Compliance framework	Review currency and effectiveness of framework	Review by Compliance Manager, Approval Authority OGC and Audit and Risk Committee	Annual
University Compliance Register	Identify, review and update legislative obligations and nomination of responsible officers/compliance owners	Coordinated by Compliance Manager	Annual
MQ Health Compliance Risk Register	Identify, review and update legislative obligations and nomination of responsible officers/compliance owners	Safety, Risk and Compliance Manager	Annual
MQ Health Legislative Compliance Register	Review currency and accuracy of Legislative Compliance Register	Coordinated by Safety, Risk and Compliance Manager	Biennially
University Compliance risk reporting	Review/Report potential or actual breaches and other relevant issues	Compliance Manager coordinates and OGC reports to Audit and Risk Committee	Quarterly/As appropriate
Compliance declarations/attestations	Distribute to responsible officers and review responses	Relevant Executive/OGC reports to Audit and Risk Committee	Annual/ as agreed

Compliance Activity	Action	Designated Officer	Timing
Training	Ensure staff are aware of their compliance obligations, relevant policies and any standard operating procedures	Coordinated by HR and supervising managers to ensure currency and any new requirements	Induction for new staff and within three months of commencing and updated as required
Annual Compliance Plan	This sets out the priority compliance outcomes for the University over a single year to help ensure that stakeholders are informed about the University's compliance priorities.	OGC reports to Audit and Risk Committee in consultation with relevant Executive for approval for Approval	Annual

Risk Ratings Associated with the Macquarie University Risk Management Framework

- Risk rating** is used to determine the potential exposure to Macquarie. It is a function of the risks potential consequence and its likelihood of occurrence.

MQ Risk Matrix		Consequence				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost Certain	(11) Medium	(16) High	(20) High	(23) Very High	(25) Very High
	Likely	(7) Medium	(12) Medium	(17) High	(21) High	(24) Very High
	Possible	(4) Low	(8) Medium	(13) Medium	(18) High	(22) Very High
	Unlikely	(2) Low	(5) Medium	(9) Medium	(14) Medium	(19) High
	Rare	(1) Low	(3) Low	(6) Medium	(10) Medium	(15) High

(#) Rating position numbers – These have been introduced to provide an indication of the position on the risk matrix / heat map

Criteria for Likelihood

Criteria for Consequence is provided on the following page

Likelihood	Criteria
Almost Certain	Over 90% probability, or Expected to occur in most circumstances, or Likely to occur multiple times throughout a project
Likely	Between 51% -90% probability, or Probable that is occurred in most circumstances, or Possible to occur in a project, has occurred in similar projects.
Possible	Between 21% - 50% probability, or Might occur, has occurred before, or Has occurred in a minority of similar projects.
Unlikely	Between 1% - 20% probability, or Could occur, or Has not occurred in similar projects but could.
Rare	<1% probability, or Exceptionally unlikely, even in the longer term, or a “100-year event”

Criteria for Consequence

	Insignificant	Minor	Medium	Major	Severe
Reputation	Student disaffected; Authority notes concern	Authorities formally seek clarification; Student Groups register separate concerns; MQ student body media traffic; Localised social media traffic	Authorities and Government register strong concerns and threaten investigation; State based media; Social media traffic (mainly spurious); Multiple Student Groups vocalise concerns; Prominent Academic resigns	Targeted enquiry and investigation by Authorities / Gov; Aust Wide press interest; Short term spike in adverse social media traffic; Widespread disaffected Student Community; Faculty Dean or DVC resign; Loss of standing within the Research Funding Community	Total loss of confidence by Government / Student Community / Authorities / Funding & Research Bodies; International media attention; Widespread prolonged adverse social media traffic; VC and Key Executives resign
Academic Matters	Minor course development or introduced postponed	Course development or introduced delayed	Loss of external accreditation of course; Load sharing to support signature courses and or research; Research projects not progressed; New courses not developed or introduced; Ability to seek new research opportunities are limited	Suspension of/conditional Provider Status; Partial closure of Dept; Suspension of viable/signature course; Material breach of Research grants / conditions; Limitations on research opportunities	Closure of a viable or signature course; Planned research activity and growth not viable; Closure of Dept; Loss of Provider Status; LT union action; Inability to staff Dept
Legal and Compliance	Technical non-compliance	Regulator enquiry; Minor legal issues and, or breach of regulation	Regulator issues warning; Fine and legal costs up to \$15M; Major litigation; Class Action;	Regulatory sanction resulting in suspension of license and or conditions on accreditation; Fine and legal costs up to \$50M; Major litigation; Class Action	Regulatory sanction resulting in loss of license / accreditation; Fine and legal costs exceeding \$50M; Major litigation; Class Action
Financial	Cash loss of <50K Cost/loss able to consumed in the current budget	Funds are reallocated to continue initiatives; Cash loss of 50K -1M	Non- major initiatives are reallocated to the following financial year; Cash loss of 1M-15M	Additional cost which limits strategic projects/initiatives exceed budget and OFS provisions; funds are diverted to support critical activities only; Cash loss 15 - 50M	Additional cost which impact viability of strategic projects/initiatives and cannot be funded in the current environment; Cash loss 50M+
Health, Safety & Environment	First aid incident; Minor reversible impact to low significance environmental location	Hospitalisation of person; Short term reversible impact on environment	Serious personal injury / moderate irreversible disability/impairment; Significant localized impact to environment	Single death and disability; Long term damage to the environment	Multiple death and disability; Permanent damage to the environment
Infrastructure	Teaching facilities are unable to be occupied at the allocated time; Small no of users impacted by IT systems being temporarily unavailable	Parts of a building within the Uni is unable to be occupied for prolonged period (greater than 1mth during teaching semester); IT Systems do not operate efficiently eroding performance	One building within the Uni is unable to be occupied for prolonged period (greater than 1mth during teaching semester); IT Systems do not operate efficiently eroding performance	More than one building within the Uni are unable to be occupied for prolonged period (greater than 1mth during teaching semester); Temporary loss of one or more Faculty / Dept data; Critical IT Systems unable to be recovered to support operations for up to 1mth	Uni grounds inaccessible for prolonged period (greater than 1mth during teaching semester); Wide scale loss of data; Critical IT Systems unable to be recovered to support operations for greater than 1mth