



**CENTRAL TEXAS
Regional Mobility Authority**

June 28, 2017
AGENDA ITEM #3

Adopt an Annual Internal Compliance
Assessment

Strategic Plan Relevance: Regional Mobility
Department: Legal
Contact: Geoff Petrov, General Counsel
Associated Costs: N/A
Funding Source: N/A
Action Requested: Consider and act on draft resolution

Summary:

In May 2017, the Board adopted an internal ethics and compliance program. In conjunction with the implementation of that program, staff recommends conducting an annual risk assessment to evaluate the compliance procedures and identify any potential improvements to optimize the ongoing effectiveness of the program.

Backup provided: Draft Amendment to the Internal Compliance Program

INTERNAL ETHICS AND COMPLIANCE PROGRAM

The Central Texas Regional Mobility Authority (“Mobility Authority”) has established an Internal Ethics and Compliance Program (“Program”). The Executive Director and the Deputy Executive Director are charged with monitoring compliance within the organization and taking appropriate action in response to compliance related complaints. These employees, along with the Chief Financial Officer are responsible for oversight of financial reports and establishing and maintaining an adequate internal control structure with appropriate checks and balances.

The Mobility Authority has taken all possible steps to avoid the delegation of substantial discretionary authority to individuals whom the organization knows or should know, have previously engaged in illegal activities. The Mobility Authority will perform criminal background checks on all final applicants for the positions of Executive Director, Chief Financial Officer, General Counsel, and any positions involving the disbursement of Agency funds or the handling of cash, checks or credit cards; negotiable documents and materials; or highly confidential or sensitive information. All applicants admitting a felony conviction on their application materials shall also be subject to a criminal background check. Additionally, the Mobility Authority may, at its discretion, perform criminal background checks on applicants for any other position. The Executive Director shall be responsible for periodically assessing risk of criminal misconduct within the organization.

The Mobility Authority shall take all steps to ensure that compliance standards are effectively communicated to all employees by requiring participation in training and by distributing information that explains the requirements of this Program. A copy of the Program, including any amendments and all related documents will be included in the Employee Handbook. Training will be held during orientation and periodically thereafter. An employee who violates any provision of the Program is subject to disciplinary action up to and including termination. All employees shall perform their official duties in a lawful, professional, and ethical manner; practice responsible stewardship of organizational resources, and report any conduct or activity that they believe to be in violation of this Program. If an employee has a concern about the legitimacy or appropriateness of any employee act, he/she should promptly discuss the matter with his/her manager or with the Human Resources Manager. No employee who, in good faith, reports an alleged incident of noncompliance who participates in an investigation of an alleged incident of noncompliance shall be subjected to discrimination, reprisal or retaliation in any form because of having made such a report or participating in such an investigation.

The Mobility Authority Board of Directors will participate in periodic training in ethics and in the compliance program and ethical behavior generally.

The Mobility Authority shall notify all agents of the organization regarding the Program, and its expectation of ethical behavior and compliance with the law from individuals and companies it does business with through distribution of written materials, electronic communication or verbal communication.

The Mobility Authority will annually conduct an internal risk assessment and an independent annual external compliance audit ~~and other risk evaluations~~ to monitor compliance and assist in the reduction of identified problem areas.

Record Retention

The Mobility Authority is committed to proper maintenance and retention of records and shall comply with the retention schedule for local government records adopted by the Texas State Library and Archives Commission. If the Texas State Library and Archives Commission adopts a new record retention schedule, or revises an existing record retention schedule, that applies to a record maintained by the Mobility Authority, the Executive Director shall ensure that the Mobility Authority complies with the new or revised retention schedule.

Fraud

Fraud is broadly defined, and may include any type of intentional deception for the purpose of personal or business gain or damage to an individual or organization. Examples of fraud include lying on an employment application, falsifying records, or providing false receipts for reimbursement from the Mobility Authority. Employees shall not knowingly make false or misleading statements, oral or written, in the course of the conducting of the Mobility Authority business. Employees shall not disclose confidential or sensitive organizational business information without prior written authorization.

Equal Opportunity Employment

The Mobility Authority is an equal opportunity employer. This means that decisions regarding the hiring, promotion and compensation of candidates and employees will be made without regard to race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability or any other status protected by law.

Management will make decisions regarding the hiring, promotion and compensation of a candidate (whether internal or external) and employee solely upon the basis of the individual's work record, performance history and qualifications for the job for which he/she is being considered.

Sexual Harassment and Sexual Misconduct

All Mobility Authority employees have the right to work in an environment free from any type of unlawful discrimination or harassment based on race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability or any other status protected by law. This includes freedom from sexual harassment in the workplace.

Harassment based on any of the above is considered a form of illegal discrimination. The Mobility Authority will not tolerate any form of harassment in the workplace. An employee who believes there has been an incident of harassment shall comply with Workplace Harassment Policy in the Employee Handbook.

Conflicts of Interest

Conflict of interest is a situation in which one's private interest (most often financial in nature) conflict with or raises a reasonable question of conflict with their job-related duties and responsibilities. All employees and other individuals or entities that do business with the Mobility Authority shall comply with the conflict of interest requirements in the Policy Code and the Employee Handbook.

Local public officials (including members of governing bodies or another officer, whether elected, appointed, paid, or unpaid, of any district including a transit authority or district), as well as certain other employees involved with contracting, are subject to the conflict of interest provisions in Chapter 171 of the Texas Local Government Code. Chapter 171 established the standard for determining when a local official has a conflict of interest that would affect their ability to discuss, decide, or vote on a particular item. Other state and federal laws may be applicable to officials and employees in particular situations.

Personal Use of Organization's Property

Property owned or leased by or provided to the Mobility Authority may only be used for official purposes as authorized by the Board of Directors and the Executive Director. Any misuse or unauthorized use of Mobility Authority property, including information system resources, is subject to disciplinary action. Misuse of official property may also result in criminal prosecution.

Gifts and Honoraria

Employees must not solicit or accept gifts, loans, other compensation, unusual favor or hospitality (other than reasonable tips earned by employees in direct customer service positions) which could influence or even have the *appearance* of influencing them in the performance of their duties.

Under Local Government Code Chapter 176, a local government officer must disclose a vendor's offer of gifts to the officer or the officer's family member worth \$250 or more using the Conflict of Interest Form approved by the Texas Ethics Commission. The form requires disclosure even if the officer refuses the gift. An officer commits a class C misdemeanor if the officer knowingly violates the disclosure requirement.