

# **THE COLLEGE OF NEW JERSEY**

## **Compliance Best Practices**

### **1. Policies and Procedures**

The College shall develop and effectively communicate to the College community written policies and procedures to ensure compliance with applicable laws and regulations and recognized best practices in the governance and operations of an institution of higher education with a goal of reducing and eliminating fraud, waste and abuse. The Board of Trustees will approve a College Code of Ethics and Conflict of Interest Policy in compliance with State regulations and consistent with institutional expectations for ethical conduct at The College of New Jersey. The Administration shall annually review and make recommendations for enhancements to these Compliance Best Practices to the Audit, Risk Management and Compliance Committee of the Board of Trustees (the “Committee”).

### **2. Oversight**

#### **Board of Trustees**

The Committee was established in 2007 to assist the Board of Trustees in providing oversight to ensure accountability and transparency in the governance and operations of the College consistent with the spirit of the Sarbanes-Oxley Act of 2002.

The Committee’s role includes a focus on qualitative aspects of financial reporting, processes for managing risk, adequacy of internal controls, and compliance with applicable legal, ethical and regulatory requirements and an appropriate auditing and monitoring plan.

The Committee is comprised of publicly appointed members of the Board of Trustees. The Committee’s charter outlines the Committee’s functions and responsibilities, including the:

- selection and oversight of the College’s external auditing firm.
- oversight of the processes for the identification and assessment of general operational risk.
- review of the adequacy of the system of internal controls.
- coordination with College management of the identification and prioritization of opportunities for compliance review.

#### **Compliance Officer**

The Board has designated the General Counsel as the Compliance Officer and Ethics Liaison Officer of the College. In such roles the General Counsel shall periodically report to the Committee significant developments in the areas of compliance and ethics. The Compliance Officer shall work with the President and other officers of the College in

coordinating compliance efforts and on such matters shall advise and report to the Committee.

### External Financial Accounting

- The public accounting firm selected by the Board shall prepare and provide to management and the Audit Committee the scope and procedural plans for an annual external audit of the College and its affiliated organizations.
- The College's financial statement auditor shall not perform non-audit services for the College without prior approval by the Committee.
- In the fall following the close of each fiscal year, the external auditors will report the results of the annual financial audit to the appropriate Board committee(s). In addition to providing the financial statements and related notes, the external auditors will advise the Board on the College's compliance with generally accepted best practices for financial reporting in Higher Education.
- The President and Chief Financial Officer shall attest to the integrity of the College's audited Financial Statements.
- Sub-certification – College Department Managers shall attest to the reliability of financial statements prepared by their individual departments.

### **3. Training and Education**

The Compliance Officer and the Director of Human Resources shall work with the Administration to identify the need for and develop and deliver to College employees appropriate training and education in furtherance of the compliance program.

### **4. Communication**

The Administration shall effectively communicate to the College community written policies and procedures concerning ethics and compliance.

### **5. Internal Monitoring and Auditing**

#### Internal Controls and Operational Risk

- A comprehensive internal controls assessment of financial procedures and reporting was prepared by the Administration on 2006.
- The report was reviewed by the Committee.
- The Committee authorized the Administration to contract with external advisors to review its assessment of internal controls and identify gaps that could present significant risks to the College.

- Those external advisors will submit to the Committee a report describing the nature of the risk(s) and a plan for resolution, no later than six months after the completion of the assessment.
- The Administration will annually evaluate and test its internal controls over financial reporting, and identify to the Committee areas of potential significant risk.
- Appropriate Department Managers and the designated College Internal Audit Officer will attest to the integrity of the annual internal controls report to the Committee.

#### 6. **Enforcing Standards**

The College shall consistently take appropriate remedial action to enforce expected standards of conduct by employees consistent with applicable law, policies and agreements.

#### 7. **Detecting and Correcting Problems**

Employees shall be encouraged to report noncompliance with applicable laws, regulations and policies. The College will develop and implement a Compliance Helpline to enable employees, students, vendors and other interested parties to report misconduct in a confidential and anonymous (if desired) manner. The College shall promptly investigate all credible claims of fraud, waste and abuse and any other noncompliance and take appropriate corrective action.