

INTERNAL COMPLIANCE PROGRAM (ICP) STATUS

Commission Direction:

In November 2007, the commission directed the department to develop an ICP with the mission to prevent and detect criminal conduct and otherwise promote an organizational culture that encourages ethical behavior and a commitment to compliance with the law. The minute order requires semi-annual reports to the commission. The last report was in November 2009.

Completed since Commission Report in November, 2009

- Risk Assessment: - The workgroups completed their review, prioritized risks and submitted their recommendations to the Executive Internal Compliance Committee. The EICC reviewed and prioritized the top level risks and made a recommendation to the administration. Administration will work to prioritize needed changes concurrently with changes implemented due to the Grant Thornton report. Prioritized items will be returned to ICP for distribution to the workgroups to coordinate with the divisions/offices to draft appropriate standard operating procedures that will adequately eliminate, mitigate, or properly reduce the risk.
- Employee Training - Increasing Departmental Ethical Awareness (IDEA) Refresher Course for all department employees was launched on the I-Way in June 2010. This class is mandatory for all employees and includes a test.
- Commission and Administration Training - Annual Ethics Training for the Commission, Administration and Commission Aides was completed on October 27, November 17 and November 18.
- Requirements of those doing business with TxDOT - The US Sentencing Guidelines Application Notes state that “as appropriate, a large organization should encourage small organizations (especially those that have, or seek to have a business relationship with the large organization) to implement effective compliance and ethics programs.” Therefore, TxDOT is considering various rule changes to require that an organization that receives grants or loans from the department to certify that it has an ethics and compliance program that meets the minimum requirements set forth in the US sentencing guidelines. ***TxDOT is implementing these rules to encourage those who do business with TxDOT and receive financial resources from TxDOT to implement a compliance program so that TxDOT can comply with the US Sentencing Guideline requirements.***
 - A. Rules were passed in March 2010 to Section 31.39 stating that to be eligible to receive state or federal public transportation funds from or through the department, an entity must have adopted an internal ethics and compliance program that satisfies the requirements of section 1.8. The requirements in section 1.8 comply with the US Sentencing Guidelines.

- B. Contract sanction rules were proposed in May, 2010 (final adoption August 2010) to provide that having an ethics and internal compliance program could be a mitigating factor when considering sanctions to impose for violations.
 - C. New rules are being proposed in July to adopt an entire chapter entitled, “Ethical Conduct by Entities Doing Business With the Department” which will combine the internal compliance requirements and the sanction rules into one place defining expected conduct by those who do business with TxDOT.
- ICP Newsletter “Compliance Focused” – the first issue was sent electronically to all employees in April 2010. The issue announced the IDEA Refresher course, provided additional clarification and information on Gifts & Favors, an update on TxDOT Watch and the Risk Assessment Project; as well as specifics on our compliance with the U.S. Sentencing Guidelines for Organizations essential elements of an effective compliance system.

Ongoing Projects:

- Risk assessment – A Risk Assessment will be conducted annually each June to coincide with the development of AUD plan. For FY 2011, the department-wide risk assessment will incorporate the department strategic plan, and utilize the results of performance monitoring, audits, etc.
- Employee Training – The IDEA class will be updated annually.
- Commission and Administration Training – will be held annually.
- TxDOT WATCH –ICP is reviewing options for capturing data and generation of specific types of reports. Currently we are expanding the database fields to include additional specific categories and subcategories to optimize the information.
- Rules requiring additional entities which receive funds from the department to certify that they have an ethics and compliance program.
- Ethics Awareness Poster – next in the sports themed series, football.
- ICP Newsletter “Compliance Focused” – next issue scheduled for August 2010.
- Providing resources to other state agencies regarding our program.
- Research – continue to research other state agencies regarding their ethics policies.
- Training partners - who are required to have ICPs.