

INTERNAL COMPLIANCE PROGRAM (ICP) UPDATE

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. In March 2011, Minute Order 112633 was passed which requires that the executive director or his designee report to the commission annually the accomplishments and issues of the department's ICP.

Completed since the Commission Report in November 2010

TRAINING AND AWARENESS

- Employee Training – Conflict of Interest section updated to coincide with the Human Resources Manual update in May 2011.
- New Employee Orientation – Ethics Section – updated in May 2011.
- Commission and Administration Training - Annual ethics training for the commission, administration and commission aides was completed in October, November and December 2010. In addition, the new Chief Information Officer and Chief Human Resources and Administrative Services Officer completed the training within the first thirty days of their employment (April 2011).
- Awareness Poster – “Compliance is Everyone’s Responsibility” was distributed to all employees in March 2011 via Crossroads.

ETHICS FOR OUR PARTNERS

- Requirements for those doing business with TxDOT - TxDOT is implementing 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. **Minute Order: 112632 Chapter 10 - Ethical Conduct by Entities Doing Business with the Department (March 2011)**
Section 10.51 includes factors that must be included in an internal compliance program of certain entities. The amendment to §10.51(b)(4) clarifies that the governing body of organizations, or if the entity has no governing body then those individuals with substantial authority for the entity, shall have periodic training in ethics and in the entity's compliance program.
- B. **Minute Order: 112659 Chapter 25 - Traffic Operations (April 2011)**
Amendments to §25.901, Purpose, §25.902, Definitions, §25.903, Scope, and §25.906, Participation (Traffic Safety Program)
The proposed rules require entities that receive funds under traffic safety program grant agreements to adopt and enforce internal compliance programs that satisfy the ethical standard provisions in commission rules. To provide entities that do not currently have compliance programs time to comply with this requirement, it applies only to agreements that are entered into after January 1, 2012.

RISK ASSESSMENT

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, as well as recommendations of the Restructure Council and the Modernization Team. 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.

UPDATE to the AUDIT SUBCOMMITTEE

ICP is a standard item on the agenda of the Audit Subcommittee. On February 23, 2011, and May 25, 2011, ICP presented information to the Audit Subcommittee regarding all allegations of misconduct received through the ICP Office via TxDOT Watch, the State Auditor's Hotline, mail, e-mail, phone calls and personal meetings. Substantiated or partially substantiated allegations are detailed in a report for the audit sub-committee's review and evaluation of the resolutions to ensure complaints are handled in an appropriate manner as dictated by laws and regulations. In addition, updates on the ICP are presented.

Ongoing Projects:

- Risk assessment –For future fiscal years, 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 reviewed annually and updated as needed.
- New Employee Training – Ethics Section – will be reviewed annually and updated as needed.
- Commission and Administration Training – will be held annually.
- TxDOT WATCH – ICP continues to review options for capturing additional data and generation of specific types of reports.
- Rules requiring additional entities which receive funds from the department to certify that they have an ethics and compliance program.
- Ethics Awareness Poster – produced and distributed annually
- ICP Newsletter “Compliance Focused”
- Providing resources to other state agencies regarding our program.
- Research – continuing to research other state agencies regarding their ethics policies.
- Training partners –providing ongoing assistance and guidance to our partners that are required to have ICPs.
- Responding to Legislation –providing comments to proposed legislation regarding internal compliance.