Legislative Compliance Procedure

Version: 1.0 Effective 6 December 2017

1.0 President and Vice-Chancellor 6 December 2017 6 December 2017 6 December 2020

Procedure Statement

Purpose

This Procedure supports the Legislative Compliance Policy by providing a framework for:
(a) the identification, assessment and classification of legislative compliance obligations based upon the impact of non-compliance;
(b) assigning compliance management responsibility;
(c) establishing management requirements for legislative compliance obligations;
(d) monitoring compliance performance and identifying and reporting compliance issues;
(e) annual compliance assurance certification; and
(f) the reporting of compliance matters to the Management Board and the Council.

Scope

This Procedure applies to all staff, affiliates and students of the University. Controlled entities of the University should have legislative compliance systems consistent with this policy.

Are Local Documents on this subject permitted?  
☐ Yes, however Local Documents must be consistent with this University-wide Document  
☒ No

Procedure Processes and Actions

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1. Legislative Compliance Procedure

1.1 Identification and classification of legislative compliance obligations

The breadth of the University’s operations results in a large volume of legislation that imposes compliance obligations. The impact that this legislation has on the day-to-day activities of the University varies greatly, with some having broad application across the University whilst other legislation impacts on only a small number of University areas.

The consequences of breaching legislative compliance obligations also vary considerably; in some cases, a breach could severely impact the University’s overall operations, and in others, a breach would have little or no impact on the University’s overall operations (although it may have very significant local effects, on a particular School or other unit of business).

Recognising the varying scope and consequences, this Procedure applies the following tiered-classification system to each identified Act, based on the financial, regulatory, reputational and safety impacts (refer to the UNSW Risk Management Framework for further guidance) associated with breaching compliance obligations under each Act.

Legislation classified by tier:

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>University-wide compliance obligations where a breach could have a Major or Catastrophic impact on the operation of the entire University (requires compliance to be centrally managed).</th>
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<tbody>
<tr>
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<td>eg. Tertiary Education Quality and Standards Agency Act 2011 (Cth)</td>
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</table>

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<tr>
<th>Tier 2</th>
<th>Compliance obligations specifically relevant to a single School/Department, or a limited number of Schools/Departments, where a breach could have a Major or Catastrophic impact on the operation of the School/s or Department/s (requires compliance to be centrally managed).</th>
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<td>eg. Radiation Control Act 1990 (NSW)</td>
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<tr>
<th>Tier 3</th>
<th>University-wide compliance obligations where a breach could have a Minor or Moderate impact on the operation of the entire University (requires compliance to be centrally managed).</th>
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<td>eg. Fringe Benefits Tax Assessment Act 1986 (Cth)</td>
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<table>
<thead>
<tr>
<th>Tier 4</th>
<th>Compliance obligations specifically relevant to a single School/Department, or a limited number of Schools/Departments, where a breach could have a Minor or Moderate impact on the operation of the School/s or Department/s (compliance can be locally managed).</th>
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<tr>
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<td>eg. Civil Aviation Act 1988 (Cth)</td>
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University Legislation Register

All identified legislation imposing compliance obligations on UNSW is included on the University Legislation Register (Legislation Register). The Legislation Register is accessible by all University staff via the Legal Office website and includes details of the legislation and the obligations imposed, as well as internal controls implemented to manage compliance (eg, UNSW policies and procedures).

The Compliance Unit works with University Compliance Owners to ensure that the data in the Legislation Register is maintained, accurate and up-to-date.

1.2 Assignment of compliance management responsibility

The University Compliance Owner (UCO) for each piece of legislation classified as Tier 1, 2 or 3 is the senior manager whose portfolio responsibilities include developing and implementing internal compliance controls for the applicable legislation.
Internal compliance controls include systems, codes, policies, standards, procedures, guidelines and training designed to support compliance with legislation.

Where a compliance management responsibility for a specific piece of legislation cannot be determined based on portfolio responsibilities, the Vice-Chancellor (in consultation with the Management Board) determines who will be the University Compliance Owner for that Act.

Details of UCOs are to be recorded in the University Legislation Register.

The University Compliance Owner (UCO) for Tier 4 legislation is the head of the School/Department in which that obligation arises.

1.3 Managing compliance obligations

Compliance with legislative obligations is mandatory, regardless of the classification of the legislation.

The level of internal compliance controls should be appropriate for the operational requirements of the University and must be guided by the tiered-classification rating for each Act, meaning that the internal compliance controls for Tier 1 or Tier 2 legislation should be the most rigorous, to reflect the potential impact of non-compliance on the University:

(a) **Tier 1 Legislation**

Documented internal compliance controls are compulsory for all Tier 1 legislation.

Each UCO is responsible for developing and documenting internal compliance controls for all Tier 1 legislation within his/her portfolio and for implementing and monitoring the controls across the University.

Heads of Schools/Departments are responsible for supporting the UCO in the implementation, and reporting on the operation, of internal compliance controls within their School/Department.

A listing of all internal compliance controls for Tier 1 legislation is recorded in the Legislation Register.

(b) **Tier 2/Tier 3 Legislation**

Each UCO is responsible for developing and documenting internal compliance controls for all Tier 2 and Tier 3 legislation within their portfolio and for implementing and monitoring the controls in all applicable Schools/Departments.

Heads of Schools/Departments are responsible for supporting the UCO in the implementation, and reporting on the operation, of internal compliance controls within their School/Department.

A listing of all internal compliance controls for Tier 2 and Tier 3 legislation is recorded in the Legislation Register.

(c) **Tier 4 Legislation**

Documented internal compliance controls are encouraged for Tier 4 legislation. In addition, internal compliance controls must be documented if an Unlikely residual risk rating would not otherwise be achieved (see 1.5 below).

The Head of School/Department is responsible for developing compliance controls, where required, and for implementing, monitoring and reporting the application of such controls within their School/Department.

1.4 Monitoring compliance management

The monitoring of internal compliance controls is essential to effective compliance management. This monitoring role is the primary responsibility of the relevant UCO, but all managers are also responsible for:
- understanding the compliance obligations applicable to the operations of their School/Department and what internal compliance controls have been implemented by UCOs to manage compliance;

- ensuring that all relevant internal compliance controls are being applied within their School/Department;

- monitoring the application of relevant internal compliance controls during the ordinary course of business; and

- identifying and reporting non-compliance (actual, suspected or potential) to their supervisor and the applicable UCO.

Managers can refer to the Legislation Register to determine legislative compliance obligations that apply to their business unit. The Compliance Unit can also provide assistance upon request.

1.5 Reporting a compliance breach (actual, suspected or potential)

Every staff member should inform their supervisor of Head of School/Department if they become aware of any instance of a compliance breach (actual, suspected or potential) with a legislative obligation, whether such actions involve themselves or the actions of someone else. If there is no-one appropriate within the business unit to report the breach, reports can be made to the UCO for that legislation or the Compliance Manager.

Reports should be made promptly, ensuring that actions can be put in place immediately to either prevent the breach or lessen the consequences of the breach.

University Compliance Register

All reports must be forwarded to the Compliance Manager for inclusion in the Compliance Register.

The Compliance Register is designed to provide a central record of all identified breaches. Once a breach is included in the Compliance Register, the Compliance Manager provides a notification to the applicable UCO and the Head of the School/Department where the breach has arisen.

The principal objective of reporting a breach is to implement appropriate corrective actions and prevent reoccurrence. Primary responsibility for taking corrective action rests with the business unit where the breach occurred, unless the UCO determines it necessary to intervene. Corrective actions should be determined in consultation with the UCO.

A reported breach will be closed on the Compliance Register once the relevant UCO is satisfied that all necessary corrective actions and any necessary additional controls have been implemented. If this includes the identification of a broader risk to the University then the breach is reported to the Director, Risk Management for inclusion in the University Risk Register.

The Compliance Register provides the basis for the Compliance Manager to provide reporting to UCOs, Heads of School/Departments, Management Board and the committees of the University Council. The Register also provides the data for the annual compliance certification process (see 1.6 below).

**Note** - The Compliance Register is confidential and may consist of, or include, legal advice to which legal professional privilege attaches. Staff should not disclose the contents of the Compliance Register to any person outside of UNSW without prior discussion with the UNSW Legal Office.

1.6 Annual compliance certification – Tier 1 and Tier 2 legislation

On an annual basis UCOs provide a certification to the Vice-Chancellor of compliance for all Tier 1 and Tier 2 legislation. Certification of compliance allows the University to demonstrate its commitment to effective legislative compliance management to both the University Council and external regulatory and government bodies. Certification is administered by the Compliance
Unit. UCOs certify that, to the best of their knowledge after undertaking all proper enquiries and checks:

- internal compliance controls for all Tier 1 and Tier 2 legislation within their portfolio are up-to-date (or being updated), taking into account any new or amended legislation;

- internal compliance controls for all Tier 1 and Tier 2 legislation within their portfolio are sufficient for the University to effectively manage its compliance obligations (that is, the risk of a breach is unlikely if the internal compliance controls are applied – refer to the UNSW Risk Management Framework for guidance);

- all such internal controls have been communicated to and are being applied in all relevant Schools and Departments; and

- all breaches reported and recorded on the Compliance Register have been, or are being, addressed to resolve the matter and prevent reoccurrence.

A certificate of compliance provided by a UCO for a specific legislative obligation, must include assurances that internal controls are being correctly applied in all Schools and Departments in which the legislative obligation applies.

Such assurances must be documented. Where necessary, the UCO (in conjunction with the Compliance Manager) should conduct compliance certification within the relevant Schools and Departments to ensure that internal controls are being applied.

Where required, Heads of School/Department will certify that:

- all relevant internal compliance controls, as notified by the relevant UCO, have been applied within their unit;

- all compliance obligations on their School/Department arising under Tier 4 legislation are being effectively managed; and

- all breaches reported and recorded on the Compliance Register have been, or are being, addressed to resolve the breach and prevent reoccurrence.

1.7 Reporting to the Vice-Chancellor, Internal Audit and University Council

An annual report on the operation of the Legislative Compliance Policy and Legislative Compliance Procedure is provided by the Compliance Manager to the Vice-Chancellor, Director of Internal Audit and the Audit Committee of Council.

Additional reports on compliance issues may also be prepared as required.

2. Roles and Responsibilities

2.1 Management Board

The Management Board is responsible for:

- assisting the Vice-Chancellor to determine compliance responsibilities as required (for example, where no UCO has been determined for a particular piece of legislation or a particular set of legislative obligations);

- providing appropriate resourcing for the management of compliance obligations; and

- reviewing and making recommendations in regard to the annual compliance certification report and providing the report to the Audit Committee of the University Council.

2.2 University Compliance Owners (UCOs)

UCOs are responsible for:

- identifying and classifying relevant legislation;

- resourcing, developing, implementing and monitoring internal compliance controls for all Tier 1, Tier 2 and Tier 3 legislation within their portfolio;
- working with Heads of School/Department to resolve breaches reported and included on the Compliance Register; and
- providing an annual compliance certification for all Tier 1 and Tier 2 legislation.

2.3 Heads of School/Department

Heads of School/Department are responsible for:
- ensuring all relevant internal compliance controls are applied within their School/Department;
- effectively managing compliance obligations for all Tier 4 legislation applicable to their School/Department;
- reporting all breaches that occur in their School/Department;
- taking all necessary actions to resolve breaches, subject to the directions of the relevant UCO; and
- providing compliance certification for selected legislation as required.

2.4 Compliance Manager

The Compliance Manager is responsible for:
- coordinating the implementation of the Legislative Compliance Framework;
- maintaining the University Legislation Register, including working with UCOs to identify and classify relevant legislation;
- maintaining the University Compliance Register;
- coordinating the annual compliance certification for UCOs, including liaising with UCOs to conduct compliance certification in Schools and Departments as required;
- preparing reports on compliance to the Vice-Chancellor and Audit Committee of the University Council as required;
- liaising with the Director, Internal Audit as required on compliance matters; and
- providing training and information sessions on compliance matters as required.

2.5 Individual staff, affiliates and students

Individual staff and affiliates are responsible for:
- being aware of the compliance responsibilities relevant to their position and for following relevant internal compliance controls as directed by their Head of School/Department;
- reporting breaches (actual, suspected or potential) to their supervisor or Head of School/Department.

Individual students are responsible for:
- reporting breaches (actual, suspected or potential) to their supervisor or Head of School/Department.
- cooperating with the reasonable directions of staff/Affiliates in relation to the management of compliance issues.
Accountabilities

Responsible Officer  Chief Strategy Officer

Contact Officer  Compliance Manager, Compliance Unit, Legal Office

Supporting Information

Legislative Compliance  This Procedure operates to support the Council in fulfilling its functions as prescribed by section 15 of the University of New South Wales Act 1989 (NSW).

Parent Document (Policy)  Legislative Compliance Policy

Supporting Documents  Nil

Related Documents  This Procedure is intended to support and operate within the UNSW Risk Management Framework.

Superseded Documents  Nil

File Number  2017/27149

Definitions and Acronyms

Acts  References to ‘Acts’ are references to legislation enacted by the Commonwealth, States and Territories.

Compliance  References to ‘compliance’ are references to ‘Legislative compliance’.

Compliance obligations  References to ‘compliance obligations’ are references to obligations imposed by an Act and all subordinate legislation to that Act (including Regulations, Determinations, Orders, Rules) and relevant mandatory Standards and Codes.

Legislation  References to ‘Legislation’ are references to legislation enacted by the Commonwealth, States and Territories.

Legislative compliance obligations  References to ‘legislative compliance obligations’ are references to obligations imposed by an Act and all subordinate legislation to that Act (including Regulations, Determinations, Orders, Rules) and relevant mandatory Standards and Codes.

Revision History

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<th>Version</th>
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<th>Approval date</th>
<th>Effective date</th>
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<td>1.0</td>
<td>President and Vice-Chancellor</td>
<td>6 December 2017</td>
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<td>Original version.</td>
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