

MICHIGAN STATE
UNIVERSITY

Presidential Directive
2018-5

**To: Board of Trustees
University Community**

From: John Engler, Interim President

Date: June 19, 2018

**Subject: Creation of the Office of Enterprise Risk Management,
Ethics and Compliance**

Establish the Position of Chief Compliance Officer



**Office of the
President**

By authority vested in the Office of President by the Bylaws of the Board of Trustees of the University to issue directives and executive orders, I hereby establish the Office of Enterprise Risk Management, Ethics and Compliance and the executive management position of Chief Compliance Officer as set forth below.

Office of Enterprise Risk Management, Ethics and Compliance

The Office of Enterprise Risk Management, Ethics and Compliance and the position of Chief Compliance Officer (CCO) are created. This Office and the role of the CCO are designed to safeguard our community and enhance the reputation of Michigan State University, its faculty, and its staff.

Integrity must be a core value in a 21st century university. Adherence to legal and regulatory requirements and high ethical standards is fundamental. To ensure that these values are being observed, timely reviews, systems of accountability, and education about expected high standards of ethical performance and conduct are required. In addition, members of the University need to become aware of emerging uncertainties that will adversely affect the University community. All of these actions are necessary for our University to achieve another of its core values: excellence.

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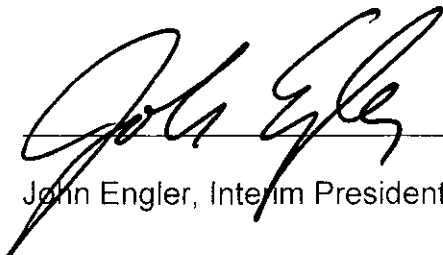
The Office of Enterprise Risk Management, Ethics and Compliance will be led by the CCO who is appointed by and reports to the President. In addition, the CCO will meet with and be available to the Board Committee on Audit, Risk and Compliance. At least two times a year the CCO will meet independently with the Committee. The CCO responsibilities include overseeing the development of a consistent ethics and compliance program for the University and a framework for identifying, prioritizing and managing risk. Assessing and, if necessary, designing the needed compliance architecture and developing training and communication strategies to clearly explain and inform the University community of the importance of internal controls and an ethics and compliance program.

The CCO will have the authority to work across the administrative and academic units of the University in order to carry out the duties and responsibilities of the office. That includes working with internal and external auditors, the ombudsperson, the head of Human Resources, the director of information technology and all persons previously designated by the university as having responsibility for compliance with federal, state or other regulatory authorities.

Effective for the school year beginning July 1, 2018, any new assignment of compliance responsibility will be effective only after concurrence by the CCO. It will be the responsibility of the CCO to compile and maintain a master record of all legal and regulatory requirements and the names of individuals who are on record as having the duty to assure compliance. It is expected that all individuals having such duties will cooperate fully in the compilation of the master record.

The Office will also oversee the development and assist in the maintenance of the newly created MSU Policy Library. The policy library will become the official repository for all MSU policies, including but not limited to, policies and Bylaws of the Board of Trustees, policies or regulations promulgated by the President, Provost or other University officials to whom regulatory authority has been granted. Other such regulations or ordinances may also be included in the policy library so as to insure that all persons subject to University regulation may know and understand their responsibilities.

The CCO shall review and recommend changes as necessary to University ethics policies such as code of conduct, code of ethics and conflict of interest.



John Engler, Interim President

6/19/18