



## **CODE OF ETHICS AND COMPLIANCE**

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## **Ethics and Compliance Policy**

### **(SETRPC Personnel Policy Manual – Provision 209)**

The successful operation and reputation of SETRPC is built upon the principles of fair dealing and ethical conduct of our employees. Ethics is defined as moral principles that govern a person's or group's behavior. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of SETRPC is dependent upon the public's trust and we are dedicated to preserving that trust. Employees owe a duty to SETRPC, its officers, and members to act in a way that will merit the continued trust and confidence of the public. Employees shall, during both working and non-working hours, act in a manner which will inspire public trust in their integrity, impartiality, and devotion to the best interests of the organization, its clients and citizens.

SETRPC will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct. Fraud and fraudulent activity will not be tolerated. Fraud is broadly defined and may include any type of intentional deception for the purpose of personal or business gain or damage to an individual or organization. Examples of fraud include but are not limited to lying on an employment application, falsifying records, or providing false receipts for reimbursement. In general, the use of good judgment, based on high ethical principles, will guide you with the respect to lines of acceptable conduct.

Furthermore, SETRPC employees, contractors /subcontractors/consultants (agents) to the programmatic activities administered by SETRPC, are prohibited from budgeting or expending funds made available through the State of Texas or the government of the United States for the direct influence of, passage of, or defeat of any existing or pending legislation.

SETRPC requires that employees participate in yearly training in ethics and in the components of its Internal Compliance Program. Policy regarding ethics will be approved by the SETRPC Executive Committee each year. A copy of the policy will be distributed to all Executive Committee members and SETRPC Staff.

SETRPC's Human Resources Director shall be responsible for oversight of its internal ethics and compliance program and shall promote an organizational culture that encourages ethical conduct and a commitment to compliance with all applicable laws and regulations.

The positions of Executive Director and those in the Administration Finance Division have substantial discretionary authority and are involved in the handling of financial and/or highly confidential information. Notarized affidavits have, therefore, been received from the current SETRPC Executive Director and Administration Finance Division Staff certifying that no circumstances exist that disqualify them from holding their current position. As turnover occurs, new employees to these positions will sign the same notarized affidavit (as noted above) and undergo a criminal background check. All SETRPC applicants are required to disclose during

the application process if they have ever been convicted of a felony or misdemeanor. All current employees have signed a Confidentiality and Conflict of Interest Statement and new employees are required to sign the same upon hire during the orientation process.

All agents of the SETRPC will be required to complete an Assurances page stating they are not under federal or state debarment and that they will comply with the SETRPC's Ethics and Compliance Program and Conflict of Interest policy.

All SETRPC employees, Executive Committee members and agents will have access to a Fraud Risk Assessment Survey located on the SETRPC's website to anonymously report incidents of non-compliance or suspected wrongdoing. Annually, all will be reminded and afforded the opportunity to complete the Fraud Risk Assessment Survey. Forms should be filled out electronically when possible, to preserve anonymity or confidentiality. Outside entities should mail forms to the attention of the SETRPC Human Resources Director. Internal staff should place the form in an envelope, seal and turn into the Human Resource Director's mail slot. No identifying factors should be included unless that is desired by the sender. Matters may also be discussed with immediate supervisors, and if necessary, with the Executive Director for advice and consultation.

The SETRPC also has an internal controls system in place that is carried out semi-monthly at the individual department levels and at the Administrative fiscal level. For more information related to on-going internal fiscal auditing processes, a copy of the SETRPC's Financial, Accounting and Information Technologies Policies and Procedures Manual may be requested.

A report of non-compliance or fraudulent activity will prompt an internal investigation. If a valid issue is identified and exists, appropriate disciplinary action will be taken as noted in Section 1300 Progressive Discipline. If warranted, the funding agency and possibly outside law enforcement will be contacted. Any needed revisions or additions to policy will also be made to help mitigate future violations and/or non-compliance. Employees who report suspected fraud and non-compliance with the law or unethical behavior can do so without fear of retaliation.

Nothing in these policies shall unduly restrict the abilities of SETRPC Ombudsman employees who may, from time to time, be required to conduct "advocacy" activities under the terms and conditions of particular federal or state grants and contracts when such activities are consistent with relevant underlying federal or state program regulations. Nothing in this section 2.04 prohibits an SETRPC Ombudsman employee from performing a function of the Ombudsman Program described in Title 26 TAC §88.302(a).

Compliance with this policy of business ethics and conduct is the responsibility of every SETRPC employee, Executive Committee member and agent.

## Requirements of the Ethics and Compliance Regulation for Funding

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[TITLE 43](#)

TRANSPORTATION

[PART 1](#)

TEXAS DEPARTMENT OF TRANSPORTATION

[CHAPTER 31](#)

PUBLIC TRANSPORTATION

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PROGRAM ADMINISTRATION

RULE §31.39

Required Internal Ethics and Compliance Program

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To be eligible to receive state or federal public transportation funds awarded by the commission after January 1, 2011, an entity must have adopted an internal ethics and compliance program that satisfies the requirements of §10.51 of this title (relating to Internal Ethics and Compliance Program) and must enforce compliance with that program.

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**Source Note:** The provisions of this §31.39 adopted to be effective April 15, 2010, 35 TexReg 2858; amended to be effective January 6, 2011, 35 TexReg 11965

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[TITLE 43](#)

TRANSPORTATION

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TEXAS DEPARTMENT OF TRANSPORTATION

[CHAPTER 10](#)

ETHICAL CONDUCT BY ENTITIES DOING BUSINESS WITH THE DEPARTMENT

[SUBCHAPTER B](#)

OTHER ENTITIES' INTERNAL ETHICS AND COMPLIANCE PROCEDURES

RULE §10.51

Internal Ethics and Compliance Program

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(a) Various sections of this title require an entity to adopt and enforce an internal ethics and compliance program. To comply with that requirement, the entity must certify to the department that the entity:

(1) has adopted an internal ethics and compliance program that:

(A) is designed to detect and prevent violations of the law, including regulations, and ethical standards applicable to the entity or its officers or employees; and

(B) satisfies all requirements of this section; and

(2) enforces compliance with its internal ethics and compliance program.

(b) An entity's internal ethics and compliance program must be in writing and must provide compliance standards and procedures that the entity's employees and agents are expected to follow. At a minimum, the program must provide that:

(1) high-level personnel are responsible for oversight of compliance with the standards and procedures;

(2) appropriate care is being taken to avoid the delegation of substantial discretionary authority to individuals whom the entity knows, or should know, have a propensity to engage in illegal activities;

(3) compliance standards and procedures are effectively communicated to all of the entity's employees, including members of the governing board if the entity has a governing board, by requiring them to participate in periodic training in ethics and in the requirements of the program;

(4) compliance standards and procedures are effectively communicated to all of the entity's agents;

(5) reasonable steps are being taken to achieve compliance with the compliance standards and procedures by:

(A) using monitoring and auditing systems that are designed to reasonably detect noncompliance; and

(B) providing and publicizing a system for the entity's employees and agents to report suspected noncompliance without fear of retaliation;

(6) consistent enforcement of compliance standards and procedures is administered through appropriate disciplinary mechanisms;

(7) reasonable steps are being taken to respond appropriately to detected offenses and to prevent future similar offenses; and

(8) the entity has a written employee code of conduct that, at a minimum, addresses:

(A) record retention;

(B) fraud;

(C) equal opportunity employment;

(D) sexual harassment and sexual misconduct;

(E) conflicts of interest;

(F) personal use of the entity's property; and

(G) gifts and honoraria.

(c) The department may, at its discretion, request that the entity provide the department with written evidence of the entity's internal ethics and compliance program.

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**Source Note:** The provisions of this §10.51 adopted to be effective January 6, 2011, 35 TexReg 11951; amended to be effective July 20, 2011, 36 TexReg 4573

## **TAC Requirements Included in the SETRPC Personnel Policy Manual**

The SETRPC Personnel Policy Manual (SETRPC PPM) addresses a myriad of items that relate to ethics and employee code of conduct. Specific items required by the Rule 10.51 of Title 43 of the TAC can be found in the following provisions:

- Ethics and Compliance – Provision 209
- Records Retention – Provision 212
- Fraud – Provision 209
- Equal Opportunity Employment – Provision 205
- Sexual Harassment and Sexual Misconduct – Provision 1506
- Conflicts of Interest – Provision 305
- Personal Use of SETRPC Property – Provisions 1200
- Gifts and Honoraria – Provision 306
- Workplace Monitoring – Provision 1208
- Problem Resolution – Provision 1500
- Whistleblowing – Provision 1508

## **Certification of Internal Ethic and Compliance Program**

The undersigned hereby certifies that it has adopted and does enforce an internal ethics and compliance program that is designed to detect and prevent violations of the law, including regulation and ethical standards applicable to this entity or its officers or employees and that the internal ethics and compliance program satisfies the requirements of Title 43 Texas Administrative Code.



Shanna Burke, Executive Director  
South East Texas Regional Planning Commission

  
Date