Integrity and Compliance Annual Report

FY2017

Table of Contents

Executive Summary

Welcome to the Annual Report of VCU's Integrity and Compliance Efforts for fiscal year (FY) 2017. Since the inception of this report in 2012, the goal has been to enhance content each year; building on a solid foundation for an ethics and compliance program, modeled and supported by various regulatory drivers, industry best practices, and, at its core, rooted in the minimal requirements of the Federal Sentencing Guidelines (FSG). This report now goes well beyond basic misconduct reporting statistics by providing a substantive account of selected universitywide integrity and compliance activities. This report will continue to be enhanced and presented to the Board of Visitors' Audit, Integrity, and Compliance Committee; the President and Cabinet; the Compliance Advisory Committee; and other audiences throughout the university community. Feedback and inquiries regarding the content and any suggestions for future reports are welcome.

The purpose of this report is two-fold. First, to support the Board in fulfilling its obligation as the university's governing authority by providing the information needed on aspects of the university's integrity and compliance activities. This charge comes directly from the FSG and is addressed by the following language, "[The] Governing authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program" as well as from widely accepted governance practices. And, secondly, to facilitate awareness and transparency throughout the university as related to ethics and compliance matters.

The hope is that the readers will gain awareness of VCU's integrity and compliance activities, events and resources. It is intended as a supplement to the established quarterly Board reporting and will permit more discussion time during scheduled Board meetings for highlights of timely activities and events throughout the year as is also expected by the FSG.

> *The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the ethics and compliance program, to the individuals referred to in a subparagraph (B) [the governing authority] by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.*

Current Landscape and Industry Trends

The focus on ethics and compliance activities continues to intensify throughout all industries. Institutions of higher education are not exempt and certainly experience the increased pressure to comply with requirements and maintain an ethical culture. Given its scope and complexity, ethics and compliance pressures on VCU remain substantial.

Maintaining an effective ethics and compliance program in an ever-changing regulatory landscape, while facing competing interests in the current economy, are major concerns for organizations, including VCU. Developing and supporting an approach based in regulatory and industry best practices, that permits

dedicated resources to systematically translate obligations and expectations into appropriate actions by responsible institutional departments, requires sustained commitment at the highest levels.

Specifically, the national and state scales have been making inquiries into the "cost of compliance" which is inordinately difficult to calculate. Requests have come from the US Congress and state agencies. More locally, at VCU, the Enterprise Risk Management (ERM) process has been enhanced to include input from both compliance and ethics as well as legal perspectives.

VCU continues to focus on doing not only what is legally required, but also doing what is right. This focus guides the ethics and compliance program and supports all compliance partners throughout VCU who are dedicated to continuing their compliance and ethics education and monitoring activities, ensuring that the highest standards are met, and constantly working to assess and mitigate risks.

Annual Integrity and Compliance Education Requirement

This education requirement is the single largest scale proactive endeavor from the Ethics and Compliance Program. The content reminds individuals of VCU's core values and expectations and highlights additional topics based on institutional risks. This year showed marked improvement in completion rates (completion is classified as a passing score on a comprehension quiz) with an overall completion rate of 89% (compared to 67% in 2015). All employee types improved completion; specifically, the most improved were adjunct faculty (+57%), Qatar faculty (+44%) and hourly/other (+35%). Law Enforcement remained at 100%, while other groups improved as well: professional faculty (+4%), administration faculty (+5%), teaching and research faculty (+12%), student employees (+15%), classified (+9%) and clinic/MD faculty (+21%).

Reported Concerns Overview

Overall, reports to, and utilization of, all trusted advisors provide opportunities to examine policy adherence and enforce accountability, when necessary. The university's compliance and ethics partners received and managed a total of 273 reports representing 259 unique concerns; a decrease of 11% over FY 2016. The Integrity and Compliance Office experienced an 11% decrease in concerns reported over last fiscal year, following a 3% increase in FY 2016. No newly discovered patterns or practices of concern nor systemic misconduct have been identified.

Breakdown of Reports to All Trusted Advisors Based on Independence

Fiscal Year	FY2014	FY2015	FY2016	FY2017
Reports to Independent Option – *ICO*	73	88	91	81
Reports to Independent Option – *Internal Audit*	N/A	14	24	7
Reports to Management Option – *Compliance Partners*	194	197	192	185
Total Reports	267	299	307	273
% Reported to *Audit and Compliance Services – independent Option*	27%	34%	37%	32%

As consistent with prior years and national trends (when considering reports in which employees were named as the subject), allegations classified as Human Resource-related topics remain steady and represent the majority of these reported concerns at 61%, with a 43% substantiation rate.

It is also notable that while 7% of reports in which employees were named as the subject make reference to perceived retaliation, when explicitly analyzing reports made directly to the ICO or through the Helpline, the mention of retaliation climbs to 20%. This is not unexpected given that the ICO maintains the only internal anonymous reporting method—the VCU Helpline—and individuals concerned with retaliation are generally less likely to be comfortable revealing identity.

Conflicts of Interest

This year's state requirements were fulfilled with a 100% compliance rate. Upon review of disclosures, any potential errors were handled through direct messaging for appropriate reporting and re-enforcement of the individual obligation in complete reporting. These minor errors are attributed to a change in this cycle's online form and there is no indication of ill-intent or concern. All identified conflicts continue to be managed appropriately.

VCU remains behind current practice compared to other institutions concerning an established universitywide policy and implementation program addressing conflict of interest and commitment matters. Currently, all employees are required to complete annual education covering some expectations related to this topic; however the lack of an approved policy and specialized training causes matters to be responded to in an ad hoc fashion and not always through a central office. A draft policy has been created with relevant stakeholders and will undergo the governance process in fall 2017. Details for an implementation program still need to be determined. . The process for reporting individual conflicts in research activities is already established and operates at a more mature level. It continues to be heavily monitored and managed.

Privacy

VCU remains behind current practice concerning implementation programs addressing privacy related matters compared to other Academic Medical Research Centers. The nature of university activities and our interdependent relationship with VCU Health System further adds to the complexity of privacy in our environment and the many layers within. While currently there is neither a central Privacy Officer by title
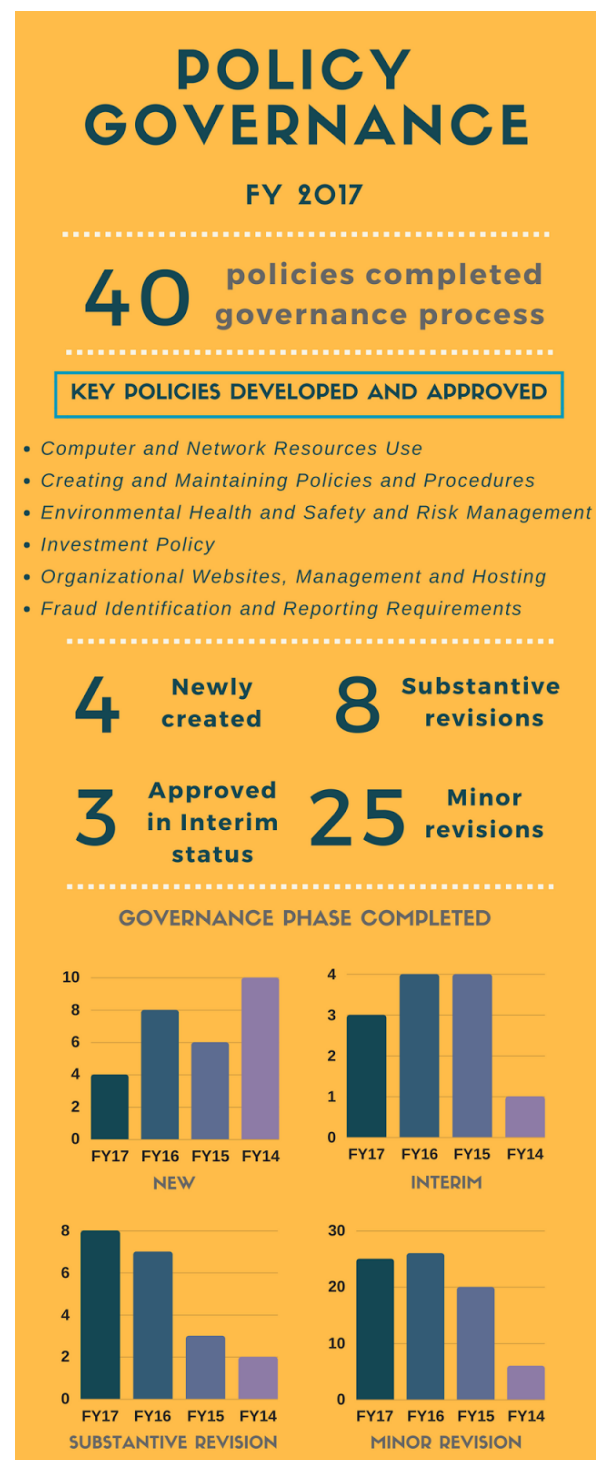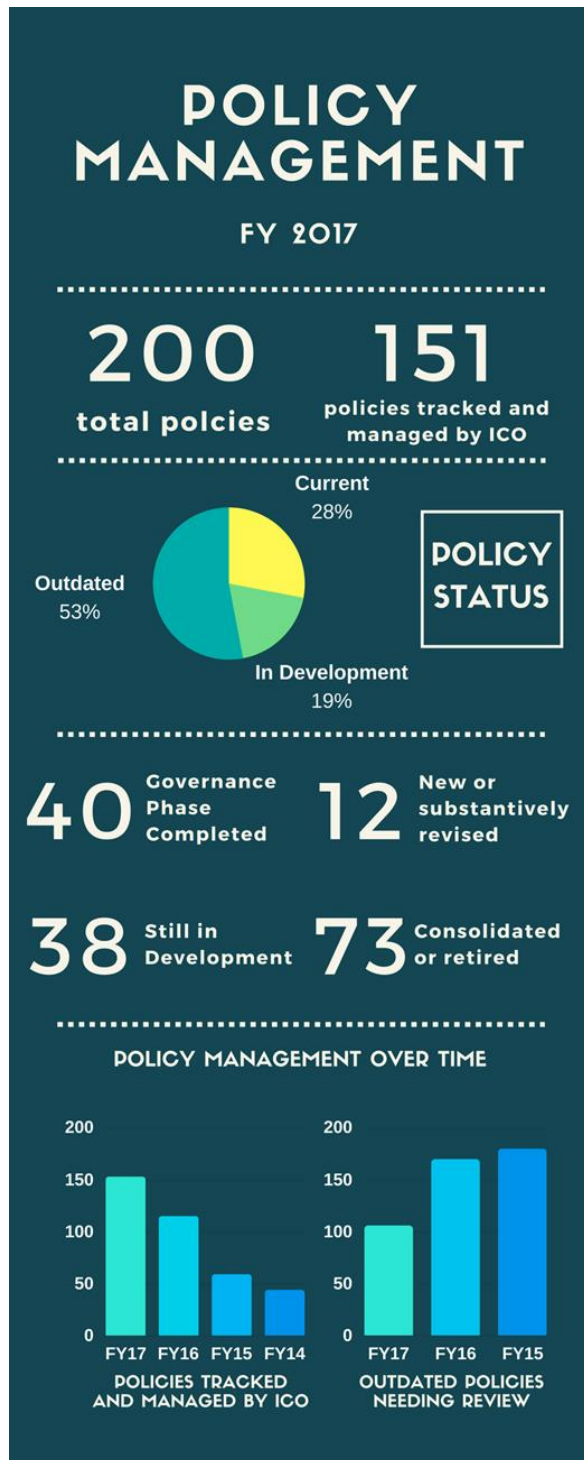
nor established clarity around primary responsibility and accountability, both central compliance offices and legal offices from VCU and VCUHS have been working toward achieving the needed clarity. Without establishing this needed clarity, topics related to privacy may go unaddressed or addressed by individuals without expertise who may or may not have decision making authority. This approach, one of operating in silos and at times without clear expectations, often results in leadership being unaware of issues and increases inconsistencies throughout the university. Privacy touches several areas of the university; specifically concerning, but not limited to:

- student education records and FERPA;
- big data, algorithms, analytics, and responsible use;
- information security monitoring and the privacy impact of surveillance;
- emerging privacy areas such as the Internet of Things (IoT), wearables, drones, location data, and augmented reality;
- open records laws and academic freedom;
- human subjects research and institutional review boards (IRBs);
- medical schools and/or academic medical centers and HIPAA;
- HIPAA on campus (e.g., student health centers, unit-based research);
- international students, scholars, and visitors;
- contractual agreements; and
- credit card processing and Payment Card Industry Data Security Standards (PCI DSS), available from the PCI Security Standards Council

It remains a priority for FY18.

Policy Program

In addition to the metrics below, the Policy Program began an initial gap assessment based on federal and state requirements for formal, written policies this year. As responses are received, the Board and stakeholder audiences will be apprised of any significant issues.

POLICY MANAGEMENT
FY 2017

200 total policies

151 policies tracked and managed by ICO

POLICY STATUS
Current 28%
Outdated 53%
In Development 19%

40 Governance Phase Completed

12 New or substantively revised

38 Still in Development

73 Consolidated or retired

POLICY MANAGEMENT OVER TIME

POLICIES TRACKED AND MANAGED BY ICO
FY17 FY16 FY15 FY14

OUTDATED POLICIES NEEDING REVIEW
FY17 FY16 FY15

POLICY GOVERNANCE
FY 2017

40 policies completed governance process

KEY POLICIES DEVELOPED AND APPROVED

- Computer and Network Resources Use
- Creating and Maintaining Policies and Procedures
- Environmental Health and Safety and Risk Management
- Investment Policy
- Organizational Websites, Management and Hosting
- Fraud Identification and Reporting Requirements

4 Newly created

8 Substantive revisions

3 Approved in Interim status

25 Minor revisions

GOVERNANCE PHASE COMPLETED

NEW
FY17 FY16 FY15 FY14

INTERIM
FY17 FY16 FY15 FY14

SUBSTANTIVE REVISION
FY17 FY16 FY15 FY14

MINOR REVISION
FY17 FY16 FY15 FY14

Overall Notes and Effectiveness Statement

Apart from the challenges organizations of similar scope and complexity experience, (generally relating to communication, documentation and accountability) no newly discovered patterns or practices of systemic misconduct have been identified this fiscal year. However, further progress of ethics and compliance initiatives continues to be impacted by the lean nature of administrative staffing and turnover. This results in challenges related to learning curves of new employees; loss of employees with significant institutional knowledge; duration and effort to fill vacancies; and an increase in the workload of remaining employees when vacancies occur.

Overall, the Ethics and Compliance Program continues to operate from a position of strength in:

- supporting creation and maintenance of clear expectations;
- supplying reporting mechanisms to identify perceived or actual misconduct;
- ensuring resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified; and
- reporting to the governing authority on matters of progress and of concern.

Additionally, the network of trusted advisors, known as compliance partners, and the continued commitment by Compliance Advisory Committee members adds to the strength of VCU's capacity for ethics and compliance effectiveness. The role of management to enforce expectations and set the tone of integrity in all operations remains critical.

The ICO continually reviews its operations to ensure the program is evolving to meet the needs of VCU while promoting an ethical culture, navigating our complex legal and regulatory environment, and providing efficient systems to detect and prevent instances of misconduct. An independent review by an outside party is slated for early FY19. These efforts ultimately combine to increase value to VCU as it strives to meet its mission of excellence and in upholding the public's trust.

Highlights and Governance Q&A:

What is the Board of Visitors' responsibility for an effective ethics and compliance program?

The Board should be knowledgeable about the content and operation of the ethics and compliance program and should exercise reasonable oversight with respect to implementation and effectiveness of the program along with all duties incumbent upon Board members.

Board members should, at a minimum, ask these questions centered on effectiveness:

- Is the organization's program well-designed?
- Is the program being applied earnestly and in good faith (i.e.; is it more than a paper program)?
- Does the compliance program work?

What are the goals of the ethics and compliance program?

1. Promote a culture of integrity and accountability; specifically enhancing a culture that promotes prevention, detection and resolution of instances of misconduct; defined as non-compliance with federal and state laws, regulations, and the university's own policies and ethical standards.

2. Provide oversight and facilitation in developing best practices supported through diligent research and evidenced-based information for education, policies, processes and investigations related to workplace misconduct.

3. Provide preventative, detective and deterrent resources to assist with risk mitigation. Reduce reputational and goodwill damage resulting from misconduct, lack of management controls, or ineffective management systems. These resources help to reduce damage and assist management in mitigating risk.

4. Promote awareness to management of compliance and ethics risks with the Board of Visitors (Audit, Integrity and Compliance Committee); the president; cabinet members; and senior leadership.

5. Provide effective reporting mechanisms for allegations of non-compliance or improper governmental activities that are free of retaliation and allow for anonymity.

Effective Compliance and Ethics Program

- Standards and Procedures
- Oversight
- Education and Training
- Monitoring and Auditing
- Reporting
- Enforcement and Discipline
- Response and Prevention
- Risk Assessment

How does culture impact organizational ethics and compliance?

An organizational culture that encourages ethical conduct and a commitment to compliance with not only "the letter of the law," but also "the spirit of the law" is mission critical and significantly enhanced by engaged stakeholders. Board members and senior management taking an active role in the implementation of the ethics and compliance program set the tone that an organization's expectations are an individual responsibility and management's accountability. Understanding the importance and benefit of maintaining an effective program promotes that this endeavor is a journey, and not a destination, that is incumbent upon every individual participating in order for it to be successful.

How would VCU's ethics and compliance program be viewed for effectiveness?

No new patterns or practices of systemic misconduct have been identified in FY2017, apart from the challenges all organizations of similar scope and complexity experience, which relate to communication and documentation. Plans continue to make progress to address both of these challenges. Overall, the Ethics and Compliance Program continues to operate from a position of strength in supplying reporting mechanisms to identify perceived or actual misconduct and resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified. Additionally, the network of compliance partners and commitment by Compliance Advisory Committee members continues to strengthen VCU's capacity for ethics and compliance effectiveness.

Industry benchmarks for higher education continue to identify that, with increasing regulatory and public demands, an effective program with solid foundational elements will continue to require attention to new efforts and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.

To review the Annual Report in full, please visit by clicking here.

Reported Concerns Analysis
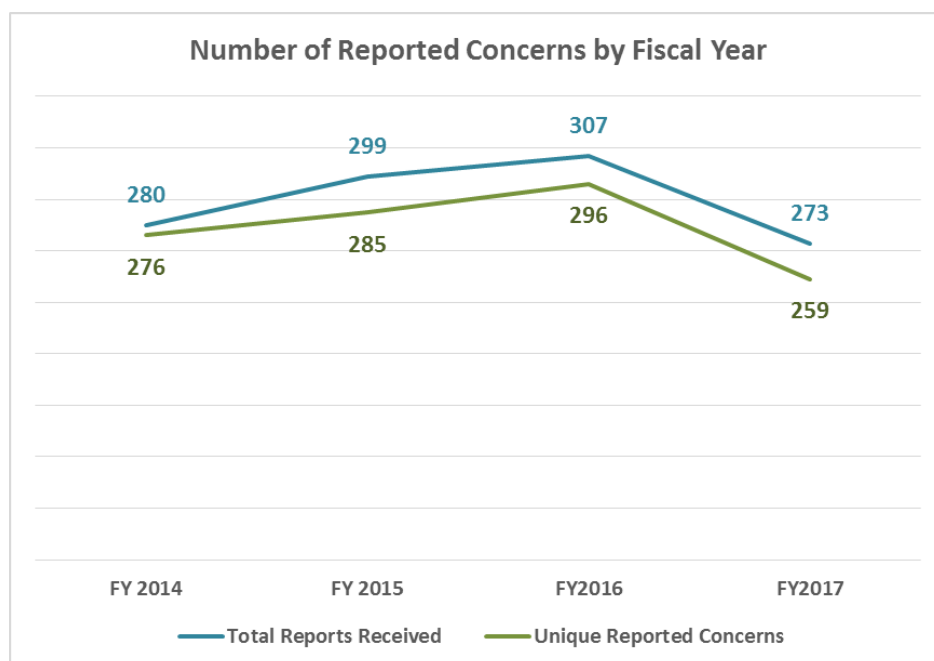
Reported Concerns Overview

The Integrity and Compliance Office (ICO) maintains reporting mechanisms available to all university employees, including third-party affiliates. Additionally, several compliance partners are identified throughout the university as able to receive and address reports of concern.[1] The purpose of these reporting mechanisms and identification of personnel is to demonstrate VCU's commitment to promoting a culture of integrity and compliance by facilitating an environment of open communication wherein employees are encouraged to ask for clarification of expectations and to bring forth any good faith concerns. Providing and maintaining these mechanisms assists in complying with the Federal Sentencing Guidelines for effective ethics and compliance programs and upholds the integrity of the institution's expectations expressed in policy, procedure, and applicable laws and regulations. The ICO analyzes relevant data centrally to create this collaborative report and to assure effectiveness of internal response mechanisms. The reported concerns raised this year, and subsequently utilized for this report's statistics, were received and addressed from the following university areas:

- Athletics
- Audit and Management Services
- Division of Human Resources (Employee Relations)
- Equity and Access Services (EEO/AA Compliance)
- Integrity and Compliance Office
- Office of the Vice President for Research and Innovation (Office of Administration and Compliance; Office of Research Integrity and Ethics)
- Office of Student Conduct and Academic Integrity (*newly included this year, separate highlights below)

The confidential reporting mechanisms include the VCU Helpline, a telephone and web-based service administered by a third-party vendor, offering optional anonymity; a locally-hosted general email account; campus and US mail; direct reporting to Integrity and Compliance Office personnel and other designated trusted advisors.

---

[1] Additional summaries of compliance activities for Ombuds Services, Clery Act and Violence Against Women Act Compliance, and the Office of Environmental Health and Safety are also included this year in the Areas of Focus section of this report.

Number of Reported Concerns by Fiscal Year

Overall, the university's compliance partners, located in central support offices, received and managed a total of 273 reported concerns in FY 2017, a decrease of 11% from FY 2016:

- Athletics - 23% decrease (11 reports in FY 2017 vs. 17 reports in FY 2016)
- Audit and Management Services - 71% decrease (7 reports in FY 2017 vs. 24 reports in FY 2016)
- Equity and Access Services - 14% increase (49 reports in FY 2017 vs. 43 reports in FY 2016)
- Division of Human Resources - 5% decrease (117 reports in FY 2017 vs. 123 reports in FY 2016)
- Integrity and Compliance Office - 11% decrease (81 reports in FY 2017 vs. 91 reports in FY 2016)
- Office of the Vice President for Research and Innovation - 11% decrease (8 reports in FY 2017 vs. 9 reports in FY 2016)

The topics listed below are the data metrics tracked and divided into subsections:

- Report Intake Method
- Reporter Type and Anonymity
- Allegation Type by General Topic
- Report Outcome
- Unique Trends[2]

As an enhancement to this year's report, metrics collected are presented in comparison with a university benchmark for the respective metric. **The university benchmark is calculated using the average from all available data since FY 2013 through FY 2016.**

---

[2] Unique Trends or special points of interest from specific areas are identified in footnotes throughout.

In summary, highlights from this report demonstrate that VCU employees are the most common reporter type with 76% reporting directly to the ICO or compliance partner, and thereby choosing to disclose their identity. The most reported allegation type was *Human Resources*-related reports at 61%. Thirty-two percent of reports had an outcome determination of *Unsubstantiated*, 40% of reports were *Substantiated* or *Partially Substantiated,* while the outcome of the remaining 28% could not be substantiated due to lack of information or other reasons (e.g., unrelated to employees or misconduct; pending outcome at point of data analysis).

The metrics collected and analyzed in this report will continue as a foundational building block of an effective ethics and compliance program, allowing targeted training and education for appropriate audiences throughout the university and highlighting opportunities for improvements. This report is made annually to the Board of Visitors' Audit, Integrity, and Compliance Committee. The following pages contain detailed information and conclusions.

NEW: ACADEMIC INTEGRITY - STUDENTS

A growing trend in higher education is the evolution from an employee-centric approach to one in which includes students. Both intentional messaging to the student population and relevant data points are also included in assessing the effectiveness for ethics and compliance programs. With this in mind, the Academic Integrity component of the Student Affairs Division is included for the first time in this report below; once a university benchmark is established, these data points will be integrated into the traditionally reported data points.

- Academic Integrity is defined by the *Honor System* policy to mean: Plagiarism; Cheating; Lying; Stealing; and Facilitation.
- The following pledge applies to every examination, paper, or academic exercise unless specifically exempted by the instructor:
    On my honor, I have neither given nor received unauthorized aid on this assignment, and I pledge that I am in compliance with the VCU Honor System.
- Neither the presence nor the absence of a signed pledge statement exempts a student from the requirements of the Honor System.
- This year 382 reports of misconduct related to academic integrity were made to the Office of Student Conduct and Academic Integrity (OSCAI) in relation to a student population of more than 31,000. This is consistent with the prior year of data.
- 22 matters were pending as of this report
- A substantiation rate of 81% is representative of the finding OSCAI deems "responsible" for the misconduct
- 19% of reports concluded in a finding of "not responsible" for misconduct
- Faculty members represented the majority of reporters at 99%
- Zero reports were anonymous and 100% were made directly to the compliance and ethics professionals in OSCAI.

Report Intake Method

Overview

The university community is provided with multiple reporting mechanisms to report concerns or make inquiries related to VCU's expectations. The VCU Helpline, available by telephone or website, is hosted by Convercent, a third-party vendor. Unlike other more traditional anonymous reporting mechanisms, the VCU Helpline has the functionality to provide feedback to the reporter or ask additional questions which may be needed in order to move forward with a concern or inquiry. This aids in setting expectations for the reporter; contributes to accountability; and often results in asking follow up questions, or providing objective source materials, such as policies, as additional information.

University employees are always encouraged to directly contact their supervisor, when appropriate; other compliance partners; or Integrity and Compliance Office staff to voice concerns. Additionally, a general ICO email address, campus mail and US post options are available.

Reports may also be referred to the ICO by other university departments and/or the Office of the State Inspector General (OSIG) Fraud, Waste and Abuse Hotline.

Below, the Report Intake Method metrics illustrate the utilization of the available reporting mechanisms.

Reporting Mechanisms
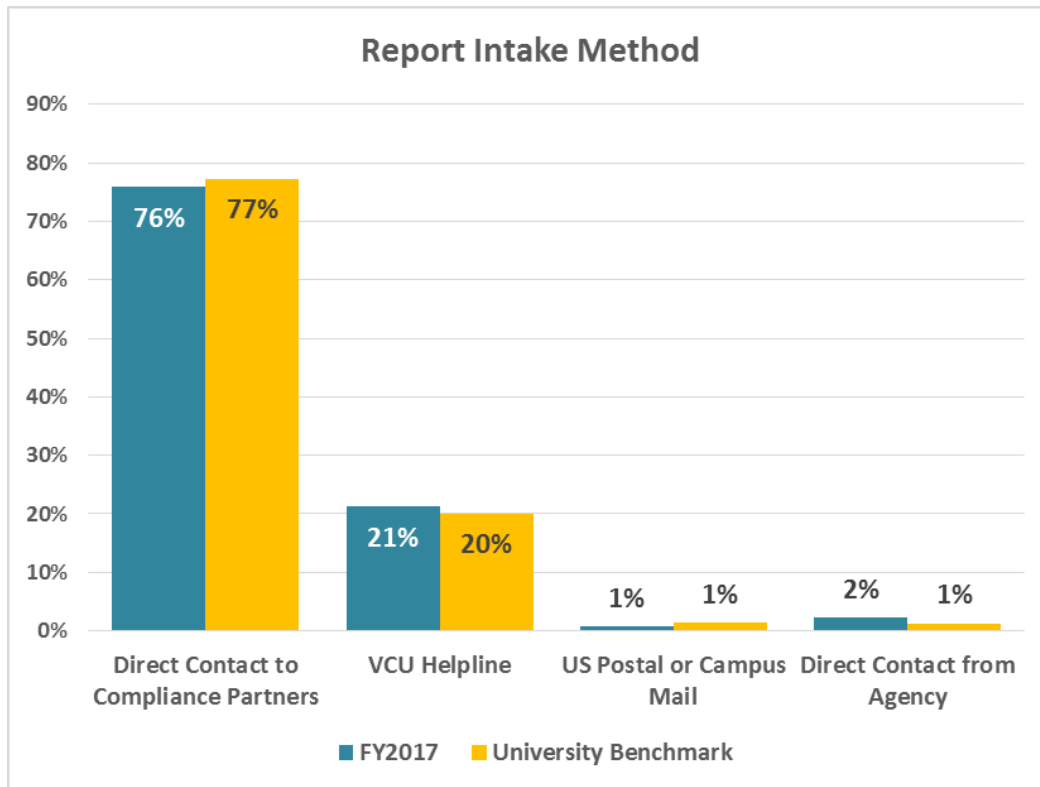
- Call the VCUHelpline
- Submit to the VCUHelpline online
- Contact ICO staff or compliance partners directly
- Email the general ICO email address
- U.S. Postal Service and campus mail

Report Intake Method

	Direct Contact to Compliance Partners	VCU Helpline	US Postal or Campus Mail	Direct Contact from Agency
FY2017	76%	21%	1%	2%
University Benchmark	77%	20%	1%	1%

Conclusion

Directly reporting to an ICO employee or compliance partner was the most common intake method at 76% of reports. Use of the VCU Helpline was the second most utilized method at 21% of reports.

Considering an overwhelming majority of individuals (or "reporters") report directly to a recognized compliance partner, anonymity does not present as a major concern. Often, confidentiality is requested, but notations of fear of retaliation are rare (expressed in 7% of reports) and it is concluded that a majority of reporters likely do not fear being identified when raising concerns.

Reports made directly to compliance partners were comparable to the university benchmark, as was the number of reports to the VCU Helpline indicating consistency of intake methods used.

Overall, by providing a variety of reporting mechanisms, the university has addressed a significant number of reported concerns, and continues to communicate and monitor regularly for indications of patterns or practices of misconduct. These activities contribute to the university's ability to:

- respond to the concerns of the university community;
- identify areas of concern;
- provide opportunities for education and awareness; and
- continue contributing to a culture of integrity and trust, thereby reducing the need for university members to report to external agencies.
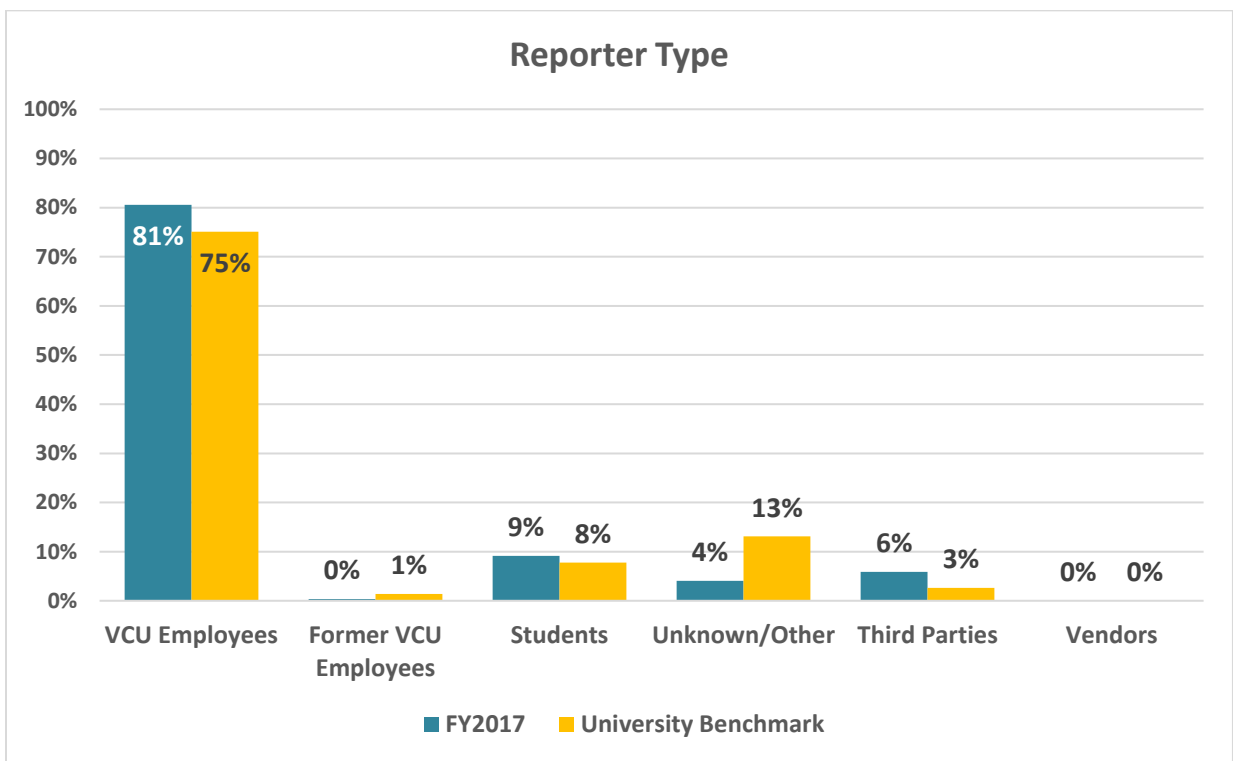
These factors all contribute to VCU demonstrating and maintaining an effective ethics and compliance program.

Reporter Type and Anonymity

Overview

Reporting mechanisms are available to all university employees, including contractors and visitors. Reporters have the option of remaining anonymous or providing their name and contact information. In some cases, a reporter later reveals their identity to the ICO as the inquiry or investigation continues. The disclosure of identity is evidence of employee confidence in the ICO's commitment to confidentiality and the university's policy of non-retaliation for those who report concerns in good faith.

The *Reporter Type* metrics illustrate which individuals utilize available reporting mechanisms.

Reporter Type

	FY2017	University Benchmark
VCU Employees	81%	75%
Former VCU Employees	0%	1%
Students	9%	8%
Unknown/Other	4%	13%
Third Parties	6%	3%
Vendors	0%	0%

Conclusion

The VCU employee continues to represent the majority of reporter types. Additionally, a minority of all reporter types chose to remain anonymous, at 18%, consistent with the university benchmark of 18%. It is likely that this overall percentage demonstrates a level of comfort in raising concerns of known or suspected misconduct and is also conceptually reiterated in VCU's *2017 Ethical Culture and Perceptions Assessment*, wherein 86% of respondents stated they were comfortable reporting incidents or concerns of noncompliance directly to their supervisor.

It is also notable that, while only 7% of reports mentioned perceived retaliation or fear of retaliation overall, 20% of reports made directly to the ICO or through the Helpline did cite this concern. This is not unexpected given that the ICO hosts the only internal anonymous reporting mechanism — the VCU Helpline — and individuals concerned with retaliation are generally less likely to be comfortable identifying themselves. This conclusion is further supported by VCU's *2017 Ethical Culture and Perceptions Assessment* which revealed that survey respondents felt most confident that they would be protected from retaliation by reporting through the VCU Helpline at 83%. Similarly, 82% of respondents also felt they would be protected from retaliation by reporting to their supervisor.

Allegation Type

Overview

Report allegations are generalized into six major categories listed below. Examples of each are provided.[3]

- Equity: *Discrimination or Harassment based on protected class, includes sexual*
- Human Resources: *Failure to Report All Leave Taken; Employee Misconduct; Threat or Inappropriate Supervisor Directive; Nepotism; Bullying*
- Financial: *Fraud, Waste, Abuse or Misuse of Resources; Falsification of Records; Improper Disclosure of Financial Records; Conflict of Interest - Financial*
- Research: *Scientific Misconduct including Falsification, Fabrication and/or Plagiarism*
- Athletics[4]: *NCAA Violations; Improper Giving of Gifts; Misconduct in VCU Athletics*
- Academic: *Academic Regulations; Program and Degree Requirements; Admission, Enrollment and Transfer of Students to the University*
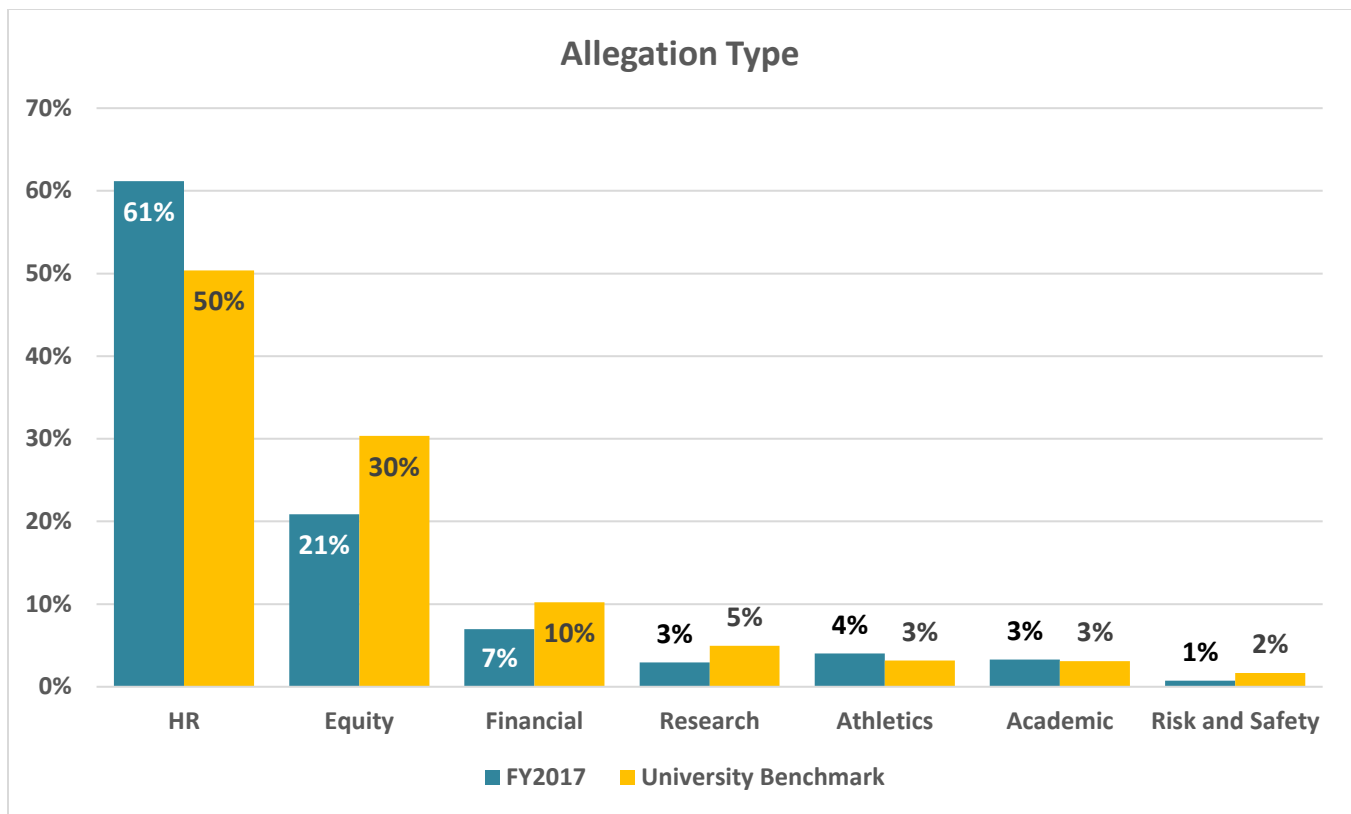- Risk and Safety: *Unsafe Working Conditions; Environmental and Safety Matters[5]*

The *Allegation by General Topic* metric illustrates the general nature of reported concerns.

---

[3] 20 allegations in the Equity category and 22 allegations in the Academic category remain in process and have not yet reached final outcome status.

[4] All 11 violations were self-reported to the NCAA as required. On average, between eight and twelve violations per year are expected by the NCAA at institutions similar in size and scope to VCU. Athletics statistics include eight NCAA violations that were discovered through routine monitoring activities.

[5] Data collection efforts have improved and are expected to reflect accurate reporting in FY 2018

Allegation Type

Chart legend: ■ FY2017 ■ University Benchmark

Category	FY2017	University Benchmark
HR	61%	50%
Equity	21%	30%
Financial	7%	10%
Research	3%	5%
Athletics	4%	3%
Academic	3%	3%
Risk and Safety	1%	2%

Conclusion

Overall, the two general categories of *Human Resources* and *Equity* saw the most reports, 82% of reports, with Human Resource-related concerns being the most common allegation type, comprising 61% of reports.[5]

Notably, the substantiation rate for *Equity*-related concerns is relatively low at 14%. It is suspected that this is likely due to an increase in awareness of reporting expectations; available resources; and individuals lacking an understanding of the technical definitions, or elements, of the terms *Discrimination* or *Harassment Based on Protected Class*. Training plans to respond to this fact are already in progress by area management.

Six percent of reports contain elements of behaviors and encounters related to extremely unprofessional/uncomfortable working environment (compared to the university benchmark of 8%). This metric has remained significantly lower than prior years and will continue to be tracked but no longer mentioned specifically in this report unless the data shows a significant deviation.

Report Outcome

Overview

All reports result in classification of *Substantiated, Partially Substantiated, Unsubstantiated, Other*, or *Not Enough Information.*[6]
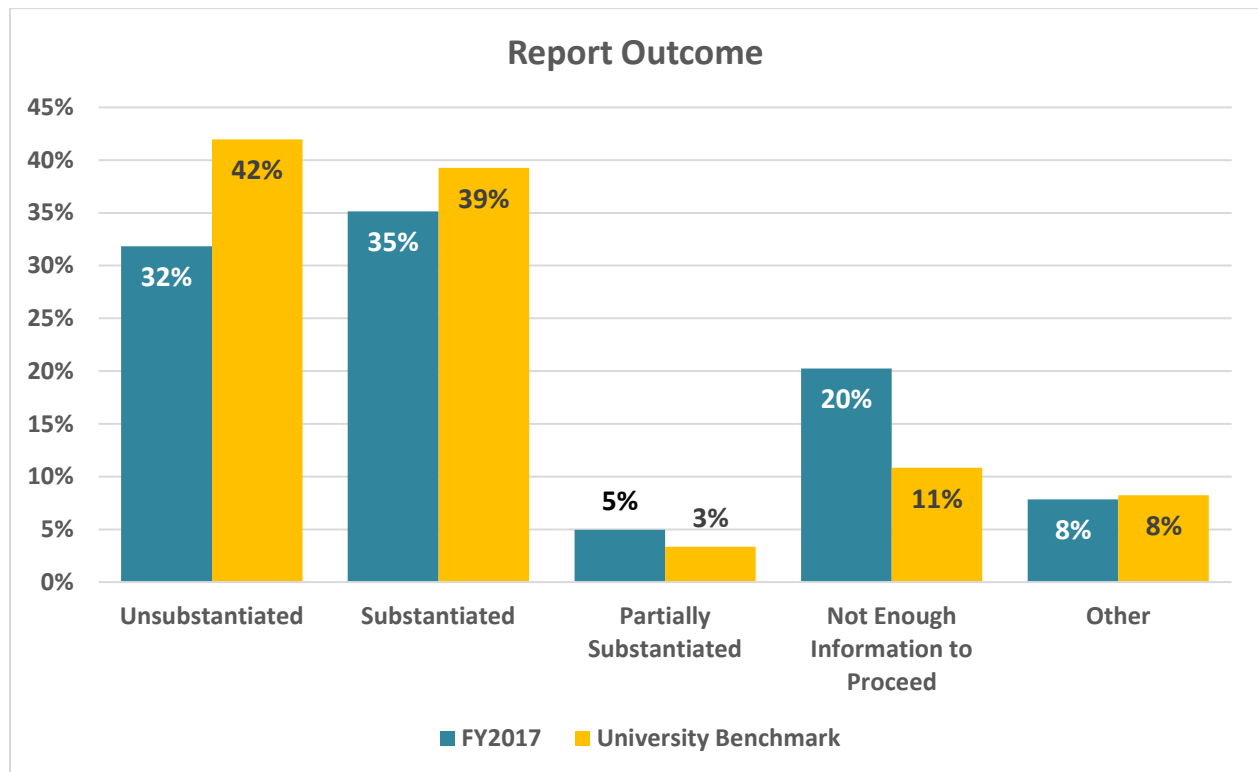
Conclusion[7]

Overall in FY 2017, 32% of reports were classified as *Unsubstantiated*, This rate is lower than the university benchmark of 42 *% Unsubstantiated* reports, potentially due to 20% of reports that were deemed to have not enough information to proceed, a significant increase compared to the university benchmark (11%).

In considering that 32% of reports were classified as Unsubstantiated, indicating that many individuals who voice concerns related to employees are not correct in their suspicion that misconduct exists. This indication is also supported by VCU's 2017 Ethical Culture and Perceptions Assessment, which revealed a discrepancy between the reported rate of experiencing and/or observing misconduct (15%) and those

---

[6] These classifications are defined fully in Appendix A.
[7] At the time of data collection for this report, 31 allegations were in progress. The outcomes may alter the substantiation rates.

reporting being directly asked to bend, break or circumvent laws, regulations or policy (4%). The implication is that perceptions of misconduct may be greater than actual occurrences.

Twenty-eight percent of report outcomes are closed as Not Enough Information to Proceed or Other. "Other" as an outcome indicates an inquiry or question was raised, not an allegation of misconduct, or the report is not related to a VCU employee or affiliate.

Further details based on general allegation type are as follows:
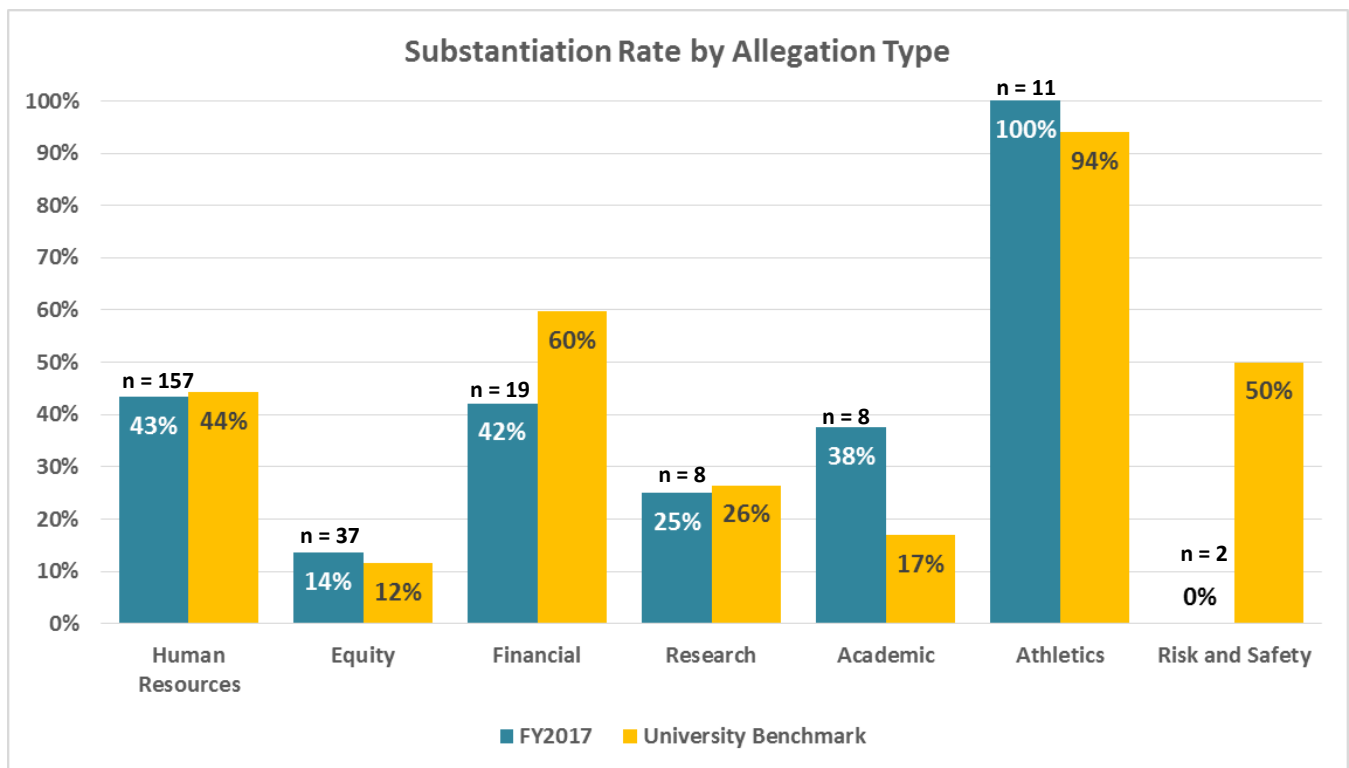
Areas of Focus

Government Reviews

Monitoring external agency inquiry, review, and audit activities and facilitating a unified and appropriate response to external agency requests is always of continued importance. "Government Reviews" represents non-routine inquiries or inspections by state and federal agencies. This does not include accreditation activities.

This section highlights significant non-routine government reviews (investigations or inquiries) conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. In the future, this report will include statistics and analysis related to external government reviews, both routine and non-routine, as improvements are made to track and collect relevant data for this purpose.

Virginia Occupational Safety and Health (VOSH)

Two inspections this year from VOSH. First, an accidental chemical spill in a lab resulted in awareness of low training completion rates for lab personnel. Safety and Risk Management - Office of Environmental Health and Safety Division will be following up with corrective action for those involved and are addressing the need for improved training compliance and implementation of a complete and centralized chemical inventory.

Second, another inspection resulted from a workplace incident involving a ladder. This investigation resulted in 7 citations (4 classified as a serious violation and 3 classified as other-than-serious violation). Of the violations, five were related to ladder size and the general area surrounding the ladder creating an unsafe environment. Two of the violations were related to delayed required incident reporting to VOSH and delayed entry of the incident into VCU's OSHA log. Safety and Risk Management continues to work with the area on abatement and improving timely reporting.

Assessing Risk

Assessing risk is fully incorporated into the fabric of the ethics and compliance program. While a methodological process for rating and ranking compliance risks (based on likelihood and impact) remains an ongoing project for the Integrity and Compliance Office (ICO). The information shared herein comes from a 6 year observation and relationship building with operational compliance owners and the observations from the ICO and Internal Audit.

Process:

Bi-monthly meetings are held with operational owners of compliance and ethics risks through the Compliance Advisory Committee and provide a forum for communication of expectations, data assessment, group discussion and support of day to day operations. Internal Audit is included in these meetings in an effort to inform overall strategy and foci for specific audits.

This past year, reports for ethics and compliance score cards were created and are slated for delivery this Fall. The scorecards are specific to cabinet members' areas of responsibility and are designed to provide a snapshot of gathered data points demonstrating ethics and compliance risk information. Specifically, outdated or missing policies; available culture survey notables; comparisons to universitywide benchmarks; quantity, general nature and substantiation of reported concerns; and quantity and outcomes of allegations related to unprofessional and uncivil conduct.

Risk assessment strictly limited to regulatory compliance continued its robust monitoring schedule this year. Quarterly attestations assisted in accountability for timeliness and completeness concerning regulations necessitating external reporting to the federal government. The monitoring schedule for FY17 has resulted in one deficiency, since corrected, and no significant issues outstanding. Senior leadership continues to support the need for these requirements. Additionally, for nearly all federal regulations, operational owners have been identified and have self-assessed for compliance strengths and challenges. The Board and Senior Leadership will continue to be apprised of any significant deficiencies.

The university currently has 223 federal regulations with which to comply daily and of those, 30 require timely reporting to agencies at various times throughout the year.

ADA	DMCA	OIG
USDA	ITAR	OSHA
OHRP	EAR	FDA
FERPA	HIPAA	ED
Patriot Act	PCIDSS	OMB
SEVIS	NCAA	HHS
Clery Act	EEOC	DOE
GLBA	IX	DOJ
FMLA	EPA	IRS
VAWA	DOT	DOL
OCR	CMS	Commerce

Federal Regulating Bodies and Compliance Matters

Substance:

Non routine government reviews this year have revealed needed improvements in the Safety and Risk Management's Office of Environment Health and Safety related to timely reporting of incidents to the Commonwealth and centralization of laboratory inventories, this has resulted in a redistribution of labor and the funding of additional staffing to meet this need.
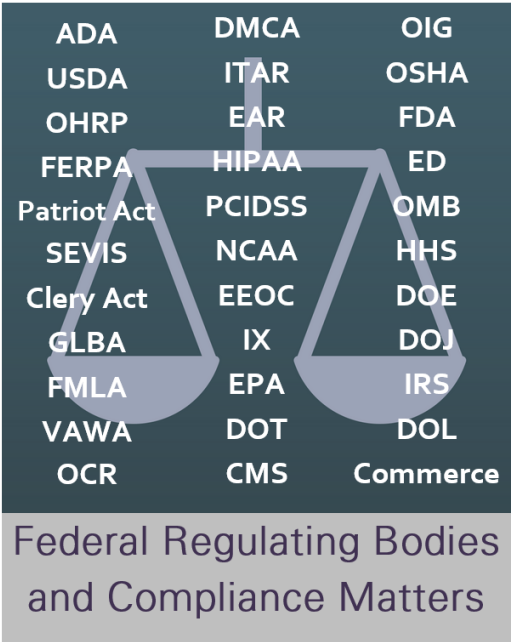
As mentioned elsewhere in this report, work remains in the area of systematic identification and management of conflicts (financial and of commitment); establishment of privacy policy and philosophy as well as centralization of compliance with applicable regulations; and the policy preliminary gap assessment remains ongoing.

In addition, there is room to improve in the management of international compliance activities (visitors, employees, banking, shipping, etc…); a delegations of authority program to include monitoring; and the establishment of appropriate contracts review processes depending on the nature of the contract and potential risks; and registration, education and monitoring of visiting volunteers. Specifically in the area of information governance, related risks are identified and assessed routinely by the Data and Information Management Committee (DIMC). DIMC has representation from all areas of the university's operations and maintains decision making authority for response. Reports from the DIMC are made at least annually to the Audit, Integrity and Compliance Committee of the Board of Visitors.

Lastly, while compliance-related personnel hires have increased over the last few years, this network of professionals remains significantly lean which results in individuals often being asked, or required, to work outside of their primary duties and in some cases, expertise. Establishment and adherence to accurate job descriptions for all, and especially compliance professionals, is critical to limit risk exposure. Additionally, timely awareness to those in a position of authority to make decisions and act must improve when gaps are identified. Finally, a formalized commitment to accountability would aid in incentivizing the prioritization of compliance and ethics obligations.
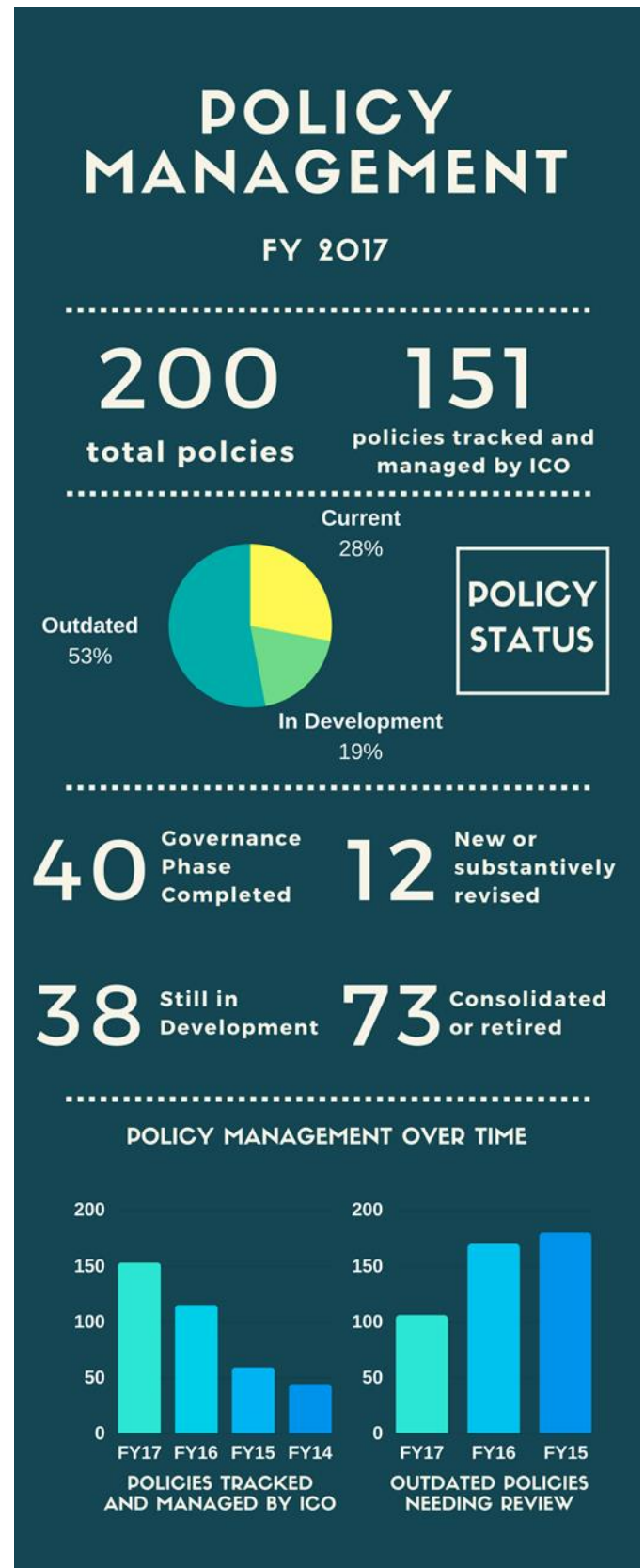
Policy Program Update

The Integrity and Compliance Office (ICO) has the responsibility for maintaining a universitywide Policy Program. The goal of this program is to maintain current and comprehensive policies and procedures clearly and concisely conveying VCU's expectations.

The Policy Program and the centralized Policy Library are in place to meet industry best practices; contribute to a culture of ethics and compliance; and to meet Southern Association of Colleges and Schools (SACS), and state and federal requirements. In accordance with SACS requirements, policies and procedures are to be in writing, approved through appropriate university processes, published and accessible to university employees, and implemented and enforced by the university.

Communication of new and revised policies to the university community is messaged to targeted audiences and to all university employees minimally through *Policy Points*, a quarterly policy notification tool.

Policy owners / primary authors are provided resources to assist with obtaining a centralized, version controlled document in the expected format utilizing the policy template. Specifically, policy owners are provided a policy development tool and offered one-on-one sessions for assistance and maintenance of their policies.

This year, the governing policy, *Creating and Maintaining Policies and Procedures*, was revised and approved through the governance process to streamline and clarify VCU's expectations associated with transparency and shared governance related to universitywide policy initiation, approval and retirement. Of the 151 policies tracked and managed in FY2017, 38 are still being developed and 113 have completed their respective phases of review and approval resulting in the metrics seen at left, including key policies developed, significantly updated and / or approved.

POLICY MANAGEMENT
FY 2017

200 total polcies

151 policies tracked and managed by ICO

POLICY STATUS

- Current 28%
- Outdated 53%
- In Development 19%

40 Governance Phase Completed

12 New or substantively revised

38 Still in Development

73 Consolidated or retired

POLICY MANAGEMENT OVER TIME

POLICIES TRACKED AND MANAGED BY ICO
- FY17: ~150
- FY16: ~115
- FY15: ~60
- FY14: ~45

OUTDATED POLICIES NEEDING REVIEW
- FY17: ~105
- FY16: ~170
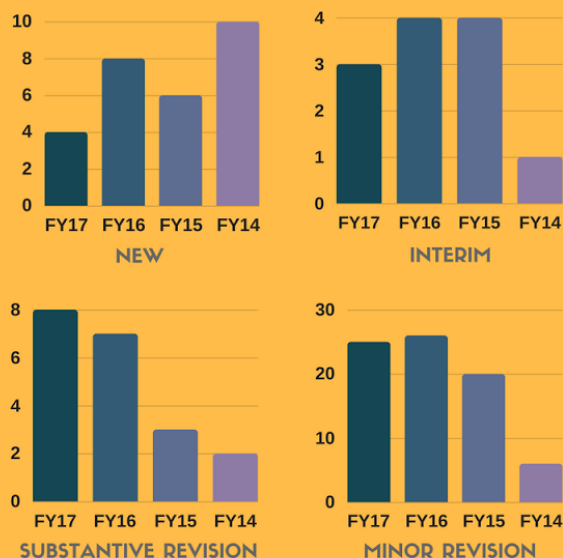- FY15: ~180

POLICY GOVERNANCE

FY 2017

40 policies completed governance process

KEY POLICIES DEVELOPED AND APPROVED

- *Computer and Network Resources Use*
- *Creating and Maintaining Policies and Procedures*
- *Environmental Health and Safety and Risk Management*
- *Investment Policy*
- *Organizational Websites, Management and Hosting*
- *Fraud Identification and Reporting Requirements*

4 Newly created

8 Substantive revisions

3 Approved in Interim status

25 Minor revisions

GOVERNANCE PHASE COMPLETED

NEW

FY17	FY16	FY15	FY14
4	8	6	10

INTERIM

FY17	FY16	FY15	FY14
3	4	4	1

SUBSTANTIVE REVISION

FY17	FY16	FY15	FY14
8	7	3	2

MINOR REVISION

FY17	FY16	FY15	FY14
25	26	20	6

While progress continues, a significant number of policies [106, or 53% of all policies] remain outdated. Management continues to balance priorities and limited resources to address this issue. It is acknowledged that retention issues, specifically redistribution of workload, contribute greatly to this issue. Additionally, it is anticipated that approximately 33 of the outdated policies are likely being consolidated into significantly fewer policies that are currently being developed.

In addition to working with universitywide policy owners to facilitate progress on new and existing policies, the ICO, with support from the Office of University Counsel, conducted preliminary gap assessment work, taking into consideration federal and state laws requirements regarding policy to determine compliance. Self-assessment surveys were distributed to those responsible offices affected by these requirements. Based on responses, the ICO continues to monitor progress toward policy development during FY 2018.

Analysis of the responses received to date indicates that most of the offices that have responded have the required policies in place. The ICO will be supporting policy development efforts for full compliance during FY 2018.

Lastly, the ICO also serves as the university's regulatory policy liaison with the Commonwealth.

Conflict of Interests

State-required Disclosure

As required by the Commonwealth, all Board of Visitors members must complete a Financial Disclosure form and all employees, who meet the criteria defined by the Commonwealth's Conflict of Interest and Ethics Advisory Council, must complete the Statement of Economic Interest form. This information is now collected through the Commonwealth's online disclosure system. Paper or electronic copies of the forms, which were provided by VCU in past years, are no longer accepted. As of 2016, employees who are mandatory filers are fined a late penalty of $250 if filing occurs after the deadline and an extension is not granted by the Council.

The initial notification to complete this requirement was disseminated January 3. Notice prior to January 2, 2017 was not permitted per Virginia's Conflict of Interest Act. All Financial Disclosure forms and Statement of Economic Interests forms for the 2016 disclosure period were due to the Commonwealth on January 17, 2017. VCU's overall compliance rate for state-required filers was 100% by the deadline.

The ICO assisted with timely filing as the agency liaison with the Commonwealth, as well as analysis of all disclosures in order to manage or eliminate conflicts.

University-required Disclosure

Due to continued legislative changes by the state, the university chose to hold on requesting interest disclosure from a prior expanded pool of required reporters until disclosure schedules, questions, definitions and processes were finalized.

Looking Ahead

Concurrent with the efforts to achieve our mission and strategic initiatives, as stewards of public resources, VCU must maintain oversight of external relationships and the potential for conflicts of interest. In the normal course of university business, conflicts of interest will arise. Not all conflicts of interest signify an act of wrongdoing, but all conflicts must be identified, disclosed and managed, or removed, when appropriate.

VCU has three core processes for identifying, evaluating, managing and removing conflicts of interest. They include:

- The Commonwealth required interest disclosure
- VCU Position of Trust and Researcher conflict of interest reporting
- University policy governing outside professional activity and employment, research, and continuing education

Interest disclosure reporting and processes have been a continuing topic in need of enhancements, from both a Commonwealth and federal regulatory requirement perspective and a university interest in risk assessment and efficiency perspective. Endeavors initiated to date include: maintaining an electronic solution for researcher interest disclosure; performing a structured analysis of data collected by the state

and university systems; creating management plans once conflicts are identified; policy development; and educating new board members concerning interest disclosure at New Member Orientation.

These accomplishments have been collaborative in nature with many compliance partners. Updates will continue to be provided to the Audit, Integrity and Compliance Committee specific to policy creation and implementation and the university's approach to identifying and managing interests.
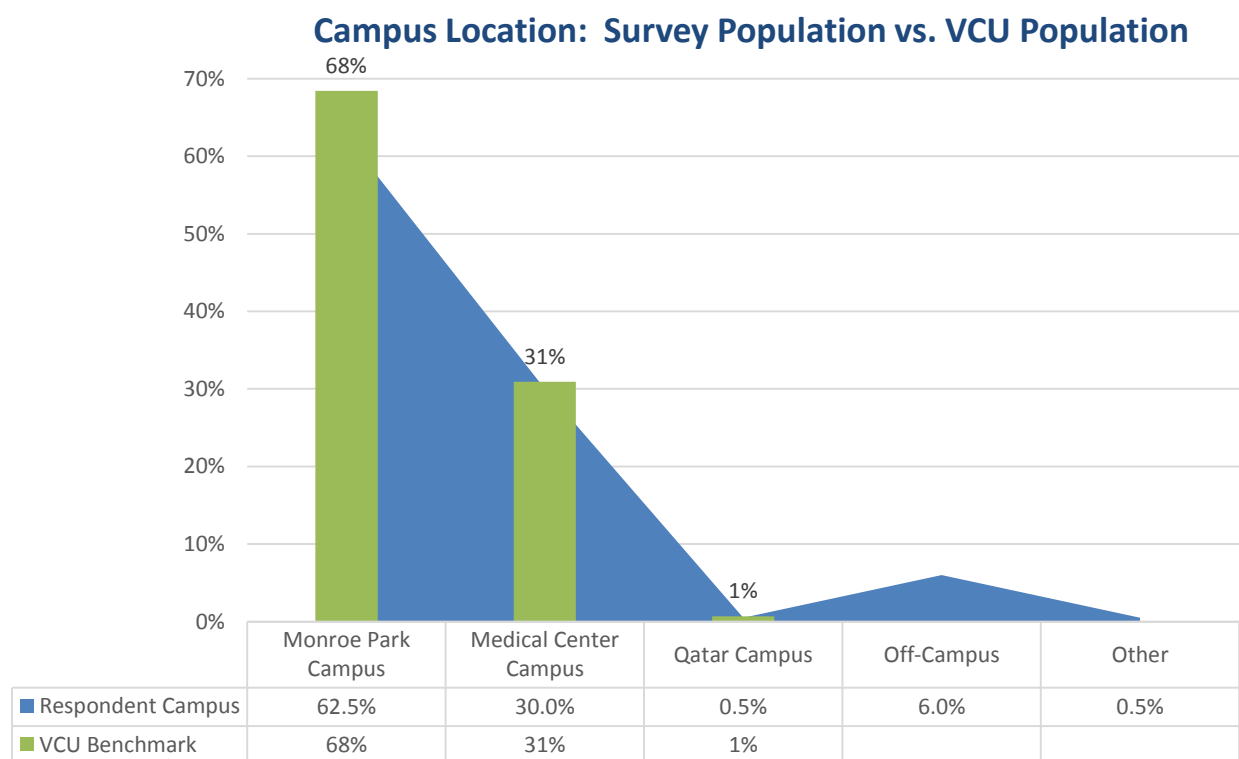
Ethical Culture and Perceptions Assessment

The Integrity and Compliance Office (ICO) conducted a culture survey in March 2017 to assess the university community's awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to raising concerns. Since 2010, this survey has been conducted biennially and serves as one mechanism to identify/measure drivers of good conduct, opportunities to strengthen our workplace culture, and effectiveness of VCU's Ethics and Compliance program.

The survey was reported to the Board of Visitors in May 2017 and to the Compliance Advisory Committee in June 2017.

Participation increased by 23% this year (compared to 2015) with a total of 3,093 employees responding.
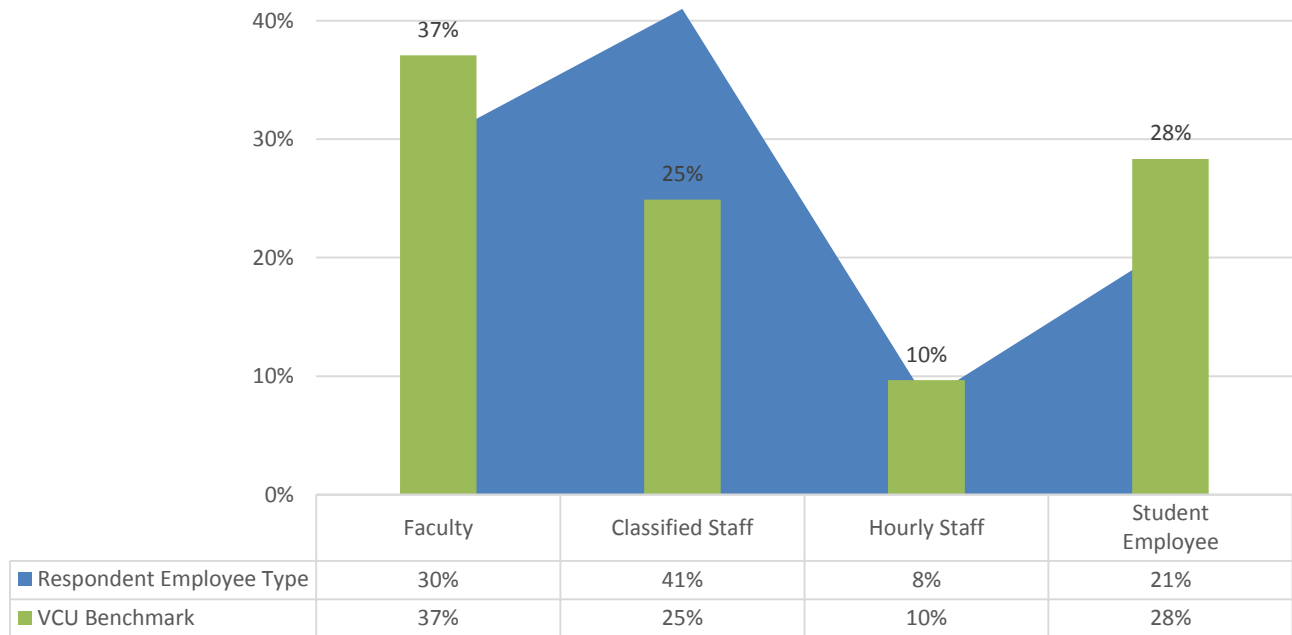
Assessment Representation

Several key demographics of survey respondents (campus, employee type and years of service) were compared to universitywide data to determine whether the assessment results were representative of the VCU population. Based on this comparison, the data indicates that respondents were generally representative of VCU employees. Therefore, it was determined that the analysis of the survey results — as summarized below — generally reflects perceptions, awareness and attitudes at VCU.
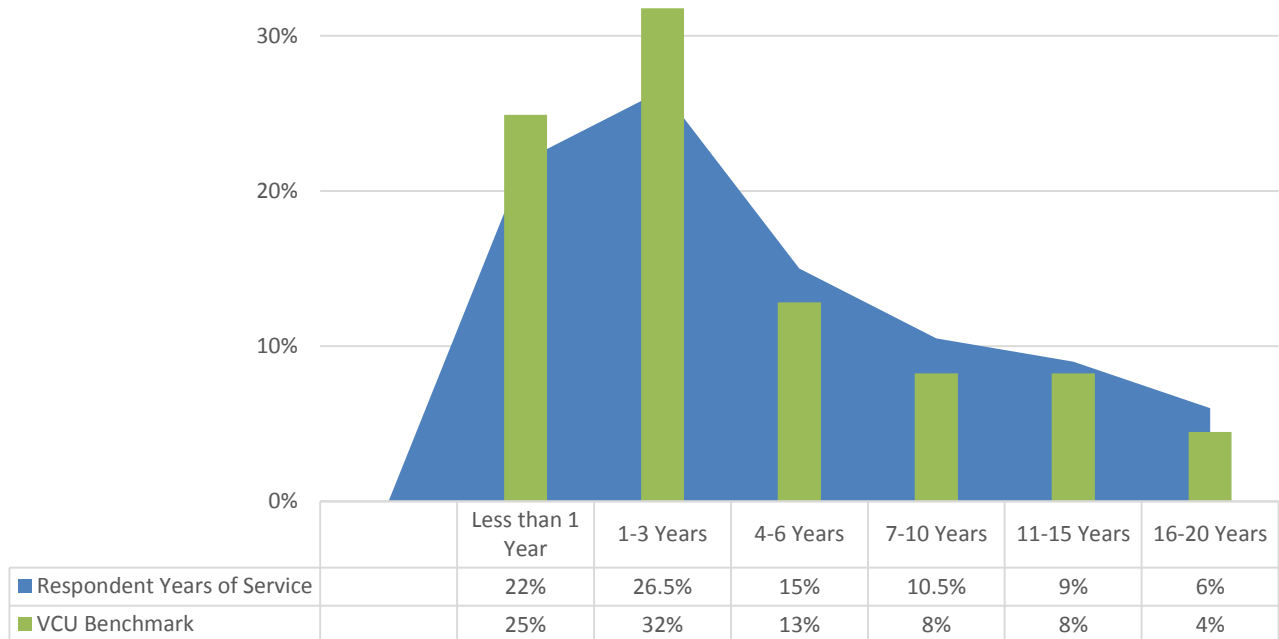
Campus Location: Survey Population vs. VCU Population

	Monroe Park Campus	Medical Center Campus	Qatar Campus	Off-Campus	Other
Respondent Campus	62.5%	30.0%	0.5%	6.0%	0.5%
VCU Benchmark	68%	31%	1%		

*VCU data for Monroe Park and Medical Center campuses include off-campus employees.

26

Employee Type: Survey Population vs. VCU Population

	Faculty	Classified Staff	Hourly Staff	Student Employee
■ Respondent Employee Type	30%	41%	8%	21%
■ VCU Benchmark	37%	25%	10%	28%

Years of Service: Survey Population vs. VCU Population

	Less than 1 Year	1-3 Years	4-6 Years	7-10 Years	11-15 Years	16-20 Years
■ Respondent Years of Service	22%	26.5%	15%	10.5%	9%	6%
■ VCU Benchmark	25%	32%	13%	8%	8%	4%

Awareness of the Program and Resources

Measures familiarity of resources (includes university policies).

> Familiarity with resources has increased 9% with the Integrity and Compliance Office and 7% with the Policy Library. Not surprisingly, hourly staff and student employees and employees with less than three years of service were less familiar.

> Supervisors indicated an increased familiarity with resources available to assist them with encouraging ethical conduct and accountability (and addressing concerns) than in past years. Specifically, there was a 22% jump in the maximum rating of "7-very familiar" for these questions. Familiarity was noticeably lower with supervisors located on the Qatar Campus.

These results are most likely attributable to increased education as a part of the ICO's awareness initiatives, which included training presentations, compliance week activities, informational tables at VCU sponsored events, nurturing business relationships, remaining accessible and credible, and joining several collaborative committees and workgroups. Considering these activities primarily occur on the Monroe Park and medical campus in Richmond, lower familiarity rates in Qatar are expected.

Perceptions of Employees and Environment

Measures perceptions of ethical conduct and trust related to employee-supervisor relationship.

New questions this cycle: My supervisor trusts me to do my job well and with integrity; I trust my supervisor to support me in my role and follow through on promises/commitments.

> A 5% difference exists between perception of "employees" and "employees in a leadership position" demonstrating integrity and ethical behavior in performance of duties, 88% and 83% respectively (the 83% is a 4% increase over last cycle). Notably, employees on the Qatar campus rated agreement with these statements lower for both employees and employees in a leadership position.

> A 7% difference exists between respondents stating their supervisors trust them and those same individuals then stating they have trust in their supervisors to have support in them and uphold commitments, 95% and 88% respectively; despite the difference in response, this is an indication of ethically healthy relationships. There were no material differences in responses based on employee type, years of service or campus.

Observing and Reporting Misconduct

Measures comfort level, observations and reasons for not reporting.

Responsive questions addressed whether reporting was conducted and subsequently why respondents reported or declined to report.

New questions this cycle: The follow-up question, "describe the misconduct that you observed," was presented if a respondent indicated observing or experiencing misconduct. Responsive questions addressed whether a report was made and subsequently why a respondent declined to report.

> Comfort level with reporting concerns is at all time high since assessment began in 2010, reflected by 86% of respondents expressing agreement with being comfortable reporting to their supervisor. Employees on the Qatar campus responded with lower levels of agreement with this statement, further indicating the need to conduct targeted ethics and compliance education at this location.

> The perception that protection from retaliation exists as a VCU value continues to be rated favorably and show improvement over prior years. Specifically, protection is perceived by reporting through the VCU Helpline at 83%, followed by reporting direct to a supervisor at 82% and reporting to a central office at 79%. Employees on the Qatar campus were less likely to agree that they would be protected from retaliation if reporting to their supervisor or central office; however, agreement level for reporting through the VCU Helpline was similar to core campus respondents.

Organizational Justice

Measures feelings toward issue response and resolutions and perceptions of retaliation.

New questions this cycle focused on reflexive questions once a respondent indicated reporting concerns and included perceived retaliation for speaking up and a description of the retaliation experienced.

> While still representative of a minor population of survey respondents, new themes revealed this cycle are:
>   - Inadequate addressing or follow-up to reported concerns
>   - Supervisors inconsistently following policy or ignoring policy when inconvenient
>   - Concerns related to reporting time/leave incorrectly

> Understandably, feelings of uncertainty and unsatisfactory handling of reported concerns are likely attributable to the fact that communication must often be limited when the resolution is related to personnel actions. Additionally, little or no follow-up is also a contributor, which illustrates an opportunity for additional education on appropriate response to employees by management when concerns are reported.

> Hourly employees were more likely to experience perceived retaliation for speaking up, as were employees on the Monroe Park campus and Faculty. It is notable, however, that faculty were less certain that retaliation occurred with a quarter of respondents selecting "I'm not sure, but I think so."

Training and Education

This section provides updates to universitywide training and education efforts and does not yet include information related to specialty training requirements based on role or position such as research activity related, OSHA related, or operating internal systems, nor does it include the efforts of in person trainings conducted for Title IX or Information Security. Currently, a universitywide Learning Management System implementation is ongoing and will enable enhanced future reporting.
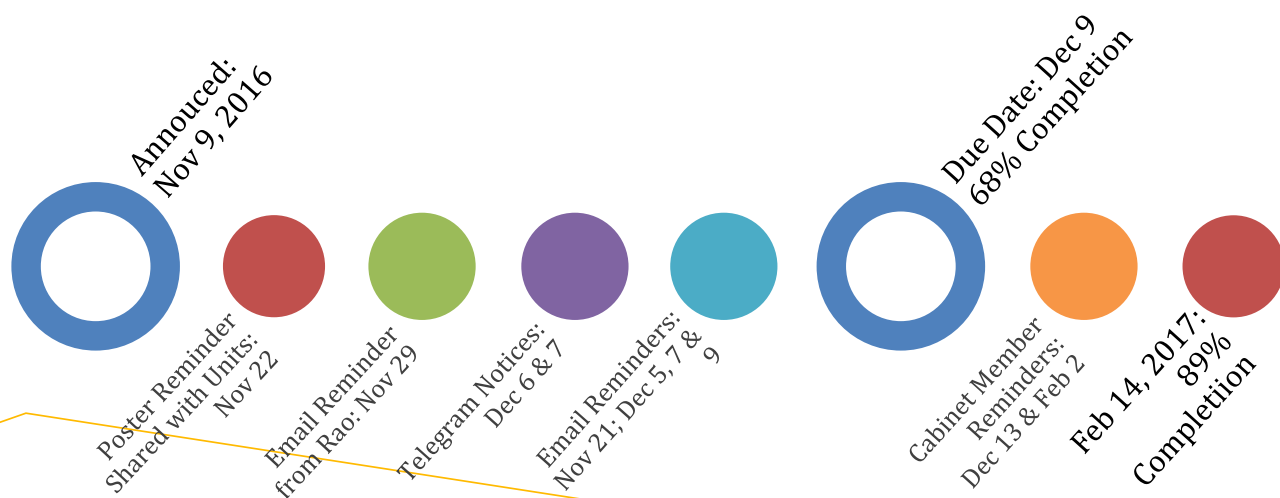
Annual Required Integrity & Compliance Education:

In support of fostering and promoting an ethical and compliant environment, the Ethics and Compliance Program strives to positively influence and impact employee behavior. One of the ways this is accomplished is through annual ethics and compliance training, required of all employees. The purpose of this annual online course is to remind and inform employees of the university's expectations.

This year was the fourth cycle of this education initiative and the following topics were included. Dr. Based on the current risk environment, there was additional focus on available resources; privacy and network use; addressing concerns; and non-retaliation:

- Ethical Behavior
- Voicing Concerns & Non-retaliation
- Addressing Concerns (for supervisors only)
- Civility and Respect
- Diversity, Accessibility & Equal Opportunity
- Sexual Misconduct & Gender Equity
- Workplace Health, Safety and Security

- Interest Disclosure and Conflict of Interests
- Research Integrity
- Managing & Safeguarding Records/Information
- Computer and Network Use & Privacy
- External Communications & Our Brand

The Integrity and Compliance Office announced the 2016 Integrity and Compliance Education course during National Compliance and Ethics Week on November 9, 2016.

Annouced: Nov 9, 2016

Poster Reminder Shared with Units: Nov 22

Email Reminder from Rao: Nov 29

Telegram Notices: Dec 6 & 7

Email Reminders: Nov 21; Dec 5, 7 & 9

Due Date: Dec 9 68% Completion

Cabinet Member Reminders: Dec 13 & Feb 2

Feb 14, 2017: 89% Completiion

The overall completion rate improved significantly (from 67% last year to 89% for 2016), spurred by significant increases in all employee types. The employee-types with the most improvement were adjunct faculty (+57%), Qatar faculty (+44%) and hourly/other (+35%). Law Enforcement remained at 100%, while other groups improved as well: professional faculty (+4%), administration faculty (+5%), teaching and research faculty (+12%), student employees (+15%), classified (+9%) and clinic/MD faculty (+21%).

2016 Integrity and Compliance Education
Completion Rates by Employee Type

Chart data as of 2/14/2017
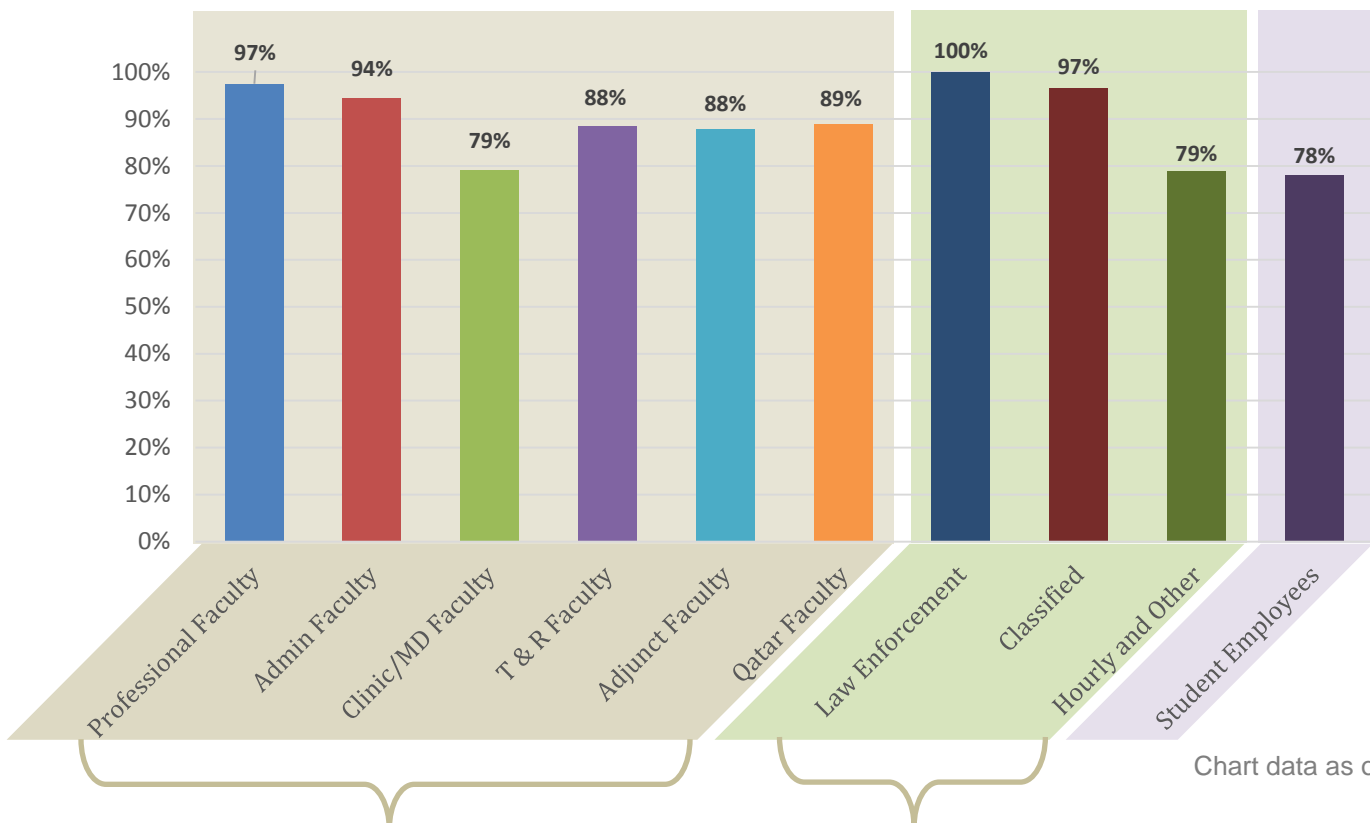
89% of Total Faculty

1. 89% Full Time Faculty
2. 87% Part Time & Adjunct Faculty

92% of Total Staff

3. 97% Full Time Staff
4. 79% Part Time & Hourly Staff

89% Overall*

92% Core Faculty & Staff

(not including P/T Faculty or Staff or Student Employees)

Acknowledgments

Finally, a word of acknowledgement is appropriate for several individuals whose collaborative and collegial, "do the right thing attitude and approach" cannot go unmentioned, for without these individuals and their teams there would be no Annual Report. Thank you and greatest appreciation to:

Jonathan Palumbo and Noah Strebler, Athletics Department

Craig Anderson, Audit and Management Services - Audit and Compliance Services

Laura Rugless and Sara Roan, Equity and Access Services—Office of the President

Amy Unger and Tim Davey, Faculty Recruitment and Retention—Office of the Provost

Ishneila Moore, H. Greg Council and Brenda Alexander, Department of Human Resources—VP of Administration

Jaycee Dempsey, Ashley Green, and Anthony Rapchick, Integrity and Compliance Office—Audit and Compliance Services

William King, University Ombudsperson—Office of the Provost

Tom Briggs and Mary Beth Taormina, Safety and Risk Management—VP of Administration

Justin Moses, Karen Belanger and Megan Rapchick, Division of Student Affairs—Office of the Provost

Susan Robb and Monika Markowitz, Office of Vice President for Research and Innovation

In addition to the compliance partners listed above, the daily efforts of all compliance partners and members of the Compliance Advisory Committee are to be recognized, for without this interdisciplinary and collaborative network of peers, VCU would not benefit near as greatly as it does from having this communicative group of dedicated and trusted advisors.

Audit and Compliance Services: Bill Cole; David Litton

Controller's Office: Tricia Perkins; Angela Davis

Office of University Counsel: Liz Brooks; Jake Belue; Sara Johns

Equity and Access Services: Brittany Gardner; Paula McMahon

Facilities Management: Richard Sliwoski

Faculty Senate Representative: Robert Andrews

Financial Aid Office: Marc Vernon; Melissa McKean

Global Education Office: Paul Babitts

Grants and Contracts Office: Mark Roberts

Office of the Vice President for Health Sciences: Kevin Harris; Cindy Cull

Integrity and Compliance Office: Jacqueline Kniska

School of Medicine: Tricia Gibson

Parking and Transportation: Clayton Harrington

VCU Police Department: Chief John Venuti, Rebecca Westfall

Office of the President: Paula Gentius

Procurement Services: Brenda Mowen

Office of the Provost: Linda Birtley; Heidi Jack; Kathleen Shaw

Office of the Provost - Strategic Enrollment Management: Bernard Hamm; Anjour Harris

Safety and Risk Management: David Mattox

Technology Services: Alex Henson, Dan Han

Treasury Services: Timothy Graf

University Relations: Kasey Odom; Mike Porter

Appendix A

Definitions for Report Outcome Classification

A report is classified as ***Substantiated*** when, after inquiry or investigation, violations of expectations, policy, regulation, or law are found. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as ***Partially Substantiated*** when, after inquiry or investigation, a violation of expectations, policy, regulation, or law is found but other allegations—or elements of an allegation— contained in the report were unsubstantiated. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as ***Unsubstantiated*** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

Reports that contain general questions rather than concerns or specific allegations; are not related to current VCU employees or during employment with VCU; or include allegations later withdrawn by the reporter and ICO determines that no further investigation is necessary are classified as ***Other***.

Reports that contain insufficient information to proceed with additional inquiry or investigation are classified as ***Not Enough Information***.

Appendix B

Ethics and Compliance Program Key Elements of Regulation and Industry Best Practice Chart

The federal government, when funding programs, requires that an organization have an "effective compliance program" in place. Through guidance and regulations, national and international organizations are defining the key elements or benchmarks required to demonstrate that a compliance program is effective. The following six organizations and reports provide key ethics and compliance program benchmarks:

	Benchmark	Originating Agency/Report*
1	Written Standards of Conduct (including policies & procedures)	FSG, OIG/HHS, MOJ/UK Bribery Act, DOJ/SEC
2	Designation of Chief Compliance Officer	FSG, OIG/HHS, OECD, LRN 2014, DOJ/SEC
3	Education & Training	FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC
4	Whistleblower Hotline & Whistleblower Protections	FSG, OIG/HHS, OECD, LRN 2014, DOJ/SEC
5	Response & Enforcement	FSG, OIG/HHS, OECD
6	Auditing & Monitoring	FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014
7	Investigation/Remediation of Systemic Problems & Screening of Sanctioned Individuals	FSG, OIG/HHS
8	Defining Roles/Responsibilities & Assigning Oversight Responsibility	FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC
9	Due Diligence to Prevent & Detect Third Party Criminal Conduct	FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC
10	Periodic Evaluation of Compliance Program Effectiveness	FSG, OECD, LRN 2014, DOJ/SEC
11	Promote Compliance Program throughout Organization through Incentives for Ethical Conduct & Penalties for Non-Compliance	FSG, OECD, LRN 2014, DOJ/SEC
12	Periodic Assessment of Risk of Criminal Conduct	FSG, MOJ/UK Bribery Act
13	Policy Prohibiting Foreign Bribery	OECD
14	Compliance is Duty of Employees at All Levels of Organization	OECD
15	Risk-based Due Diligence in Hiring and Oversight of Business Partners	OECD
16	Measures to Ensure Effective Control Over Areas such as Gifts, Travel, Hospitality, etc.	OECD
17	Adequate Budget: $99,763 per 1,000 employees	LRN 2014, DOJ/SEC

*Sources:

- FSG: Federal Sentencing Guidelines §8B2.1 (a-c): Effective Compliance & Ethics Program
- OIG: Office of Inspector General/Health & Human Services: Guidelines for Effective Compliance Programs
- MOJ/UK Bribery Act: Ministry of Justice – United Kingdom: Bribery Act of 2010
- OECD: Organization for Economic Cooperation and Development: Good Practice Guidance on Internal Controls, Ethics & Compliance, 2010
- LRN 2014: The 2014 Ethics & Compliance Program Effectiveness Report
- DOJ/SEC: Department of Justice/Securities & Exchange Commission, 2012: Hallmarks of an Effective Compliance Program (specifically aimed at FCPA enforcement)

**A special acknowledgement of appreciation to the University of California, the original creator, for the permission to use this chart.

Appendix C

Demonstrations of Effectiveness for VCU's Ethics and Compliance Program – selected sample

Oversight [USSG §8B2.1(b)(2)]

- Direct reporting relationship to the Board of Visitors' Audit, Integrity and Compliance Committee
- President, Cabinet and Senior Management
- Centralized University Integrity and Compliance Office gathers and reports information necessary to demonstrate an effective ethics and compliance program

Standards and Procedures [USSG §8B2.1(b)(1)]

- Comprehensive Code of Conduct focusing on clear expectations supportive of a civil, professional, and ethical teaching, working, and learning environment
- Policy Program
  - Centralized Policy Library - www.policy.vcu.edu
  - Dedicated resources for policy assessment and development
  - Policy updates communicated by policy owners and in various newletters (HR, Research, ICO); quarterly *Policy Points* Communication Notification

Education and Training [USSG §8B2.1(b)(4)]

- *The Compass* e-Newsletter
- Educational and Training Resources page - web-based resources for employee development
- Point of hire ethics and compliance education for classified staff at New Employee Orientation - Human Resources and at New Faculty Orientation
- Annual training for department Chairs - Office of the Provost
- Welcome letter to new faculty at Orientation - Office of the Provost
- Mandatory employee education:
  - Integrity and Compliance Education module
  - Title IX Education
  - Information Security Educaiton
- VCU Sponsored Projects Administration Certification Program
- Job duties and professional development trainings available through training.vcu.edu - enhanced by Learning and Development Advisory Council

Monitoring [USSG §8B2.1(b)(5)(a)]

- Compliance Advisory Committee - ethics-based leadership; tracking compliance issues; discussing gaps or needs for improvement; and government reviews
- Compliance Responsibility Matrix
- Compliance Calendar populated with and attested to by responsible parties
- Federal Regulatory Responsibility Grid populated with operationally responsible parties
- Conflicts of Interest - reporting, disclosure analysis, and management plans
- Research - Office of Sponsored Programs and Grants and Contracts
- Athletics Department - NCAA Compliance Efforts - Eligibility and Self Reporting Violations
- University Audit and Management Services – routine audits and special projects as necessary
- Enterprise Risk Management
- Export Controls

Reporting [USSG §8B2.1(b)(5)(c)]

- Annual Report to the Board of Visitors' Audit, Integrity and Compliance Committee
- Central Offices – Human Resources; Office of Research Integrity and Ethics; Integrity and Compliance Office; Office of the Ombudsperson
- Compliance Partners - identified trusted advisors
- *Duty to Report* Policy
- Prohibition of retaliation for reporting concerns
- VCU Helpline

Enforcement and Discipline [USSG §8B2.1(b)(6)]

- Partnerships for consistent application
  - President and Senior Management
  - Human Resources
  - Office of the Provost, Office of Recruitment and Retention - Faculty Affairs
  - Office of University Counsel

Response and Prevention [USSG §8B2.1(b)(7)]

- All reported issues shared with management to prevent recurrence
- Development of area-based scorecards for reported concerns
- Workplace Investigation Reports to Senior Leadership for mitigations and prevention of recurrence
- Incentivize ethical behavior with Employee Recognition Awards - Human Resources

Assessing Risk [USSG §8B2.1(c)]

- University Compliance Risk Assessment - Regulatory Reporting Calendar and Regulatory Grid populated with responsible parties
- Enterprise Risk Management Program
- Internal Audit Annual Workplan Risk Assessment
- Information Technology Audit Annual Workplan and Risk Assessment
- Agency Risk Management and Internal Control Standards - state requirement