



VCU

Integrity and Compliance Annual Report

FY2018



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Introduction and the Year-in-Review

Welcome to the Annual Report of VCU's Integrity and Compliance Efforts for fiscal year (FY) 2018. Since the creation 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. The program is 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). Benefitting from the work of a well-established and trusted compliance partner network along with Presidential and Board level support. Highlights herein showcase universitywide integrity and compliance activities and outcomes geared toward maintaining a community prepared to identify, report and appropriately address misconduct when it does arise.

The purpose of this report is two-fold.

- 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 from widely accepted governance practices and more directly from the Federal Sentencing Guidelines and is addressed with 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".
- To assist with awareness and transparency throughout the university related to ethics and compliance matters. By this report collecting and analyzing the prior year's activities and outcomes, management is provided with relevant and timely information that assist with defining and measuring our culture.

These activities and outcomes are reported on because it is important to transparently share the information established from collected data. This report serves as a supplement to the established quarterly Board reporting occurring throughout the year. This permits and thereby promotes more discussion time during Board meetings – 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

Maintaining an effective ethics and compliance program in an ever changing regulatory landscape, shifting societal norms, multigenerational workplaces, and the multifaceted social media driven environment, while facing competing interests with finite resources, challenges every organization. Program implementation requires:

- on demand information
- strategically placed incremental training reminders
- continual and ongoing risk assessment
- interdisciplinary and enterprise-wide collaborations
- transparent and timely communications with key stakeholders
- risk-based decision making

Supporting an approach based in regulatory and industry best practice, permitting dedicated expert resources to systematically translate obligations and expectations into appropriate actions that drive positive outcomes, requires sustained commitment to integrity and accountability at the highest levels.

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

Given VCU's scope of activities, ethics and compliance pressures on VCU remain great and in need of additional formalization and standardization in and among units. The supporting tone at the top is one of the ethical advantages benefiting VCU.

Education and Training Outcomes

A marked increase in training offerings is likely to have had a positive effect on VCU's already existing Speak-Up-Listen-Up culture. This year's data support the following statements:

- more training offered
- more individuals completed and comprehended training content
- reported concerns were reported at an all-time high volume and more often than not, reported to the appropriate office with expertise, or was quickly rerouted to the appropriate office
- the substantiation rate is at an all-time high at 66% for substantiated and partially substantiated outcomes
- anonymity remained consistent

This may mean that the training taken was effective in bringing clarity to situations identifiable as not meeting VCU expectations and an accuracy in issues spotting as demonstrated by the all-time high substantiation rate. These outcomes may also indicate increased trust established as demonstrated best by speaking up without anonymity.

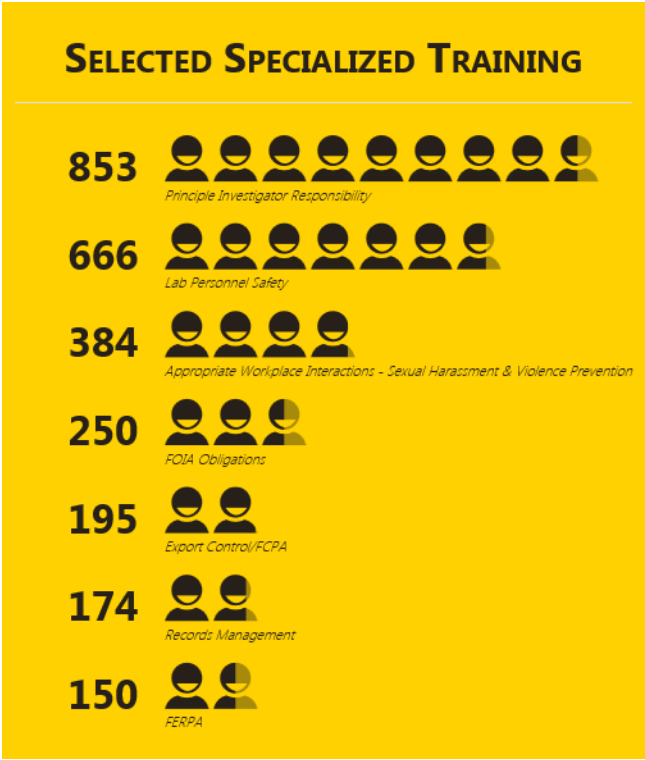
Specifically, the annual employee education requirement is the single most comprehensive, proactive, and also risk responsive endeavor from the Ethics and Compliance Program. Content reminds individuals of:

- core values
- ethical decision-making
- university expectations
- reinforcement of selected topics
- policies based on institutional risk
- resources to achieve clarity
- a zero tolerance commitment to retaliation



Completion rates remain consistent compared to prior year, at 89% overall and 95% completion rate for core faculty and staff. Mandatory training covering a single topic permits focus and a deeper understanding of specific expectations for conduct. These requirements have shown improvements year over year.

Additionally, the chart below shows the increased training efforts for specialty topics deployed to various individuals on role and the number of individuals who completed these trainings:



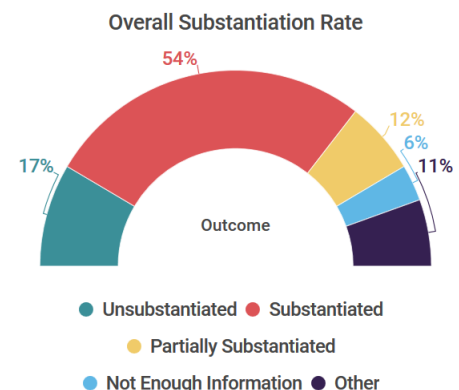
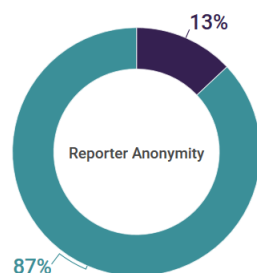
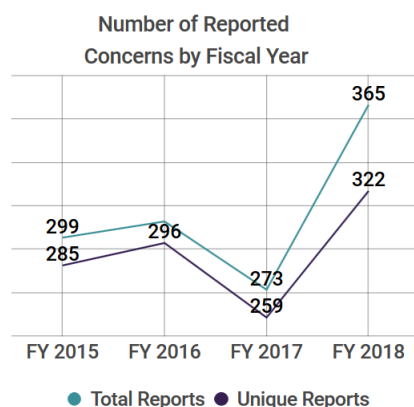
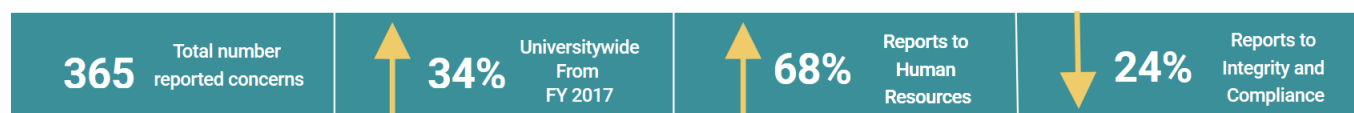
Reported Concerns Analytics and Benchmarks

Overall, the number of reports to, and utilization of, all trusted advisors continues to steadily increase. The university's ethics and compliance partners received and managed a total of 365 reports representing 322 unique concerns; an increase of 34% over FY 2017. Time to reach final outcome continues to be a challenge for multiple areas. At the close of the fiscal year, a record number of reported concerns remained open. Accounting for the increase in volume, the increase in pending matters is disproportionately high and will receive more frequent monitoring and root cause analysis to understand this significant change.

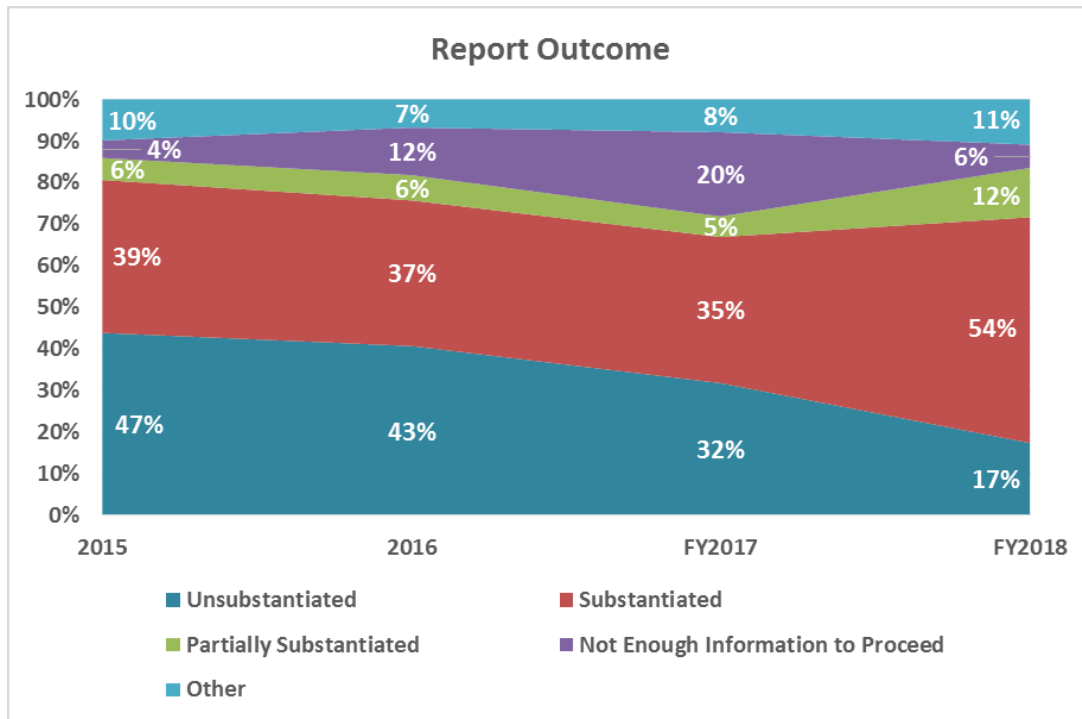
Breakdown of Reports to All Trusted Advisors Based on Independence

Fiscal Year	FY2015	FY2016	FY2017	FY2018
Reports to Independent Option – <i>ICO</i>	88	91	81	62
Reports to Independent Option – <i>Internal Audit</i>	14	24	7	11
Reports to Management Option – <i>Compliance Partners</i>	197	192	185	292
Total Reports	299	307	273	365
% Reported to <i>Audit and Compliance Services – independent Option</i>	34%	37%	32%	20%

Reported Concerns



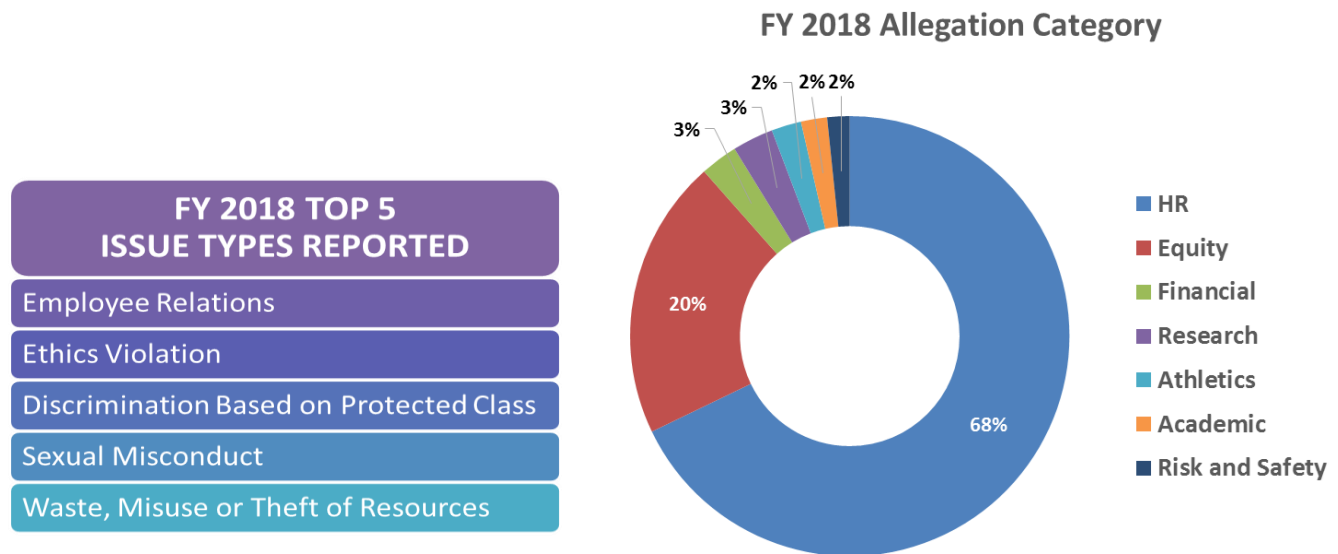
A notable increase in Human Resources reports is likely due, in part, to enhancements in data tracking, including utilization of a universitywide issues and events management e-solution. The decrease in reports to the Integrity and Compliance Office may be attributed to both employee willingness to report concerns as an identified individual to central offices and satisfaction with responses to concerns when reported to direct supervisors or other central offices. Prior to the implementation of the universitywide issues and events management e-solution, unique reports data were available only from the ICO. The increase in the difference between total reports and unique reports may be due to more robust data collection abilities from additional offices.



The substantiation rate is at an all-time high of 66%. This rate is also significantly higher than a 2018 report on national benchmarks from an industry leading vendor *and* the previously established VCU benchmark. Higher substantiation rates may indicate employees are well informed about university expectations and are empowered to speak up when those expectations are not being met. It additionally points to effective investigative procedures.¹

¹ Penman, Carrie; 2018 Ethics and Compliance Hotline and Incident Management Benchmark Report Navex Global

As consistent with VCU's prior data and national trends, allegations classified as Human Resource-related topics remain steady and represent the largest volume of these reported concerns at 68%, with a 72% substantiation rate.



Benchmarking Note: 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 from FY 2014 through FY 2017. As an enhancement to this year's report, metrics are additionally compared to Ethics and Compliance Industry benchmarks collected and analyzed by Navex Global in the *2018 Ethics and Compliance Hotline and Incident Management Benchmark Report*.

Metric	2018 Navex Global Survey	VCU Internal Benchmark	FY 2018 Data
Cases per 100 employees	1.4 (Median)	2.53	3.14
Anonymous Reports	56%	19%	13%
Direct Contact Reports vs Helpline Reports	39%	76%	81%
Substantiation Rate	44%	40%	66%
Most Common Allegation Type	Human Resources – 72%	Human Resources – 54%	Human Resources – 68%
Concerns of Retaliation	0.66%	7%	2%

The university exceeded industry benchmarking for per capita reports of concern, demonstrating a university environment that supports a speak-up culture and providing increased visibility of issues and events in order to identify patterns and practices of unethical conduct. This is additionally supported by 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.

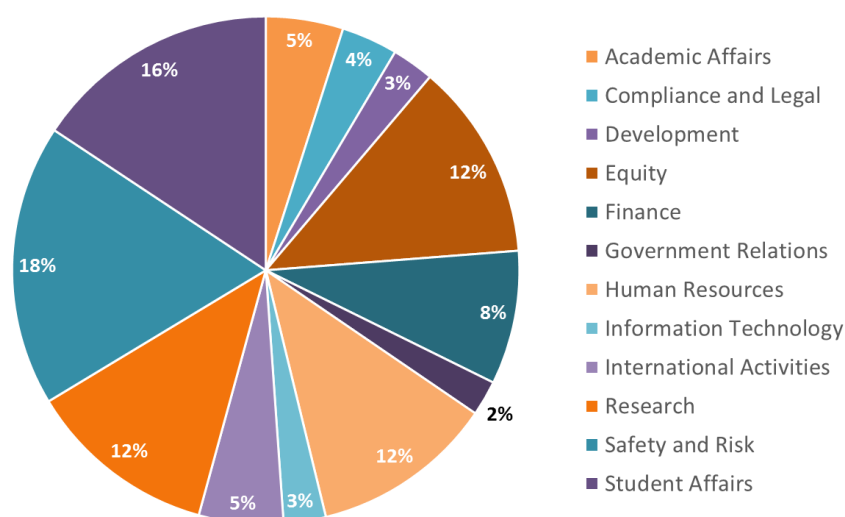
Ongoing Risk Assessment Update

ERM

The Enterprise Risk Management process continues to address the top enterprise risks with executive leadership. Specifically, the steering committee has determined the top risk in the compliance category to be Institutional Compliance and Ethics Expertise and Structure. This is the risk that institutional expertise for specific compliance and ethics areas may not exist, or exists but resides exclusively in localized areas (e.g.: specific schools or departments) and may not be known, or utilized, as an available institutional resource when needed. Risk that support for commitment to compliance and ethics initiatives and implementation may not exist. In summary, there is needed expertise and proper placement within university structure and defined scope of compliance roles for employees. This risk potentially affects other strategic plan themes. Existing mitigations have been assessed and have resulted in higher impact and likelihood ratings and that a negative event could occur with an anticipated 6 month advance notice to almost immediate onset notification. Calibration of these factors against the entire risk universe remains ongoing. The risk owner is the Executive Director Audit and Compliance Services) and the process owner is the University Chief Integrity and Compliance Officer.

Regulatory Reporting Monitoring

Federal Regulatory Responsibility by Topic



Required reporting of data to various federal agencies was automated using a no cost solution and timely completed by compliance partners without error on a quarterly basis. Full compliance was maintained without issue. Additionally, bi-monthly meetings are held with operational owners of ethics and compliance 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.

Non-Routine Government Reviews

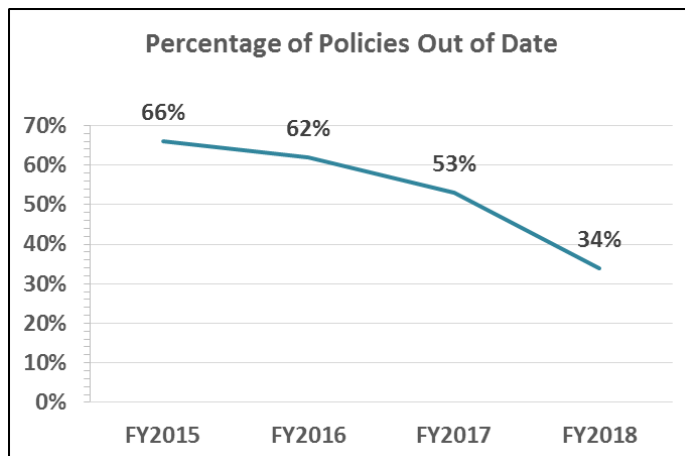
Monitoring external state or federal agency inquiry, review, investigation, or audit activities and facilitating a unified and appropriate response to external agency requests is always of continued importance. This does not include accreditation activities.

Selected highlights from significant government reviews conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. There were no significant non-routine reviews this cycle.

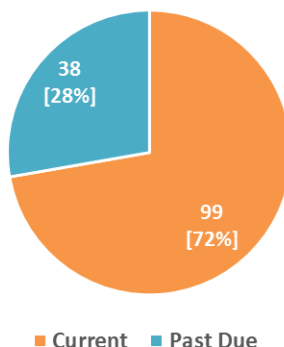


Universitywide Policies

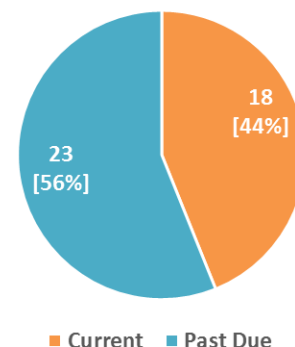
In previous years, over half of existing universitywide policies were outdated and a majority of the policies were significantly outdated, defined as 5-7 years or more since last review or revision.



Administrative Policies



Board of Visitors Policies



Top 5 Search Terms

travel
alcohol
promotion and tenure
intellectual property
code of conduct

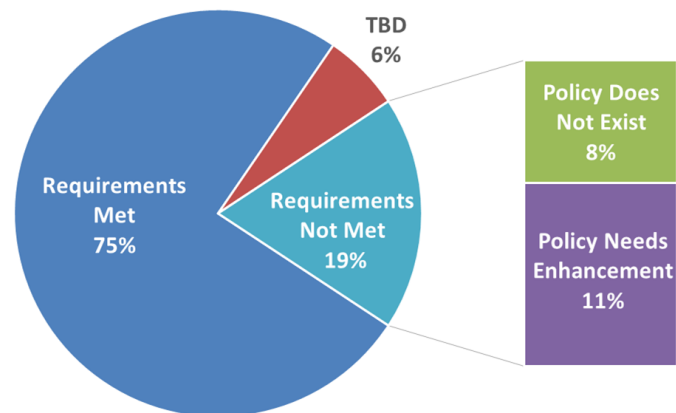
Top 5 Downloaded Policies

- Working @VCU Great Place HR Policies
- Computer and Network Resources Use
- Sexual Misconduct Violence and Gender Discrimination
- Accessibility and Reasonable Accommodation for Individuals with Disabilities
- Student Code of Conduct

Marked improvements have occurred in reviewing policies for accuracy and feasibility; streamlining content to reduce quantity and improve quality of existing policies; and in completing VCU's inaugural policy gap assessment.

The policy program continued its gap assessment work, taking into consideration federal and state law requirements. Based on response analysis, gaps exist. The majority of the gaps indicate that while departments may have policies in place related to the requirements, they need to be enhanced to meet all elements of the statute.

State and Federal Policy Requirements Gap Assessment



Privacy

VCU remains in need of prioritizing risk mitigations associated with privacy. The nature of our activities and our interdependent relationship with VCU Health System further adds to the complexity of privacy in our environment and the many layers within. Extensive fact finding and assessment, in collaboration with the health system and respective legal offices, have taken place over the last two years in an effort to accurately identify affected activities; bring clarity to responsibilities and authority; and assess the capacity for both VCU and the health system. Without establishing clarity and authority, topics related to privacy (e.g.; training; breach assessment, reporting to affected individuals and regulatory bodies; risk-based capacity reviews prior to signing Business Associate Agreements and authority to sign BAAs) may go unaddressed or addressed by individuals without expertise who may or may not have authority for decision making. This approach, one of operating in silos and at times without clear expectations, often results in an unaware leadership; increased inconsistencies; and implementation programs not sufficiently accounting for privacy related matters throughout the university.

Individual and Institutional Conflict of Interest and Commitment

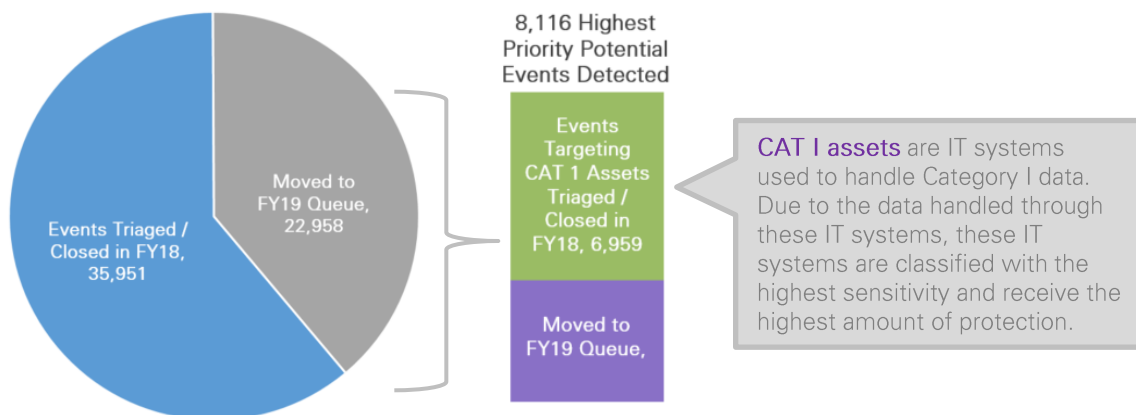
Preliminary preparations have progressed toward initial creation of a Conflict of Interest Committee. A software solution to document, review, identify, manage or clear potential conflicts has been purchased; a policy drafted with partner collaborations; an invitation and other governance documents drafted for committee purpose and membership; and creation of initial question set have all been accomplished this year. This will continue to be a complex and dynamic program with at least annual updates provided to Cabinet and to the Board.

Information Security

The Office of Information Security with Technology Services remained busy after attaining an all-time high of 89% completion rate for annual training through the new learning management system.

Additionally, FY18 Security Incident Response statistics are below:

58,909 Total Potential Events Detected



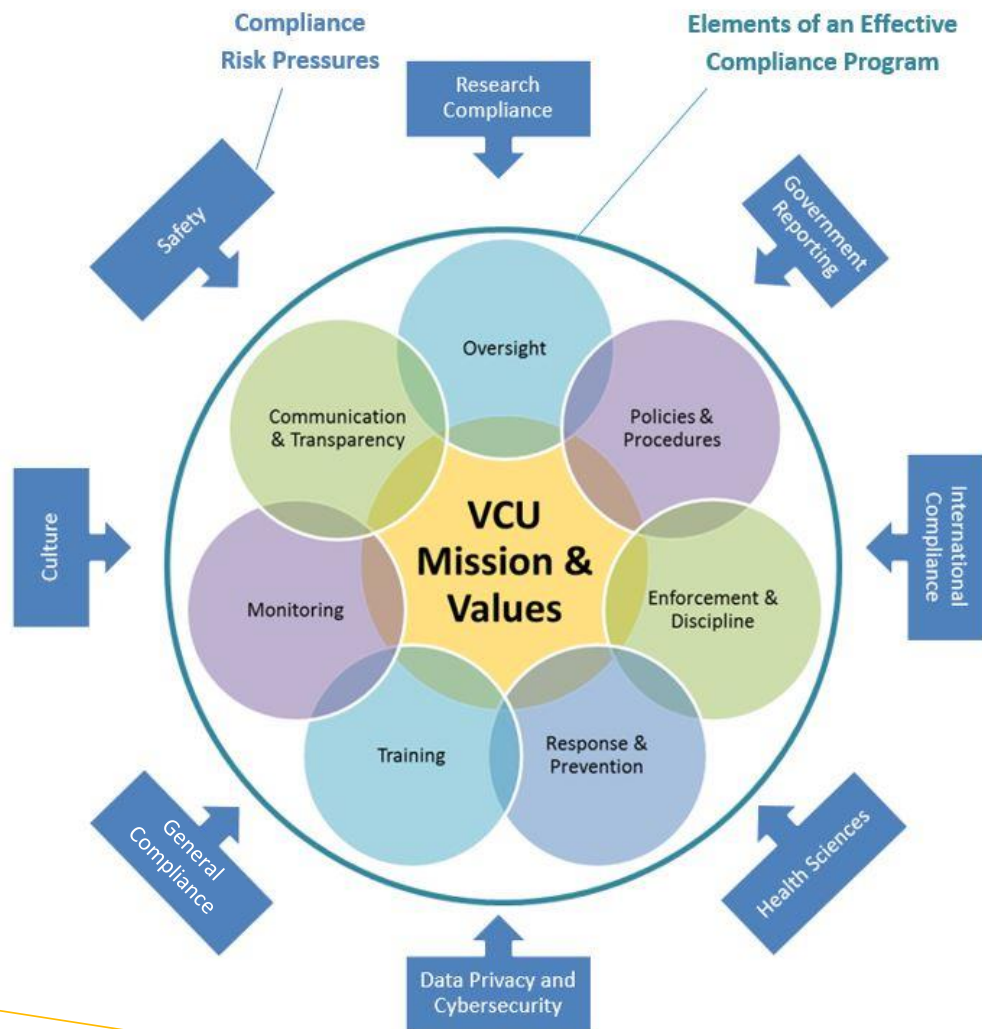
Effectiveness Statement

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 often resulting in challenges related to learning curves of new employees; loss of employees with significant institutional knowledge; duration and effort to fill vacancies; or the workload added to 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 program effectiveness. The role of management to enforce expectations and set the tone at the top of integrity in all operations remains critical. 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. Industry benchmarks continue to identify that changes bring pressures and an increase in pressures require deliberate diligence in supplying messaging around values. With increasing pressures (e.g.; regulatory and public demands), an effective program with solid foundational elements will continue to require deliberate design, formal structure and the time and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.



Student and Employee Selected Ethics and Compliance Areas

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, notable statistics from the Office for Student Conduct and Academic Integrity (OSCAI) within the Division of Student Affairs and the Health Science's Division for Academic Success (comprised of Student Academic Support Services and Disability Support Services) are included below; once a university benchmark is established, these data points will be integrated into the traditionally reported data points and benchmarked as part of standardization of ethics and compliance efforts.

Additionally, selected areas with marked increase in demand and accomplishment are included

Student Conduct and Academic Integrity

The increase in reported academic integrity violations may be attributable to the increase in the number of training presentations delivered to faculty and students from 41 in the prior year to 68 presentations in the current year. Increased awareness and understanding typically leads to greater utilization of the process.

A substantiation rate of 72% represents the OSCAI finding of "responsible" for the misconduct. This is a decrease from 81% in the prior year.

Reports related to academic integrity

Academic Integrity is defined by the *Honor System* policy to mean: Plagiarism; Cheating; Lying; Stealing; and Facilitation.



443

**Reports of misconduct
(total student population of 31,000)**



16%

Increase from FY 2017

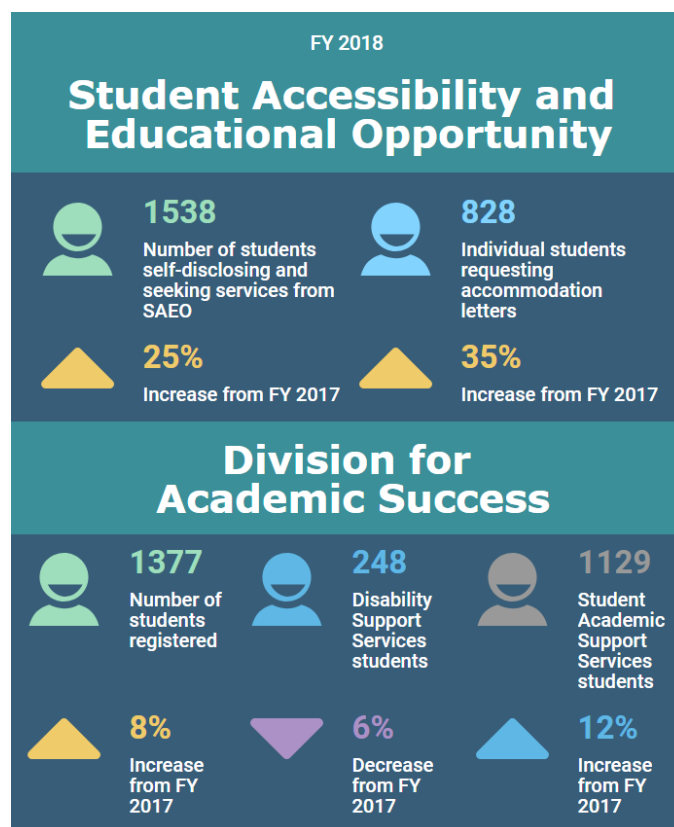
Student Accessibility and Accommodations

The Student Accessibility and Educational Opportunity (SAEO) Office on the Monroe Park Campus and the Division for Academic Success (DAS) on the Health Sciences Campus work together to provide equal access to the university's educational programming and activities to students with disabilities. SAEO is a resource for the Monroe Park Campus for individuals with disabilities requesting reasonable accommodations to receive services and obtain the protection of Section 504 of the Americans with Disabilities Act.

Disabilities Act. DAS also provides disability support services and academic support services to students on the Health Sciences Campus.

For Monroe Park Campus students, SAEO facilitated 94 housing accommodation requests – 59 of which were approved. Forty-eight of the housing accommodation requests were related to emotional support animals and 31 were ultimately approved. Additional services provided include:

- assistive technology consultations, licenses and hardware
- textbooks and tests provided in alternative/digital or enlarged formats
- 350 sets of notes uploaded to the new Note Taking Database in Spring 2018



On the Health Sciences Campus, DAS proctored 1,707 exams, a 41% increase from FY 2017. Overall, DAS had 7,452 student contacts in FY 2018, a 9% decrease from FY 2017.



Following national trends of advocacy groups filing hundreds of thousands of complaints to The Office of Civil Rights. VCU received a complaint related to web accessibility which resulted in a major universitywide effort to address the concerns raised. SAEO was represented on the Web Accessibility Remediation Project Team facilitating web accessibility improvement across the university. Ultimately, OCR dismissed the complaint given changing priorities of the current administration; however, the university continues to address issues of web accessibility as the right thing to do regardless of changing priorities.

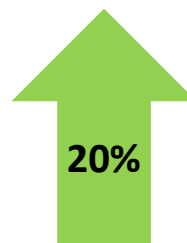
Equity and Access Services

EAS completed the governance process for revised discrimination and accessibility policies; oversaw the development of 26 Affirmative Action Plans; responded to 46 requests for employee accommodations under the ADA; addressed, by responding to or investigating, reported policy violations of the *Sexual Misconduct/Violence and Sex/Gender Discrimination* policy, the *Preventing and Responding to Discrimination* policy and the *Accessibility and Reasonable Accommodation for Individuals with Disabilities* policy. VCU's inaugural Accessibility Compliance Workgroup, a centralized, collaborative effort to facilitate the goals of physical and programmatic access and equal opportunity in university employment, educational programs, sponsored activities, and events was also established. The inaugural biennial report for Title IX related information has also been produced separate from this report and is available [here](#).

Virginia's Freedom of Information Act (FOIA)

The Code of Virginia §2.2-3704.2 (effective July 1, 2016), requires all state public bodies to designate a FOIA Officer "whose responsibility is to serve as a point of contact for members of the public in requesting public records and to coordinate the public body's compliance with the provisions" of FOIA. While VCU had so designated individual(s) for this role before this

legislation passed, VCU's first full-time FOIA Officer to ensure compliance was hired April 2017. Within weeks of hire, the FOIA Notice Resource Page was linked to the VCU Homepage, as required. This linkage, accompanied by an increase in live training sessions with the FOIA Officer resulted in a total of 900 visits to the website, a 20% increase from the prior year. FOIA content is also reiterated in the Annual Employee Integrity and Compliance Education Module.



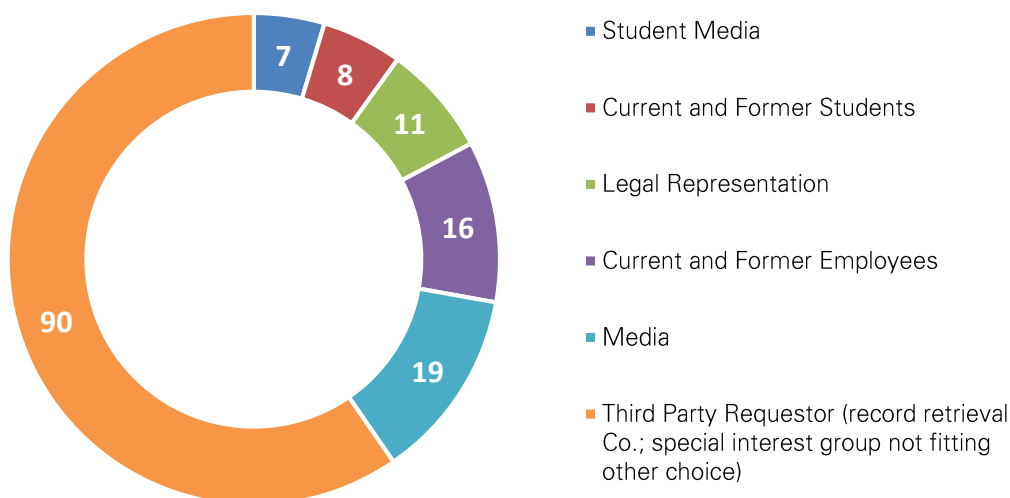
Visits to Web
Resource

FY18 requests covered a wide range of topics. In addition to the typical requests for copies of procurement contracts and athletic department staff contracts, major topics in FOIA this past fiscal year included: student contact information, animal research, sexual assault data and student conduct data. Litigation related FOIA requests centered on employee related claims.

Trends in the use of the Act: (1) attorneys gathering information quickly and at less cost to evaluate potential claims; (2) activists, particularly those opposed to the use of animals in research or those opposed to the growth (physical footprint) of the university; and (3) students seeking records related to an adverse decision or an administrative process they have experienced (e.g., dismissal from a program or misunderstanding financial aid processes, etc.).

Complex requests (usually related to current or potential litigation) can take a considerable amount of time to fulfill (20 - 40+ hours), while more routine requests average 2 - 2.5 hours. Fulfilling requests includes tracking, coordinating with records custodians and notifying stakeholders of the request and records being released in a timely manner. As a public state agency, VCU has 5 days to respond to all FOIA requests.

FOIA Requesting Parties



International Activities: Export Controls and Foreign Corrupt Practices Act (FCPA)

The Office of Research and Innovation provides institution-wide export compliance support and FCPA training for the university.

This year, 1,156 employees received training regarding their intended activities to certain international destinations. Placement of proactive messaging provides timely information as to resources, travel warnings, recommended safety precautions and identifies online resources, on-demand information and additional training content.

Individuals traveling to destinations that have US sanctions or other export restrictions are deemed high risk and receive customized guidance on compliance requirements. In FY 2018, 325 individuals were deemed to be high risk travelers, a 50% increase from FY 2017. The increase can be attributed to changes in the United States' sanction regulations and country alerts thereby expanding the list of countries considered high-risk.

VCU's loaner travel laptop program was utilized 69 times between July 1, 2017 and June 30, 2018 and the number of travelers making use of this program is increasing.

Additional compliance review, screening, and training efforts included:

- 490 export controls based reviews via Sponsored Programs Checkpoints
- 173 visa reviews prior to hire
 - 68 for H1-B visas for employees
 - 105 for J1 visas for post docs
- 10 scheduled trainings related to Dangerous Goods, Export Compliance, FCPA, and US Anti-boycott regulations
- 5 active Technology Control Plans in place – an all-time high for VCU and a demonstration of the increasing complexity of the university’s strictly regulated research activities

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***.