FY2016
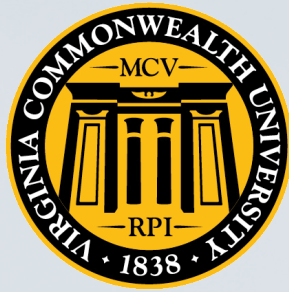
VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Integrity and Compliance
Annual Report

Table of Contents

Executive Summary

Welcome to the Annual Report of VCU's Integrity and Compliance Efforts for fiscal year (FY) 2016. Since the creation of this Annual Report in 2012, the goal has been to enhance the report's 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 Federal Sentencing Guidelines (FSG). This report now goes well beyond basic misconduct reporting statistics by providing a substantive report on 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. All feedback and inquiries on the content and suggestions for future reports are welcome.

The purpose of this report is two-fold. One, 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 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" as well as from widely accepted governance practices. And, two, to assist with awareness and transparency throughout the university as related to ethics and compliance matters.

We hope that the readers of this report 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

Ethics and compliance activities continue intensifying in importance 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 great.

Specifically, ethics and compliance programs in higher education are challenged because of limited resources; increasing governmental scrutiny in complying with legal requirements, regulations, sub-regulatory guidance; and the hard and soft costs to comply and meet the demands of the public's expectations. Our constantly changing landscape makes the commitment to reliable and consistent processes for identifying and complying with all expectations is paramount.

> "Colleges and universities today are probably the most heavily regulated organizations in the United States in terms of the number and types of statutes and judicial precedents with which they must comply."
>
> Barbara A. Lee, Fifty Years of Higher Education Law: Turning the Kaleidoscope, 36 Journal of College and University Law, 649-681, p. 649, 2010.

Consider the recent American Action Forum Study:

- Number of individuals in higher education with the title of "compliance officer" has grown by 33 percent in 10 years.
- Institutions spend 26.1 million hours annually completing Department of Education mandates [Note: This figure did not include regulatory burdens that go beyond completing forms, such as development and implementation of compliance policies].

In addition, a recent report from the Task Force on Federal Regulation of Higher Education, based on the federal study on Higher Education Federal Regulation, *Recalibrating Regulation of Colleges and Universities*, concluded the obvious: "Compliance with regulations is *inordinately* costly." And:

> "Higher education institutions are subject to a massive amount of federal statutory, regulatory, and sub-regulatory requirements, stemming from virtually every federal agency and totaling thousands of pages."
>
> Recalibrating Regulation of Colleges and Universities: Report of the Task Force on Federal Regulation of Higher Education, February 2015, pg. 7.

As reported on last year, several seminal changes and increased interest by regulators contribute to attention needed in the areas of:

- Foreign Corrupt Practices Act (FCPA), especially in international research activities and travel;
- Additional guidance from Office of Civil Rights, continuing to focus on sexual misconduct and bringing to the forefront transgender related matters;
- The new omnibus rule in research;
- Federal Labor Standards Act changes; and
- The Affordable Care Act.

Moreover, social media activities; the proliferation of online education offerings; conflict of interest complexities; and needed improvements in governance and accountability, all remain high priorities for any organization dependent on the public's trust.

VCU continues to focus on doing not only what is legally required, but also on doing the right thing. This same focus guides the ethics and compliance program and supports all themes from the Quest for Distinction strategic plan. Compliance partners throughout VCU are dedicated to continuing their compliance and ethics education; monitoring activities ensuring that the highest standards are met; and constantly working to assess and mitigate risks.

As in the prior year, investigations remain under the microscope and the resulting trend of "The Investigation of the Investigation" continues. Since Roth [University of Tennessee Professor and Export Controls]; the Freeh Report [Penn State and Minors on Campus]; and the national call to action regarding sexual misconduct on campuses, institutions of higher education have been contributing to setting the standards for proper due diligence in investigations. The increasing importance of effective investigations stems from observance of constitutional protections; anti-bullying trends; whistleblower protections; government expectations concerning mitigation plans as corrective actions; data privacy issues; attorney – client privilege issues; government bounties and a natural conflict between free ideals of speech and safety. In response to this trend, VCU has increased the number of investigators, compliance professionals, and maintained training budgets to keep these skills current.

With regulatory drivers and high profile public examples of *what not to do* in mind, VCU's Ethics and Compliance Program is informed by its environment. The complete Annual Report provides a detailed look at selected activities closely tied to the topics of ethics and compliance. This report continues to be enhanced by adding new sections and material (Export Controls and IT Governance Programs); updating sections with new activities; and

including sections previously presented to BOV Audit Integrity and Compliance Committee throughout FY 2016 (Interest Disclosure required by the Commonwealth; Annual Employee Ethics and Compliance Education; Program Initiatives).

Reported Concerns Overview

Overall, the number of reports to, and utilization of, all trusted advisors continues to steadily increase as it has since FY 2012. This year, the university's compliance and ethics professionals received and managed a total of 307 reports representing 296 unique concerns; an increase of 4% over FY 2015. Specifically, the Integrity and Compliance Office experienced a 11% increase in concerns reported over last fiscal year following a 7% increase in FY 2015. 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	FY13	FY14	FY15	FY16
Reports to Independent Option – *ICO*	49	73	88	91
Reports to Independent Option – *Internal Audit*	N/A	N/A	14	24
Reports to Management Option - *Compliance Partners*	153	194	197	192
Total Reports	202	267	299	307
% reported to *Audit & Compliance Services* — independent option	24%	27%	34%	37%

As consistent with prior years and national trends, allegations made to Human Resources and classified as Human Resource-related topics remain steady and represent the largest volume of all reported concerns at 40%, with a 38% substantiation rate.

Other noteworthy statistical changes include:

- a decrease in the overall substantiation rate for all reported concerns concluding at 37% (compared to 39% in FY 2015) ; and

- a significantly low substantiation rate of 7% for all reported concerns to the Equity and Access Services [EAS] Office representing concerns related to protected class based harassment and discrimination. [Note: 16 cases in progress at publication submission date].

This data indicates that additional training to the university community is needed to clarify standards and expectations of individuals. Additional details related to general allegation type, or topical category, are contained in the full Annual Report.

It is also notable that while 13% of all reports make reference to perceived retaliation, when explicitly analyzing reports made directly to the ICO or through the Helpline, the mention of retaliation climbs to 31%. This is an increase over FY 2015 which was concluded at 27%, or an increase of 4 percentage points. 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 with revealing identify. This conclusion is further supported by VCU's *2015 Integrity and Compliance Culture Survey* which revealed that survey respondents felt most confident that they would be protected from retaliation by reporting through the VCU Helpline at 79% in comparison to reporting through a supervisor or other central office.

Lastly, there is a slight increase in allegations claiming an extremely unprofessional/ uncomfortable working environment [i.e., including but not limited to bullying]. Seven percent of all reported concerns contain elements of behaviors and encounters related to extremely unprofessional/uncomfortable working environment [compared to 6% in FY 2015, 9% in FY 2014 and 11% in FY 2013]; these reports alone have a 45% substantiation rate accompanied by a 41% anonymity rate.

Title IX Program

Title IX continues to be a high priority for institutions and the federal government. To date, the U.S. Department of Education's Office for Civil Rights [OCR] has conducted 310 investigation for possible mishandling of sexual violence — 50 cases have been resolved while 260 remain open. As of June 2016, 192 colleges and universities were under active investigation. The OCR is averaging a 1.4 year case duration. VCU has now fully complied with all OCR requests under its Resolution Agreement from 2014.
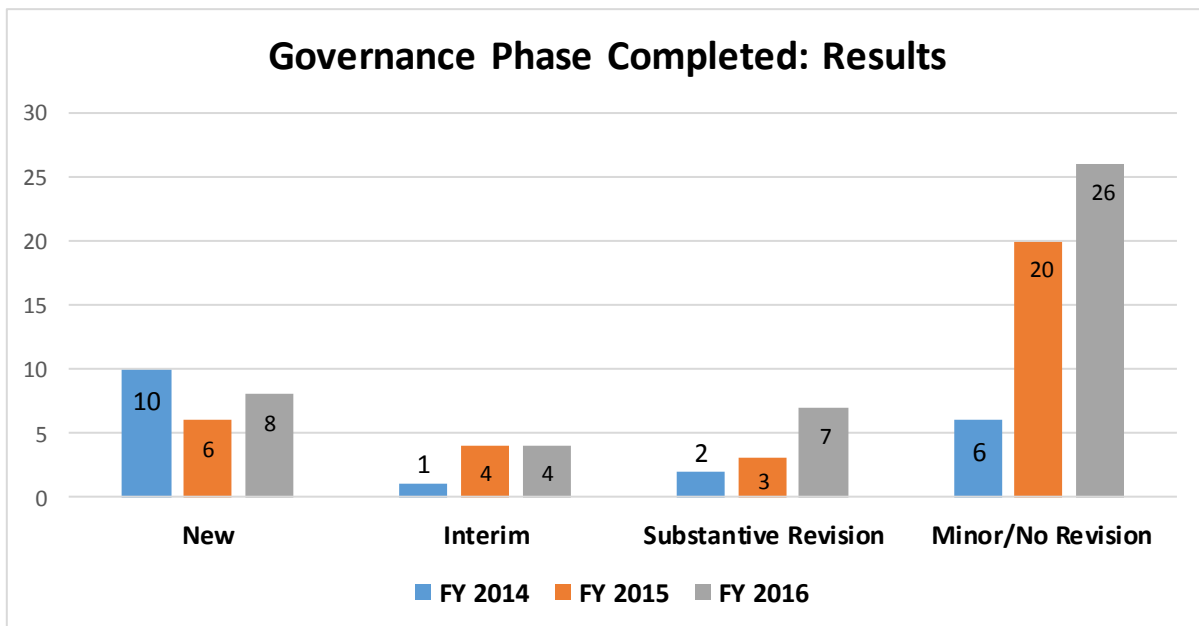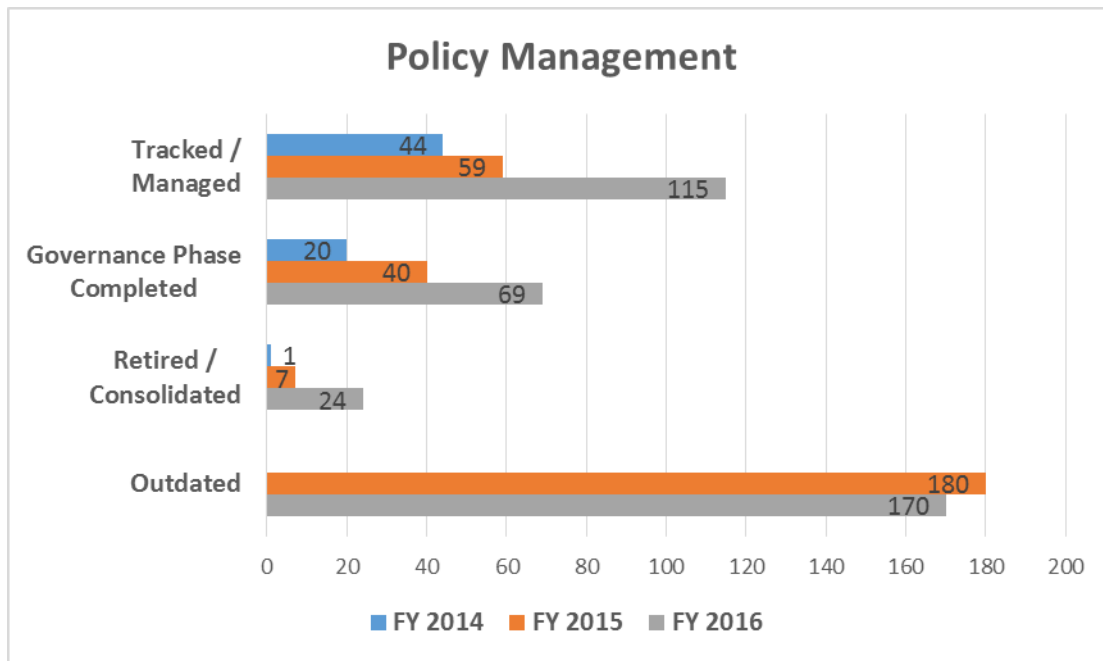
VCU has put forth immense efforts throughout FY15 and FY16 to bolster effectiveness and efficiency in responding to Title IX-related matters. Most notably, the Equity and Access

Services [EAS] Office continues to grow in size, skill and experience enabling appropriate response to reported concerns; necessary interim measure coordination and oversight to affected individuals; and provision of required education and training to the VCU community. This year, 148 interim measures were provided to 85 individuals and 42 investigations were addressed by the Title IX team which includes the coordinated efforts of both EAS and the Student Conduct and Policy Office, within Student Affairs, Office of the Provost. Additionally, mandatory training for all students and employees was fully implemented this year under the new Director. The Equity and Access Services function continues to report directly to the Office of the President to assist with avoiding any potential conflict during investigation and reiterate the tone from the top as to the seriousness of this function.

These continued efforts and commitments maintain the university's position of strength to respond appropriately to Title IX-related matters. There are no known issues or obstacles to maintaining full compliance with Title IX-related requirements. Additional detailed updates are located in the Title IX Program section of the annual report.

Policy Management

This past year, the Integrity and Compliance Office's (ICO) Policy Program worked with policy owners to facilitate progress on 115 policy documents to ensure universitywide policies were timely updated (triennial review requirement); appropriately compliant with the approved policy template; clear to the universitywide community; reasonably organized and consolidated. Since January 2012 (the inception of a central policy program for VCU), 168 policies have been updated within the established process and over 170 policies are in need of revision. Information on policy status has been shared over the last two years and management continues to balance priorities and limited resources to address this issue. It is acknowledged that retention issues, specifically redistribution of workload, continue to contribute to this issue. The charts below demonstrate progression of policy management over the last three fiscal years.

Policy Management

	FY 2014	FY 2015	FY 2016
Tracked / Managed	44	59	115
Governance Phase Completed	20	40	69
Retired / Consolidated	1	7	24
Outdated		180	170

Governance Phase Completed: Results

	FY 2014	FY 2015	FY 2016
New	10	6	8
Interim	1	4	4
Substantive Revision	2	3	7
Minor/No Revision	6	20	26

Overall Note and Effectiveness

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. It is noteworthy that, both retention and recruitment continue to impact daily operations often preventing progression on projects and initiatives whether due learning curve 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. Over the last two years, the hiring of new leadership positions and several full time compliance-oriented employees throughout the university is cause to anticipate marked improvements in compliance and ethics-related daily operations, program progression and a continuity of support for VCU's initiatives.

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.

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.

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. 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.

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

Ethics and Compliance Program Overview and Effectiveness Statement

Program Overview and Effectiveness Statement

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 Virginia Commonwealth University. Developing and supporting an approach based in regulatory and industry best practice that permits dedicated resources to systematically translate obligations and expectations into appropriate actions by responsible institutional departments requires sustained commitment at the highest levels.

The following questions and answers will provide the Board of Visitors an overview of the university's commitment to the ethics and compliance program and the chart below demonstrates the collection of regulations and industry best practices for programs.

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 focused 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 development of 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 of 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.

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.

Ethical Standards

Respect

Honesty

Excellence

Responsibility & Accountability

Stewardship

Compliance

What are the benefits of maintaining a compliance program?

The reward for establishing and maintaining an effective ethics and compliance program provides several benefits to the university.

◊ Furthers the university culture that does not permit or promote illegal or actionable behavior and prompts university employees to consider the potentially adverse legal consequences of misconduct.
◊ Enhances the institutional communication and reporting by educating employees about their responsibility for compliance and the resources available.
◊ Increases the likelihood of early detection if potentially illegal or actionable conduct does occur, thus creating the opportunity to correct or self-report as required.
◊ Serves as a basis to persuade governmental authorities to decline prosecution or initiation of a civil or regulatory action.
◊ Potentially reduces penalties or fines assessed and avoids the imposition of a

government-mandated Corporate Integrity Agreement if misconduct does occur.

Ethics and compliance programs, rooted in the Federal Sentencing Guidelines and driven by other federal regulation and industry best practices, continue to gain prominence and attention not only because they make good business sense, but also because they are proving to be beneficial when penalties or prosecution decisions are considered by federal agencies. The Internal Revenue Service, Federal Bureau of Investigation, and Department of Justice (DOJ), to name a few, acknowledge the value of these programs, if effective.

Effective Compliance and Ethics Program

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

What are the elements and benchmarks of an effective program?

To demonstrate effectiveness, organizations should, at a minimum, aim to meet the requirements from the seven elements, and the additional requirement of assessing risk, from §8B2.1(a)(2) of the U.S. Federal Sentencing Guidelines. These basic elements are provided in summary in the graphic to the right and a chart showcasing additional benchmarks that inform program design and focus is on page 16. Universitywide efforts that demonstrate effectiveness through available reporting mechanisms and ongoing risk assessment are contained in the Reported Concerns Overview – Effectiveness Metrics Section of this report. It is expected that an ethics and compliance program be reasonably designed, implemented, and enforced so that the program is generally effective in preventing and detecting patterns or practices of misconduct.

How would VCU's ethics and compliance program be viewed for effectiveness?
No patterns or practices of systemic misconduct have been identified, apart from the challenges all organizations of similar scope and complexity experience; which relate to communication and documentation. Plans are underway 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 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. Both retention and recruitment continue to impact daily operations and often prevent progression on projects whether due to loss of employees, duration to fill vacancies, or the workload added to existing employees when vacancies are created.

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.

The ICO continually reviews its operations to ensure the program is evolving to meet the needs of VCU while promoting an ethical culture, navigating a complex legal and regulatory environment, and providing efficient systems to detect and prevent instances of misconduct. 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.

<u>What seminal events and benchmarks impact ethics and compliance programs?</u>

In 2010, Chapter 8 of the Federal Sentencing Guidelines was amended to specifically provide for 1.) the encouragement of positive incentives for ethical and compliant behavior; and 2.) the addition of continually assessing risk as requirements of a program, although not officially recognized as "required elements".

In 2013, the Principles of Federal Prosecution of Business Organizations were widely discussed in public forums and revealed language related to showing leniency to organizations with effective compliance programs:

> **§9-28.800 Principles of Federal Prosecution of Business Organizations** – Where compliance programs exist and are designed to detect particular types of misconduct in a particular organization's line of business, prosecutors should consult with state and federal agencies with the expertise to evaluate the adequacy of a program's design and implementation.

Since the 2011 Dear Colleague Letter, which reinvigorated national attention around sexual misconduct, hundreds of Title IX-related investigations have been conducted and are ongoing by the U.S. Department of Education's Office for Civil Rights. This work has significantly expanded guidance documents from the federal government over the last two years and continues to set the stage for appropriate ethics and compliance standards.

More specifically, significant events impacting ethics and compliance programs are as follows:

The University of Tennessee and Professor Roth. After an export controls violation situation was discovered by the FBI, an external government investigation [by a joint FBI and DOJ effort] at the University of Tennessee was conducted by and revealed that the professor was at fault for non-compliance and therefore held liable as an individual. This finding shifted all liability from the university to the individual because the university's ethics and compliance program was deemed "effective" and specifically noted as the reason for shifting the liability and preventing penalties that otherwise would have been imposed on the university.

The 267 page Special Investigation Report by Freeh, Sporkin, and Sullivan, LLC [The Freeh Report], from July 2012, resulting from the Gerald Sandusky Minors on Campus Scandal at Penn State University, where the liability of silos and the antithesis of a speak-up workplace culture in a predominantly college town prevented misconduct from being appropriately reported and addressed. This detailed report offers over 100 recommendations that inform higher education ethics and compliance programs as to best practices and points of focus for such programs. The Freeh Report has caused several institutions nationwide to create or expand their Ethics and Compliance Programs.

Additionally, the following reports all reveal misconduct being discovered when it was everyone's responsibility to address and remediate known problems yet no one took the responsibility to see a corrective action plan through to completion:
- the 94 page NCAA Syracuse University Public Infractions Decision Report, from March 2015;
- the Athletics and Academics Fraud [Wainstein Report] and NCAA [ongoing] investigations from 2014 and 2015 plaguing University of North Carolina – Chapel Hill; and
- the 276 page, Anton Valukas of Jenner & Block, General Motors Ignition Switch Recall Report to the Board of Directors [revealing an irresponsible subculture consisting of faulty responses to known issues], from May 2014, offering 15 sections of recommendations including but not limited to GM's culture, structure, leadership, and

commitment to safety.

In all three of these examples, the misconduct presented seemed to be exacerbated by the existence of silos and lack of clarity, specifically misclassification, term use, and applicable standards to situations.

In summary, often the root cause in any event that has an impact on ethics and compliance programs is a lack of awareness of requirements and of whistleblower protections. The solution is generally to transform the organization's culture with corrective actions that set out clear standards and procedures, ensure awareness, and hold individuals accountable to the same standards by firmly focusing on stated values and ethical expectations. The result should be effective prevention and response to future incidents of misconduct.

Additional industry regulatory standards and guidance informing ethics and compliance programs are listed as benchmarks from the respective originating agency or report in the chart below.

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.

Demonstrated Effectiveness
Preventing and Detecting Misconduct – Avoiding Patterns and Practices

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

Demonstrated Effectiveness
Preventing and Detecting Misconduct – Avoiding Patterns and Practices

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
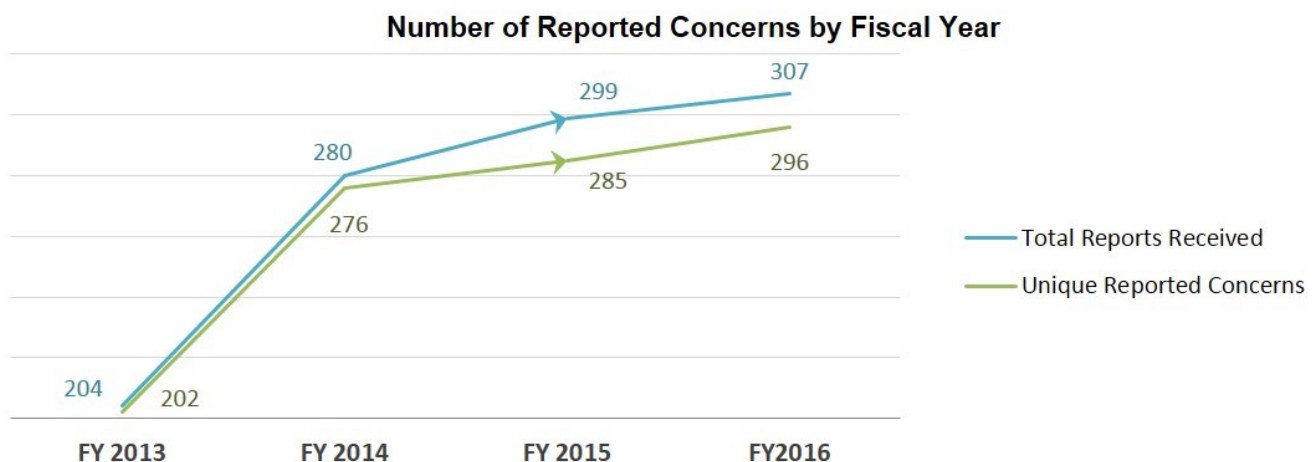
Reported Concerns Overview

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 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
- University Audit and Management Services
- Division of Human Resources (Employee Relations)
- Equity and Access Services (EEO/AA Compliance)
- University Integrity and Compliance Office
- Office of the Vice President for Research and Innovation (Office of Administration and Compliance; Office of Research Integrity and Ethics)

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 personnel able to receive reported concerns, which include compliance partners in VCU Police, Equity and Access Services, Office of the

Number of Reported Concerns by Fiscal Year

	FY 2013	FY 2014	FY 2015	FY2016
Total Reports Received	204	280	299	307
Unique Reported Concerns	202	276	285	296

Ombudsperson, Office of Environmental Health and Safety, Human Resources and Athletics.

Overall, the university received and managed a total of 296 reported concerns in FY 2016, an increase of 4% from 285 reported concerns in FY 2015, while the Integrity and Compliance Office experienced a 11% increase in reported concerns from last fiscal year.

The topics listed below are the data metrics tracked and divided into subsections contained in this report:

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

In summary, highlights from this report demonstrate that VCU employees are the most common reporter type with 71% reporting directly to the ICO or compliance partner, and thereby choosing to disclose their identity. The most reported allegation type is *Human Resources*-related reports at 63% followed by *Equity*-related reports at 18%. Forty-three percent of reports had an outcome determination of *Unsubstantiated*, 38% of reports were *Substantiated* or *Partially Substantiated,* while the outcome of the remaining 19% 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).

Note: the overall substantiation rate of reported concerns has decreased 2 percentage points as compared to FY 2015, this change is negligible given the increased tracking efforts of reported concerns throughout university areas.

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.

[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 Compliance Partners Sections of this report.

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

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 EthicsPoint, a third-party vendor specializing in a higher education client base. The phone number and web address for the Helpline is posted on every webpage of the Audit and Compliance Services website; advertised on Helpline posters, placed in employee break rooms or kitchen areas throughout VCU; included in all Integrity and Compliance employees' email signatures; communicated through new employee and athletic coaches letters from the university integrity and compliance officer; on business cards and brochures; and also linked on ICO's *The Compass* eNewsletter and other VCU department websites. Specifically, various operations require all employees to complete content-specific compliance education modules on an annual basis, which reiterate the university's reporting expectations and increase awareness of available reporting options such as the Helpline.

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

Additionally, the Helpline, unlike other more traditional anonymous reporting mechanisms, has the functionality to provide feedback to the reporter. This aids in setting out proper 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.

While university employees are encouraged to directly contact their supervisor, other compliance partners, or Integrity and Compliance Office staff to voice concerns, a general ICO

email address; U.S. Postal mail; and campus mail options are also 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 mechanism.

Report Intake Method FY 2016

- Direct Contact to Compliance Partners
- VCU Helpline
- US Postal or Campus Mail
- OSIG

1% 1%
22%
76%
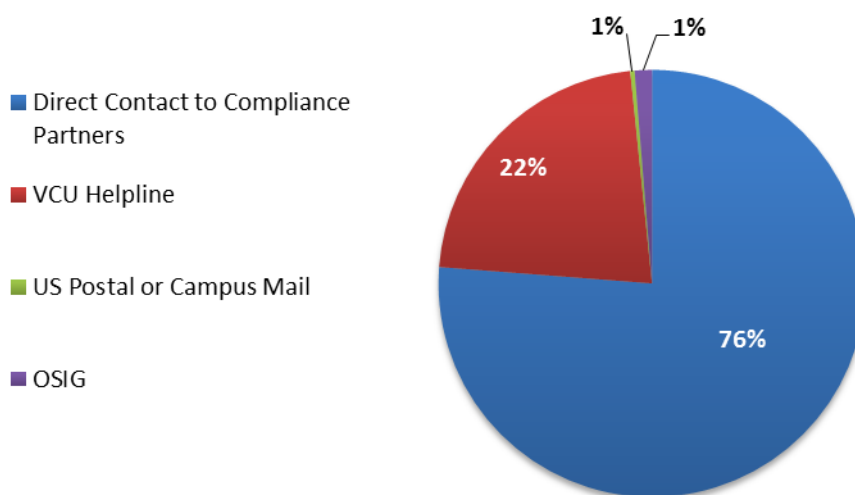
Conclusion

Directly reporting to an ICO employee or compliance partner was the most common intake method at 76% of reports and the VCU Helpline was the second most utilized method at 22% of reports. Being that an overwhelming majority of reporters report directly to a recognized compliance partner, anonymity is not a major concern. Often, confidentiality is requested, but notations of fear of retaliation are rare (expressed in 13% of reports) and it is concluded that a majority of reporters do not fear being identified when raising concerns. This contributes to VCU maintaining an effective ethics and compliance program.

The past four fiscal years have demonstrated a relatively stable, though slightly declining, rate of reports direct to compliance partners and the ICO. The slight decline can be attributed to the increase in reports to the VCU Helpline, from 14% in FY2013 to 22% in FY 2016. This is due in large part to substantial marketing efforts related to the availability of the Helpline. Overall, by providing a variety of reporting mechanisms, the university has experienced a 50% increase

in total reports made since FY 2013. This contributes to the university's ability to respond to the concerns of the university community; identify areas of concern; opportunities for education and awareness; and thereby contributes to a culture of integrity and trust and reduces the need for university members to report to external agencies.
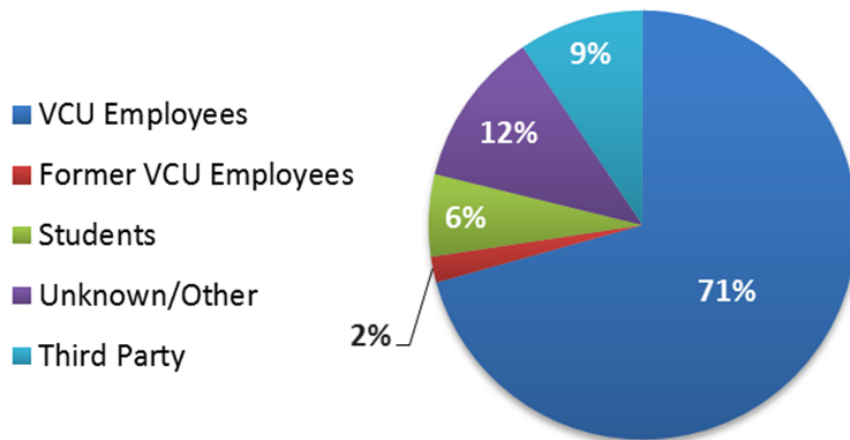

Report Intake Method by Fiscal Year
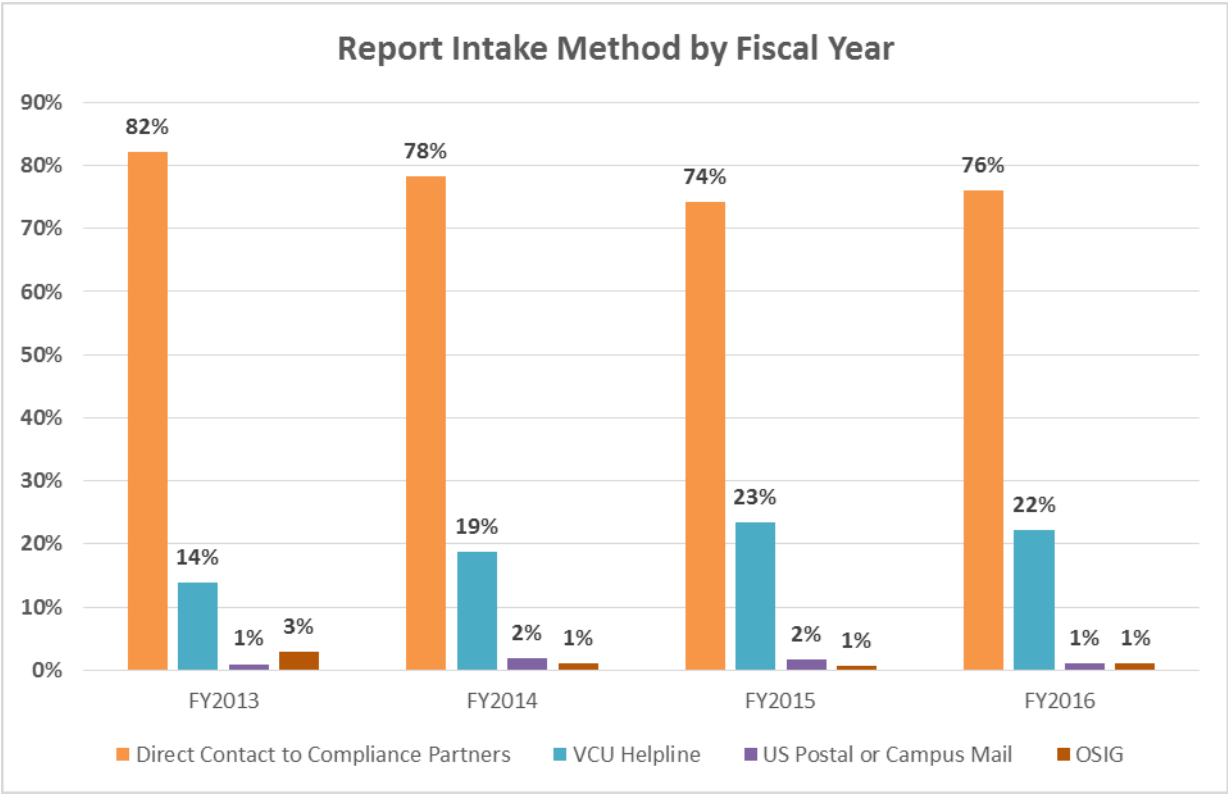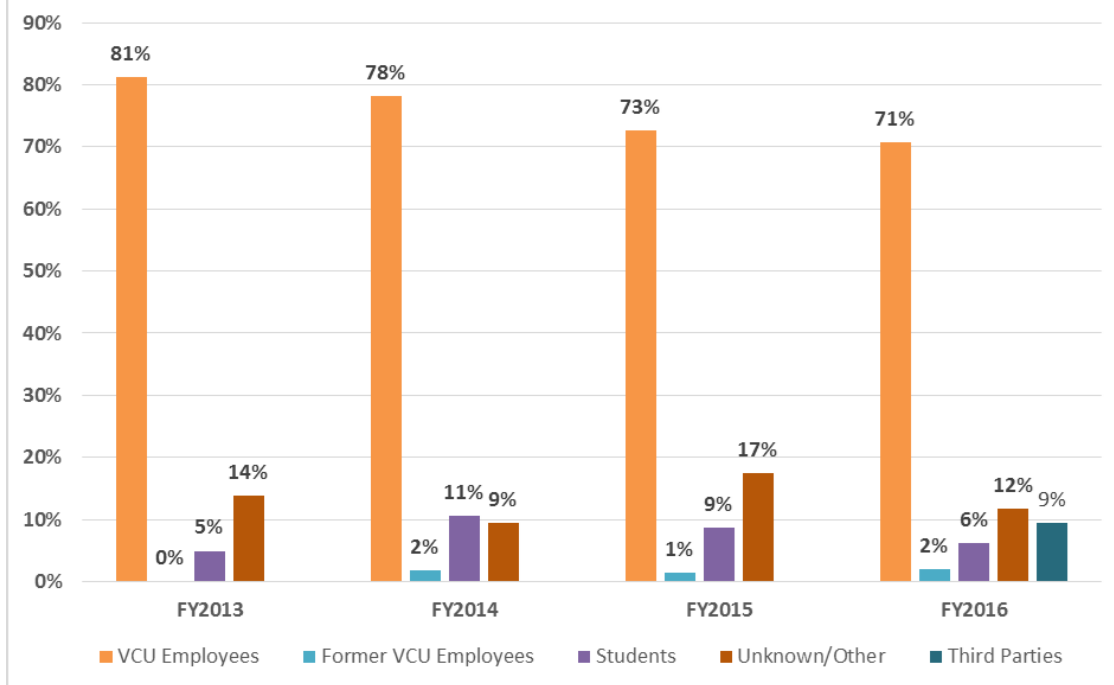
Reporter Type and Anonymity

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 FY 2016

- VCU Employees — 71%
- Former VCU Employees — 2%
- Students — 6%
- Unknown/Other — 12%
- Third Party — 9%

Reporter Type by Fiscal Year

	FY2013	FY2014	FY2015	FY2016
VCU Employees	81%	78%	73%	71%
Former VCU Employees	0%	2%	1%	2%
Students	5%	11%	9%	6%
Unknown/Other	14%	9%	17%	12%
Third Parties				9%

Conclusion

Overall, the VCU employee was the number one reporter type, which is consistent with prior years. Additionally, 20% of all reporter types chose to remain anonymous, holding constant from FY 2015, also at 20%. This overall percentage demonstrates a level of comfort in raising concerns of known or suspected misconduct and is also reflected in VCU's *2015 Integrity and Compliance Culture Survey,* conducted in FY 2015*,* where 77% of participating employees reported that they were comfortable reporting incidents or concerns of noncompliance to their supervisor.

It is also notable that, while only 13% of reports mentioned perceived retaliation or fear of retaliation overall, 31% 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 method—the VCU Helpline—and individuals concerned with retaliation are generally less likely to be comfortable revealing identify. This conclusion is further supported by VCU's *2015 Integrity and Compliance Culture Survey* which revealed that survey respondents felt most confident that they would be protected from retaliation by reporting through the VCU Helpline at 79% in comparison to a supervisor or other central office.

Since FY 2014, there has been an increase in the percentage of reporters who are not VCU Employees. This increase may be attributed to a web presence and search functionality of VCU's home page. In FY 2016, "Third Party" reporters were identified separately from the combined category of "Unknown /[or]/ Other" in order to more precisely reflect the university's reporting population.
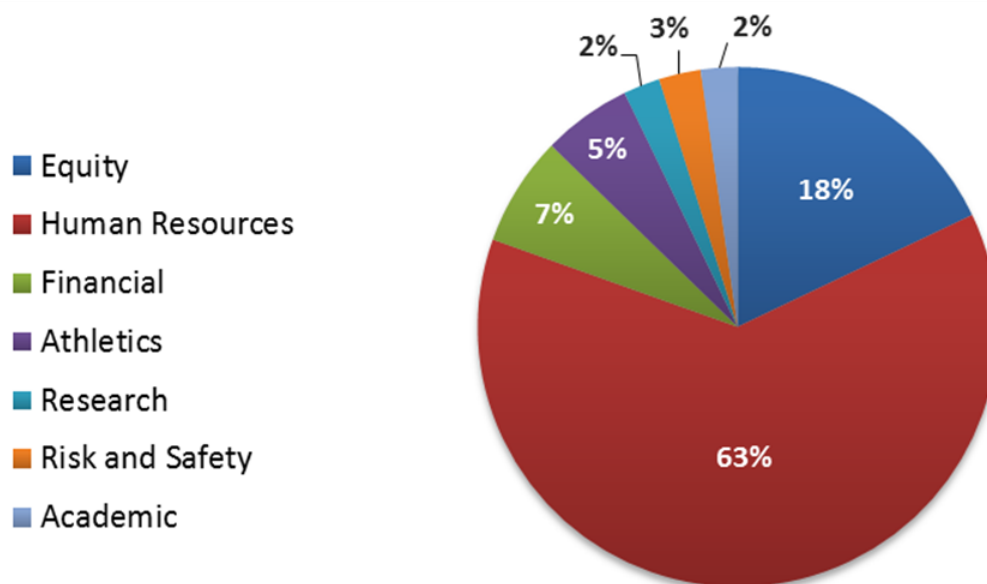
Allegation Type

Overview

Report allegations are generalized into six major categories listed below. Examples of each are provided.[3]
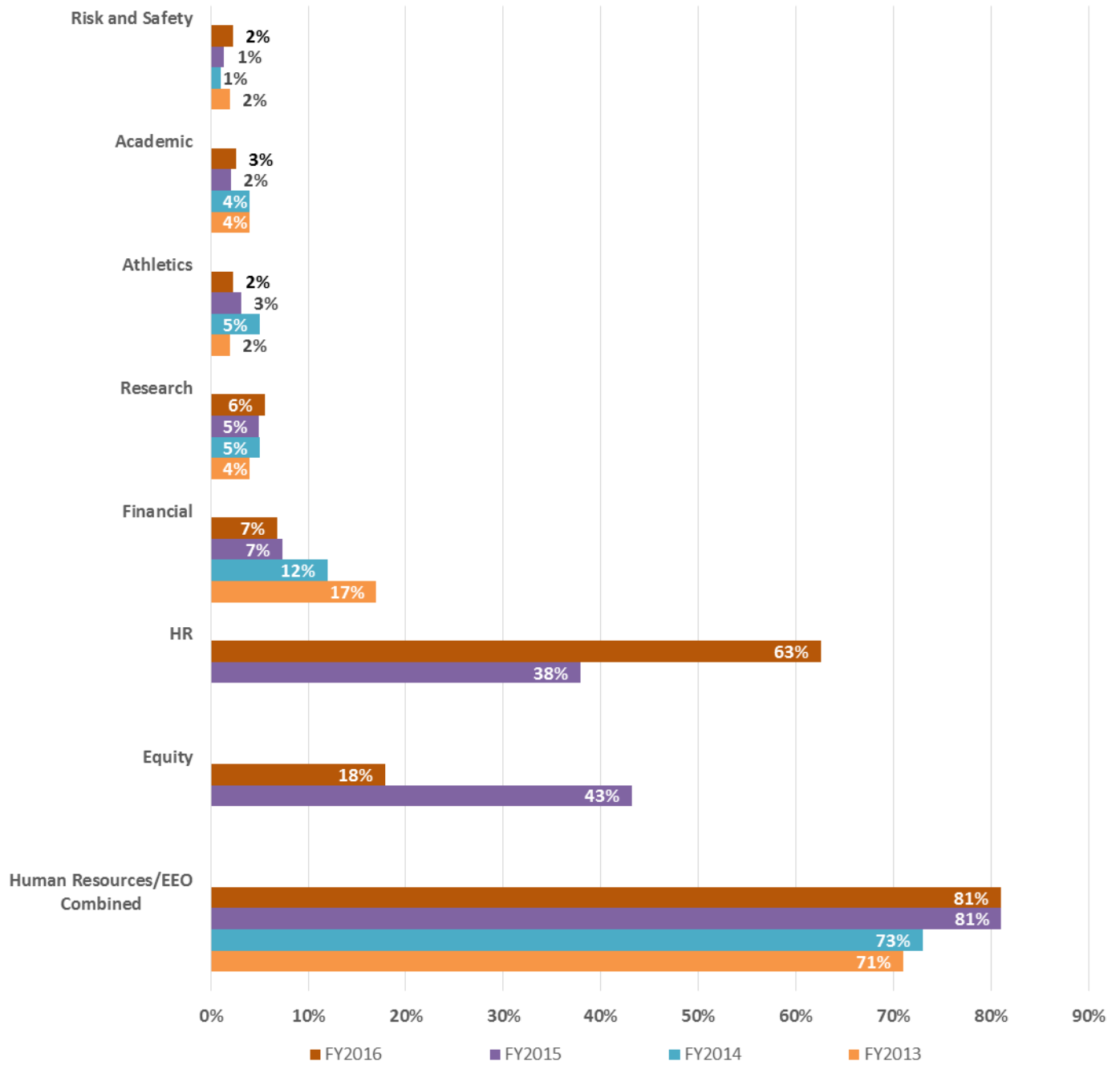
- Equity: *Discrimination or Harassment based on protected class, includes sexual*

- 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*

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

Allegation Type by General Topic FY 2016

Legend:
- Equity
- Human Resources
- Financial
- Athletics
- Research
- Risk and Safety
- Academic

Pie chart values: 18%, 63%, 7%, 5%, 2%, 3%, 2%

Allegation Type by Fiscal Year

Category	FY2016	FY2015	FY2014	FY2013
Risk and Safety	2%	1%	1%	2%
Academic	3%	2%	4%	4%
Athletics	2%	3%	5%	2%
Research	6%	5%	5%	4%
Financial	7%	7%	12%	17%
HR	63%	38%		
Equity	18%	43%		
Human Resources/EEO Combined	81%	81%	73%	71%

Legend: FY2016, FY2015, FY2014, FY2013

Conclusion

Overall, 81% of allegations raised are related to the two general categories of *Human Resources* and *Equity* (the same percentage as FY 2015), with Human Resource-related concerns being the most common report category, comprising 63% of all reports.[5]

Notably, the substantiation rate for *Equity*-related concerns is relatively low at 16%. 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*. In most cases, these allegations were due to reactions from employees being disciplined for inappropriate behaviors, for performance issues, and, in some instances, lack of respect and breakdowns in communication which do violate VCU's expectations for behavior. Training plans to respond to this fact are already underway by area management.

Allegations related to an extremely unprofessional/uncomfortable working environment (i.e., bullying; egregious disrespect) remained relatively stable at 7% mention in all reports. Seven percent of all reported concerns contain elements of behaviors and encounters related to extremely unprofessional/uncomfortable working environment (compared to 6% in FY 2015, 9% in FY 2014, and 11% in FY 2013).

% of **Reports referencing an extremely unprofessional/uncomfortable environment**
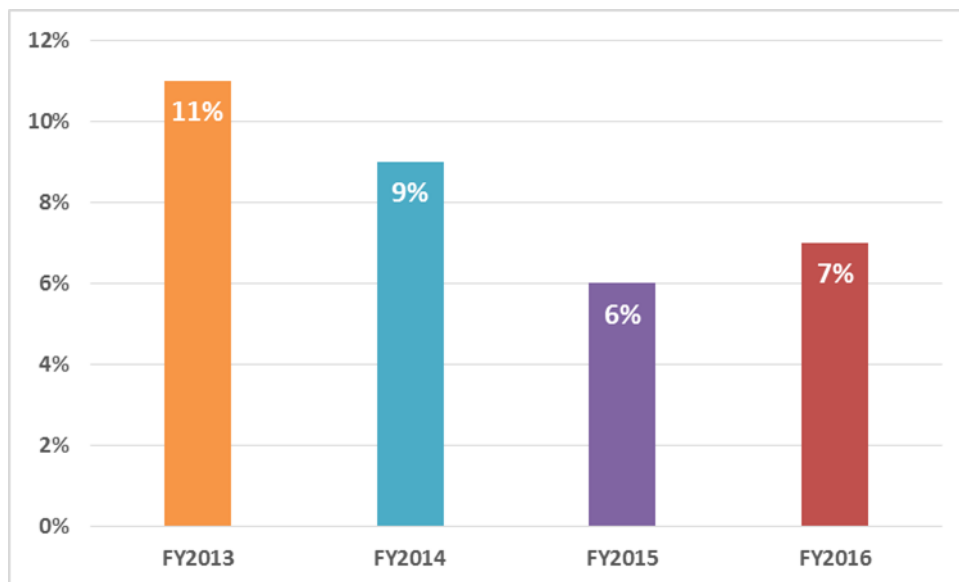
[3]Nine allegations in the HR category, 18 allegations in the Equity category and 1 allegations in the Financial category remain in process and have not yet reached final outcome status.

[4]All 17 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 seven NCAA violations that were discovered through routine monitoring activities.

[5]In previous fiscal years, these categories were counted as a single category titled "Human Resources/EEO." For FY 2015, this report category was split into *Human Resources* and *Equity* to better reflect the general nature of reported concerns.

Report Outcome

Overview

All reports result in classification of *Substantiated, Partially Substantiated, Unsubstantiated, Other,* or *Not Enough Information*.

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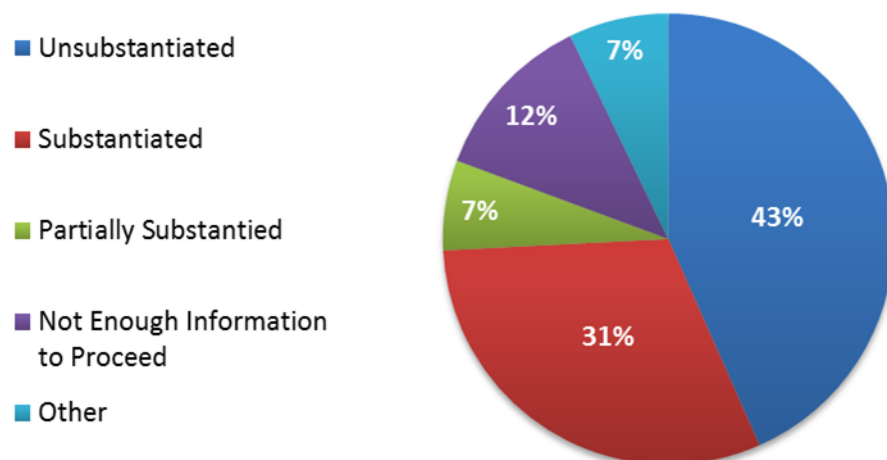
A report is classified as ***Unsubstantiated*** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

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***.

The Report Outcome metrics illustrate the validity of the allegations raised.

Report Outcome

Substantiation Rate by Fiscal Year

Year	Rate
2013	51%
2014	33%
2015	39%
2016	37%
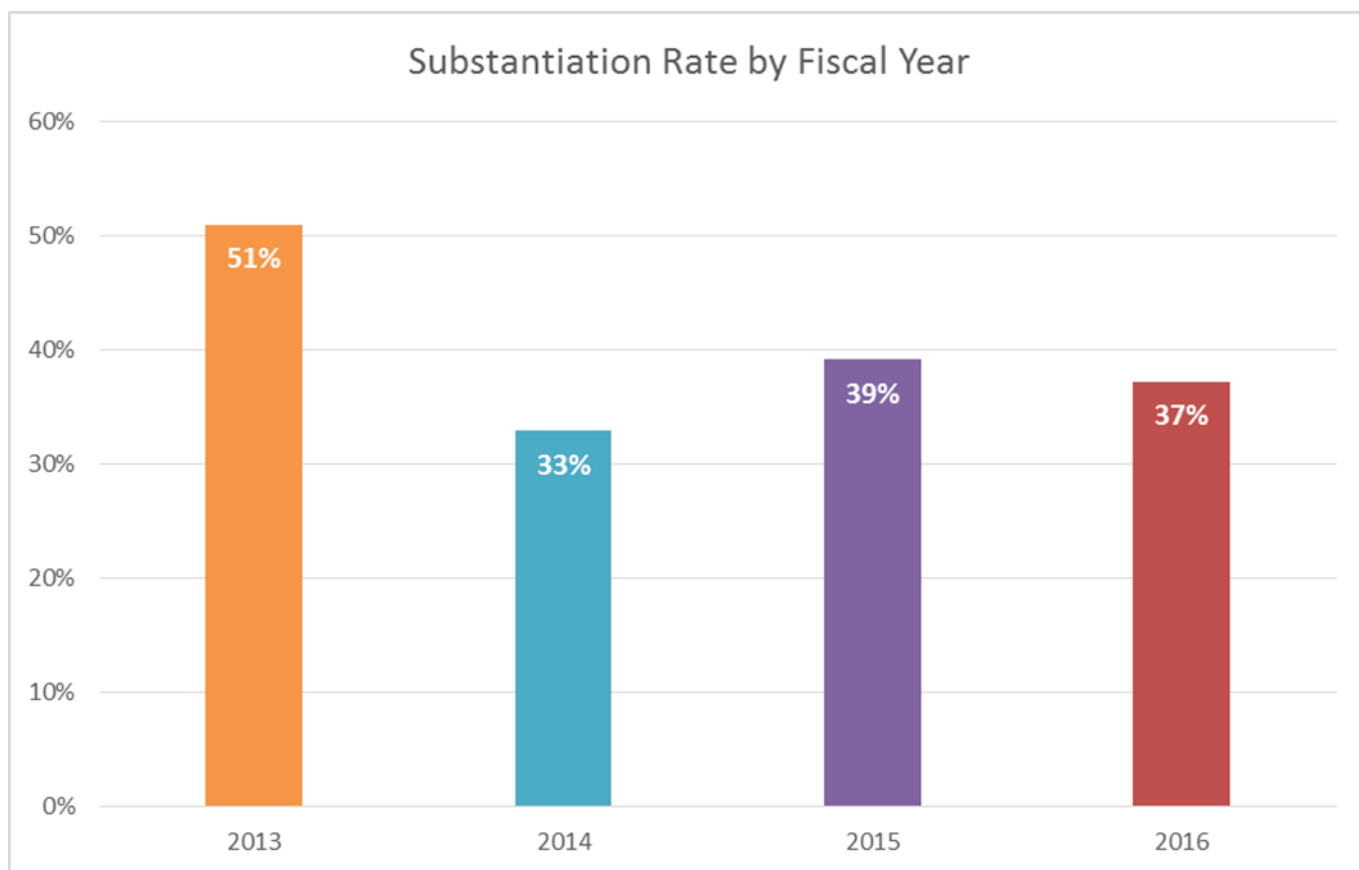
Conclusion

After an initially high substantiation rate in FY 2013, the subsequent years have held stable at a rate in FY 2016 of 37% (as compared to 39% in FY 2015).

Overall in FY 2016, 43% of reports were classified as *Unsubstantiated*, indicating that many individuals who voice concerns are incorrect in their suspicion that misconduct exits.[6] This indication is also supported by VCU's *2015 Integrity and Compliance Culture Survey*, which revealed a discrepancy between the reported rate of experiencing and/or observing misconduct (19%) and those reporting being directly asked to bend, break or circumvent laws, regulations or policy (5%). The implication is that perceptions of misconduct may be greater than actual occurrences.

Nineteen 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 VCU employees.

Further details based on general allegation type are as follows :

Equity - 16% substantiated

Human Resources - 36% substantiated

Financial - 55% substantiated

Research - 0% substantiated

Academic - 29% substantiated

Athletics - 100% substantiated

Risk and Safety - 50% substantiated

[6]At the time of data collection for this report, 28 allegations were in progress; therefore, an outcome had not yet been reached which may slightly alter the substantiation rates.

Compliance Partner Updates

Office of Environmental Health and Safety

Overview

The Office of Environmental Health and Safety (OEHS) is highlighted because it is one of the most heavily regulated and compliance-focused functions of the university. The primary mission of OEHS is providing the VCU and the VCUHS community with a safe and healthful environment. OEHS acts proactively through surveys, consultation and advising, training and educating, and monitoring of the environment to fulfill this mission. OEHS supports both the university's and VCU Health's Radiation, Chemical/Biological, Fire and Occupational Safety needs.

Conclusion

The university and VCU Health are complying with the major environmental and occupational regulations. In FY 2016, there were no significant findings against either the university or health system by any outside agencies. Additionally this function is under a newly created operational unit, Safety and Risk Management, which also includes enterprise risk management and traditional Risk Management functions now led by one AVP for Safety and Risk; this position began in December 2015. Major enhancements are underway and slated for FY2017.

Radiation Safety Section:

- Conducted quarterly surveys of required records, signage, contamination and exposure risks, labeling, use, and storage surveys – over 1,100 surveys in laboratories and radioisotope use areas.

- Commonwealth of Virginia regulations require annual calibration of radiation detection survey instruments and Geiger counters, including the preparation of a calibration report.   Radiation Safety performed 188 calibrations during FY 2016.

- Leak tests (138) and quarterly inventories of 490 sealed sources are conducted to ensure compliance with radioactive material license conditions and regulatory guidelines.

- Reviewed over 140 research protocols for human use, non-human use, and animal use of radioactive materials and radiation-producing devices.

- Regulations promulgated by the Nuclear Regulatory Commission require that specific security controls be in place for certain radioactive sources with quantities of concern. VCU oversees these controls and ensures that all individuals granted

unescorted access to the sources is reviewed for trustworthiness and reliability. Three (3) individuals were granted unescorted access from 7/1/15 – 6/30/15.

- An annual inspection of security enhancements in area surrounding the irradiator was conducted on 4/12/16 by the National Nuclear Security Administration (NNSA). All controls and enhancements passed and the area was deemed secure. The area is tested quarterly to ensure that all security systems are operating according to the security plan.

Chemical and Biological Safety Section:

- Conducted 39 mold abatement projects.

- Monitored 56 asbestos abatement projects.

- Responded to 171 requests for industrial hygiene inspections. Ninety-two resulted in project initiation.

- Conducted 853 research protocol reviews. The number of research protocol reviews continues to be high due to the addition of new researchers, addition of new facilities, and additional oversight requirements as a result of tighter governmental agency regulations, guidelines and credentialing activities.

- Under the Federal Resource Conservation and Recovery Act (RCRA) of 1976, the university is considered a large quantity generator of hazardous waste. The Chemical Biological Safety Section (CBSS) has an established comprehensive chemical waste management plan that managed 153,000 pounds of regulated and non-regulated hazardous waste.

Office of the Ombudsperson

Overview

Having an Ombuds Services function provides informal, confidential, impartial, and independent services that supplement, not replace, the formal administrative processes at the university.[8] The Ombuds Services Program was created in 2008 and is run by one compliance partner, the University Ombudsperson, or "Ombuds."[9] Efforts are dedicated to facilitating professional communication and developing productive and positive options that address concerns. Specific services include alternative dispute resolution opportunities, mediation, coaching, and problem solving. The Ombuds focuses on the needs and skills of an individual as opposed to reported misconduct. Once misconduct is identified in a session with the Ombudsperson, encouragement is given to the individual to make a report with the University Integrity and Compliance Office, the Research Integrity Officer, Equity and Access Services, or other appropriate compliance partner.

Summary of Activities

- Reporters are comprised of 78.7% employees and 21.3% students (specifically graduate and post-doctoral)

  - 90.3% are from the Monroe Park Campus
  - 7.8% are from the Medical Campus
  - 1.9% are from the Qatar Campus

In FY 2016, the services of the Office of the Ombudsperson were marketed as a resource for students, in contrast to prior years where the office predominately focused on employee concerns. While the percentage of reports from VCU's three campuses remained consistent with FY2015, the shift in focus led to a substantial increase in the percentage of reports made by students thereby decreasing the percentage of reports made by employees. Employees continue to make the majority of reports to the office .

The 154 concerns addressed by the Ombudsperson are as follows:

Category	Number	Percentage
Compensation and Benefits	10	6.5%
Evaluative Relationships	103	66.9%
Peer and Colleague Relationships	12	7.8%
Career Progression and Development	13	8.4%
Safety, Health and Physical Environment	3	2.0%
Service/Administrative Issues	9	5.8%
Values, Ethics and Standards	4	2.6%
Total	154	100%

[8]Due to the nature of VCU's Ombuds Services, metrics tracked are not aligned with this report format; therefore, this information is provided as a separate section highlighting the value add and unique metrics of this program.

[9]Individuals utilizing this reporting mechanism are 100% identified and receive confidentiality as a matter of process and best practice.

The Clery Act and the
Violence Against Women Act

Overview

VCU has the responsibility for implementing universitywide compliance with the Clery Act and VAWA. Operational compliance resides with the VCU Police Department.

In 1990, Congress enacted the Crime Awareness and Campus Security Act which required all higher education institutions to disclose campus crime statistics and security information.[10] The act was amended several times thereafter with the 1998 amendment renaming the law the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. It is generally referred to as The Clery Act. The goal of VCU's Clery compliance efforts is to maintain current and comprehensive records and to prepare annual reports containing information on a number of security-related protocols and policy statements.

The federal Violence Against Women Reauthorization Act of 2013[11] (VAWA) was originally enacted in 1994 and has been reauthorized several times and as recently as 2013 with compliance dates implemented over the last fiscal year. Updates required under VAWA include provisions to improve and expand how institutions address domestic and sexual violence. The Act also establishes the Office on Violence Against Women within the Department of Justice and allows for civil redress in cases prosecutors chose to leave un-prosecuted.

Summary of Compliance Activities

As part of the university's comprehensive compliance program, Clery compliance includes awareness and monitoring of specific requirements by the Clery Compliance Workgroup. In addition, external monitoring is possible through U.S. Department of Education investigation or audit.

The Clery Compliance Monitoring Protocol implementation continues to assess compliance and VAWA obligations have now been added for FY16. This year, recommendations were made to management regarding tracking education records; maximizing efficiencies in statistics collection; and including additional required information in the prompt for students to identify a contact person in the event they are reported missing.

The October 1, 2015 deadline for reporting to Department of Education and publication of the

report was met. The university is currently on target to meet the October 1, 2016 deadline.

There were 17 Crime Alerts sent to the university community due to events on, or near, campus classified as having potential to present serious and/or an on-going threat to the campus community. These are timely warnings required to be sent in support of safety. This amount decreased from 20 crime alerts sent to the university community in FY 2015. This reduction was minimal indicating relative consistency both in the number of reportable events and adherence to decision making procedures.

Currently, there are no known issues, challenges or obstacles to maintaining full compliance.

[10]See Higher Education Act §485(f), (i), and (j) – Clery Act and Related Campus Security Provisions for full details
[11]See 34 CFR Part 668—Violence Against Women Act Final Rule for full details

Title IX Program

Overview

Title IX continues to be a high priority for institutions and the federal government. To date, the U.S. Department of Education's Office for Civil Rights [OCR] has conducted 310 investigations for possible mishandling of sexual violence nationwide — 50 cases have been resolved while 260 remain open. As of June 2016, 192 colleges and universities were under active investigation. The OCR is averaging a 1.4 year case duration. VCU has now fully complied with all OCR requests under its Resolution Agreement from 2014.

VCU has put forth immense efforts and resources throughout FY15 and FY16 to bolster effectiveness and efficiency in responding to Title IX-related matters. Most notably, the new Title IX policy for the university (Sexual Misconduct/Violence and Sex/Gender Discrimination Policy) was approved and has been implemented. The office responsible for enforcement of the policy and Title IX and other civil rights compliance, Equity and Access Services [EAS], continues to report directly to the Office of the President to assist with avoiding any potential conflict during investigation and to underscore the university's strong commitment. EAS continued to hire and train investigators and develop operating protocols to ensure timely assessment of all reported concerns and appropriate coordinated response and implementation of new state law requirements. The addition of several positions in the Division of Student Affairs/Office of the Provost also has contributed significantly to enhanced outreach and support, by providing interim measures to affected individuals, expanding educational programming for the VCU community and conducting the adjudicatory review panel process. This year, 339 Title IX reports were received, 44 administrative investigations were commenced, 21 cases were resolved through the formal or alternative resolution process, and 116 students were provided 145 support measures. Additionally, mandatory online training for all students and employees was fully implemented this year.

Further, to ensure compliance with the May 2016 joint OCR - Department of Justice Title IX guidance regarding transgender students, EAS formed a university wide administrative work group with focus areas in policies and records, facilities and signage, communications and community liaison, services and support, and education and culture. Upgrades to the university information system occurring over the next year will enhance the capability in updating records, and in the meantime, Student Affairs Title IX staff will be providing direct assistance to students.

Export Controls

Overview

VCU's Export Compliance Office (ECO) has just completed its first year of operation. In that time, the ECO has expanded compliance efforts and awareness of federal export control requirements throughout the institution. The main strategic goal for year one of the office was to ensure institutional commitment to export compliance in order to build the foundation for long term successful compliance with export control and trade sanctions regulations. To develop this commitment, ECO established VCU's first Export Compliance Committee. VCU is a large and complex organization that requires input from key offices and departments to represent and help guide policy development and implementation regarding export issues. The Export Compliance Committee consists of research staff and faculty and also individuals from many major administrative office across the University.

The ECO webpage was updated with new and expanded materials, agreements, and forms. The Foreign Corrupt Practices Act (FCPA) and U.S. anti-boycott information was also posted. Memos and other materials were written and distributed for specific and timely issues such as travel to Cuba. This expansion of written policies and procedures streamlined and standardized export reviews, and helped to close gaps related to export controls compliance.

The Committee and ECO together have helped implement new policies including *Dual Use Research of Concern*. This policy is a U.S. Government required policy that establishes review procedures for certain high consequence pathogen and toxin research that could be misapplied to pose a significant threat to public health and safety, agricultural crops and other plants, animals, the environment, or national security.

In addition to local policy and procedural concerns, ECO has been focused on reducing risk for VCU's annual known (~ 1,000 plus) international travelers per year. ECO, in partnership with VCU Technology Services, established a pilot travel laptop program. The program provides international travelers with devices cleared of past data and formatted specifically for international travel. This project has not only helped reduce the threat of export compliance violations, but also has assisted with increasing VCU's IT-related security.

Integrity and Compliance Office

Conflicts of Interest Act

Two key legislative changes affected disclosure processes in FY16. First, the Commonwealth further defined and narrowed who is required to disclose interests to the Conflict of Interest and Ethics Advisory Council. Considering this change, the university chose to continue requesting interest disclosure from individuals deemed in a position of trust, whether or not they are considered mandatory filers by the Commonwealth.

Secondly, any employees who are mandatory filers who disclose after the Commonwealth's deadline are now imposed a late penalty of $250.
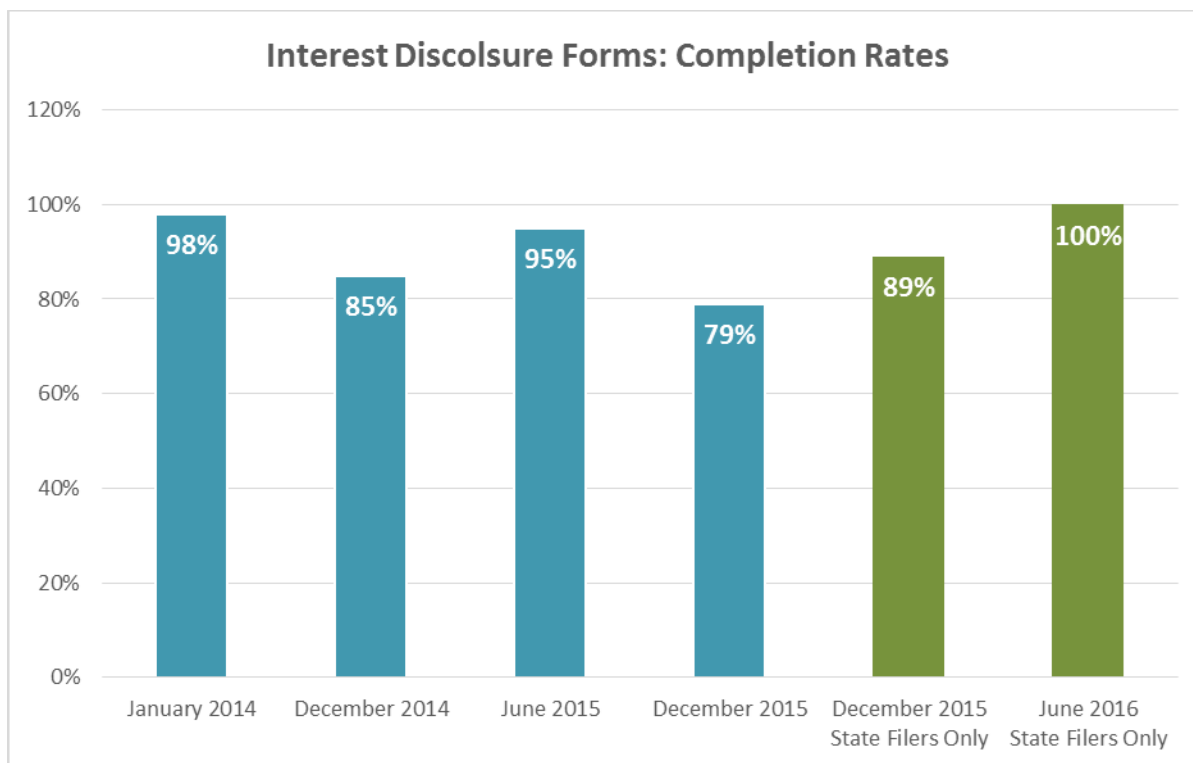
State-required Disclosure

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, complete the Statement of Economic Interest form. 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.

All Financial Disclosure forms and Statement of Economic Interests forms for the December disclosure period were due to the Commonwealth on December 15. Notifications to complete this requirement were disseminated November through January. As of March 2, 2016, VCU's overall compliance rate for state-required filers was 89%.

Statement of Economic Interests forms for the June disclosure period were due to the Commonwealth on June 15. Note that financial Disclosure forms are required annually and were not due at this time. Notifications to complete this requirement were disseminated May through June, and as of June 15, 2016, VCU's compliance rate was 100% for filing.

University-required Disclosure

In addition to those required to report to the Commonwealth, the Division of Human Resources, Office of Research and Innovation, and the Integrity and Compliance Office assist in compiling the list of employees who are deemed to hold a position of trust at the university. These individuals are asked to disclose their interests through VCU's Activity and Interests Reporting System (AIRS) annually. For FY16, disclosure occurred in tandem with reporting to the Commonwealth in December. Notifications to complete this requirement were disseminated November through January, and as of March 2, 2016, VCU's overall compliance rate for filers who disclose only to the university was 76%. VCU's overall compliance rate (i.e., state-required and university filers) was 89%.

Interest Disclosure Forms: Completion Rates

	January 2014	December 2014	June 2015	December 2015	December 2015 State Filers Only	June 2016 State Filers Only
	98%	85%	95%	79%	89%	100%

Note that only a subset of individuals in a Position of Trust by university standards were required to file in June 2016 due to a change in legislation, which also included a late filing penalty of $250.

Looking Ahead

Several notable changes to the Conflict of Interests Act in the Code of Virginia will impact the disclosure processes for FY17. Most notably, the Commonwealth reverted back to annual filing of Statements of Economic Interest forms in January. The use of the Commonwealth's electronic filing system is also now mandatory for all state-required filers. VCU will continue to request disclosures from employees in a position of trust through AIRS in order to identify and manage conflicts.

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 submission of interest disclosure; strengthening criteria for who is in a position of trust; performing a structured analysis of data collected and management plans once conflicts are identified; analysis of university's position on this topic in relation to Southern Accreditation of Colleges and Schools (SACS) requirements; policy gap assessment and development; and annual education to 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.

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.

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.

Department of Education, Office of Civil Rights (OCR):
Two complaints to OCR were related to allegations of misconduct unfer Title IX. Both complaints were unsubstantiated factually; however, the final responses from OCR are forthcoming.

Final production from FY2015 Data Request was completed this year.
Final production of information under the prior signed Resolution Agreement was also completed this year.

The significantly reconfigured *Sexual Misconduct/Violence and Sex/Gender Discrimination* policy was completed and training occurred in Fall 2015 in order to educate the university community on the new policy requirements and Title IX in general. To date, all students and employees have been notified of this new policy.

Virginia Occupational Safety and Health Compliance Program
There were two separate anonymous complaints to Virginia Occupational Safety and Health Compliance program (VOSH), which resulted in announced VOSH inspections:

- Employees complained that they were being exposed to chemical and biohazard materials while moving laboratory equipment. The Office of Environmental Health and Safety (OEHS) and Facilities Management (FMD) reviewed the work process for moving lab equipment. FMD is finalizing a policy for moving materials and includes a section on laboratory moves. OEHS will work with FMD (movers and surplus) and decontaminate and/or verify appropriate decontamination for each generated work order event. The VOSH inspector concluded that their inspection did not reveal any conditions which they considered a violation of the standards.
- Employees reported to National Institute of Occupational Safety (NIOSH) that they

were being exposed to "toxic" sewer gas (hydrogen sulfide). NIOSH contacted VOSH to investigate. The area of concern was Biotech 1. For several months prior the issue was reported to OEHS, where monitoring was conducted and there were no detectable levels of hazardous gas exposure (hydrogen sulfide). FMD had also resealed bathroom plumbing and put in floor drain covers. OEHS also consulted with VOSH for additional help. The VOSH inspector concluded that VCU appropriately addressed the employees' concerns and used the appropriate corrective actions.

Policy Management

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 conveying the expectations of VCU. 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.

The Policy Program most significantly supports the elements of *Setting Standards and Procedures* and *Education and Training* for the organization, as outlined in Chapter Eight of the Federal Sentencing Commission's Guidelines (FSG) for an effective compliance program. In support of *Setting Standards and Procedures*, the ICO continues to maintain a centralized Policy Library housing all universitywide policies. The user-friendly Policy Library (www.policy.vcu.edu) became available in June 2015 with continued centralization and data normalization of policies.

The element of *Education and Training* is supported by communication of new and revised policies to the university community and by guiding policy owners (authors or responsible parties for content) through all stages of the creation, maintenance, and approval processes. Recent policy updates are communicated through *Policy Points*, a biannual policy notification tool as well as Policy Corner within *The Compass*, VCU's biannual ethics and compliance focused e-newsletter. Policy owners 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. Discussions are ongoing concerning potential changes to the formal approval process and will be brought to the BOV for formal approval by way of edits to the policy on *Creating and Maintaining Policies and Procedures*.

Despite not being fully staffed during a significant period of FY2016, the ICO continued to work with universitywide policy owners to facilitate progress on 115 policy documents to ensure that policies were timely updated (triennial review requirement) and appropriately transferred into the approved policy template. The ICO continues to maintain the user-friendly, accessible website to ensure transparent policy availability and ease in locating current versions. The website includes user-friendly tools such as searchable text for key words, FAQ, information on recently updated policies, drafting tips, and contact information

for the ICO. See www.policy.vcu.edu.

Of the 115 policies tracked and managed in FY2016, 46 are still being developed and 69 have completed their respective phases of review and approval resulting in the following:

- Eight were newly created;
- Seven had substantive revisions;
- Four were approved in interim status;
- 24 were consolidation into a broader policy or retired through the review and approval process; and
- 26 resulted in minor revisions during triennial review.

Additionally, the ICO provided in-depth analysis and significant assistance with further developing seven of these 115 policies.

Key policies developed and / or approved this past year include:

- *Accessibility and Reasonable Accommodation for Individuals Disabilities - Interim*
- *Camera Use*
- *Dual Use Research of Concern - Interim*
- *Employee-Student Consensual Relationships*
- *Fraud Identification and Reporting Requirements*
- *Honor System – Interim*
- *Information Security*
- *Investment-Interim*
- *Postdoctoral Scholars*
- *Reporting Sponsor-Investigator Investigational New Drug Applications (IND) or Investigational Device Exemptions (IDE)*
- *Safety and Protection of Minors on Campus*
- *Sexual Misconduct Violence and Sex Gender Discrimination*

While a centralized policy management approach is a newer endeavor for VCU, a significant number of policies [more than 170] remain outdated. Some of these are past the triennial timely review requirement and others are significantly outdated well past the triennial requirement. 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. Over the last three years, the ICO has notified policy owners of

triennial review period expirations and approaching expirations. During FY2016, the ICO sent notifications concerning 46 such policies. Additionally, the ICO is aware that approximately 73 of the outdated policies are likely being consolidated into significantly fewer policies that are currently being developed.

Policy Writers' Workshops were not held within fiscal year due to limited resources and last provided in June 2015. This workshop will continue in FY 2017 and is an interactive educational event detailing classification of policies; the importance of transparency, clarity and consistency in development; drafting and writing tips; and internal requirements related to policy creation, approval and maintenance. This is an annual event in addition to requested abbreviated sessions to smaller groups and one-on-one assistance.

In addition to working with unversitywide policy owners to facilitate progress on new and existing policies, the ICO, with significant support from the Office of University Counsel, conducted significant gap assessment work, taking into consideration federal and state laws; accreditation requirements; trends in higher education; and the needs of the university to determine if policies need to be created or revised to prevent misconduct.

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

Risk Assessment Activities

Increased attention to compliance by several federal and state agencies has produced the need for ongoing compliance risk assessment activities. The following measurements are considered best practices industry-wide to assess compliance culture and are incorporated into the ethics and compliance program's risk assessment activities:

- Leadership commitment
- Mandatory training compliance
- Interactions with the Integrity and Compliance Office (ICO)
- Enforcement for non-compliance

Routine monitoring through a Federal Regulatory Reporting Calendar affirmation process has been fully implemented and in effect for the past three years. This process is made possible by communication with, and attestation by, operational Compliance Partners who ensure timely compliance with required reporting to outside agencies. Currently, compliance with external federal reporting is at 100% as there are no identified obstacles or known deficiencies to meeting these requirements.

Additionally, the assignment of responsibilities and self-assessment of compliance status with all federal regulations applicable to VCU business activities via the Federal Regulatory Responsibility Grid (that establishes the foundation for targeting training and monitoring activities) has been underway for a little over a year. In FY 2015, this review and self assessment by compliance partners resulted in the creation of the *Federal Regulatory Responsibility Grid* wherein identification of individuals responsible for compliance has been determined and a second annual self-assessment conducted by operational personnel has been supplied to capture any changes in FY 2016. Specifically, this grid identifies:

- operations governed by these requirements;
- the applicable compliance partner (usually a Compliance Advisory Committee member, or the individual regularly communicated with regarding specific compliance obligations);
- the applicable cabinet member overseeing the function; and
- attestation notes related to compliance status.

Specifically, compliance partners were asked to confirm and attest:
- to the accuracy of identified individuals for these responsibilities;
- that no additional applicable regulations had been omitted ;
- that there are currently no known challenges or obstacles to maintaining full compliance; and
- that there are no known violations, material or otherwise, for each regulation.

A comprehensive list and attestations are now maintained by the ICO. Any challenges toward compliance will be shared with Senior Leadership and this information may assist with operational decisions moving forward.

Lastly, given the risks inherent within the context of data information management, a reconfigured Data Information Management Committee was formed, inclusive of an executive steering committee with a majority of new members assisting in prioritization and direction of the larger interdisciplinary committee. This committee enjoys delegated decision making authority awarded by the President and senior leadership and functions to assess the current environment's challenges, set policy, and strategically prioritize risk. This effort is led by two compliance partners in the Office of Planning and Decision Support—Office of the Provost and from Technology Services— Office of Vice President for Administration. The progress of this Committee is overseen by the Audit, Integrity and Compliance Committee of the Board of Visitors.

Training and Education

This section provides updates to universitywide training and education efforts and does not yet include information related to specialty training requirements such as research activity related, OSHA related, operating internal systems, or information security training excepting specific Title IX and Sexual Harassment and Discrimination Training sessions that were conducted, see details below in Need Based section.
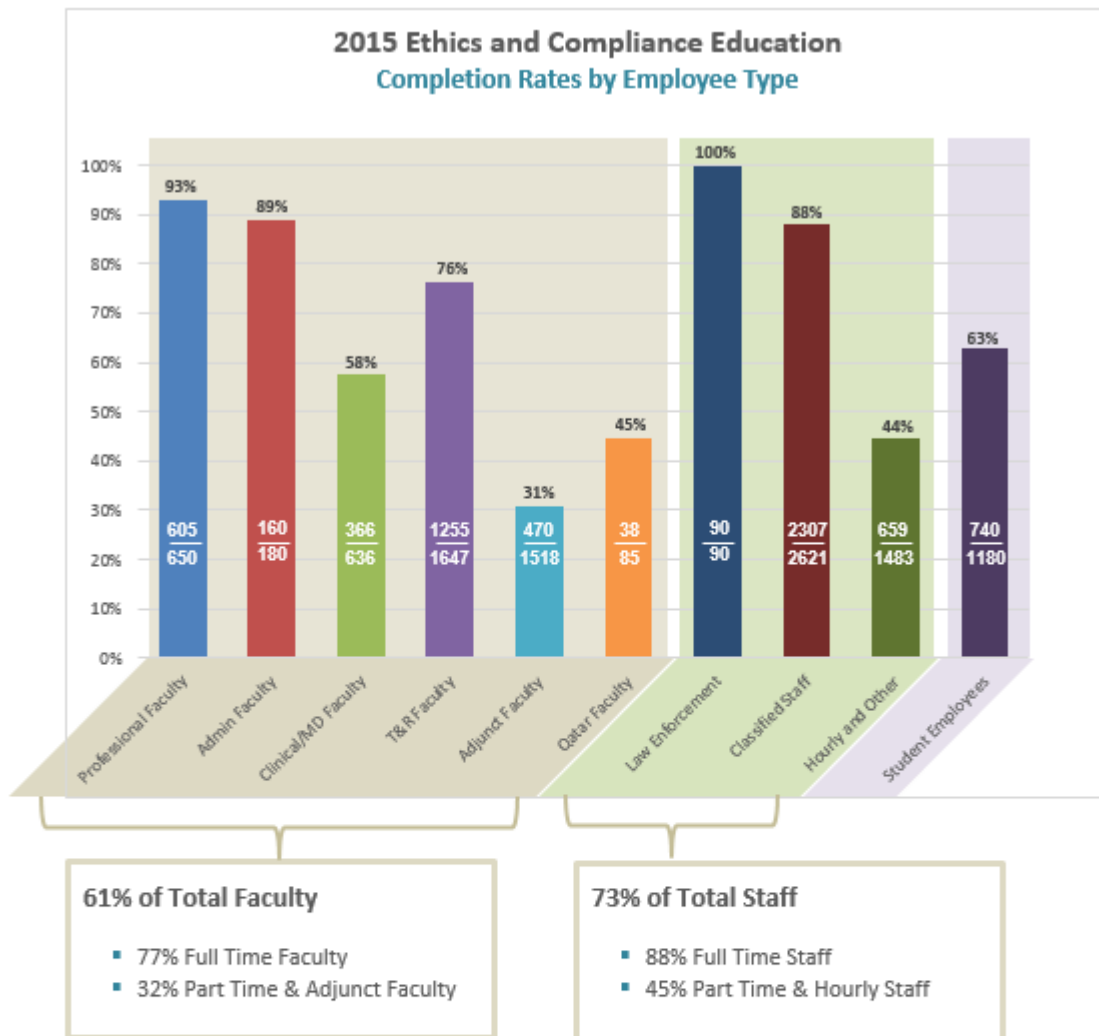
Required Annually:

In support of fostering and promoting an ethical and compliant environment, the Ethics and Compliance Program makes efforts toward influencing and impacting employee behavior. One of the ways in which 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, key universitywide policies, and the tools and resources available to help meet these expectations.

This year was the third cycle of this education initiative. Dr. Rao set the tone with a notification email to all employees on November 2, 2015, announcing the *2015 Integrity and Compliance Education* course with a December 4, 2015 due date. Although the overall rate remains steady [67%] compared to last year [65%], a deeper analysis of the numbers shows significant increases in several key employee-types, which were offset by decreases in other employee-types. When exclusively assessing "core employees," the overall compliance rate improved by seven percentage points (from 75% in 2014 to 82% this year). In comparison to the prior year, the employee-types with improvement were led by teaching and research (T&R) faculty, which improved from 58% in 2014 to 76% in 2015, an increase of 320 additional professors completing the education. Other employee-types showing improvement included professional faculty (+8%), administration faculty (+7%), Qatar faculty (+9%), law enforcement (+6%), and student workers (+9%). Notable exceptions with decreases in participation were clinical faculty [58% compared to FY14 of 65%]; adjunct faculty [31% compared to FY14 of 38%] and a slight decrease (-2%) in hourly and other employees.

The course begins with an attestation of understanding the Code of Conduct, the duty to inquire if there are questions, and the environment being free from retaliation. The course is split into three modules, each concluding with a comprehension quiz. A total of 25 or greater from a possible 30 points is a passing score.

The following topics were included in the 2015 course modules with an additional focus on civility; sexual misconduct; privacy and confidentiality; and anti-retaliation based on the current risk environment:

- Ethical Behavior
- Reporting Concerns & Protection from Retaliation
- Diversity and Inclusiveness
- Sexual Misconduct/Title IX
- Workplace Health and Safety
- Interest Disclosure
- Research Integrity
- Intellectual Property
- Records Management
- Safeguarding Confidential/ Private Information
- External Communications & Our Brand

2015 Ethics and Compliance Education
Completion Rates by Employee Type

Employee Type	Completion Rate	Completed / Total
Professional Faculty	93%	605 / 650
Admin Faculty	89%	160 / 180
Clinical/MD Faculty	58%	366 / 636
T&R Faculty	76%	1255 / 1647
Adjunct Faculty	31%	470 / 1518
Qatar Faculty	45%	38 / 85
Law Enforcement	100%	90 / 90
Classified Staff	88%	2307 / 2621
Hourly and Other	44%	659 / 1483
Student Employees	63%	740 / 1180

61% of Total Faculty
- 77% Full Time Faculty
- 32% Part Time & Adjunct Faculty

73% of Total Staff
- 88% Full Time Staff
- 45% Part Time & Hourly Staff

*Chart data as of 2/10/2016

67% Overall

82% Core Faculty & Staff
(not including P/T Faculty or Staff or Student Employees)

*Rates as of 3/10/2016

Routine:

In addition to annual on-line education, in-person training related to existence of ethics and compliance resources; clarity of expectations; where to locate standards and procedures; and how to set appropriate tone of ethics-based decision making in daily operations has been supplied to:

- new faculty hires attending new faculty orientation (voluntary) for the last four years; and
- new classified staff for the last three years; and
- current School/Division Chairs, who have completed the university's Chair Training Certification Program facilitated by the Office of the Provost, for the last four years.

Upon Request / Need Based:

- Periodic training occurs at various routinely held meetings as well as in response to any requested training for local areas, divisions, or units throughout the year. Currently all requests are being met.

- Specialty training sessions may be conducted by in-house talent or may be coordinated by VCU personnel but conducted by outside experts.

   - This past year all employees and students were made aware of the new *Sexual Misconduct/Violence and Sex/Gender Discrimination* policy's requirements; while 77% of the employee population completed required training as of July 31, 2016. Additionally, several in person sessions were held focused on Title IX for new students, student advising, university college, human resource liaisons, and the council of the Deans.

   - Information Security related training continues to be an annual mandatory requirement for all employees with a compliance rate in 2015 of 49%

   - This year also included a special request resulting in a local School level accomplishment wherein a taskforce requested guidance and assistance customizing a culture survey to best assess their environment, discuss successes and areas of opportunity from an ethics based perspective on School culture.

- Refresher training sessions are also available as an option to areas experiencing a need for reminders of standards or recovering from situations of founded misconduct.

Integrity and Compliance Office Effort Highlights

Overview

While the Integrity and Compliance Office (ICO) is not revenue producing, it is penalty preventing and therefore provides a significant service-centered value to the university. Time devoted for universitywide compliance efforts is tracked by all ICO employees. The intent of including this section is to further assure the Board of Visitors that the compliance program aims to function in an effective manner and to provide an overview of total effort of time expended by these employees on those requests, inquiries, and necessities presented to the ICO throughout the year.
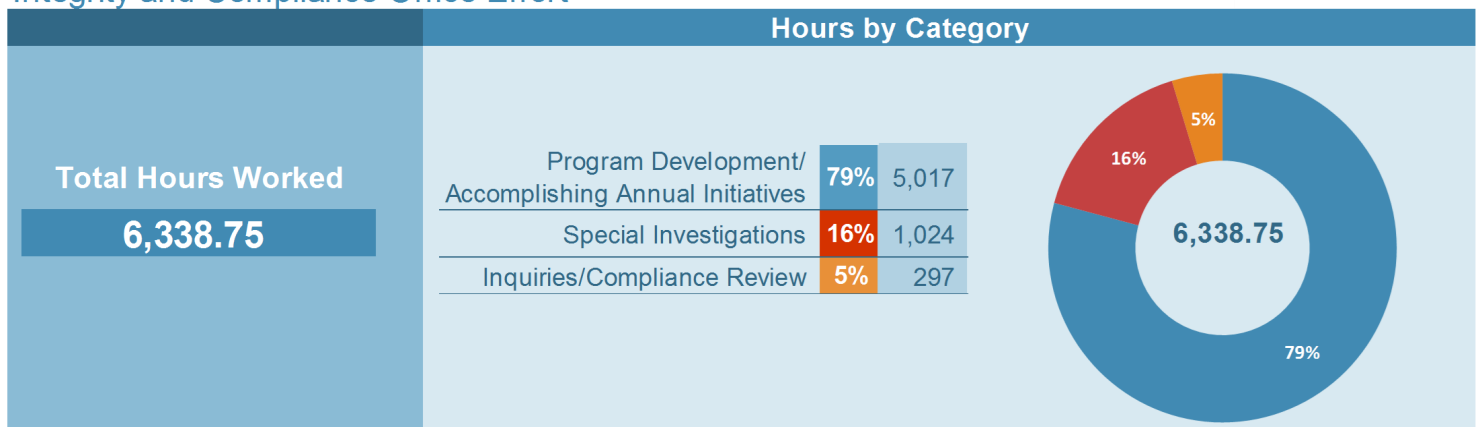
Conclusion

Currently, 75% of ICO FTEs maintain current professional certifications in Compliance and Ethics Professional Standards or in Health Care Compliance. ICO resources, in terms of human capital, demonstrate more than 6,300 hours worked which includes an approximately 6 month staffing vacancy. Effort reflected below is approximate and represented by four FTEs and is exclusive of a shared Executive Director [shared with Internal Audit and with the Health System], who also maintains a professional certification, and shared administrative support resources. Efforts this past year are illustrated in the graph below and details for the majority of where time is spent is as follows:

Program Development / Accomplishing Annual Initiatives: 5,017 hours, or 79% of total time devotion [increase from prior FY at 72%] - this includes:

- Policy Program Work: 923 hours, or 18% of this category's effort and 15% of all effort expended—and the area most directly impacted by the staffing vacancy.

- Education and Training Initiatives

- Monitoring and Risk Assessment Activities

Integrity and Compliance Office Effort

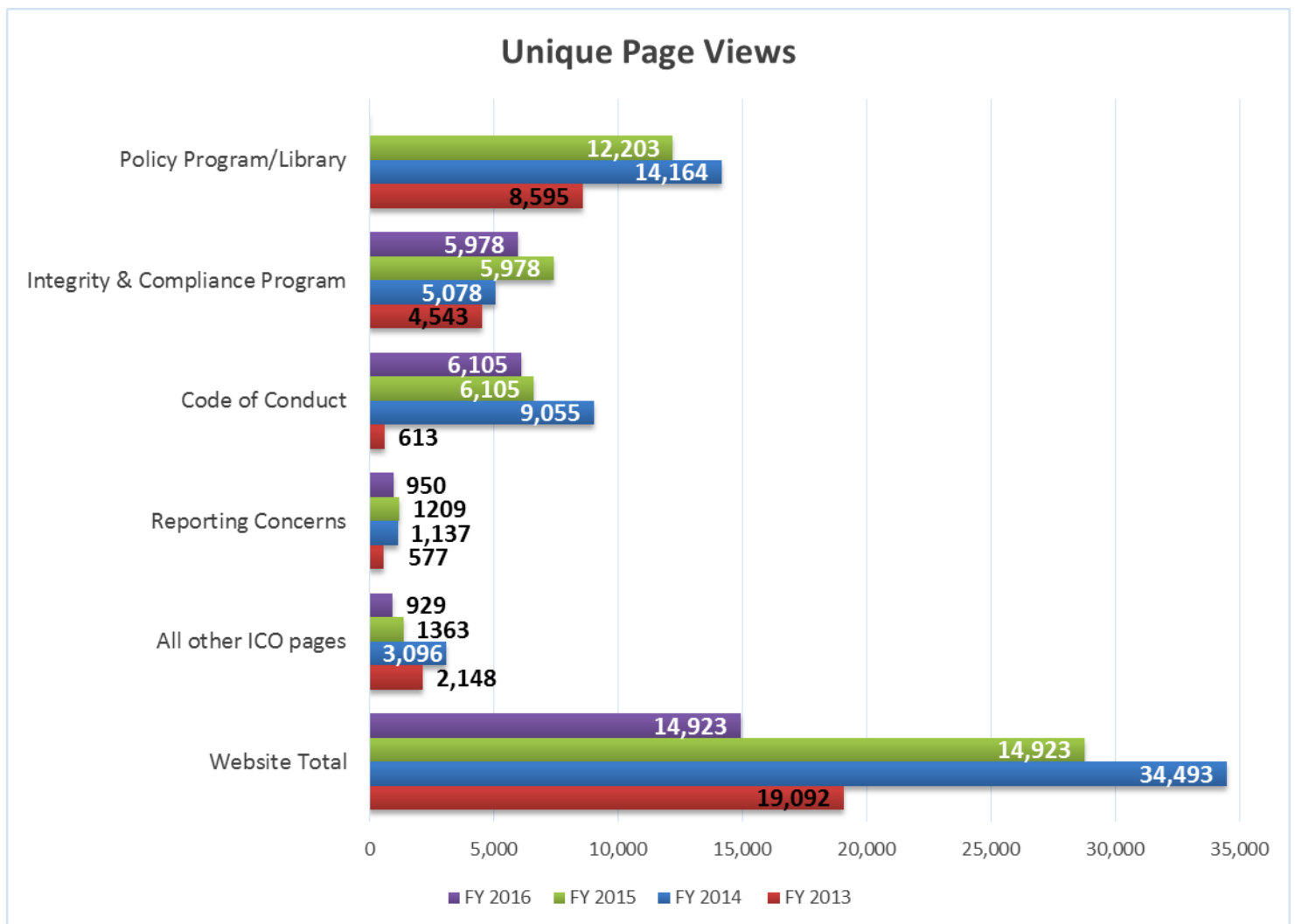| Total Hours Worked	Hours by Category		
	Program Development/ Accomplishing Annual Initiatives	79%	5,017
6,338.75	Special Investigations	16%	1,024
	Inquiries/Compliance Review	5%	297

Additionally, the chart below reflects analytics on webpage traffic. It demonstrates approximate visitors and visits and highlights some of the more frequented web resources. A comparison of the last four fiscal years provides metrics demonstrating utilization of the ICO web presence.

It is notable that at the end of FY 2015, a new policy content management system was implemented and did not include a web page view counter. This will be remedied for FY2017.

Overall, these statistics show a decrease in page views [or visits] but show an increase in amount of time spent on the web resources covering both Reporting Concerns and the Ethics and Compliance Program. By contrast, a decrease in page views and amount of time spent is demonstrated for the Code of Conduct webpage. The decrease in the number of page views may demonstrate a familiarity with the functions of the ICO, while the slight increase in amount of time spent on the Reported Concerns and Ethics and Compliance Program webpages may indicate an increased interest in comprehending resources presented on the site.

Unique Page Views

Category	FY 2016	FY 2015	FY 2014	FY 2013
Policy Program/Library		12,203	14,164	8,595
Integrity & Compliance Program	5,978	5,978	5,078	4,543
Code of Conduct	6,105	6,105	9,055	613
Reporting Concerns	950	1209	1,137	577
All other ICO pages	929	1363	3,096	2,148
Website Total	14,923	14,923	34,493	19,092

■ FY 2016   ■ FY 2015   ■ FY 2014   ■ FY 2013

FY 2017 Ethics and Compliance Program Initiatives Highlights

VCU's Ethics and Compliance Program is predominantly driven by the Federal Sentencing Commission's Sentencing Guidelines, Chapter 8, which provide the elements of an effective Ethics and Compliance Program. The program is also driven by industry best practices, benchmarks, sound business sense and the needs of the organization. The Compliance Program plays an integral role in VCU's overall risk mitigation processes by offering advisory resources to all departments; providing reporting mechanisms to employees; and soliciting interactions from a cross section of the university. Based on these services, interactions, and projects throughout FY 2016, the initiatives for FY 2017 reflect identified areas and topics where a devotion of additional time and attention are necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. This section covers thematic highlights of the slated plan for FY17, additional details are included in the complete Initiatives Section in Appendix A of this report.

FY 2017 Initiative Highlights:

- ❖ Integrity and Compliance Annual Report to BOV Audit, Integrity and Compliance Committee

- ❖ Execute 5th cycle of Annual Employee Ethics and Compliance Education

- ❖ Implement Ethics Based Training - Pilot Groups and Upon Request

- ❖ Code of Conduct Enhancements with interdisciplinary group

- ❖ Conflicts of Interest / Interest Disclosure; Individual and Institutional

- ❖ Gap and Risk Assessment Activities

- ❖ Infrastructure Enhancements for Maximum Efficiency - implement institutional e-solution for Compliance Monitoring and Case Tracking

- ❖ Monitoring - Clery Act Compliance and Campus SaVE Act (Sexual Violence Elimination), in accordance with the Violence Against Women Act

- ❖ Policy Program Continuation and Increased Gap Assessment and Monitoring; Finalizing Significant Revisions to the Policy on *Creating and Maintaining Policies and Procedures*

- ❖ Continued support to compliance themed specialty groups throughout the university

The anticipated effect of providing Annual Compliance Program Initiatives at the May Board Meeting and the Annual Report at the September Meeting is to assure that mechanisms exist to keep the Audit, Integrity, and Compliance Committee abreast of continued compliance efforts that demonstrate effectiveness of the Ethics and Compliance Program. This committee is the appropriate authority to best assess the Ethics and Compliance Program's effectiveness.

If there are suggestions or recommendations please contact the Executive Director of Audit and Compliance Services or the University Integrity and Compliance Officer.

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 Djenane Paul, Athletics Department

Craig Anderson and John Musgrove, 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

Kawana Pace Harding, Department of Human Resources—VP of Administration

Jaycee Dempsey, Ashley Greene, 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

Charles Klink and Reuban Rodriguez, 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

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

Controller's Office: Tricia Perkins; Angela Davis

Equity and Access Services: Paula McMahon

Faculty Senate Representative: Robert Andrews

Financial Aid Office: Marc Vernon

Global Education Office: Paul Babitts

Grants and Contracts Office: Mark Roberts

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

Department of Human Resources: Brenda Alexander; Laurie Bourne

Integrity and Compliance Office: Jacqueline Kniska

School of Medicine: Tricia Zeh

VCU Police Department: Chief John Venuti, Connie Davidson, Shana Mell

Office of the President: Kevin Allison

Office of the Provost: Heidi Jack; Kathleen Shaw

Office of the Provost - Strategic Enrollment Management: Anjour Harris

University Relations: Kasey Odom and Mike Porter

Risk Management: David Mattox

Technology Services: Alex Henson, Dan Han

Appendix A–FY 2017 Ethics and Compliance Program Initiatives

Maintenance of VCU's Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission's Sentencing Guidelines, Chapter 8, which provide the elements of an effective Ethics and Compliance Program; it is also driven by our own Code of Conduct and university policies; excellent business sense; and the needs of the organization. To continue to play an integral role in VCU's overall risk mitigation processes, the Compliance and Ethics Program provides advisory resources to all departments; reports mechanisms to all employees; and solicits interactions from a cross section of the university. Based on providing these services, interactions, and projects throughout FY 2016, the Initiatives for FY 2017 reflect identified areas and topics where a devotion of additional time and attention are necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity.

FY 2017 Initiatives:

Integrity and Compliance Annual Report to BOV Audit and Compliance Committee – September Meeting
- Incorporate internally benchmarked reported concerns results
- Bolster Annual Issues and Events reporting results – to include benchmarking
- Assist with development of additional monitoring processes
- Bolster universitywide training endeavors and results

Annual Employee Ethics and Compliance Education (throughout university)
- Execution of Fourth Cycle Annual Employee Compliance Education – includes documentation of comprehension; re-assess risk based topics based on current environment of need
- Incorporate awareness of these expectations and obligations into 3rd party contracts
- Continued participation in Human Resources New Employee Orientations [faculty and staff] and Chair Training
- Participation in Tier 3 Employee Performance Management Committee, supporting role in collaboration with Human Resources
    - To include establishing mandatory requirements and informational only education/training; establishment of employee classification and any requirements based on classifications; consolidation of required training if

possible; monitoring and consequences for non-compliance

Code of Conduct Enhancements
- Conduct triennial review of document with interdisciplinary taskforce input and Compliance Advisory Committee
- Consider new regulatory obligation enhancements content
- Transfer Ethical Standards (basis of the Code of Conduct) into policy template and elaborate on definitions of standards and codify into formal policy requirements
- Increase awareness activities
  - To minimally include implementation of employee desktop shortcut for immediate Code access; consider app development for mobile devices; poster campaign

Conflicts of Interest
- Creation and implementation of Institutional and Individual Conflict of Interest policy
  - To include set expectations; required reporting; compliance with required committee review process; and managing of identified conflicts
- Creation of formal Interest Disclosure Review Committee
- Continued service as liaison to Commonwealth for bi-annual state disclosure
- Continued utilization of structured process addressing interest disclosure reporting by certain individuals
- Continued support in responding to inquiries related to proactive avoidance regarding institutional conflicts and conflicts of commitment

Ethics
- Consider hosting Ethics Forum in Spring 2017
- Implement enhancements to current employee exit interview process – a collaboration with Human Resources
- Continue ethics based education to middle management range personnel
- Develop ethical education/training/workshop
  - To include implementation of ethical leadership training for pilot group: *A Leader's Guide to Integrity – Uphold the Black and Gold*

Gap and Risk Assessment Activities
- Continued monitoring of compliance obligations through responsible parties outlined

in Compliance Calendar: Federal Regulatory Reporting Requirements
- Follow up Assessment to prior year status classification
- Risk-based reports to Cabinet and Board Members regarding satisfied or deficient compliance obligations based on Federal Regulatory Grid

Note: These activities will involve a collaborative approach with appropriate Compliance Partners

Infrastructure Enhancements for Maximum Efficiency
- Select and implement institutional e-solution for compliance monitoring and issues and events/case management – will serve several areas currently tracking matters manually and/or in silos
- Create social media presence for Ethics and Compliance Program

Internal Staff Development
- Attendance at national level conferences for all staff
- 2nd Annual Reflection and Strategy Retreat
- Continued memberships with Society of Corporate Compliance and Ethics; Health Care Compliance Association; Association of College and University Policy Administrators; Open Compliance and Ethics Group; Ethics and Compliance Initiative; and Systems Research and Applications (SRA) International
- Employees supported in obtaining professional certification in Compliance and Ethics

Monitoring - Clery Act Compliance
- Fully execute fourth cycle of semi-annual monitoring plan of requirements

Policy Program – for all universitywide policies
- Finalize substantive changes to Policy on *Creating and Maintaining Policies and Procedures*
- Increase policy creation and revision notifications to university community from bi-annual to quarterly communications
- Partner with policy owners or area head's to provide seminal policy reminders and tips for compliance to broader university community
- Continued gap assessment based on size, scope and complexity of university and industry trends and standards
- Create term glossary for clarity and consistency

- - Data related terms and research related terms already created
    - Begin implementing consistent term use from finalized glossary
- Continued support in policy creation, revision and formal approval processes
    - Topics identified as needing additional assistance in the coming fiscal year: Information Technology; Privacy and Data Governance; Procurement; Human Resources; and SACS based required policies for Accreditation
    - To include: bi-annual Policy Writers' Workshop
- Identify and maintain obligations for regulatory policy creation and maintenance as required by the *Code of Virginia*
- Expand high profile awareness campaign of program and significant new policies and policy revisions
    - Research potential app development for policy access on mobile devices
    - Explore html format for website
- Continued centralization and data normalization
- Continued monitoring of timely triennial review and interim status

Title IX
- Monitoring assistance with resolution agreement requirements – in collaboration with Equity and Legal Offices

Continued Participation and Resource Support and Assistance to various compliance-oriented groups and committees:
- Athletics Compliance Committee
- Clery Compliance Workgroup
    - Annual review of Security & Fire Report
    - Monitoring of process creation and maintenance for requirements
- Communicators Network
- Compliance Advisory Committee (CAC)
- Data Information Management Committee; and Steering Committee
- Equal Employment Opportunity Affirmative Action Plan Workgroup
- Employee Performance Subcommittee (under Tier 3 restructure plan)
- Enterprise Risk Management Committee
- Ethics-based consultations; facilitated discussions; and assessments upon request
- Export Controls Committee
- Faculty Search Committees

- Higher Education Opportunity Act - monitoring for compliance requirements
- Internal Workplace Investigations
  - Oversight of Alleged Misconduct Reports / Non-compliance Issues
  - Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise
- Partnership Assessment Taskforce and Policy Finalization
- Policy Consultations Related to Creation, Revision, and Governance
- Research Administrators Meeting
- Safety Liaison Committee
- Staff Senate – Employee Recognition and Rewards Subcommittee
- Title IX Steering Committee
- Continued tracking of Office of Inspector General's Annual Work Plan for topics affecting the university
- Participation in Tabling and Speaking Events on Campus
  - Tech Fair
  - HR Benefits Fair
  - Cybersecurity Fair

As a reminder, this committee will be receiving the Integrity and Compliance Annual Report at the September 2016 Meeting. The anticipated effect of providing FY Annual Compliance Program Initiatives at the May Board Meeting and the Annual Report at the September Meeting is to assure that mechanisms exist to keep this committee abreast of continued compliance efforts demonstrating effectiveness of the Ethics and Compliance Program. This committee is the appropriate authority to best assess the Ethics and Compliance Program's effectiveness. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Integrity and Compliance Officer.