



VCU

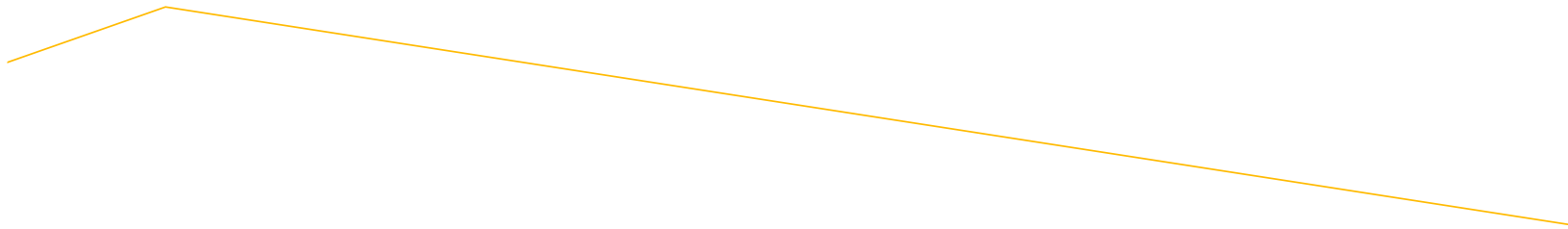
Integrity and Compliance Annual Report

FISCAL YEAR 2022



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Introduction

Welcome to the FY 2022 Annual Report of VCU’s Integrity and Compliance Office (ICO), a unit of Audit and Compliance Services. The purpose of this report is to summarize for the Board of Visitors and our stakeholders our FY 2022 activity and impact as well as relevant trends and focus for FY 2023. The objective of our program is to foster an organizational culture that encourages ethical conduct and a commitment to compliance with the law. We accomplish this, together with our compliance partners across the university, by engaging leaders and employees to support a speak-up culture through communications and training, by building effective policies, by assessing and mitigating risks, and by executing best-in-class reporting and investigative processes. We seek to create an environment characterized by robust employee reporting, no fear of retaliation, reduced misconduct, and a commitment to integrity in every transaction.

Program Structure and Resources

The ethics and compliance program at VCU continues to implement best practices to refresh and sharpen program effectiveness. A new Chief Ethics and Compliance Officer was hired in December 2021, and she quickly filled two vacancies to complete the team that had been impacted during the pandemic. Using feedback from the 2019 program effectiveness review conducted by Ethisphere as a starting point, the team created a three-year workplan focused on improvements in six identified areas of focus. In the area of program structure, work began this year with a restructuring of the Compliance Advisory Committee (CAC) meeting schedule and the formation of a smaller CAC Steering Committee to enhance partner communication and collaboration.



Highlights: Compliance Partners

The ICO functions in partnership with compliance leaders and teams across the university. In CAC meetings this year, in addition to briefings from the ICO on current enforcement trends and the results of the CAC risk assessment survey, compliance leaders across the university shared their success stories and learned from one another. Here are a few examples of best practices, accomplishments, and ongoing efforts to close program gaps in compliance at VCU.

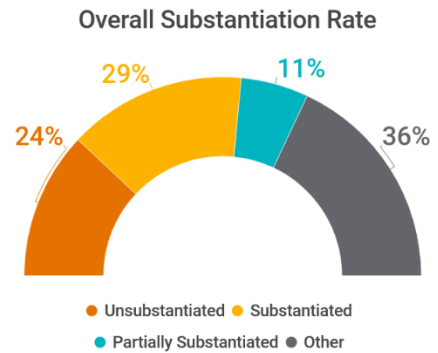
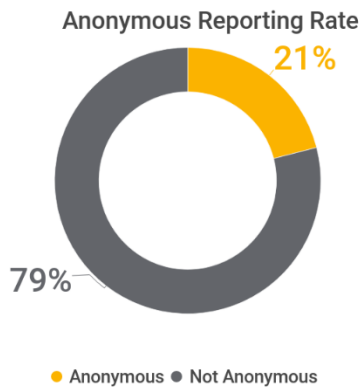
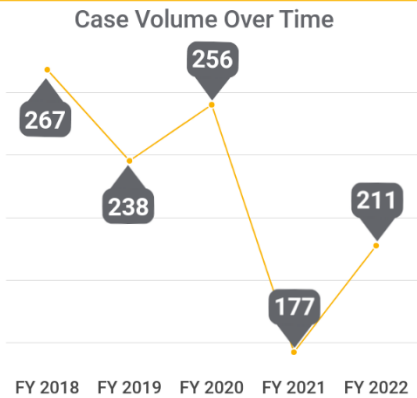
- The Athletics Compliance Office, led by Noah Strebler, created an Ethics and Compliance Accountability Matrix to map the key elements of the Athletics compliance program including policies, training, monitoring, auditing, and risk assessment. This Athletics template was shared with other compliance partners as a model for program documentation.

- The Employee Relations Office in Central Human Resources, led by Kathy Oliveri and Sarah Davis, began work on an HR Compliance Encyclopedia. This expansive resource pairs federal and state legislation with corresponding VCU policies and procedures. This resource is meant to confirm that VCU HR is complying with all relevant legislation found on the state accountability matrix maintained by the ICO. This tool summarizes the legislation, identifies key stakeholders, and identifies any risks associated with non-compliance. The legislation is sorted by responsible Central HR departments.
- The Environmental Health and Safety Office (EHS) oversaw a successful operation to safely decommission and transfer an aging cesium irradiator in Massey Cancer Center to the possession of the federal government source recovery program. EHS sought and received federal funding to cover the complete cost of the decommissioning (estimated \$1.2M cost) and \$145K towards the purchase of a replacement X-ray unit which will support Massey Cancer Center in its efforts to become a comprehensive cancer center under the National Cancer Institute rubric. VCU and VCU Health also received a clean audit, with no cited violations, of VCU's Radiation Safety broadscope radioactive materials license and program from the Virginia Department of Health, Radiological Health.
- The Office of Information Security and Treasury Services worked with the ICO to overhaul and update its Payment Card Industry (PCI) Compliance Training for the many and various employees across the university that are required to comply with PCI regulations regarding payment cards. The training is more engaging and interactive, and users now receive a takeaway job aid to remind them of key compliance steps and requirements.
- Equity and Access Services (EAS) within the Office of Institutional Equity, Effectiveness, and Success, achieved several milestones in FY 2022. In partnership with the ICO, EAS offered their first ever all-employee mandatory civil rights training, focused on nondiscrimination and their Preventing and Responding to Discrimination policy. Plans are also underway to begin their first annual report, based on the seven pillars of a compliance program, which will offer snapshots of information about civil rights compliance across the four EAS units. Finally, EAS is currently hiring for the inaugural chief accessibility officer, who will lead initiatives for accessibility in VCU's physical and digital spaces.
- The Office of the Vice President for Research and Innovation (OVPRI) achieved multiple accomplishments in FY 2022:
 - Initiated an upgrade to all research administration management systems to be completed over five years. These integrated systems will support compliance and improve OVPRI's ability to manage the research compliance infrastructure, including providing workflow transparency for research administrators and researchers. Additionally, VEEVA software will be implemented in FY 2023 to ensure paperless clinical research regulatory compliance with 21 CFR Part 11 as well as support VCU remote monitoring for quality.
 - Hired a new US Food and Drug Administration (FDA) expert in 2022, and fully integrated into the human research review process an internal review for research protocols for use in humans prior to submission to the FDA.
 - Hired new senior leadership in research compliance for animal research and human research protection programs.

- Assessed VCU compliance with foreign influence regulations that go into effect in FY 2023; determined that VCU is 95% compliant and on track to achieve 100% compliance ahead of schedule in FY 2023.

Culture and Data Analysis

The ICO continues to monitor university wide reported concerns and responses to misconduct through Convercent, an online data management system. Convercent also contains the VCUHelpline, a third-party reporting tool with an anonymous reporting option. In addition to reports that come directly to Audit and Compliance, the ICO tracks investigations and reports from compliance partners in offices across VCU, including Employee Relations, Equity and Access Services (EAS), the Office of the VP for Health Sciences, and the Office of the Provost. This year, the ICO continued to develop collaborative working relationships and open lines of communication across offices to collect and maintain accurate and comprehensive data on employee concerns and misconduct for FY 2022. While the ICO began to distinguish performance management data from misconduct in prior fiscal years, FY 2022 is the first year that the entire dataset reflects only true reports of misconduct or concerns relating to misconduct. All data referenced in prior fiscal years has been calibrated to align with the parameters now being used to tell an accurate story of reported misconduct trends at VCU.



Reporting fell significantly in FY 2021, possibly due to the increase in remote work arrangements and other significant disruptions caused by the COVID-19 pandemic. As employees began to return to the physical workplace in FY 2022, reporting rates began to rise. The overall volume of reports was 19% higher in FY 2022 than in FY 2021, but still below the three years prior to FY 2021. The percentage of reporters who choose to remain anonymous remains steady at 21%, indicating that most reporters at VCU continue to feel comfortable sharing their identity while speaking up about misconduct.

The top five issue types remained consistent with commonly reported issues in past fiscal years, with the notable exception of retaliation, which only broke into the top ten issue types for the first time in FY 2021. This aligns with a national trend of increased allegations of retaliation, with 79% of employees surveyed reporting perceived retaliation for speaking up in the workplace.¹



Data Benchmarking

VCU’s FY 2022 misconduct data aligns with our internal 3-year benchmark data and with the national benchmark provided by NAVEX, a compliance software company compiling data from organizations across the United States. VCU’s anonymous reporting rate continues to remain well below the national benchmark, at 21% compared to NAVEX’s anonymous reporting rate of 50%. However, VCU’s percentage of reports concerning retaliation is more than double the internal benchmark and ten times that of the NAVEX benchmark. In response to this and the measurable increase in retaliation reports noted above, the ICO focused education and outreach efforts on the topic of workplace retaliation in FY 2022.

	Cases per 100 Employees	Anonymous Reporting Rate	Substantiation Rate	Concerns of Retaliation	Most Common Issue Type
NAVEX Benchmark	1.7	50%	43%	1.72%	HR, Diversity, and Workplace Respect
VCU Internal Benchmark	1.97	22%	51%	4%	Ethics Violation
Current Fiscal Year	1.97	21%	40%	11%	Ethics Violation

¹ Ethics Resource Center, the research arm of Ethics & Compliance Initiative, 2021 Global Business Ethics Survey Report, p. 22

The rate at which allegations of misconduct were partially or fully substantiated for FY 2022 was 40%, which is slightly below the national benchmark² and more than ten percentage points below VCU’s three-year internal benchmark. However, when controlled for cases in which an investigation was completed (versus not due to withdrawal or inadequate information), the substantiation rate rises to 58%. A significant portion of closed cases, 37%, had an outcome of “Substantiation Undetermined” or “Other.” The primary driving factor for this high rate of undetermined outcomes was lack of response from the reporter or unwillingness by the reporter to move forward with an investigation. When handling reports of Discrimination Based on Protected Class or Sexual Misconduct, EAS must follow guidelines under federal laws that require an investigation to be complainant driven. In many cases with this outcome when the reporter declined an investigation, Equity and Access Services was able to provide them with an alternative resolution such as supportive resources, an informal review of their complaint, or training or coaching for their department. This is reflected in the substantiation rate for the issue type ‘Discrimination Under a Protected Class,’ which is significantly lower than the overall rate at 13%.

Upcoming: Integrity Index

Questions	2019 Mean	2021 Mean
I can share my ideas or express concerns without fear of repercussions.	3.60	3.55
Everyone in my unit, regardless of background, is encouraged to share their ideas openly.	3.75	3.82
Conflict or disagreements are handled productively in my unit.	3.44	3.49
Arbitrary action, personal favoritism, and coercion are not tolerated in my unit.	3.56	3.66
Prohibited practices in the VCU Code of Conduct are not tolerated in my unit.	4.17	4.19
I know any concerns I have about discrimination or harassment will be taken seriously by my supervisor.	4.21	4.26
I have trust and confidence in my supervisor.	3.99	4.12
My supervisor takes action when employees show disrespect to each other.	3.77	3.88
Leaders maintain high standards of honesty and integrity.	3.73	3.74
Leaders are held accountable by their supervisors.	3.46	3.39

Integrity Index

 2019: 3.77
 2021: 3.82

1-Strongly Disagree 2-Disagree 3-Neither Agree nor Disagree 4-Agree 5-Strongly Agree

These are selected questions that will be included in the calculation of the Integrity Index for each unit when the Culture and Climate Survey is next administered. Historical data from answers to these questions in past surveys gives us an “integrity index” from prior years, although the “integrity index” was not included in the publicly available indexes at the time of the surveys.

Research has demonstrated clearly that strong ethical cultures produce positive ethical outcomes including robust employee reporting, reduced misconduct, reduced retaliation, and reduced pressure to compromise

² NAVEX Global, Inc., 2022 Hotline Incident Management Benchmark Report

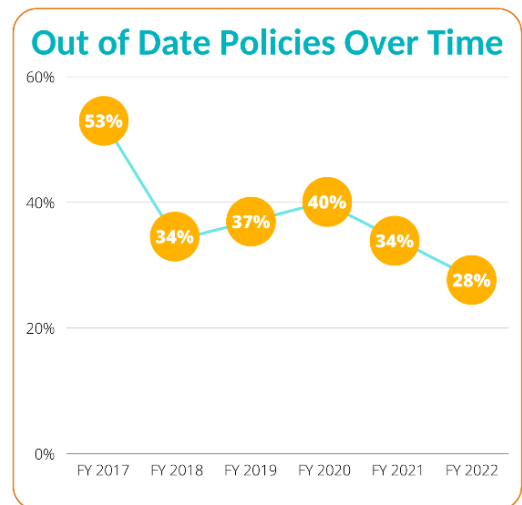
standards.³ Research also demonstrates that organizations must measure culture over time to drive improvement. VCU has recognized this and since 2019, VCU’s Culture and Climate Survey has measured employee perceptions and outcomes on diversity, inclusion, and engagement via “indexes” to focus progress. The survey already includes items that lend themselves to the creation of an “Integrity Index” to help track progress on our vision for a culture of integrity. This “integrity index” will be calculated for all units after the next administration of the survey in FY 2023. Looking at the “integrity index” calculated based on historical Culture and Climate Survey data, we can see that VCU is making progress but has room to improve in employee perceptions of leadership commitment and accountability for integrity (VCU scored 3.82 on a scale of 5, slightly below the “Agree” category).

Policy Program Update



Building on the successes of last year, the Policy Program continued to support policy owners across campus in both the development and revision of policies. Significant policy accomplishments this year included: implementing a comprehensive hazing policy, updating of several important Human Resources policies, drafting of a comprehensive lactation policy, and making the Americans with Disabilities Act (ADA) policy permanent. The ICO also worked with Treasury Services and Development and Alumni Relations to address a significant policy question that arose out of the Liver Center gift. Finally, the ICO is partnering with the Office of Faculty Affairs within the Provost’s Office to merge the 1983 Outside Professional Activities Policy with a proposed Conflicts of Interest & Commitment (COI&C) Policy. The successful merger of these policies and deployment of a new campus wide COI&C policy and process will mark a major step forward in one of our long-term goals.

Currently, 28% of all policies remain out of date, which is the lowest percentage in the past six fiscal years. While some policy revisions are constrained by internal processes, such as within the Division of Academic Affairs,

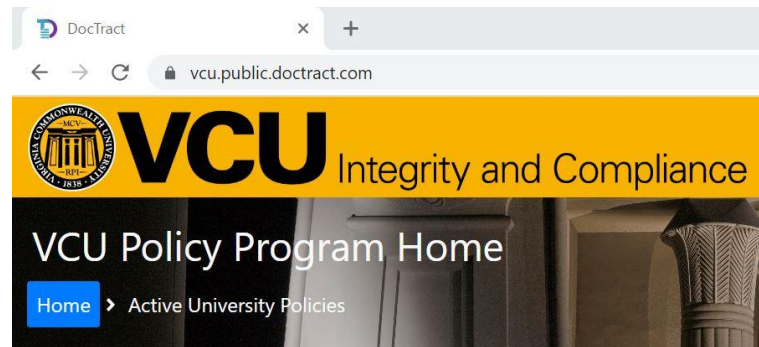


³ Ethics Resource Center, the research arm of Ethics & Compliance Initiative, 2021 Global Business Ethics Survey Report, pp. 6-9, 11-23

the ICO Policy Program continues to conduct robust collaborative outreach to encourage partners throughout the university to use and update the policy library.

NEW: DocTract Policy Management System

VCU recently took a major technological step forward by acquiring and implementing a dedicated policy management solution called DocTract. DocTract is designed to merge the public facing (and highly utilized) policy library with the editing and tracking needed behind the scenes to review and maintain university policies. Using a built-in version of Microsoft Word, partners can quickly and easily edit or draft new policies, have them reviewed, and post them to the library. Metadata is stored centrally and securely in the software, allowing for a collaborative and user-friendly interface for our compliance partners.



Regulatory Reporting Monitoring

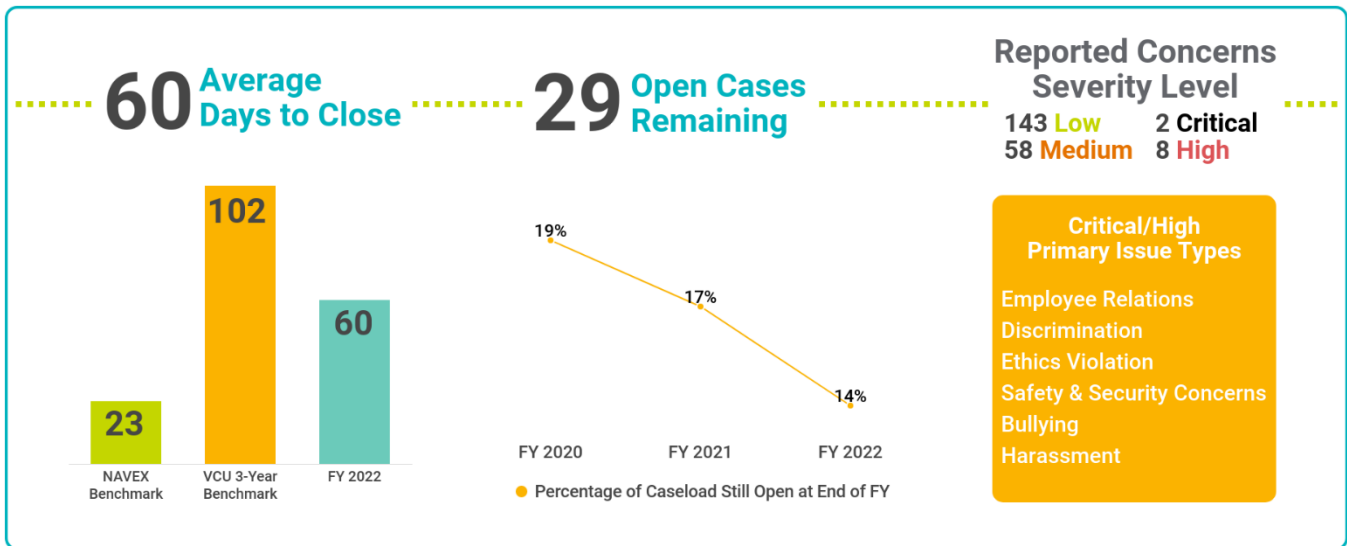
During FY 2022 the ICO requested that all compliance partners indicate the federal and state regulations for which they were responsible, for the first time in three years. The list of regulations was based on the Higher Education Compliance Alliance's matrix combined with regulations noted by partnering VCU offices and Virginia specific regulations. Full compliance with required federal reporting to external authorities was again maintained without issue.

As the Biden administration issues guidance and drafts new regulations, the ICO team will work with compliance partners to assess the impact on VCU and to implement any policy or process changes required. We expect some significant regulatory changes to the Title IX/Sexual Misconduct policies and are already coordinating with Equity and Access Services to implement any changes required by the US Department of Education.

One of our goals in our three-year work plan is to revisit both the information we gather around regulatory compliance and how we use that information. Our goal is to augment our existing mechanism of assessing who is responsible for what regulation, to gain a better understanding of how our compliance partners maintain compliance, and to consider further enhancements to efficiently monitor or confirm compliance.

Investigations and Accountability

The ICO conducted many significant investigations into workplace misconduct both as an independent unit and in collaboration with partner offices in FY 2022. Work is nearly complete on a set of investigative guidelines to disseminate amongst investigative units across the university. The ICO team also plans to offer training for interested offices on conducting high quality workplace investigations in FY 2023. In response to stakeholder requests, the ICO also focused communication efforts on clarifying investigative processes at VCU and helping employees understand what happens when they report a concern to the ICO for investigation.



The ICO achieved measurable improvements in case closure rates and time to close cases in FY 2022. Only 29 open cases remain for FY 2022, representing 14% of the total case volume and a steady decrease from the last two fiscal years. This increase in case closure reflects the capabilities of a fully staffed ICO team, as well as proactive communication with partnering offices at VCU to investigate and resolve employee concerns. The average length of time from reporting to closure in Convercent is 60 days, which is above the national benchmark reported by NAVEX (23 days), but well below VCU’s internal 3-year benchmark (102 days). We will continue to focus on streamlining communication with compliance partners and following up with reporters to achieve prompt resolution of concerns.

In line with other steps to improve data clarity and accuracy, the ICO collaborated with Employee Relations to update and refine recordkeeping of sanctions in Convercent. The sanctions and outcomes now more closely align with VCU HR corrective measures and formal disciplinary actions. The most common corrective actions taken were verbal counseling, required training, and written counseling.

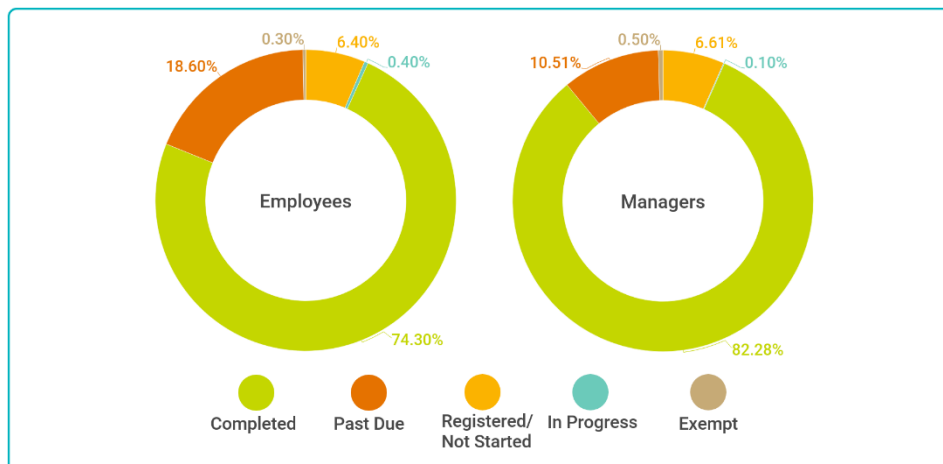
Training and Communications

Annual Ethics & Compliance Training

After a one-year hiatus due to the COVID-19 pandemic, the ICO continued its annual training initiative with the launch of the *Ethics and Compliance at VCU* training module. President Rao commenced the training through a university-wide email on March 1, 2022. Announcements were also posted in Telegram and sent through Talent, VCU's Learning Management System (LMS). This year's training focused on seven primary topics spread throughout four key areas:

- When to check our Code of Conduct
- How to use our confidential Helpline
- What and how to disclose
- Things we all need to know

A second version of the training, for managers, included an additional section on creating psychological safety to create and foster a speak-up culture. Completion rates for employees and managers were 74% and 82%, respectively.



1. Registered/Not Started indicates participants opened the training module but did not start the training. In Progress indicates participants did not complete the module. Past Due indicates the module was never accessed. Exempt indicates a small group of personnel who were not required to complete the training.

2. While these are the most accurate completion rate numbers available to ICO, many employees taking the training encountered a technical glitch on the final screen. Employees who reported the glitch were marked complete by HR representatives working in conjunction with the ICO to update the LMS, but we cannot be certain that we located all cases of the glitch. The ICO and HR will work together to avoid repeating this glitch in the FY 23 iteration of this training.

Annual Training Topics

- Ethical Behavior
- Reporting Concerns
- Non-retaliation
- Conflicts of Interest
- Gifts & Entertainment
- Safeguarding Personal and Confidential Information
- Responsible Use of Social Media

Ongoing Education Efforts

As part of its mission to increase awareness about ethics and compliance issues and to connect more broadly with the university community, the ICO continued some existing education efforts and created some new ones. Highlights included the following:

- Sent periodic email blasts to university faculty and staff, each one a campaign with focused messaging, driven by data and current trends. Recent email blasts addressed fraud and non-retaliation, with one version sent to managers and the other sent to employees.
- Continued to publish the quarterly policy newsletter *Policy Points* which highlights new and revised policies from the previous quarter.
- Created and published a new monthly blog containing two posts; *Compliance Corner* is an informative post on topics relevant to ethics and compliance; *Compliance Case Study* is based on actual cases handled by our team.

Recent *Compliance Corner* posts have addressed a variety of issues, from why employees speak up to the difference between anonymity and confidentiality, to things you can't say when conducting a job interview. Recent *Compliance Case Study* posts have followed one employee who divulged confidential information and another who called the VCU Helpline to report misconduct. Publication of new blog posts is announced via TelegRAM and subscriber email, and links to the compliance blog can be found on the ICO's landing page.

Outreach to compliance partners across the university took several forms this year.

- Designed a new eLearning module for the Information Security and Treasury Services teams, on Payment Card Industry (PCI) Data Security Standards for employees who handle credit card transactions.
- Delivered a training session for the Equity and Access Services team in Institutional Equity, Effectiveness and Success on handling ethical dilemmas.
- Partnered with the Office of the Vice President of Research and Innovation to deliver activities and training to promote a speak-up culture across OVPRI and stakeholder organizations.
- Curated content for presentations delivered to the Board of Visitors, new department chairs, the Council of Deans, and the Faculty Senate, among others.

Risk Assessment and Monitoring

Conflicts of Interest & Commitment

VCU's current conflict of interest reporting structure has several significant identified gaps and lacks a centralized digital system for record retention. In collaboration with the Office of the Provost, Office of the VP

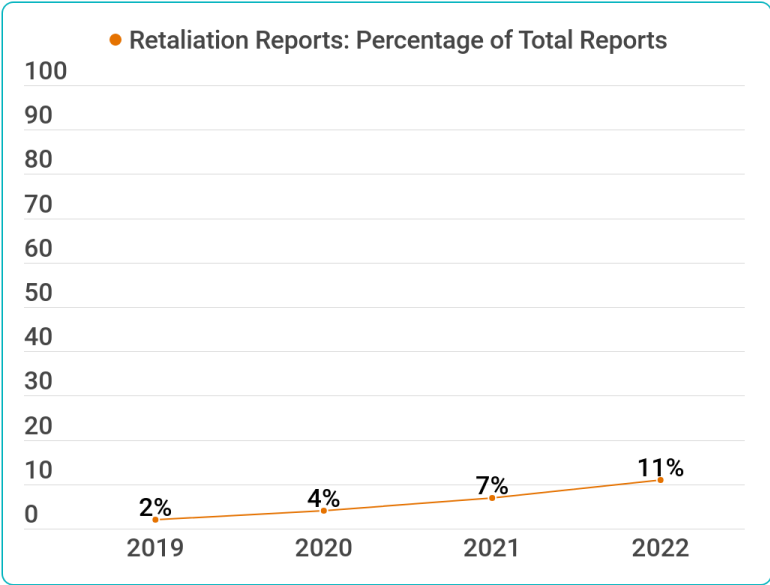
for Health Sciences, and other stakeholders, the ICO began work in FY 2022 to revise the COI&C policy and implement a university-wide disclosure tool through Convercent. Employees will be able to use this tool to fill out an annual COI questionnaire, click a link to provide “just in time” disclosures throughout the year, and update their disclosures as circumstances change over time. This system will standardize the expectation for COI&C reporting and decrease the administrative burden on individual academic units. The ICO is leading the project to implement this change and is collaborating with the VCU Health System Compliance Office to ensure that dually employed faculty are covered by the process that best addresses their relevant risk areas. The Office of the Vice President for Research and Innovation (OVPRI) will continue to require research-relevant COI reporting through a separate system, known as AIRS.

Research Infrastructure

Several related matters arising out of the Office of the Vice President for Research and Innovation (OVPRI) demonstrated the continuing need to assess research infrastructure risk. As VCU continues to grow as a public research university, it must prioritize its research infrastructure and culture to manage increasing demands for research compliance and monitoring. This includes ensuring technological support for compliance systems, adequate training, and development of staff to support the full range of research being sponsored by VCU, and a strong ethical culture. After a thorough audit by the Office of Human Research Protection of HHS, corrective actions are being implemented to improve processes and practices in OVPRI. This includes improving resources and accountability in the School of Medicine or other sponsoring units, and building a strong speak-up culture across all research stakeholders that will support integrity and safety for patients while executing world-class research. ICO will continue to partner with OVPRI and others to support these actions.

Focus on Leadership and a Speak-Up Culture

Reports of retaliation at VCU continue to rise, doubling in volume from FY 2021 and representing 11% of all reported concerns. In FY 2021, retaliation represented 7% of all reported concerns, and in FY 2020 it made up only 4% of reported concerns. While most reports of retaliation are not substantiated and no reports of retaliation have been fully substantiated in the last three years, the number of partially substantiated reports has also steadily increased. This means that at least some retaliatory behavior is being found in more reports every year. In response to this data and to data from national and global trends indicating an increase in retaliation, the ICO focused communication efforts on educating VCU stakeholders on the Duty to Report and Protection from Retaliation policy in FY 2022.



The ICO also analyzed the reported concerns data for trends involving leadership at VCU. An organizational culture that encourages employees to do the right thing under pressure begins with strong ethical leadership. Of the reports received this year, 79% named a VCU employee as the subject of the allegation. Managers were overrepresented in that group, with over half of reports about VCU employees naming as the subject an employee who manages others. Reports about managers at VCU most commonly came from other employees, with 41% of reports about managers coming from employees who they supervise. The top five issue types remained the same, with the notable difference that retaliation allegations were included in 20% of reports about managers, in comparison to 11% of the overall case volume. When analyzed for title, 28% of the overall case volume for FY 2022 named a subject with a senior-level title that included words such as Chair, Director, or Dean. The substantiation rate for these reports closely mirrored the overall substantiation rate, with 39% of the cases resulting in partial or full substantiation of the allegations.

National trends indicate that leaders are under increased scrutiny, and employees are becoming more emboldened to speak out against misconduct. The ICO's data indicates that VCU is not an exception to these trends. As employees seek work environments with leaders they respect, VCU must continue to emphasize integrity and commitment to inclusivity as indispensable qualifications for succeeding as a leader at VCU. The ICO will continue to partner with offices around the university to offer education, facilitation, and coaching on what it means to be an ethical leader.

Enterprise Risk Management Restart

The Integrity and Compliance Office is a nonvoting member of the Enterprise Risk Management Steering Committee that is restarting the ERM process interrupted by the pandemic. ICO will ensure that its perspective on risks to the university, based on its monitoring activity including review of investigations of reported concerns, reviews of COI disclosures, and engagement with compliance partners, is integrated into the ERM process and reflected in the Committee's reporting to the Cabinet and the Board of Visitors. ICO will also advocate for an ERM process that is fluid and continuously updated to account for emerging risks and changing conditions, especially in highly regulated areas such as research, EAS/Title IX, and athletics. Finally, ICO will prioritize working with compliance partners to ensure that each compliance area has adequate documentation of its policies, processes, training, and monitoring to support identification of risks and remediation of gaps.

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