COMPLIANCE OFFICER ROUNDTABLE

JACQUELINE KNISKA, CHIEF ETHICS AND COMPLIANCE OFFICER, VIRGINIA COMMONWEALTH UNIVERSITY
NEDRA ABBRUZZESE-WERLING, AVP OF COMPLIANCE SERVICES, BOSTON UNIVERSITY
SCCE (virtual) Higher Education Compliance Conference, June 2020

HOUSEKEEPING

GOALS FOR TODAY’S CHAT

- Discussion of real-time and emerging challenges faced by compliance and ethics officers on campuses of varied sizes and within compliance programs at every stage of maturity.
  - The opportunity to understand the issues and challenges that face other Compliance Officers;
  - Strategies for strengthening compliance programs and providing adequate responses to emerging issues and trends; and
  - Program success in a shifting landscape, and maintaining focus and integrity in the face of truly unprecedented regulatory, political, and media scrutiny.

Today’s Tech

CHANGE OF PLANS

Audience polling and the chat section will help drive today’s roundtable discussion
INTRODUCTIONS

Jacqueline Kniska
Chief Ethics and Compliance Officer,
Virginia Commonwealth University

Nedra Abbruzzese-Werling
Associate Vice President for Compliance Services
Boston University

CURRENT "WORK HOMES"

COMPLIANCE AT OUR INSTITUTIONS
VCU at a Glance
Public Urban Research University & Academic Medical Center

Established in 1838
Located in Richmond, Va.
Enrolling 31,288 students

$310 million
sponsored research
100
countries represented in student population
22,888
employees
190,000
alumni

VCU Integrity and Compliance Office
Role and Function of the Program

> Oversight
> Keep distinction between oversight and operations (i.e., management) at forefront of our interactions and reports
> Keep the public’s interest at forefront – one of trust and integrity
> Empowered to direct and affect change
  - A facilitator is usually helpful to keep dialogue focused
> Issues need time and commitment
> Purpose is to influence and affect behavioral change
  - look for risk via gaps – augments – identify weaknesses and get systems shored up by bringing independent clarity to what is needed
Up, DOWN, and Throughout

Ethics and Compliance at VCU

> Make and deliver quarterly reports directly to the Board of Visitors, Audit Integrity & Compliance Committee

> Independent oversight role helps to assure proper controls and conduct through
  - Internal Audit - 3rd line of defense
  - Ethics & Compliance Program - 2nd line of defense, reinforcement for management and operation's ethical conduct

> Coordinate efforts universitywide with functional compliance area leads and operational program managers

Scope of Operations - VCU Program*

Ethics and Compliance at VCU

- FSG Base with HEAVY focus on Ethical Conduct
- Our Specific Internal to the Integrity & Compliance Office Operations
  - E&C Training
  - E&C Related Inquiries and Investigations when Management unable or unwilling to address
    - Have line of sight over the handling of all reported misconduct by functional area
  - Regulator Response and Relations during Non-routine Reviews or Inquiries
  - COI & C
  - Policy Program - governance, coordination, gap assessments, research
  - DATA HEAVY reports to BOV, Senior Leadership and CPN
  - FEEDBACK LOOP -- getting there
  - Lead Compliance Advisory Committee (ops and functional area leads)
- Compliance Partner Network - Informal org. structure - runs on mutual benefit
- Heavy involvement in university committees and working groups

*Context: Age 13
BOSTON UNIVERSITY AT A GLANCE

Private Urban Research University

- Founded in 1839
- Located in Boston, Massachusetts
- Enrolling 35,472 students

- 579.4 MILLION RESEARCH AWARDS
- $176.2M BMC CLINICAL RESEARCH GRANTS
- 10,348 EMPLOYEES, 3,991 FACULTY
- 17 SCHOOLS AND COLLEGES (LAW AND MED)
- 300+ PROGRAMS OF STUDY
- 10:1 STUDENT TO FACULTY RATIO
- 300+ GLOBAL INITIATIVES
- 180 ALUMNI COUNTRIES
- 10,500 INTL. STUDENTS
- 390,708 LIVING ALUMNI

BOSTON UNIVERSITY
Compliance Services Office

- Compliance Services was established in January 2015 and reports to the Vice President and General Counsel.
- Staffing: One AVP of Compliance Services and one Compliance Coordinator.
- Compliance Services provides regular reports to the Audit Committee of the Board of Trustees.
- University-wide Enterprise Risk Management effort identifies compliance (and other) risks across the University.
The Compliance Framework identifies the critical components of any effort to achieve compliance. The BU community will be able to meet its compliance obligations more efficiently and effectively if we share a common framework for communicating about and tackling compliance.

### Ongoing Responsibilities and Activities

#### Policy
- Maintain University's central policy website, [www.bu.edu/policies](http://www.bu.edu/policies)
- Identify policy gaps, update existing policies as needed, monitor policy changes

#### Compliance Matrix

#### Training
- Assist in development of training for individuals with compliance responsibilities and assessment of training gaps

#### Hotline Facilitation
- Assist in managing University's response to hotline and other compliance-related complaints
### Ongoing Responsibilities and Activities

**Conflict of Interest Process and Oversight**
- Facilitate the University's annual conflict of interest disclosure process
- Assure implementation of management plans as necessary

**Monitoring**
- Work closely with Internal Audit and Advisory Services to monitor ongoing compliance efforts
- Participate in the University's Enterprise Risk Management program to evaluate and mitigate compliance risks

**Clergy Compliance Coordination**
- Facilitate Clergy compliance tasks with OGC, BUPD, and others throughout campus

**Support of Title IX Compliance Efforts**
- Contribute to ongoing Title IX efforts as needed, including monitoring changes to the federal and state regulatory landscape

---

### GOALS OF THIS ROUNDTABLE

1. Learn from each other
2. Get insight from others on how to fix a problem
3. Learn about issues you should be prioritizing
4. Learn you aren’t alone
5. Network so you have contacts to reach out to for insight (as much as we can in this virtual environment)
WEBINAR COMPOSITION POLL | GAUGING THE AUDIENCE

**QUESTION**
How long have you been in your role?

<table>
<thead>
<tr>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Less than 1 year</td>
</tr>
<tr>
<td>2. 1-3 years</td>
</tr>
<tr>
<td>3. 3-5 years</td>
</tr>
<tr>
<td>4. 5-10 years – Expert level</td>
</tr>
</tbody>
</table>

WEBINAR COMPOSITION POLL | GAUGING THE AUDIENCE

**QUESTION**
How mature is your program?

<table>
<thead>
<tr>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Infancy - Brand new</td>
</tr>
<tr>
<td>2. The Tween Years - On our way to mature</td>
</tr>
<tr>
<td>3. Learning to Adult Somewhat Mature</td>
</tr>
<tr>
<td>4. Fully Mature We got this Compliance thing down</td>
</tr>
</tbody>
</table>
WEBINAR COMPOSITION POLL | GAUGING THE AUDIENCE

QUESTION
What do you struggle with most?

RESPONSES
1. Communicating your scope/role to offices at the University
2. Getting buy-in from your institution about your office’s purpose
3. Becoming the contact for every compliance issue/function at your institution
4. Making your Compliance Program a formal part of the governance at your institution
5. Other – Type response in chat

WEBINAR COMPOSITION POLL | GAUGING THE AUDIENCE

Compliance Officer Roundtable
Priorities and Topics for Discussion

What’s on your mind?
WEBINAR COMPOSITION POLL | COMPLIANCE OFFICE PRIORITIES/INVOLVEMENT

QUESTION
How involved have you been in your school’s COVID-19 response?

RESPONSES
1. Not involved at all
2. Peripherally involved
3. Directly Involved
4. Heading response
ROUNDTABLE TOPICS | TWO AREAS FOR DISCUSSION

Program Level
Foundational Elements of a Compliance Program

Subject Matter Level
Specific Compliance Obligations

What should have been

Program Level - Foundational Elements

1. Program Assessments or Evaluations
   - Government Regulators
   - Maturity Ratings
2. Scope of Program - What is in your program **beyond** those
   - How operational is too operational?
   - How do you survive the curse of being good at your job?
   - Successful pivots to share the workload and re-center on your E&C Initiatives
3. [Re]Positioning of the Program w/in the Org. - how do you stay focused to advance your initiatives?
4. The "Risk-Based" Approach - the best answer when you know you can't do it all, but how do you create the basis?
5. Other ideas?
   
   *Use the Public or Private Chats to let us know what you'd like to discuss*
ROUNDTABLE TOPICS

SUBJECT MATTER LEVEL - SPECIFIC COMPLIANCE OBLIGATIONS

1. Undue Foreign Influence
   All activities with a foreign comp (i.e. Sec. 117)
2. Title IX - New Regulations
3. Privacy
4. Minors - now in our virtual space
5. Accessibility
6. COVID
7. State Authorization (and SARA compliance) and Distance Education Requirements and Disclosures
8. What’s missing?
   Use the Public or Private Chats to let us know what you’d like to discuss

WEBINAR COMPOSITION POLL | AUDIENCE CHOICE

QUESTION
Which Foundational Elements are priorities you’d like to discuss?

RESPONSES
1. PROGRAM ASSESSMENTS OR EVALUATIONS
2. SCOPE OF PROGRAM - WHAT IS IN YOUR PROGRAM BEYOND THOSE
3. [RE]POSITIONING OF THE PROGRAM W/IN THE ORG. - HOW DO YOU STAY FOCUSED TO ADVANCE YOUR INITIATIVES?
4. THE "RISK-BASED" APPROACH - THE BEST ANSWER WHEN YOU KNOW YOU CAN’T DO IT ALL, BUT HOW DO YOU CREATE THE BASIS?
5. OTHER IDEAS?
WEBINAR COMPOSITION POLL | AUDIENCE CHOICE

QUESTION

Which specific Compliance Obligations (subject matter) would you like to discuss?

RESPONSES

1. UNDUE FOREIGN INFLUENCE
2. TITLE IX - NEW REGULATIONS
3. PRIVACY
4. MINORS - NOW IN OUR VIRTUAL SPACE
5. ACCESSIBILITY
6. COVID
7. STATE AUTHORIZATION (AND SARA COMPLIANCE) AND DISTANCE EDUCATION REQUIREMENTS AND DISCLOSURES

ROUNDTABLE TOPICS | AUDIENCE-DRIVEN DISCUSSION
COOL-DOWN EXERCISE FOR THE CHIEF ETHICS AND COMPLIANCE OFFICER (CECO)

QUESTIONS
1. How do you ground yourself in your work
2. How do you get in touch with your organization?
3. What do you do to remember why you do what you do?
4. Have you seen someone burnout?
5. Feel near burnout? It's touch out there and we already have tough jobs!

5 MINUTE WARNING

FINALIZE YOUR THOUGHTS AND SEND VIA PUBLIC OR PRIVATE CHAT NOW

Thank you!
SO WHAT IS A LEADER TO DO?

Prioritize your integrity

Say what you mean and mean what you say

BE FLEXIBLE

CONSIDER THE ROLE OF STRESS - EVERYONE HAS IT

As stress [fueled by incivility] increases, employees become less capable – because stress disrupts memory and hampers the processing of information.

Fortune 1000 firms spend as much as 13% of their time, or 7 full weeks a year, mending employee relationships and replacing workers who just can’t - or won’t - take it anymore.

Christine Pearson and Christine Porath [management professors, Georgetown University], *The cost of bad behavior: how incivility is damaging your business and what to do about it*, 2009 study cited in *Creating a civil workplace culture*, David Bogoslaw in *Corporate Secretaty.com Special Report 2*, 2014
In a very uncivil America, we are gratified to see civility is alive and well in the workplace. However, we also have to remind those who lead and manage that they cannot afford to become civility-complacent. The stakes are high and employees are looking to leadership to not only ensure a civil workplace, but to be civility stewards.

Pam Jenkins, President of Global Public Affairs, Weber Shandwick

Our research makes it clear that employees expect greater diversity and inclusion in their workplaces. The evidence that D&I also contributes to civility and respect among colleagues suggests that acknowledging, addressing and adapting to our differences is a business imperative that companies must embrace to build reputations and organizational endurance in the future.

Tai Wingfield, SVP, Diversity, Equity & Inclusion, Weber Shandwick
LRN’s 2016 The HOW Report
A Global, Empirical Analysis of How Governance, Culture and Leadership Impact Performance

1. Self-Governing Organizations are increasing in number.
Over the past three years, the percentage of Self-Governing Organizations has more than doubled, from 3% to 8%. Increases occurred in all regions examined. Moreover, Blind Obedience is in decline, dropping from 43% to 30%. Informed Acquiescence remains the most prevalent organizational archetype at 42%.

2. Self-Governing Organizations outperform across a broad spectrum of key outcomes.
In Self-Governing Organizations, 97% of employees report high performance, versus 85% and 36% of employees in institutions characterized as Informed Acquiescence and Blind Obedience, respectively. These trends hold across financial performance, competitive positioning, levels of innovation, customer satisfaction, risk of misconduct, and brand reputation, among other critical outcomes. Performance is generated by strong character and high trust.

3. Managers who emphasize shaping character and fostering freedom are more effective leaders.
When managers emphasize shaping character and fostering freedom, 96% of employees score them effective leaders — versus 52% when they do not. These managers are also more than three times as likely to deliver high business performance, scoring 80% versus 25% for their peers.

4. There is a deep divide between the experience of working in the C-Suite and operating elsewhere within an organization.
On average, the levels of trust, collaboration, and information sharing among senior managers and executives are 20 percentage points higher than they are among employees in other levels of an organization. The gap in the experience of the C-Suite and other employees intensifies as individual work further away from the C-Suite.

5. The key enabler of innovation is trust.
High trust organizations experience eleven times greater innovation than low-trust organizations. Trust builds vulnerability and risk-taking in a way that innovation programs alone cannot.

6. Inspiration has a differential impact on business performance beyond employee engagement.
Inspiration — identified when employees are authentically dedicated, deeply accountable, and fully responsible for their organization — is 27% more predictive of high performance than employee engagement. Inspired employees do not simply recommend their company or want discretionary effort. Rather, faced with ethical dilemmas, they reason and act from a set of internal values. They most challenges with creativity and fidelity to purpose while forging sustainable paths to growth with humility, grit, and hope.

The Three Archetypes of Governance, Culture, and Leadership

- **Blind Obedience**: Command-and-control organizations that operate through command-and-control-based principles and practices, with little emphasis on building enduring relationships among colleagues, with customers, or within society. Employees are expected to do as they are told under the threat of punishment or adverse consequences. Such organizations focus on short-term goals.
- **Informed Acquiescence**: Rule-based, process-driven organizations that operate through hierarchy, policy, and 20th century “good management” practices. Employees are motivated by performance-based rewards and expected to fulfill the expectations of their role. Long-term goals are identified but often set aside in favor of short-term success.
- **Self-Governance**: Purpose-inspired, values-based organizations that are led with moral authority and operate with a set of core principles and social imperatives. Employees are inspired by a desire for significance and are expected to act as leaders regardless of role. Such organizations are focused on long-term legacy and sustained performance.

The Key to Innovation: Trust

- **TRIP**: A Human Operating System

LRN’s 2016 The HOW Report
A Global, Empirical Analysis of How Governance, Culture and Leadership Impact Performance

VIRGINIA COMMONWEALTH UNIVERSITY
Make it real.
Specific organizational qualities that, at a minimum, increase the chance of illegal or unethical behavior and may even cause it.

- Article: John Cross Ethikos
  July/August 2014

MANAGING YOURSELF

Manage Your Energy, Not Your Time

by Tony Schwartz and Catherine McCarthy

FROM THE OCTOBER 2007 ISSUE