

## 2022 Annual Compliance and Ethics Program Report

### BACKGROUND

The university compliance and ethics program serves the mission of Oregon State University (OSU) by promoting an organizational culture with the highest standards of integrity and by supporting compliance with applicable federal, state and local laws and regulations. The benefits of a strong compliance and ethics program include: creating and maintaining a healthy and safe environment for students, employees and visitors; ensuring the ethical and effective use of university resources; and improving operational efficiency and decreasing administrative burden.

An effective compliance and ethics program starts with a strong tone at the top that sets expectations and standards for all members of the organization. The “program” is not a single office; it is a network of dozens of subject matter experts – referred to as compliance partners – working across the institution in areas such as research, health and safety, information, finance, civil rights, employment, athletics and global operations. There are hundreds of federal, state and local laws that apply to the university, and compliance responsibility is decentralized across functional areas at the university.

### EFFECTIVE OVERSIGHT

Oversight of OSU’s compliance and ethics program starts with the Board of Trustees (Board). The Board Executive & Audit Committee (EAC) charter responsibilities include oversight of audit, risk and compliance functions. Effective oversight includes asking and ensuring<sup>i</sup>,

1. Is the compliance and ethics program well designed?
2. Is the program being applied earnestly and in good faith?
3. Does the compliance and ethics program work in practice?

The federal government has provided organizations with guidelines to measure effective compliance programs. These can be used to understand and assess the effectiveness of OSU’s compliance and ethics program. The following elements, with standards adapted from federal guidance<sup>ii</sup>, provide the infrastructure for building a strong compliance program that works to prevent incidents of non-compliance – and has systems in place for responding to, and learning from, incidents when they do occur.

### Leadership and oversight

*Standard: Effective leadership and functional committee structures are in place, with regular reporting to the Board of Trustees.*

The Board manages its oversight of the compliance and ethics program through the EAC, which receives regular updates on audit, risk and compliance activities from the Office of Audit, Risk and Compliance (OARC), as well as from business units responsible for compliance areas. The executive vice president and provost chairs the Compliance Executive Committee (CEC), which meets quarterly and includes vice presidents and provosts, the faculty senate president, general counsel, and the chief executive of audit, risk and compliance. The director of compliance provides leadership for the CEC, facilitating senior leaders’ awareness and prioritization of

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critical compliance risks and mitigation efforts, and functions as a hub for compliance subject matter experts across the institution. Compliance partners assess and mitigate risk through policy development, process improvement, education and outreach, and effective governance.

### **Risk assessment and mitigation**

*Standard: Risks of non-compliance are identified and assessed, and resources are devoted to appropriate mitigation of those risks.*

The OARC engages the Board and the university community in enterprise risk identification, evaluation and monitoring activities. The director of compliance manages the compliance portion of enterprise risk assessment, conducting continuous risk assessments of compliance areas in consultation with units. Unit-level risk assessments and mitigation strategies are encouraged. High-level critical needs – those stemming from new or changing laws or regulations, or that span across university functional areas, for example – are elevated to senior leaders and the CEC’s awareness.

### **Policies and procedures**

*Standard: Clear expectations and practical guidance regarding behavior and decision-making are available and accessible.*

The Board-approved University Code of Ethics is sent annually by the president to the OSU community. The University Policy and Standards program, which reports to the vice provost for faculty affairs, develops, maintains, and archives university policies and standards that document the expectations of individuals, promote efficiency, and support compliance with laws and regulations. Procedures are developed at the unit level to provide operational guidance that aligns with policies.

### **Education and outreach**

*Standard: Reasonable steps are taken to provide appropriate, relevant, and comprehensive education and outreach about compliance requirements.*

Employees are required to take critical training modules in the areas of ethics, information security, protected leave, mandatory reporting of suspected child abuse, and equal opportunity and access (which includes Title IX, sexual harassment, prohibited discrimination and protections afforded under the ADA). Compliance partners, such as Environmental Health & Safety and the Office of Research, also provide unit-level and role-based training and outreach for specific audiences.

### **Monitoring and auditing**

*Standard: Program adherence to compliance requirements is monitored. Emerging and changing laws and regulations are tracked.*

The Office of General Counsel (General Counsel) and the OARC perform routine legal, risk and compliance environmental scans. The OARC conducts audits and provides routine audit reports to the Board. Compliance units are encouraged to do program reviews to assess whether existing policies and procedures are effective, roles and responsibilities are clear, and practices align with updated or new laws and regulations.

Receiving reports and investigating incidents of non-compliance **and Accountability, incentives and corrective action**

*Standard: Clear avenues exist to seek guidance or report violations of policy and relevant laws/regulations. Investigations follow appropriate processes and emphasize non-retaliation. Community members are encouraged to behave ethically and responsibly. Appropriate and consistent actions are taken in cases of wrongdoing.*

In addition to investigations conducted by units with direct regulatory and safety responsibilities (for example, incidents related to lab safety, research misconduct, or discrimination), the OARC administers the university hotline. Outreach about the existence and purpose of the hotline, as well as about other reporting resources available to the university community, is done through numerous channels. Reports received through the hotline are reviewed by the OARC for investigation and/or referral to other investigation offices at the university, with follow-up by the OARC. General Counsel serves as an advisor to OARC on investigations and audits as appropriate and needed. The Board and senior executives are kept apprised of investigations that may have university-wide implications. Statistics on complaints received via the hotline and by the OARC are reported annually to the Board.

**Response and prevention**

*Standard: Episodes of misconduct and violations of laws, regulations and policies are responded to appropriately. Systemic issues are identified, root causes determined, and solutions implemented to prevent recurrence.*

The OARC and other units complete follow-up activities on investigation recommendations. After-action reviews of incidents are encouraged to identify root causes and implement solutions to strengthen prevention and response protocols. Regular meetings bring together the compliance, audit, risk and legal units to review trends and patterns of behavior and identify possible emerging areas or hotspots of non-compliance for the institution.

**TRENDS IN HIGHER EDUCATION COMPLIANCE and at OSU**

An annual plan detailing the 2022 compliance focus areas and projects was provided to the Board at the beginning of the calendar year. Focus areas included interpersonal violence prevention and response, including Title IX; research, including foreign influence and international compliance; and ethics, including conflicts of interest. Projects included the ADA31 task force, which resulted in a report and recommendations, for which implementation plans are currently being developed; and convening university investigation offices to share best practices and identify increased collaboration opportunities, which has been successful. A third project, implementing a new conflict of interest/commitment policy and disclosure process, has been on standby while critical infrastructure is put into place, including: identifying and onboarding compliance staffing in faculty affairs/human resources, conducting a search for a COI administrator and hiring a new export control manager in the office of research, and implementing new disclosure software in the office of research.

OSU's areas of focus continue to map to those of higher education across the country.

## 2023 PLANNING

In January, the Board will receive the 2023 compliance and ethics program plan for major projects and areas of focus. Plan development is done in close collaboration with compliance partners; aligns with legal, risk, enterprise risk and audit priorities; considers national trends; and, reflects CEC review and input. Emphasis is placed on creating a compliance community of practice to share best practices and work together on common goals, strengthening compliance leadership and oversight, and providing structure and support for the completion of major compliance projects. Anticipated focus areas for 2023 include, among others: new Title IX regulations, leadership changes in the office of equal opportunity and access, ethics and conflicts of interest, implementation of ADA task force recommendations and human resources compliance.

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<sup>i</sup> Three questions from the U.S. Department of Justice [Evaluation of Corporate Compliance Programs](#), June 2020

<sup>ii</sup> United States Sentencing Commission, 2015 Guidelines, [§8B2 Effective Compliance and Ethics Program](#)