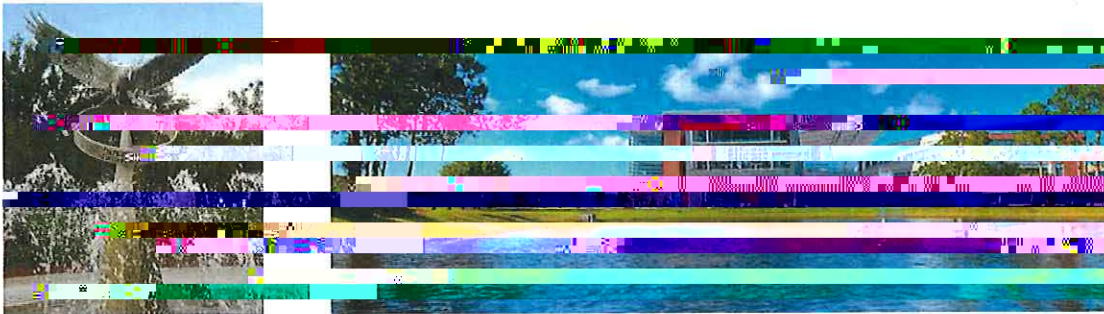


UNF COMPLIANCE AND ETHICS



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UNE COMPLIANCE AND ETHICS PROGRAM

INTRODUCTION

Higher Education is one of the most heavily regulated industries in the United States. At the federal level alone, there are over 200 laws regulating some aspect of our operations. This regulatory activity is directed at issues including, accessibility, accreditation, labor relations, consumer protection and affordability, conflicts of interest, disease control, hazardous waste and environmental concerns, human subjects protocols, IT security, lending, and records management. Regulatory compliance is a major university challenge and a source of financial, legal, and reputational risk.

The University of North Florida's (UNE or University) mission, vision, and values set forth the ethical standards under which all members of the University conduct themselves. They also form the basis, along with the State of Florida Statutes and Ethics, the Federal Continuing Criminal and Bank of Commerce Regulation, 1600a (1604.003) (SUS) Compliance and Ethics Program (C&E Program).

- **Mission** - At the University of North Florida, we provide academically talented students with individualized attention and support. We engage in transformational learning, community engagement, partnerships, and research. Dedicated faculty and staff offer a rich learning environment on a beautiful campus that provides an inspiring setting for our diverse community. Through our efforts, we contribute to the economic and cultural development of our growing metropolitan region...
- **Vision** - The University of North Florida will be recognized as a premier institution of higher learning, providing students with experiential learning grounded in critical thinking, effective communication, and a commitment to social responsibility.

innovative programs and research that drive partnerships, and position our students to think from a global perspective and embrace cultural differences.

- Values – UNF is committed to values which promote the welfare and positive transformation of individuals, and the advancement of truth and knowledge carried out in the spirit of intellectual and artistic freedom, ethical conduct; community engagement; diversity; responsibility; and mutual respect and civility.

A comprehensive compliance and ethics program promotes a cultural environment that encourages ethical conduct, a commitment to abide with the laws and regulations, and detection of criminal conduct (Federal Sentencing Guidelines). Chapter 9 of the Federal Sentencing Guidelines outlines elements for an effective compliance program, including:

- Executive Oversight;
- Standards of Conduct;
- Effective Lines of Communication;
- Education and Training;
- Audit and Monitoring;
- Enforcement and Discipline;
- Response and Prevention.

Experts in the field of compliance and ethics suggest a culture of ethics can be distilled from the following three simple questions:

- Is it legal?
- Do these actions violate our internal policies?
- Do these actions seem fair, honest, and ethical?

The benefits of a comprehensive Compliance and Ethics Program are significant.

Key components include:

Compliance and Ethics Program:

- Fosters a culture which encourages and supports ethical behavior and does not tolerate illegal or unethical behavior;
- Addresses problems through collaboration, cooperation, and communication;
- Reduces risks of non-compliance while increasing the likelihood of early detection and correction;
- Enhances decision-making at all levels by raising awareness of ethical expectations;
- Enhances employee engagement and adherence to organizational policy; and
- Protects UNF's reputation by reducing the risk of incidents or wrongdoing that will happen in advance of any public disclosure of such events if they do occur.

The consequences of non-compliance are similarly significant. Consequences of not doing the right thing include:

- Loss of accreditation
- Loss of federal funding, including state and federal grants
- Fines and penalties
- Federal and/or state monitoring
- Litigation, and/or
- Reputational risk and bad press

The UNF mission, vision, and values speak to a level of ethical conduct that goes beyond mere compliance with laws, rules and policies. UNF's commitment, responsibility, and C&E Program is to the highest standards of integrity, accountability, and ethical conduct.

Our challenge is not only to make compliance but ethical behavior relevant to each employee. This C&E Program and the UNF Code of Conduct and Ethics establish the tone for ethical decision-making and accountability in all University business operations and reinforces the commitment to integrity and “doing the right thing.” The C&E Program is detailed below outline strategies to help ensure integrity, accountability, and ethical conduct become embedded in all elements of our day-to-day operations.

COMPLIANCE AND ETHICS PROGRAM STRUCTURE

1) Executive Oversight

Primary oversight and direction for the University’s C&E Program rests with the Board of Trustees Audit and Compliance Committee. The Committee’s primary focus in this regard includes responsibility for the integrity of the University’s annual financial statements, compliance with legal and regulatory requirements, and oversight of the University’s internal control and risk assessment functions. The Committee will regularly review with the Board of Trustees and in consultation with the University’s compliance with legal or regulatory requirements, the performance of the University’s external auditors, the internal audit and compliance programs, and any significant and credible allegations of waste, fraud, or financial mismanagement or repeat or significant audit or compliance issues.

The University Compliance, Ethics, and Risk Oversight Committee (CEROC) was established to advise the Board of Trustees on significant compliance and to provide leadership and oversight in the implementation and continuous improvement of the University’s C&E Program. The CEROC is responsible for ensuring the University’s compliance activities and programs are reasonably designed, implemented, and enforced. The Committee’s focus includes promoting excellence in all University compliance activities, ensuring the University’s compliance with legal, regulatory, policy and ethics responsibilities, providing leadership and oversight to reduce and mitigate University risks, and overseeing

the policy development

individuals:

- Chief Compliance Officer, Co-Chair
- Director, Office of Internal Auditing, Co-Chair (Julia Harsh)
- Ethics Officer and Sr. General Counsel (Marc Snow)
- VP and General Counsel (Karen Stone)
- VP Human Resources (Rachel G. Giddens)
- Director, Equal Opportunity and Diversity (Cheryl Gonzalez)
- VP of External Relations (Janet Owen)
- AVP for Enrollment Services (Abercorn)
- AVP for Research and Sponsored Programs (John Kantner)
- Director of Executive Assistance (Jaffee)
- AVP Administration and Finance (Scott Bennett)
- AVP Student Affairs (Lucy G. Giddens)
- Chief Information Officer (Reggie Brinson)
- Faculty Association Representative (Judy Uchrie)

The President has also appointed

for the implementation

central point for

promotes and encourages

serves as a resource to the President's leadership team and to departmental compliance

partners in making compliance management decisions

implementation of this

implementation, and periodic review. The CCO is a direct report to the President and

the Chair of the

and/or time-sensitive compliance issues as appropriate

Finally, Compliance Officers/Partners in individual departments (see Research Integrity Office) provide leadership in addressing compliance issues. In support of our efforts to establish an effective and efficient C&E Program, Compliance Officers/Partners will have a dedicated reporting line to the CCO. This structure is needed at the department level, while also providing a structure for oversight and coordination needed. Additionally, a Compliance Committee will be established to provide a regular forum for discussion of compliance issues and to monitor compliance.

Although compliance is a reactive process, it is also a proactive one. It is critical to maintaining a strong culture of compliance and ethical conduct. The structure for Executive Oversight of the C&E Program as outlined in this report provides the foundation for success.

- Strategic Resources: BCG Regulation 1000, OIG, BUII Audit and Compliance Committee Report, President's Delegation of Authority, Bureau of the CERO, Compliance Officer's Charter, Chief Compliance Officer's Charter
- Compliance Accountability Matrix

2) Standards of Conduct, Policies and Procedures

The University's Code of Conduct and Ethics (the Code) is the foundation of the C&E Program. The Code sets the standards for the University's conduct and provides the responsibility with integrity, and it serves as a benchmark against which performance, both individual and organizational, is evaluated.

In addition to the Code, other policies and procedures provide evidence to confirm an effective compliance and ethics program. This is the case for regulatory rules and policies which are required to meet compliance and/or regulatory requirements, and to promote or enhance risk reduction.

Regular review of University regulations, policies and procedures is a best practice. A review of the UNF policy library indicates that many policies, Code, have not been reviewed. With the addition of this C&E Program, the CCO, with the support and leadership of the CEROC, will initiate a comprehensive review of University policies and procedures, and make recommendations for change.

Strategic Resources: UNF Policy Library, UNF Code of Conduct and Ethics.

Presidential Delegations of Authority, and Organizational Charts

3) Effective

Open lines of communication are critical to early detection and identification of issues. Issue identification also points to areas or topics requiring additional monitoring or education. To these ends, employees are encouraged to share concerns with their supervisors or other higher-level administrators. Facilitating personal/face-to-face interactions is a priority for UNF as demonstrated by the training and awareness programs available through the Center for Professional Development and Training to educate and inform supervisors and employees regarding effective workplace communication and team building. Continued support for and enhancement and expansion of these programs is critical to ensuring open and effective lines of communication and as an effective compliance and ethics program.

There are, however, situations in which an employee may not be comfortable discussing an issue with their supervisor. In those cases, employees are encouraged to raise the issue through use of the UNF Ethics

others to make anonymous reports at any time. The Director, who is responsible for the Ethics Hotline, has been actively marketing the Hotline across campus through e-mail communications and the distribution of Hotline posters and business cards. Additionally, the Director and the CCO are working with college and departmental supervisors to ensure that all supervisors are familiar with the Hotline and answer any questions supervisors may have. The use of the new e-mail communications tool, Research Compliance, which the Hotline is available to use for the identification of issues of concern are enhanced. Continued marketing and support of the Ethics Hotline is required if an effective compliance and ethics program is to become a reality.

Additionally, information regarding specific reporting requirements on issues such as Clergy Act reporting, Child Abuse Reporting, etc., is being made available to the campus community through a variety of methods, including face-to-face and on-line training, targeted e-mail newsletters, and poster presentations. Continued use of these communication tools helps foster an environment of honesty and effective communication, in other words, a culture of compliance.

Other initiatives include the use of surveys at various stages of planning or development including a compliance e-mail to allow employees and others to submit questions and comments directly to the CCO (compliance@...) and a quarterly Compliance and Ethics Newsletter. The following are appropriate for the current year: October's compliance and Ethics Week.

- Strategic Development Report Requirements
- Hotline, Compliance Culture Survey, Other campus surveys

4) Education and Training

Compliance and ethics training is a foundational element of an effective compliance and ethics program. A sincere and genuine commitment to general and specific education and training programs cannot be a mere slogan or the UNF Ethics Hotline marketing campaign. It is about doing the right thing" and communicating those expectations to employees and others in the community.

Currently, UNF offers compliance and ethics training through workshops and seminars. These individual programs form a road map for the development of the Compliance and Ethics Program. In the short term, the CCO will coordinate with the Office of Human Resources Development and Training and the Office of the General Counsel to develop an inventory of programs falling under the compliance and ethics umbrella. The long term goal is the development and implementation of an integrated, coordinated program of employee training and development on compliance and ethics. The CCO will also focus specific efforts on the development of educational and training programs regarding the UNF Code of Ethics, UNF Code of Conduct, and Conflicts of Interest.

Additionally, compliance and ethics training is not limited to our employees. We have specific programs for the CCO, in collaboration with the General Counsel, is working with representatives from the State Commission on Ethics and the Board of Governors to provide training for our Board of Trustees on compliance and ethics issues, including the Code of Ethics for Public Employees, Conflicts of Interest and Gifts and Honoraria. A key success factor in implementing this C&E Program since the tone at the top sets the tone for all.

Strategic Resources, Center for Professional Development and Training, Office of Faculty Enhancement, UNV website, Newsletters

5) Audit and Monitoring

Regular, rigorous review of all university programs and operations will be identified and established by the University through frequent self-assessment, accreditation with the Southern Association of Colleges and Schools, to departmental program reviews, to campus culture and satisfaction surveys. Continuous assessment of this nature is critical to ensuring an efficient work environment.

Additionally, the Office of Internal Audit will be responsible for monitoring the system of control. This office will be responsible for conducting consulting activities to improve University operations and provide training. When conducting internal audit, the office will have management accountability. In reviews, IA staff serve to assist and coach administrators and employees in areas needing attention. An active, engaged audit function contributes to the overall health of the compliance and ethics culture.

The University also will assist in the development of third-party assessments of programs which require external expertise for the initiative. Confidentiality of all parties for strategic purposes should continue to be considered as a top business priority.

CEROC is charged with the responsibility for providing leadership and oversight to assess and mitigate (as appropriate) University risks. The Committee's review of University risk assessments, internal and external audit reports, and other management reports will be an integral element of the University's risk management process. CEROC will ensure accountability across campus.

Compliance Accountability Matrix and Calendar, Conflicts of Interest reporting

6) Enforcement and Discipline

An effective compliance and ethics program is one which provides incentives to employees to engage with laws, rules and policies and conversely, applies appropriate disciplinary measures when employees engage in conduct which is inconsistent with the program. It is a key component of enforcement with the form of discipline determined on a case-by-case basis.

The University's preferred approach is to engage programs and processes which incentivize employees to follow the rules. The University's Professional

Awards Program provides an opportunity to recognize employees for exceptional service. A consistent program is an important vehicle by which to recognize employees for exceptional related acts and actions is a question CEBOC should explore in consultation with the Office of Human Resources. Other means by which to incentivize employees should also be explored to support program enhancement.

With respect to discipline, it is contemplated CEBOC will review annually, reports of confirmed non-compliance and the discipline imposed, to ensure the University's program of enforcement is consistent and effective. This review should also include information regarding instances when employees were found to have known of an act of non-compliance but failed to report, since all employees are required to report acts of non-compliance.

Strategic Resources, Office of Judicial Affairs, Office of Human Resources, Policy Library, Code of Conduct, Ethics

7) Response and Prevention

Ensuring reasonable steps are taken to respond to complaints, especially compliance violations and, if directed, conduct, helps preserve the University's of integrity, trust, and accountability. Consistent follow-up also helps prevent similar issues from occurring in the future. Failure to respond creates doubt about the University's commitment to addressing issues, which can have a negative effect on employee morale and engagement. The University will address reports of questionable actions of senior faculty and departmental decision-making can have University-wide implications and create substantial institutional risks. To limit such risk, the CCO will coordinate with personnel responsible for investigations to remain in compliance of such activity for review by CEPOC. CEPOC's oversight helps ensure a cohesive approach to complaints across the University, which is critical to the University's effective operation and function.

Strategic Resources: New and/or changes to education/training and awareness programs, internal investigation

C&E PROGRAM EVALUATION

A rigorous process of evaluation answers the question about a program's effectiveness and is a critical management tool for program improvement. CEPOC will be responsible for overseeing the C&E Program evaluation process and for determining the evaluation cycle (annual, biennial, or other). Metrics available for assessing the program include discipline statistics, compliance training statistics, policy attestation rates, investigation reports, culture surveys, and timely implementation of important change rulings in compliance law.


At least once every 12 months

least once every 12 months

least once

external


Approved:



John J. ... Date



Paul McEnery, Chair
Audit and ... Date



BQ