2023

WINSTON-SALEM STATE UNIVERSITY

OFFICE OF COMPLIANCE AND RISK

IDENTIFY

PRIORITIZE

ASSIGN

COMPLIANCE & ETHICS

PROGRAM PLAN

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Winston-Salem State University is a constituent institution of the University of North Carolina
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I. INTRODUCTION

As an organization as defined by 18 U.S.C. §18, WSSU must have effective compliance and ethics programs to prevent and detect criminal conduct. The U.S. Federal Sentencing Guidelines identify seven elements of an effective compliance & ethics program[1]:

1. Standards & Procedures
2. Governance, Oversight, and authority
3. Due diligence in the delegation of authority
4. Communication and training
5. Monitoring, auditing, and reporting systems
6. Incentives and Enforcement
7. Response to wrongdoing

To implement these elements, WSSU will follow the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management ("ERM") approach to Compliance & Ethics. The COSO ERM framework comprises five interrelated components.

1. Governance & Culture
2. Strategy & Objective Setting
3. Performance
4. Review and Revision
5. Information, Communication, and Reporting

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[1] (United States Sentencing Commission, 2021)

II.   ROLES & RESPONSIBILITIES

Board of Trustees

Responsible for oversight of the processes to identify, assess, prioritize, and manage general business risks. This includes the current risk environment, emerging risks, and the interrelationship between risks and the context of the university's risk appetite.

Executive Leadership

Provides advice and recommends actions to establish the overall tone for the University for the Program, including ethical behavior and facilitating a compliant and ethical culture. The Executive Leadership is also responsible for identifying and managing compliance responsibilities, the level of compliance risk to WSSU, the context, and the consequence associated with the risk.

CHIEF COMPLIANCE & RISK OFFICER

Assists in identifying and determining the context, consequence, impact, timing, and priority of the compliance risk. If the Risk is unique, identify risk interdependencies across the University, and assign risk classification and tracking number.

COMPLIANCE OFFICIALS

The Compliance & Ethics Program is premised on the identification of compliance ownership and employee responsibilities at the unit level. Units on campus with compliance ownership identify individuals in three tiers for the compliance area(s): Level 1 – Responsible Officials; Level 2 – Supervisors; and Level 3 – Points-of-Contact (collectively "Compliance Officials"). This three-tiered compliance ownership approach requires units to clearly define and communicate compliance roles and responsibilities for identified positions. All compliance areas may not have the resources to fulfill the three-tiered approach; therefore, Compliance Officials shall assume the responsibilities of unidentified tiers, including but not limited to assignment to the Compliance Officials Working Group described herein.

The responsibilities for these Levels include:

Level 1: Responsible Officials – Division Leaders

- Fostering an atmosphere of ethics, integrity, and compliance;

- Demonstrating commitment and visible willingness to let values drive decisions and articulate expectation that others should do the same;

- Exercising effective compliance and integrity oversight and monitoring;

- Integrating compliance and integrity expectations into performance evaluation criteria for direct reports with compliance obligations; and

- Ensuring each Supervisor establishes, communicates, and evaluates compliance expectations for each Point-of-Contact employee.

Level 2: Compliance Supervisors

- Ensuring a corresponding Point-of-Contact employee is identified for each compliance area;

- Establishing and communicating compliance and integrity expectations to each Point-of-Contact and other direct reports;

- Utilizing metrics to assess Point-of-Contact employees' efforts in achieving compliance and integrity objectives;

- Identifying opportunities for creating a culture of constant improvement;

- Creating an environment where employees feel comfortable reporting misconduct; and

- Emphasizing that a commitment to compliance is more important than a commitment to results; the means are as equally important as the ends.

Level 3: Unit Point of Contact

- The Point-of-Contact employee is the subject-matter-expert for their specific compliance area;

- Developing and communicating PRRs, SOPs, and best practices for compliance and integrity attainment;

- Developing subject matter information, resources, and training content;

- Coordinating with compliance partners to move the entire network toward the attainment of compliance and integrity objectives;

- Striving for the attainment of the compliance and integrity objectives; and

- Acting ethically in all endeavors and reporting known or suspected incidents of misconduct.

COMPLIANCE OFFICIALS WORKING GROUP

The Compliance Officials Working Group is comprised of Compliance Officials with identified responsibility for key compliance areas across the University. The mission of the Working Group is to assist Executive Leadership in promoting a culture and understanding of, and adherence to applicable federal, state, and local laws and regulations, as well as University policies and procedures. The Working Group provides compliance leadership in the University's academic and administrative

units and ensures effective communication and collaboration among employees responsible for compliance.

III.   COMPLIANCE PROGRAM PROCEDURE

The Chief Compliance & Risk Officer, working with Executive Leadership, will ensure that compliance risks are actively identified, analyzed, and managed. Risks will be identified as early as possible in the process to minimize their impact. The steps for accomplishing this are outlined in the following sections.[2]

Figure 1WSSU Model Compliance & Ethics

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[2] Adapted from the Committee of Sponsoring Organizations of the Treadway Commission

1. IDENTIFY REQUIREMENTS

Federal
To rely on one common, vetted compliance inventory, WSSU will rely on the regularly updated Higher Education Compliance Alliance ("HECA") matrix. This matrix will be evaluated to add Responsible Officials, Compliance Supervisors, and Unit Points-of-Contact to each federal summary. If it is determined that one or more of these requirements do not apply to WSSU, this will be noted in the Compliance Matrix.

Information on the WSSU Matrix can be found in Appendix XX

The master WSSU Compliance Matrix will be generated and updated as needed and will be maintained by the Office of Compliance and Risk. It is the intention of this plan that privileged reports and documents will also be created. Such documents will be addressed in the assessment scope memorialized by the General Counsel in Attachment A. Executive Leadership shall be responsible for maintaining a risk management log for their identified department(s).

State
Currently, those identified in the compliance tiers and other subject matter experts are responsible for identifying and documenting state higher education compliance requirements.

Local
Currently, those identified in the compliance tiers and other subject matter experts are responsible for identifying and documenting local higher education compliance requirements.

Other
Currently, those identified in the compliance tiers and other subject matter experts are responsible for identifying and documenting other higher education compliance requirements.

2. RISK ANALYSIS

All applicable federal laws and regulations identified will be assessed to identify any risk in the context of the most current risk appetite. The probability and impact of occurrence for each identified risk will be assessed by the identified member in the compliance organization. The impact and probability will be assessed in line with the appetite identified for Compliance in the most current WSSU Risk Appetite Statement.

Compliance Risks that fall within the EXCEEDS and MEETS zone, as defined by the risk appetite, will undergo a compliance risk assessment.

3. RISK RESPONSE PLANNING

For each compliance risk falling within EXCEEDS and MEETS of the risk appetite, the Compliance Official will identify ways to prevent the risk from occurring. This may include:

- Training (or retraining)
- Developing a new policy
- Implementing new software
- Designing a new procedure
- Implementing daily monitoring of functions amendments or adoptions, procedure revisions, adding resources, etc.

4. MONITORING, CONTROLLING, & REPORTING

The level of risk will be tracked, monitored and controlled, and reported via the methods described herein. Any changes resulting from this step should be analyzed for their potential impact on the compliance risk.

Compliance laws, rules, and regulations will be assigned in line with compliance responsibilities as identified in the compliance matrix. Compliance Officials will monitor, control, and report on the status and effectiveness of each compliance risk response action to the Chief Compliance & Risk Officer at least quarterly.

1. The Chief Compliance & Risk Officer will:

   - Review, reevaluate, and modify the probability and impact for each risk item as needed.

   - Analyze any new risks that are identified and add these items to the risk list (or risk database).

   - Monitor and control risks that have been identified

   - Review and update the qualitative analysis report as needed.

   - Escalate issues/ problems to management. Factors that would determine escalation include but are not limited to:

- o Overall level of risk rising

- o Mitigation actions are not effective or producing the desired results

2. The Compliance Official will:

- Review, reevaluate, and modify the probability and impact of each compliance risk item as needed.

- Identify and participate in the analysis of any new compliance requirements that are identified and add these items to the applicable compliance matrix.

- Monitor and control compliance risks that have been identified

- Develop the risk response and execute it if a risk event occurs.

- Participate in the review, re-evaluation, and modification of the probability and impact of each compliance item.

- Escalate issues/problems to Chief Compliance & Risk Officers that,

  - o Triggers another risk event to occur.

  - o Require action before the next review

  - o Risk strategy is not effective or productive causing the need to execute the contingency plan.

IV. TOOLS & PRACTICES

DOCUMENT STANDARDS, POLICIES & PROCEDURES

Fundamental to an effective compliance and ethics program are documented standards, policies, and procedures that are produced with compliance responsibilities and based on risks and requirements. This documentation should be accurate, relevant, current, and accessible to all organization employees and agents.

1. **Institutional Policies**
   As laws and regulations are identified or updated, WSSU standards, policies, and procedures must be in place to support these laws/statutes. If policies are not in place or need to be updated, they shall follow the process identified with the University policy *Drafting, Reviewing and Amending University Policies and Procedures*.

2. **Institutional Codes and Procedures**
   At WSSU there are currently two codes of conduct

   - Faculty Handbook
   - Students

   The Office of Compliance & Risk will review these codes at least every three years; input will be provided to the authority of the document as necessary.

COMMUNICATE STANDARDS, POLICIES, AND PROCEDURES

Effective communication, education, and training are necessary to ensure that all campus constituents are knowledgeable and understand the applicable laws, regulations, and University policies and procedures that apply to them and the consequences of non-compliance.

The following methods to assist in the communication of compliance responsibilities associated with WSSU include but are not limited to:

- Compliance & Ethics Week
- Trainings & Workshops
- Promotional Materials
- University Website

VIOLATIONS

Violations of a law or regulation will be addressed through the appropriate process for faculty, staff, or students. This is regardless of whether external reporting is required for the violation. Any violations requiring external reporting shall be completed in a timely manner.

REVIEW & MONITORING

Compliance Reviews
Compliance Reviews are conducted by the Office of Compliance & Risk at the request of the General Counsel. Reviews are to be objective, and independent, and remain internal.
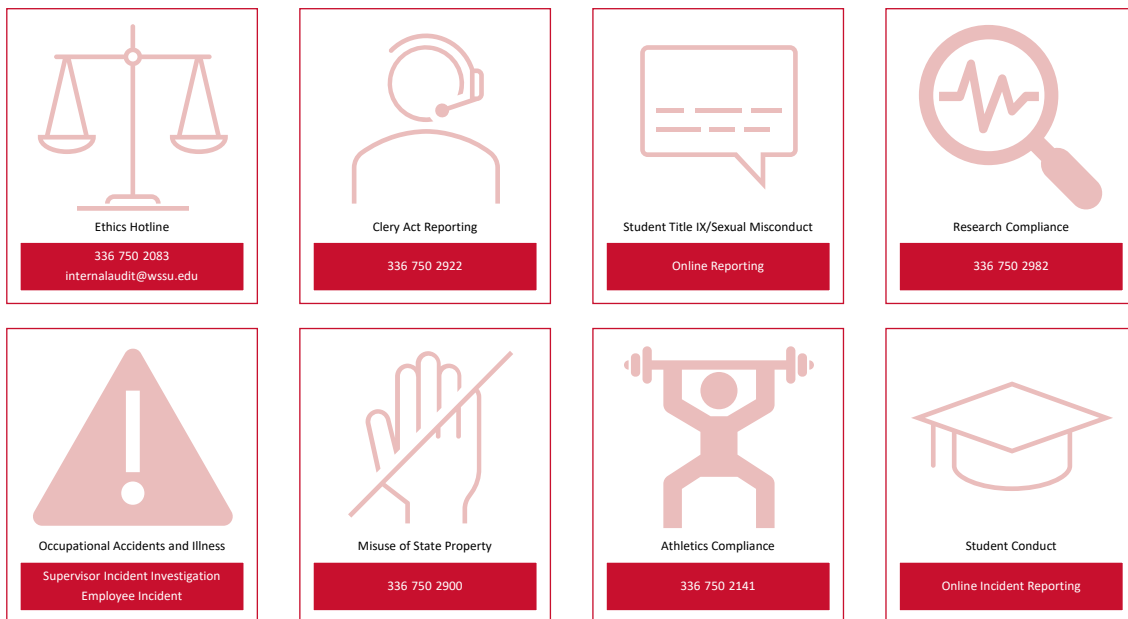
Internal Audit
A compliance review may be transferred to Internal Audit for a formal investigation if any of the following criteria are met:

- At the direction of Executive Leadership
- Review is based on fraud, waste, or, property misuse

The investigation completed by Audit shall follow all applicable established guidelines and standards. The Office of Compliance and Risk shall support the audit as needed, but also ensure that any recommendations that require modification of policy/procedure are implemented.

Reporting
WSSU encourages the campus community to report concerns directly to a supervisor or manager through the offices responsible for investigating these concerns. These offices include, among others, the Office of Internal Audit, Human Resources, Campus Police & Public Safety, or other responsible offices as appropriate.

Ethics Hotline	Clery Act Reporting	Student Title IX/Sexual Misconduct	Research Compliance
336 750 2083 internalaudit@wssu.edu	336 750 2922	Online Reporting	336 750 2982
Occupational Accidents and Illness	Misuse of State Property	Athletics Compliance	Student Conduct
Supervisor Incident Investigation Employee Incident	336 750 2900	336 750 2141	Online Incident Reporting

WSSU is committed to protecting individuals who report concerns. If provided, the identification of any individual making a report will be treated as confidentially as possible.

Reporting suspected violations of laws, policies, regulations or rules is a protected activity under federal and state laws, as well as University policy. Any adverse action (including intimidation, threats, or coercion) taken against an individual because the individual reported a concern constitutes retaliation and is strictly prohibited.

CONTINUOUS IMPROVEMENT

One of the key indicators of an effective compliance and ethics program is a commitment to continuous improvement. This entails self-assessment of compliance readiness and audits of the overall effectiveness of the Program or specific components.

WSSU Compliance & Ethics Program. Will be evaluated in line with current standards and a peer review with the Compliance Working Group every 3 years.

Compliance Program Assessments An assessment will be conducted so that subject-specific compliance programs can do a self-assessment with the Office of Compliance & Risk verification every 2 years.

The data from the Program assessment will be maintained by the Office of Internal Audit, and any gaps identified will be communicated to the Vice Chancellor of Institutional Integrity and the Board of Trustees. Individual program assessments shall be maintained by the Office of Compliance & Risks; any gaps identified will be addressed by the Office of Compliance & Risk and the relevant Compliance Partner to create an action plan to improve the program and follow up to ensure implementation.

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Ivey Brown, J.D., Ed.D.
Chief Legal Officer

TO: FILE

DATE: April 19, 2023

SUBJECT: Scope of Privileged/Confidential Assessment Pursuant to Compliance &
             Ethics Program Plan

This memorandum is drafted to memorialize the status of documents created for a legal purpose under the WSSU Risk Management Plan (Plan). It is the intention of this Plan that multiple variations of reports may be created:

A. *Non-privileged reports for public consumption*
B. *Reports with sensitive information that may not neatly fit the definition of non-public records pursuant to the current interpretation of NC General Statutes*
C. *Privileged reports for use by legal counsel containing assessments, analyses, and conclusions with respect to compliance and ethics (including plans and procedures), deficiencies, and relevant situational factors to which the university is subject.*

This memo addresses documents that may fall under B and definitely fall under C above.

WSSU recently created a Division of Institutional Integrity led by the General Counsel & Vice Chancellor for Institutional Integrity (GC). This new Division combines many of the university's departments that regularly manage and use confidential or privileged information (Legal Affairs, Title IX, and Audit). The Division also includes a newly-created department dedicated solely to risk and compliance management.

The creation of this new Division has created a unique opportunity as the university now has the ability to gather and synthesize data related to risk and compliance for use in legal strategy. As part of trial preparation, this risk data will help craft the university's approach to the resolution of legal issues (including helping determine whether a particular argument or even the decision to engage will expose the university to greater or ancillary liability).

Additionally, as the records produced pursuant to the Plan will relate to risks, the GC is cognizant that the Public Records Act (NCGS 132 et al.) currently excludes plans to prevent or respond to terrorist activity under certain circumstances. It is expected that the risk assessments created under the Plan may meet the criteria for exclusion for this reason.

The privileged and confidential documents created pursuant to the Plan have not existed previously, and the documents would not have existed but for legal purposes. As such, the documents are crafted under the guidance and direction of the GC, and the

documents will be treated like other privileged and confidential documents and communications.

In the event there is a public records request for the information being handled as privileged or confidential, the following steps should be taken:

1. Share that there is a document identified as public and a document treated as privileged or confidential.
2. Ask if the public version will suffice. Explain that if the public version will not suffice, the North Carolina Attorney General's office will have to be consulted for an opinion.
3. Contact the North Carolina Attorney General's Office for an opinion pursuant to 132-9(c)(3). For convenience, the following indicia of privilege have been designed into the creation of the documents related to the Plan:
   - The privileged documents will have non-privileged versions; they will be created with an idea that the public version would suffice for record requests.
   - The privileged versions will be treated consistent with other privileged documents (control is maintained by few individuals, and the document will be shared on a need-to-know basis)
   - The documents have not previously been released or shared as a public record.
   - The privileged documents will be used by legal counsel to aid in the fulfillment of legal duties. The current strategy of the General Counsel involves a drastic reduction in the minimization of litigation. The privileged documents will aid this effort.
   - The privileged will be created under the authority of the General Counsel. The Chief Compliance and Risk Officer is a direct report to the General Counsel and is acting at General Counsel's direction to assist the General Counsel in providing legal advice.
   - All investigation and data collection is done to allow the university to assess risks to limit liability.
   - The Master Risk Management Log will contain detailed analyses and formulas reflecting contemporary strategies and leadership directives. Directives and strategies can change quickly; sharing the privileged information identified will likely lead to unintended and incorrect conclusions without context.

APPENDIX B: KEY TERMS

The following table provides definitions and explanations for terms and acronyms relevant to the content presented within this document.

Term	Definition
Compliance Risk	The possibility that events related to legal/policy non-compliance or ethical misconduct will occur.
Compliance Risk Management	The process of identifying and assessing risks related to legal/policy non-compliance or ethical misconduct and creating a plan to minimize or control those risks and their potential impact on an organization