

BOARD OF REGENTS MEETING

Quarterly Compliance ReportINFORMATION

This report is for information only.

BACKGROUND

The University launched a coordinated compliance system in January 2016. In its first eighteen months, a critical foundation for University-wide compliance was established, including: governance and oversight of compliance activities, regular reporting to the Board of Regents, assessment of the major subject areas, and the creation of a compliance community working towards common goals. Broadly, the state of compliance at the University of Washington is healthy. The five major areas of compliance – Research, Health & Safety, Information, Financial, and Civil Rights/Employment – are well defined and understood. Applicable laws and regulations for each area are identified, employees with appropriate subject matter expertise are in place, and required institutional officials are named.

Attachments

1. Report: *Establishing a system for coordinated compliance at the University of Washington, January 2016 – June 2017*
2. Coordinated Compliance Priorities, July 2017 – December 2018
3. Compliance and Risk 2017–18 Reporting to Board of Regents



COMPLIANCE

AT UW

Establishing a system for
coordinated compliance at
the University of Washington

January 2016 – June 2017

B-3.1/210-17
10/12/17

ATTACHMENT 1



Page 1 of 25

From the Provost

Who is responsible for compliance at the University of Washington? We all are.

The University relies on the participation of all community members – faculty, staff and students – to meet our legal and regulatory responsibilities and to demonstrate our unwavering commitment to operating ethically and conscientiously. In turn, the University must support community members in this important role by setting forth clear expectations for conduct, streamlining processes for responding to compliance questions and concerns, and developing meaningful measures of progress.

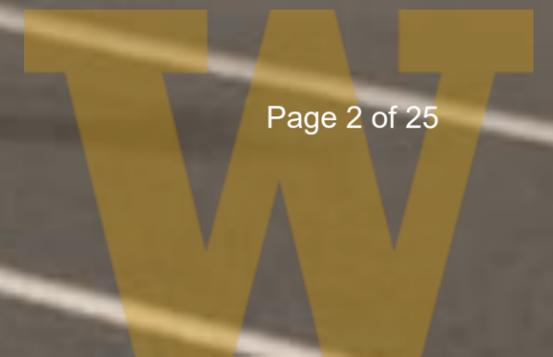
Compliance activities are continuously taking place across the University in every unit, department, school, and college. To assess, coordinate, and elevate these activities, the University established a new program in November 2015: Compliance Services. Led by the Associate Vice Provost for Compliance and Risk Services, Compliance Services facilitates governance and leadership oversight of compliance, and provides support and strategic direction to the University's five institution-wide compliance areas: Research, Health & Safety, Information, Financial, and Civil Rights/Employment.

While service and accountability continue to rest within individual units, coordinating our compliance activities allows for greater across-the-board alignment with the University's mission. It better connects who we are with what we do, and reaffirms that what we do matters.



Gerald J. Baldasty

Provost and Executive Vice President



COMPLIANCE

AT UW

The first report of the University of Washington's coordinated compliance system.

1

JULY 2017

The state of compliance at the University of Washington

2

FRAME

Understand the higher education compliance environment and develop a framework for a coordinated compliance system

7

ENGAGE

Forge compliance-focused connections, establish governance oversight, and add new coordination roles and resources

12

IMPROVE

Assess and mitigate current compliance concerns

19

STRENGTHEN

Provide targeted solutions to complex, University-wide problems

22

NEXT ...

July 2017 – December 2018

B-3.1/210-17
10/12/17

This report prepared by:

COMPLIANCE & RISK SERVICES
UNIVERSITY of WASHINGTON

JULY 2017

The state of compliance at the University of Washington

Broadly, the state of compliance at the University of Washington is healthy. The five major areas of compliance – Research, Health & Safety, Information, Financial, and Civil Rights/Employment – are well defined and understood. Applicable laws and regulations for each area are identified, employees with appropriate subject matter expertise are in place, and required institutional officials are named.

The University launched a coordinated compliance system in January 2016. In its first 18 months, a critical foundation for University-wide compliance was established, including: governance and oversight of compliance activities, regular reporting to the Board of Regents, assessment of the major subject areas, and the creation of a compliance community working towards common goals.

Higher education compliance is a relatively new field; colleges and universities across the country are determining how best to coordinate and manage their compliance obligations. In 2017, the Department of Justice issued criteria for *assessing* compliance programs, which provide universities with helpful structure and guidance for *building and strengthening* such programs, including the opportunities identified here.

This report – *Compliance at UW: Establishing a system for coordinated compliance at the University of Washington* – describes the infrastructure developed and activities undertaken in the first 18 months of the University of Washington’s new system. It also outlines objectives for July 2017 – December 2018.

Opportunities

In the course of completing the foundational work of the coordinated compliance system, a significant opportunity for improvement was identified: the creation of a dedicated University-wide infrastructure for compliance. This should include:

- Establishing a code of conduct with basic standards of behavior for all members of the University community;
- Streamlining mechanisms for receiving reports of and investigating incidents involving possible non-compliance;
- Coordinating compliance education and training – including identification of required trainings and methods to track completion; and,
- Identifying appropriate metrics to assess the longitudinal maturity and effectiveness of University compliance activities.

FRAME

Understand higher education compliance



What is compliance?

“Compliance” means observing and acting in accordance with rules, laws and regulations, and relevant policies. Just as individuals must follow established laws, so too must corporations and universities. The University of Washington adheres to hundreds of federal, state and local laws and regulations, and monitors the evolving regulatory environment for new and changing laws. The University often writes policies that translate laws and regulations into language and practices that apply directly and exclusively to its community. Compliance means adhering to those policies as well.

Laws and regulations

Institutions of higher education must comply with a complex body of federal laws and regulations promulgated by the Departments of Education, State, Homeland Security, Labor, Health and Human Services, the Internal Revenue Service, and many others. State laws and regulations further augment the compliance framework for the nation’s colleges and universities. These laws and regulations are designed to prevent fraud, waste and abuse of public funds; support rigorous, high-quality academic programs; and protect the health and safety of members of a university community.

Accreditation

Closely related to higher education compliance, accreditation is an evaluative process managed by private, not-for-profit entities that conduct external assessments in the form of peer review. This review, coupled with regular reporting by institutions at specified intervals, provides evidence of adherence to established quality standards and continuous improvement. Regional accreditation is mandatory for large public universities. Many academic programs (Nursing, Pharmacy, Social Work, and Engineering, for example) and some important functions (animal care and use, laboratory pathology, rehabilitation medicine) maintain specialized accreditation as an indicator of quality.

How does compliance benefit the University community?

Higher education compliance benefits every member of the University community: students, staff, faculty, alumni, patients, and visitors. Laws and regulations exist to foster an environment that is safe and accessible, one that promotes fairness, inquiry, and opportunities for learning. Some examples of how laws and regulations benefit the community include: the University provides regular information regarding crime occurring on and around its campus, to enhance the community's safety and security; laboratory accidents are promptly and thoroughly investigated to determine root causes; the University informs students about the meaning and significance of consent in sexual encounters; and relevant information and resources are made available to students, faculty and staff so that persons with disabilities may obtain reasonable accommodations.

Burden and cost

Higher education leaders and government officials alike acknowledge the sometimes heavy burden, as well as the significant cost, of compliance with laws and regulations. Indeed, a recent study noted a 56% increase in federal requirements of colleges and universities between 1997 and 2012. However, institutions simply cannot operate – conduct medical and scientific research, hire and compensate employees, enroll international students, maintain athletic programs, solicit donations, protect and secure private information – without adherence to the compliance mandates of regulators and accreditors.

Consequences of non-compliance

Failure to comply with relevant laws and regulations can have significant consequences for individuals and for corporations. For colleges and universities, the continuing flow of vital funds, including student financial aid and scholarships, research grants, and financing for classroom and laboratory spaces, are contingent on compliance with a multitude of monitoring, auditing, reporting and internal control requirements. Compliance failures may result in fines, loss of eligibility for federal funding, loss of the public trust, or serious injury or fatality. Similarly, failure to maintain compliance with accreditation principles or guidelines can result in warnings, probation, closure of an academic program, damage to an institution's reputation, loss of student enrollment, or in extreme cases, revocation of accreditation.

FRAME

Organize laws and functions into compliance areas

Compliance subject areas

Hundreds of laws and regulations govern colleges and universities, responsibility for which does not fall neatly into single reporting lines or operational hierarchies. To address this, the University of Washington groups its compliance obligations into five broad areas that transcend organizational structures.

Financial

- Fundraising
- Collecting tuition
- Planning of capital projects
- Procurement of goods and services
- State budget compliance
- Tax
- Investments
- Financial Aid
- Debt management
- Cost allowance
- Internal controls
- Financial accounting
- Grant and contract accounting
- Cash management
- Banking
- Expenditure of grant and sponsor funds
- Expenditure of state funds
- Employee payroll and benefits
- Insurance

Civil Rights/ Employment

- Disability accommodation and access
- Workers compensation
- Labor relations
- Wage and hour regulations
- Family and medical leave
- Recruitment and hiring
- Equal opportunity and affirmative action
- Clery Act/Violence Against Women Act/Title IX
- Non-discrimination laws and regulations

Research

- Human subjects
- Animal subjects
- Export control
- Scholarly integrity
- Conflict of interest
- Hazardous materials and waste
- Radiation safety
- Infectious diseases
- Biosafety and select agents
- Industrial tools

Information

- Internet of Things
- Records management/public records
- Open public meetings
- Alumni and donor data
- Privacy of student, employee and patient data
- Security of student, employee and patient data
- Copyright and trademark
- Intellectual property
- State ethics rules
- Information technology

Health & Safety

- Employee health
- Student health
- Violence and suicide prevention
- Construction safety
- Emergency management
- Athletics
- Safety of minors
- Police and security
- Environmental contamination
- Building and grounds maintenance
- Housing and food services

Special Areas

“Special Areas” are those that comprise two or more of the five major areas of compliance. **Global Activities** were reviewed, including U.S. and international laws and regulations that guide student and exchange visitors, global initiatives, and study abroad.

Intercollegiate Athletics (ICA) and **UW Medicine** maintain their own specialized compliance programs due to the unique regulatory and accreditation mandates of college sports and healthcare.

Demonstrate effective, coordinated compliance

Colleges and universities must devise and implement a compliance program that is appropriate to the scale and scope of the institution's activities, one that meets the needs of internal and external stakeholders. The goals of coordinated compliance include:

- Promote an institution-wide culture of informed and willing compliance.
- Approach compliance with federal, state and local laws, regulations, rules and standards in a unified manner, as "one university."
- Establish a community of compliance subject matter experts and encourage collaboration and sharing of best practices to increase efficiency and effectiveness.
- Ensure that the governing body and senior leaders understand their responsibilities, both to regulators and to the University community.

Regulators look for the implementation of a program that features clearly-identified, institution-wide priorities; the capacity to self-monitor and self-evaluate; an independent and systematized compliance function; defined metrics for success; documented evidence of compliance activities; and linkage between compliance goals and the institution's mission.

National best practices and models

Respected authorities and sources of guidance for establishing and maintaining a compliance program include:

- *Academic Compliance Programs: A Federal Model with Separation of Powers* Nathan A. Adams, IV, *Journal of College and University Law*: Vol. 41, No. 1 (2015)
- *AGB Board of Directors' Statement on the Fiduciary Duties of Governing Board Members* Association of Governing Boards of Universities and Colleges (2015)
- *Building an Effective Compliance Program: An Introductory Guide* National Association of College and University Attorneys (2015)
- *Compliance 101 (First Edition)* Debbie Troklus, Greg Warner, Emma Wollschlager Schwartz, Society of Corporate Compliance and Ethics (2008)
- *Compliance at Larger Institutions* Robert F. Roach, National Association of College and University Attorneys (2009)
- *The Three Lines of Defense in Effective Risk Management and Control* Institute of Internal Auditors: IIA Position Paper (2013)

FRAME

Adopt a framework to support coordinated compliance

7 Elements of Effective Compliance

The seven elements are nationally recognized as an essential tool for evaluating corporate and higher education compliance programs. They also provide a way to structure, organize and manage a university's complex compliance obligations.

Leadership and Oversight

The University maintains a credible, centralized compliance program that includes: access to senior leadership, including the president; functional committee structures; and regular reporting to the Board of Regents. The compliance program has appropriate authority and adequate resources, is respected, and demonstrates integrity.

Standards of Conduct, Policies and Procedures

The University establishes clear expectations and provides practical guidance for the University community – including faculty, staff, students, alumni, donors, volunteers – regarding behavior and decision-making. Such expectations are detailed in published, accessible policies and procedures.

Education and Outreach

The University supplies the community with appropriate, relevant, comprehensive, consistent education and outreach, as well as any necessary specialized training targeted to groups of faculty, staff, students and other constituencies.

Monitoring and Auditing

The University conducts regular assessments of program functions and adherence to compliance requirements, monitors relevant federal and state laws and regulations, and facilitates awareness of compliance obligations – including internal policies and external requirements – to help management make informed decisions.

Leadership and Oversight

Standards of Conduct, Policies and Procedures

Education and Outreach

Monitoring and Auditing

Receiving Reports and Investigating

Accountability, Incentives and Corrective Action

Response and Prevention

Response and Prevention

The University responds appropriately to episodes of misconduct and violations of laws, regulations and policies. Systemic issues are identified, root causes determined, and university-wide solutions are determined and implemented to prevent recurrence.

Accountability, Incentives and Corrective Action

The University encourages and expects community members to behave ethically and responsibly. Appropriate, fair and consistent actions are taken in cases of wrongdoing.

Receiving Reports and Investigating

The University provides the community with avenues to seek guidance and report violations of policy and relevant laws/regulations to appropriate offices, and to receive complaints from the community about its members. Investigations follow appropriate processes and emphasize non-retaliation.

ENGAGE

Foster compliance-focused connections



A compliance community

A coordinated system of support, oversight and governance is critical to align the complex work of compliance at a large research university. The University of Washington's compliance system is designed to engage the faculty and staff conducting research or performing academic, medical or administrative work across the compliance subject areas. Every person has a role in ensuring that the University complies with the hundreds of laws, rules and regulations that govern its operations.

These roles include oversight by the Board of Regents, leadership from the President and Provost, guidance from two new committees – Compliance Working Committee and Compliance Steering Committee – coordination from Compliance Services, and the ongoing management by and continuous improvement efforts of subject matter experts across the University.



Board of Regents

The fiduciary duties of university governing boards require them to exercise careful, prudent oversight in a manner that is consistent with the university's mission and best interests; this includes ensuring that the compliance program is independent, respected, and appropriately resourced and funded.

Quarterly compliance reporting was initiated for the UW Board of Regents, starting in November 2015 with approval by the Board to establish a coordinated compliance system at the University. At subsequent meetings, subject matter experts – leaders in research, health and safety, information, financial, and civil rights/employment – reported quarterly on compliance mitigation efforts, areas of enhanced regulatory enforcement, and initiatives designed to streamline and improve compliance.

Executive Office

The Board of Regents shares responsibility for governance of the University with the President and Provost, collectively known as the Executive Office.

The Executive Office receives regular reports on compliance activities from unit leaders across the University, and confers authority on and directs relevant resources to initiatives, task forces and committees as needed. It sets a “tone at the top” as a key influencer and reinforces the importance of compliance through targeted messages to the University community.

Compliance Steering Committee

The Compliance Steering Committee is charged with fostering a University-wide environment of positive compliance with laws and regulations, and a commitment to ethical and responsible operations, while supporting faculty and staff in reaching the University's goals. The Compliance Steering Committee oversees and reviews the recommendations of the Compliance Working Committee.

Compliance Steering Committee members are senior leaders in Human Resources, Office of Research, Student Life, Health Sciences Administration, Compliance and Risk Services, and UW Medicine. The committee is chaired by the Provost, with the UW President serving in an *ex officio* capacity.

Compliance Working Committee

Members of the Compliance Working Committee oversee units with significant compliance obligations, and are therefore uniquely positioned to guide the institution in ensuring achievement of its compliance objectives. The Working Committee members identify the institution's compliance goals; monitor changes in the regulatory environment; establish projects to address compliance gaps; and, leverage resources for greater efficiency and effectiveness.

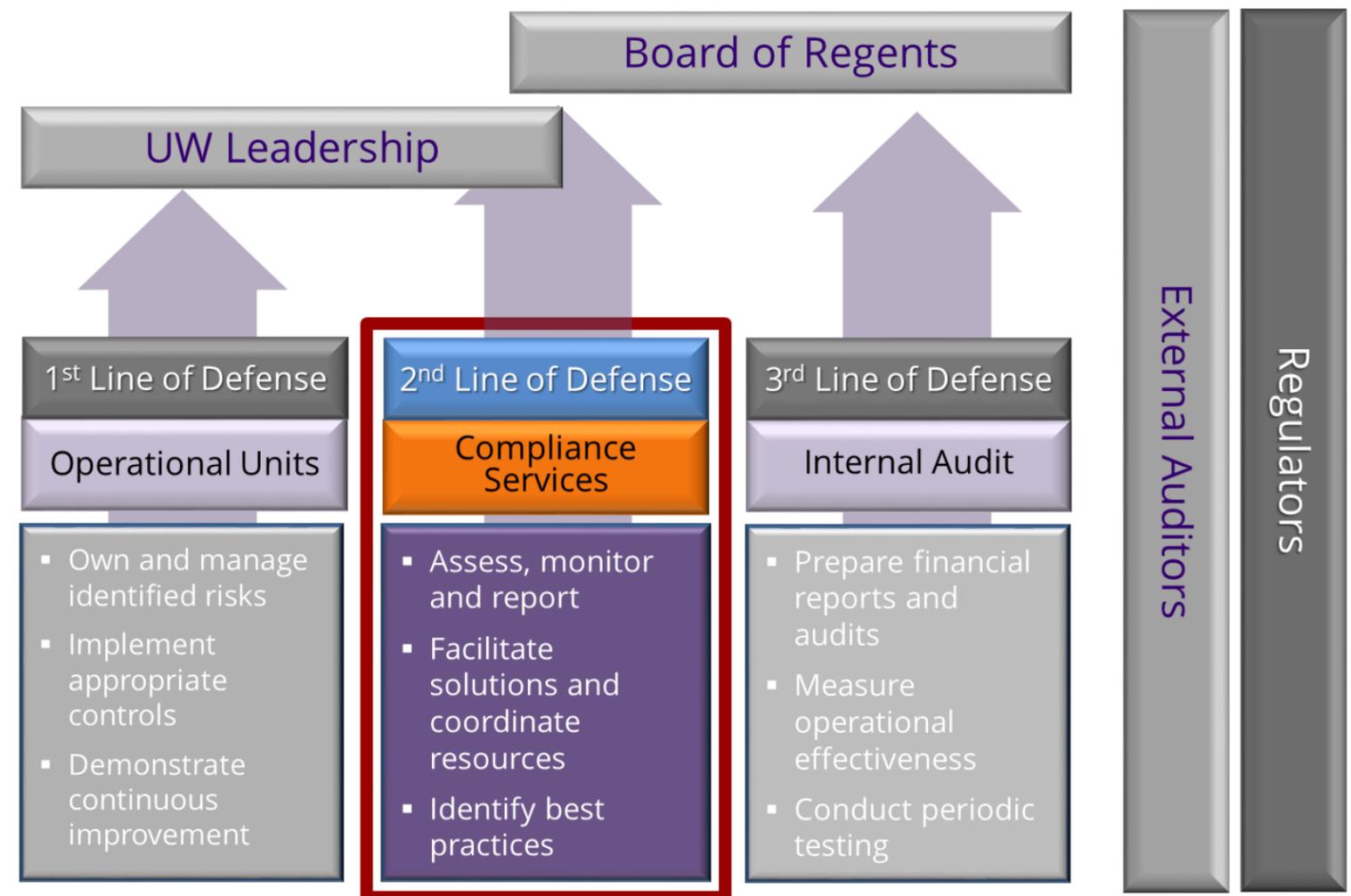
Compliance Working Committee members are leaders from Environmental Health & Safety, Health Sciences Administration, Office of the Chief Information Security Officer, Human Resources, Office of Research, Financial Management, UW Medicine, and Compliance Services. The committee is chaired by the Associate Vice Provost for Compliance and Risk Services.

Compliance Services

A new program, Compliance Services, was established to provide strategic guidance, coordination, and support to compliance activities across the University, including: development of policies and procedures, education and outreach, receiving reports and conducting investigations, auditing and monitoring, risk assessment and mitigation, regulatory monitoring, and process improvement and program modification.

Compliance Services supports day-to-day operations and long-range planning and management of coordinated compliance. Its critical functions include:

- Collaborative assessments of key compliance areas: Research, Health & Safety, Information, Financial, Civil Rights/Employment;
- Regular reporting to senior leadership and the Board of Regents;
- Coordination among legal, risk, compliance and internal audit functions;
- Leadership and staff support for compliance committees and task forces;
- University-wide project coordination and management; and,
- Development of education, training and outreach resources.



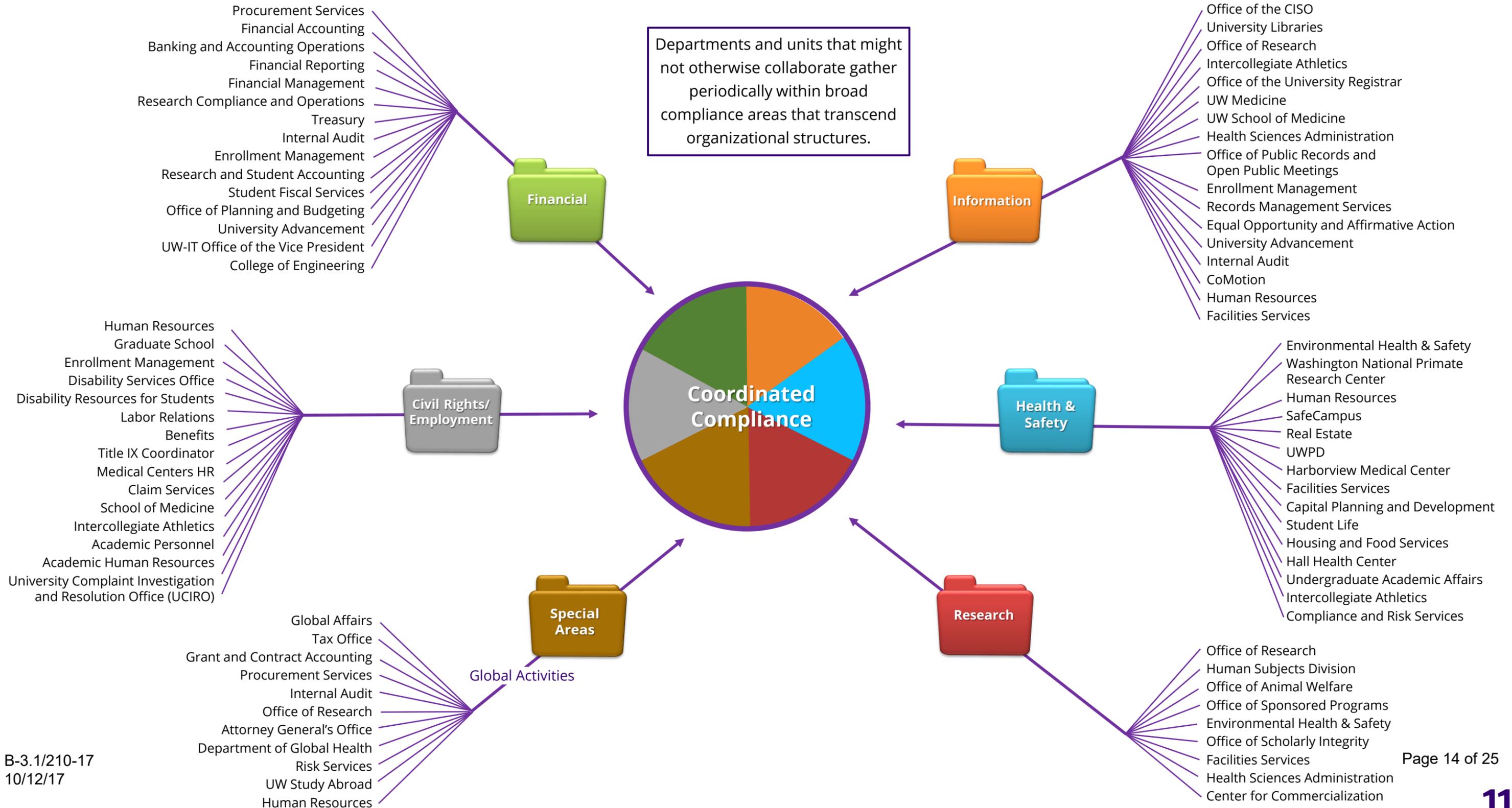
Subject matter experts within operational units and Internal Audit perform critical roles. Compliance Services – a new program – fills a gap in the UW's compliance operations.

Subject matter experts

The University of Washington has long benefited from a dedicated corps of staff and faculty who manage and fulfill compliance obligations relating to research, health and safety, information, financial, civil rights/employment, athletics, and healthcare. Compliance management requires expertise in the applicable federal and state laws and regulations, an understanding of the relevant processes and practices of the unit or department to which the regulations apply, and considerable administrative acumen in a higher education environment. Subject matter experts maintain up-to-date, detailed knowledge and skills relevant to the ever-evolving obligations of compliance.

Coordinated compliance fosters collaboration among subject matter experts from across the University, allowing them to share best practices, identify areas of concern that need focused attention and improvement, elevate priorities to senior leadership – and ultimately, align their work as one university with prioritized goals and standardized procedures.

Create a compliance community



IMPROVE

Assess current compliance concerns



Assessment

Compliance Services convened subject matter experts to identify and assess their top compliance concerns. Each group selected two to three mitigation projects. Criteria for the projects were as follows:

- Address an area experiencing increased regulatory enforcement, or where laws and regulations are in flux;
- Demonstrate substantial progress in an 18-month period;
- Rely on existing budgetary and staff resources (including support from Compliance Services);
- Align with the goals of other University strategic programs and initiatives (e.g., ease administrative burden, minimize duplication of effort, etc.); and,
- Promote health and safety, whenever possible.

The thirteen resulting mitigation projects are led by appropriate subject matter experts, and focus primarily on operational process improvements and streamlining of relevant compliance functions.



Mitigation Projects: **Research Compliance**

Presented to the Board of Regents in February 2016

Post-approval Monitoring of Clinical Trials with Human Subjects

Clinical trials that employ human subjects – those that investigate new drugs, devices, behavioral interventions, diagnostic or treatment modalities – can pose significant risk for participants and thus require the highest level of oversight. As of February 2016, there were no explicit federal requirements that mandate the active monitoring of clinical trials once they begin. Nevertheless, the UW Human Subjects Division is developing a more robust post-approval monitoring program targeted at trials with the greatest risk factors. The process will ensure that they proceed according to protocols established during the planning, review and approval phases of trial development, with the goal of protecting human subjects and the integrity of the University's research endeavors.

Laboratory Safety

Of the 880 research and teaching laboratories occupying 3,600 rooms in over 50 Seattle campus buildings, surveys conducted by Environmental Health & Safety (EH&S) show that a significant percentage of these labs fall short of University safety goals. Major risk areas include: 1) insufficient safety training; 2) incomplete lab-specific standard operating procedures (SOP), especially around chemical management; and, 3) inconsistent use of appropriate personal protective equipment (PPE).

To address these concerns, EH&S is performing evaluations and providing targeted technical safety monitoring for the 90 academic research labs on the Seattle campus that pose the highest risk of accident or injury to students, faculty and staff. The project strives to identify root causes of incidents and barriers to maintaining safe lab practices (via lab hazard analysis, chemical inventory review, and assessment of lab safety equipment).

**Go to Board of Regents report
on Research compliance**

Mitigation Projects: **Health & Safety Compliance**

Presented to the Board of Regents in April 2016

Safety of Minors in University-sponsored Programs

More than 24,000 minors visit the University of Washington's Seattle campus every year, participating in over 100 University-sponsored programs. While many of the programs are well established and have demonstrated a remarkable history of safety and success, as of April 2016 there was no established process to identify, monitor and support the programs that serve children and youth under the age of 18. To ensure the safety of minors on campus, a comprehensive inventory of UW-sponsored programs is being created, University policy is being reviewed, and age- and program-appropriate guidelines and best practices are being established and shared among those who administer such programs.

Accident Prevention Plans

Accident Prevention Plans (APPs) are mandated by the Washington Industrial Safety and Health Act (WISHA) and must be maintained by all UW organizational units. They are intended to function as the cornerstone of each department's health and safety practices. However, existing plans – which number in the hundreds – vary significantly in how current, detailed and effective they are. Environmental Health & Safety staff are establishing clear University-wide categories of environmental health and safety risk and developing a basic APP that can be utilized “off the shelf” by low-risk departments. A customizable APP is being created for departments with medium- to high-level safety or health risks, supported by the launch of new education and outreach efforts to facilitate APP creation and maintenance.

Health & Safety Governance

Boards and committees governing health and safety compliance at UW developed over time and have not been comprehensively reviewed or assessed as a group. Several dozen committees covering a wide range of environmental and non-environmental issues meet, but most are advisory in nature and operational rather than strategic. As of April 2016, there was no oversight body with the responsibility to assess, prioritize, and mitigate health and safety concerns from a centralized, University-wide perspective. A task force has been convened to review and make recommendations for improving the effectiveness and efficiency of the University of Washington's health and safety governance structure.

Go to Board of Regents report on Health & Safety compliance

Mitigation Projects: **Global Activities Compliance**

Presented to the Board of Regents in July 2016

Clery Act in Foreign Locations

The Clery Act requires institutions of higher education to disclose information about crime on and around their campuses, as well as for University-owned or controlled facilities in foreign countries. The University of Washington operates eleven research centers, two permanent study abroad centers, a research vessel that navigates international waters, and dozens of other non-U.S. locations regularly used or accessed for research. The law's applicability to foreign locations can be unclear, and adherence to its provisions challenging. To ensure compliance with Clery requirements across all UW-controlled foreign locations, a team was assembled to clarify which provisions of Clery apply to which locations, with country-specific training and reporting procedures developed and implemented.

Export Control

In the interest of vital national security and foreign policy objectives, the U.S. Government regulates the transfer of strategically-important information, technology, commodities and software through export control regulations. Scholarly activities occurring on the University of Washington's campuses and around the world can involve the transfer of information or materials deemed "sensitive" with respect to such regulations. Subject matters experts in the Office of Research are taking steps toward implementing a new and comprehensive system of protocols designed to ensure export control compliance across the University. This includes a scan and inventory of regulated activities and current export control procedures and resources at UW, as well as a gap analysis to inform the development of more effective, efficient and comprehensive export control administrative practices.

[Go to Board of Regents report on Global Activities compliance](#)

Mitigation Projects: **Information Compliance**

Presented to the Board of Regents in November 2016

Student Information and Health or Safety Emergencies

The Family Educational Rights and Privacy Act (FERPA) generally prohibits colleges and universities from disclosing personally-identifiable information about a student from education records without the student's consent. However, FERPA does provide several exceptions when disclosure may be permitted without a student's consent. One example relates to health or safety emergencies, e.g. when students may be a threat to themselves or others. A university's failure to provide appropriate warning regarding a student who poses a danger can have significant legal and, more importantly, safety ramifications. Student Life and the Office of the University Registrar are leading an effort to establish clear criteria and procedures for releasing student information in connection with a health or safety emergency, and to review existing University policies to determine appropriate alignment with federal and state laws and regulations.

Internet of Things (IoT)

Industrial control systems (an aspect of the Internet of Things, or IoT) that collect and share data using sensors, software and the internet are found across campus. These systems control building access, power, lights, water, networked printers, heating/ventilation/air conditioning (HVAC), and more. Due to their reliance on connectivity, they introduce vulnerabilities into existing data security and privacy management mechanisms. This can affect the University's ability to control access to data, protect health and safety, and ensure compliance with information security and privacy laws and regulations. To better manage IoT across hundreds of UW facilities, stakeholders are convening to: recommend that ongoing, University-wide IoT oversight be established; identify and mitigate vulnerabilities in existing technologies in use across campus; establish a strategic framework to guide operational decision-making for new buildings or renovation projects; and encourage awareness of and compliance with relevant laws and regulations.

**Go to Board of Regents report on
Information compliance**

Mitigation Projects: **Financial Compliance**

Presented to the Board of Regents in January 2017

Expenditure of State Provisos and Federal Funds

The University of Washington receives state appropriations and thousands of federally-sponsored grants, each of which requires compliance with conditions and limitations regarding expenditure. The University must spend funds in accordance with legislative and funder intent, and within specified timelines, in order to maintain its reputation as a sound investment for taxpayers and federal and state lawmakers.

Multiple initiatives are currently underway to strengthen internal controls, employ data analytics, and modernize University-wide financial systems in a broad-based effort to affect continuous improvement. The project focuses on developing coordinated, clear, customer-focused guidance and best practices for administrators regarding proper use of all funding, with a special focus on federally-sponsored grants and state funds.

Payment Card Industry Data Security Standard (PCI DSS)

The processing of credit and debit card transactions is critical to the University of Washington's ability to conduct business, and protection of cardholder data collected through such transactions is crucial to the University and its community. Such protection is accomplished via information security and financial control requirements, which are codified in the Payment Card Industry Data Security Standard (PCI DSS). In 2015 alone, the Standard applied to five million transactions totaling more than \$220M at the University – at Meany Hall, UWMC, Parking Services, ICA venues, University Advancement, Housing and Food Services, and hundreds of other locations across the UW. To ensure sound and compliant functioning of payment card processing, the UW is engaged in a multifaceted project which includes assessment of card processing functions across the University and targeted strategies for long-term compliance with the evolving data security mandate.

**Go to Board of Regents report
on Financial compliance**

Mitigation Projects: **Civil Rights/Employment Compliance**

Presented to the Board of Regents in April 2017

Implementation of Student Conduct Code Revision

The University of Washington maintains a code of student conduct to help foster a positive learning and living environment on its three campuses and in its educational programs. Effective implementation and administration of the code as it applies to all types of misconduct – discriminatory and sexual harassment, intimate partner violence, sexual assault, stalking, and other behavioral infractions, as well as academic misconduct – is essential to preserving that environment. Recent compliance mandates, coupled with increasing national attention to the problem of sexual assault on college campuses and the concerns of students participating in the conduct process, demonstrate the need for a revamped Student Conduct Code. Student Life and Compliance Services are leading a collaborative effort to complete and implement student conduct code revisions.

Disability Services Governance Task Force

Every day tens of thousands of people – faculty, staff, students, patients, and visitors – access UW facilities, programs, and services. University websites and online forms, classrooms and residence halls, research labs and offices, venues for sports and arts, and hospitals and clinics, should be accessible to anyone who uses them. While dedicated offices across the University provide individual accommodations and work diligently to ensure accessibility, the large and decentralized nature of the University means that identifying and implementing systemic improvements is challenging. A task force has been charged with recommending an operational structure that will assess, prioritize and coordinate University-wide strategic priorities, one that will support an inclusive and accessible campus environment.

Go to Board of Regents report on Civil Rights/Employment compliance

STRENGTHEN

Develop targeted solutions for complex issues



University-wide solutions

Individual units, departments, schools and colleges are responsible for compliance within their areas and lead process improvement efforts such as the 13 mitigation projects detailed in this report. However, some compliance concerns are too complex or too pervasive to be addressed and resolved at the local level. A coordinated approach – spanning multiple compliance areas – allows systemic issues to be identified, root causes determined, and appropriate solutions developed and implemented. Lessons learned in one area are used to identify best practices that can be shared across the University.

Compliance Services provides leadership for University-wide compliance challenges. Solutions to these challenges come in many forms: providing staffing and guidance for committees and task forces, collaborating with subject matter experts to develop guidelines for the University community, creating training and education modules, or assuming temporary responsibility for mitigating new or evolving compliance concerns that don't have a clear owner. Some examples follow.

Rules Subcommittee

From time to time, governmental bodies issue new rules and regulations that require interpretation and University-wide application, but for which there is no clearly identifiable departmental “owner.”

A standing Rules Subcommittee (of the Compliance Working Committee) was established to address such situations. A core of permanent members is augmented by appropriate subject matter experts. The UW Division of the Attorney General Office provides advice as needed. The Subcommittee’s role is to determine a standard interpretation of the rule, recommend necessary changes to existing UW policy or procedure, and create and oversee an implementation and communications plan to ensure compliance with the relevant rule or regulation.

The first project of the Rules Subcommittee focused on implementation of new guidance related to Section 1557, the non-discrimination provision of the Affordable Care Act (ACA). The second project relates to the European Union’s General Data Protection Regulation, and its effect on University operations.

Safety of Minors Committee

Compliance Services and Undergraduate Academic Affairs collaborate to provide leadership for the Safety of Minors Committee. The committee’s 2016-2017 priorities included:

- Developing a centralized process for conducting background checks of employees and volunteers working with minors, and
- Conducting an inventory of the 200+ programs at the University that collectively serve tens of thousands of children under the age of 18 annually.

The newly-established Office for Youth Programs Development and Support provides staffing and support to the committee, as well as daily guidance to and collaboration with units offering programs for minors. Compliance Services supports policy development, risk assessment and mitigation, regulatory monitoring, and process improvement and program modification.

Current State Reports

Compliance Services catalogued information gathered from subject matter experts through assessment meetings – and supplemented it with online research and meetings with individuals and units – to better understand the current state of compliance at the University of Washington. A report was prepared on each of the five major compliance areas: Research, Health and Safety, Financial, Information, and Civil Rights/ Employment. The reports catalog:

- The regulatory environment: federal, state and local laws and regulations; and the government agencies responsible for promulgation and/or enforcement of those laws and regulations;
- UW boards and committees;
- Designated officials and their roles;
- UW service providers; and,
- UW policies.

The documents are a resource to support decision making and process improvement.

Independent Investigator Pool

In the event of serious alleged misconduct at the senior leadership level, a pool of independent investigators are available to provide the University with comprehensive investigative services. The pool is comprised of nationally-recognized professional firms with stellar reputations and highly-specialized legal and subject matter expertise.

The firms do not replace existing University units that receive reports and investigate allegations. Rather, the pool creates a new resource that allows the University to avoid potential or perceived conflicts of interest, demonstrate unquestionable neutrality in the most challenging situations, and ensure predictability regarding the cost and availability of skilled investigators when needed.

Regulatory Response Guidelines

A set of guidelines was developed and disseminated to assist front-line staff and compliance subject matter experts alike in responding to regulators, accreditors, law enforcement and other external stakeholders who may request private information regarding University students, faculty and staff.

The new guidelines also assist in the creation of official compliance certifications required by federal grantors, and articulate best practices for onsite visits by regulators or accrediting bodies.

Videos: Introduction to Compliance

To help the UW community better understand higher education compliance, Compliance Services created three short videos, collectively titled *Compliance at the University of Washington*:

1. *Compliance in Higher Education* orients the viewer to the regulatory landscape for large research universities.
2. *The Seven Elements of Effective Compliance* introduces viewers to the framework of the seven elements and demonstrates its value and applicability to compliance programs.
3. *Compliance at UW* provides a high-level overview of the coordinated compliance system at the University of Washington.

[Go to Videos](#)

Website

A centralized compliance website was launched, with new resources and materials about the coordinated compliance system. The website functions as a hub for compliance information, complete with links to key departments, offices and units across the UW. It is intended as a resource for faculty, staff, students and visitors – as well as for external stakeholders such as regulators and accreditors.

[Go to Website](#)

NEXT...

July 2017 – December 2018



The following areas of focus have been identified for the next phase of coordinated compliance work at UW:

Metrics

Appropriate metrics that demonstrate the effectiveness of the University's compliance system should be identified and reported. Metrics for such assessments may be based on:

- Benchmarking of key functions against those at peer institutions;
- U.S. Department of Justice guidelines for evaluation of corporate compliance programs;
- Consultation with subject matter experts from across the University, and engagement with leaders at peer institutions; and,
- Qualitative and quantitative analysis and review of critical compliance functions.

Education and outreach

Education and outreach focus on policies and practices that are critical to a safe and functioning campus environment: those governing individual conduct, ethical behavior, and health and safety. The University provides role-appropriate, required compliance education and training within individual subject areas such as research, health and safety, or information compliance. With a community numbering nearly 100,000 students and employees, and a vast number of compliance priorities and trainings, the coordination and prioritization of messages must be carefully managed and the efficiency of delivery improved.

Institutional Resilience

Although not a formal part of the coordinated compliance system, Institutional Resilience (IR) is a new Compliance and Risk Services tool that evaluates the University's ability or capacity to anticipate, prepare for, and absorb the impact of potential adverse events – including those related to compliance. IR supports informed decision-making and oversight by identifying under-mitigated and un-mitigatable risks which are elevated for review and action by executive leadership.

Receiving reports and investigating

Among a university's most important compliance obligations is to ensure well-functioning mechanisms by which reports of non-compliance are received and investigated. Consistency in how these reports are received and handled can be challenging, due in part to the tens of thousands of UW community members, three campuses, teaching and research sites around the world, a decentralized organizational structure with shared governance, and the numerous types of non-compliance that can occur. The University must maintain offices across compliance subject areas with streamlined, consistent, fair and well-understood systems for receiving reports and investigating.

University of Washington
Coordinated Compliance Priorities, July 2017 – December 2018

Building on the foundational work completed during the inaugural 18 months of the University's coordinated compliance system, the following areas of focus have been approved by the Compliance Steering Committee for July 2017 – December 2018:

- Explore the possibility of establishing a **code of conduct** with basic standards of behavior for all members of the University community;
- Streamline mechanisms for **receiving reports of and investigating** incidents involving possible non-compliance. Ensure streamlined, consistent, fair and well-understood systems exist across compliance subject areas, and that investigators share information and collaborate when appropriate;
- Coordinate compliance **education and training** across compliance areas, including identification of required trainings and methods to track completion institution-wide;
- Identify appropriate **metrics** to assess the longitudinal maturity and effectiveness of University compliance activities; and,
- Assess opportunities for continuous improvement related to conduct and inappropriate behavior.

In February 2017, the Department of Justice issued criteria for assessing compliance programs, which provide helpful structure and guidance for building and strengthening such programs, including the opportunities identified here. The criteria will be a valuable guide for the University's compliance work.

**University of Washington
Compliance and Risk 2017–18 Reporting to Board of Regents**

October 2017 Compliance: 18-month report (January 2016 – June 2017) and coordinated compliance priorities for July 2017 – December 2018

January 2018 Compliance: Semi-annual update on mitigation projects (Research, Health & Safety, and Global Activities) and current compliance priorities

Risk: PBI annual report (consent calendar)

April 2018 Risk: Institutional Resilience

July 2018 Compliance: Semi-annual update on mitigation projects (Information, Financial, and Civil Rights/Employment) and current compliance priorities