

UNIVERSITY OF VIRGINIA COMPLIANCE CHARTER

Mission and Purpose

The University of Virginia's compliance function supports the University's fundamental commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols.

Institutional compliance promotes greater coordination of and consistency among individual University compliance programs, covering a wide variety of requirements related to academics, athletics, human resources, research, health care, information technology, and numerous administrative functions. The University established a compliance program to prevent, detect, and respond appropriately to potential violations of law and to foster a corporate culture that promotes integrity and ethical behaviors in all matters relating to compliance.

Organization

The Assistant Vice President for Compliance oversees institutional compliance activities and programs to confirm they are reasonably designed, implemented, communicated, and enforced.

The Assistant Vice President for Compliance reports to the Executive Vice President and Chief Operating Officer. The Assistant Vice President for Compliance coordinates the University-wide network of functional compliance officers.

The Audit, Compliance, and Risk (ACR) Committee will:

- Approve the Compliance Charter and periodically reassess it for continued relevance.
- Receive communications from the Assistant Vice President for Compliance regarding compliance strategies, plans, and other relevant matters.
- Make appropriate inquiries of management and the Assistant Vice President for Compliance to determine whether all compliance efforts have the necessary resources and scope.
- Support leadership for the compliance program by promoting and supporting a University-wide culture of ethical and lawful conduct.

The Assistant Vice President for Compliance will communicate and interact directly with the Chair of the ACR Committee, including in executive sessions and between committee meetings as appropriate to ensure direct access to the board.

Professional Standards

The compliance function's objective is to establish and promote standards that meet the U.S. Federal Sentencing Guidelines' criteria for an effective compliance program.

1. Compliance standards and procedures to prevent and detect criminal activity;
2. Oversight by high-level personnel, with periodic reporting to the board from individuals with operational responsibility;
3. Due care in delegating substantial discretionary authority;
4. Effective communication and training to all levels of employees;
5. Systems for monitoring, auditing and reporting suspected wrong-doing without fear of reprisal and for periodically evaluating the effectiveness of the compliance and ethics programs;
6. Consistent enforcement of compliance standards including disciplinary mechanisms and appropriate incentives to perform in accordance with the compliance and ethics program; and
7. Reasonable steps to respond to and prevent further similar offenses upon detection of a violation.

In addition, the Medical Center's compliance program also follows the program elements defined in the Department of Health and Human Services' Office of the Inspector General's "Compliance Program Guidance Document for Hospitals".

Responsibilities

Members of the University community having responsibility for a specific area of compliance must ensure the following:

- Oversight of compliance in their specific functional areas;
- Adherence to the University's compliance policies;
- Implementation of corrective action as necessary, arising from compliance reviews and/or investigations.

The role of the Assistant Vice President for Compliance is to remain well-informed on the content and operation of the University's compliance and ethics program in order to exercise reasonable oversight of the effectiveness of the program, including:

1. *Standards of Conduct/Policies and Procedures.* Confirming that the University implements policies, procedures, training programs, and internal control systems that are reasonably capable of reducing misconduct and that comply with relevant regulatory requirements.
2. *Compliance Roles and Responsibilities.* Establishing clear roles and responsibilities across the University.
3. *Compliance Oversight.* Exercising reasonable oversight over compliance activities by requesting and receiving updates from compliance officers.
4. *Reporting and Investigative Mechanisms.* Confirming that the University maintains an effective mechanism for stakeholders to report or seek guidance regarding potential or actual wrongdoing.
5. *Correction and Prevention.* Working with the University's senior leadership to promote and enforce compliance through appropriate incentives and disciplinary measures.
6. *Culture of Integrity and Compliance.* Promoting the University's culture of integrity and compliance, through communication of compliance standards and policies.

Interaction with Audit and Enterprise Risk Management

The Assistant Vice President for Compliance will work closely with Internal Audit to assess and prioritize which compliance areas present the greatest risk and need for attention, based on regulatory environment and complexity, overlap with University strategic plans, and consequences of non-compliance. Managers with responsibility for specific areas of compliance will complete self-assessments to evaluate their individual compliance efforts against a list of criteria necessary to have an effective compliance program.

The Enterprise Risk Management (ERM) program is designed to identify and mitigate key institutional risks. For example, one category of risk to be considered is legal and regulatory compliance risk. The regular review of compliance requirements

may highlight an emerging institutional risk. Conversely, the identification of key institutional risks may guide the work of the compliance function and initiate a mitigation strategy that the University may use to address a given risk.

Authority

The Assistant Vice President for Compliance, with strict accountability for confidentiality and safeguarding of records and information, is authorized to have full, free, and unrestricted access to any and all of the University's records, physical properties, and personnel pertinent to carrying out compliance investigations and to review and monitor compliance issues. All employees are requested to assist the compliance function in fulfilling its roles and responsibilities.