



## Confidential Reporting Policy

### Purpose

All University employees and others holding positions with fiduciary responsibilities with the University are obligated to perform their duties in compliance with all applicable laws and University policies and procedures.

The University has developed and implemented internal controls and procedures that are intended to prevent or deter improper conduct. There may, however, be both intentional and unintentional violations. The University has a responsibility to investigate and, where appropriate, report allegations of suspected improper conduct.

Wilkes University is committed to implementing appropriate corrective action to correct, in a timely and appropriate manner, all allegations of questionable conduct or activity by employees that is not compliant with applicable laws, regulations, and University policies. Additionally, the University is committed to providing appropriate guidance to its employees and agents regarding potential violations of law. The purpose of this policy is to outline the process whereby individuals can share or report concerns to management and ensure that due diligence is exercised in responding to any and all reports of potential violations of laws, regulations, policies or questionable conduct, from any source.

### Definitions

**Audit Committee.** The Audit Committee of the Board of Trustees is established to oversee risk assessment related to financial reporting and governance practices. Among its responsibilities are to assess management's approach to risk mitigation and implementing antifraud measures as well as monitoring, influencing and assessing the conduct of the University's management and employees, monitoring compliance with University programs and receiving compliance updates.

**Compliance Committee.** A Compliance Committee is created to communicate to employees and agents the University's expectations for compliance with all laws and University policies, to receive and review compliance information from employees and to report compliance information through the President to Audit Committee. The committee members are the Provost, Vice President for Finance and Support Operations, the Director for Human Resources, Controller, University's General Counsel, and a full-time faculty member elected by the faculty.

**Confidential Reporting Mechanism.** A confidential reporting mechanism allows individuals to report instances of suspected non-compliance regarding questionable accounting issues, auditing matters laws or University policies, outside of the normal chain of command and in a manner that preserves confidentiality and assures non-retaliation.

## **Policy**

Ethical behavior is expected of all employees of Wilkes University. Management personnel at every level are expected to set an ethical “tone at the top” and to be role models for ethical behavior in their departments. (Reference Code of Ethics Policy) They should create a departmental culture that promotes the highest standards of ethics and encourages everyone in the department and outside agents to voice concerns when unethical behavior or incidents of non-compliance with applicable laws, rules, regulations, policies or procedures arise.

Each employee has a personal obligation to report any activity that appears to violate such laws, rules, regulations, policies or procedures. If there are specific ethics or compliance questions or if there is a need to report ethics or compliance issues, first, whenever possible, an employee should consult their supervisor.

If the circumstances are such that an individual does not feel comfortable reporting these issues through the normal administrative process, they should report the suspected non-compliant activity or misconduct through the University’s confidential reporting mechanism. Wilkes University has established a confidential reporting mechanism for individuals to report instances of suspected non-compliance outside the normal chain of command; and in a manner that preserves confidentiality to the extent allowed by law and which assures non-retaliation.

The Confidential Reporting Mechanism can be accessed either on line or through the use of the toll-free telephone line. Both methods of accessing the confidential reporting mechanism are operated by EthicsPoint, Inc.. The on line access is [https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=17812](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=17812) and the telephone number for the Compliance Hotline is 888-332-6790.

Any allegations of improper conduct that may result in disciplinary action shall be coordinated with the applicable Wilkes University policy. In all cases, the University shall exercise its discretion in determining when circumstances warrant investigations and, in compliance with this policy, the appropriate investigative process to be employed.

This policy is subject to the direct oversight of the Audit Committee, in carrying out its responsibilities to receive regular reports on compliance from management and the Compliance Committee.

## **Procedure**

### **Reports**

1. A report can be made through a meeting with an employee’s supervisor, Wilkes University Ethics OnLine Hotline via on line or by calling the hotline. The University encourages reports to be in writing and to focus on facts, including as much specific information as possible. This will facilitate the evaluation of the nature, extent and urgency of preliminary investigative procedures.

2. Reports can be made anonymously thru Wilkes University Ethics On-line/Hot Line. If anonymity is requested, no attempt shall be made to identify the individual. Information provided by the individual, or obtained in the course of investigation, shall be treated as confidential to the extent permitted by law. Wilkes will ensure the anonymity, to the extent allowed by law, of all persons who choose to report questionable conduct or suspected non-compliant activity. Litigation demands or statutory requirements may compel the University to disclose the information reported and the identity of the reporting individual.
3. If the report is a suggestion or general inquiry (e.g. improvement in department operations), the employee will be given the information necessary and referred for follow up and an annotation reflecting this referral will be made.
4. The Compliance Committee will have responsibility to review the following inquiries:
  - a. If a report or allegation involves an alleged fraud. The Committee will notify the Legal Counsel immediately if the investigation reveals suspected criminal activity.
  - b. If a report or allegation involves significant allegations regarding accounting, internal accounting controls, or auditing matters. The Committee is responsible for determining the matters to be reported in accordance with appropriate guidelines and University policy.
  - c. If the report or allegation involves a student who is also an employee of Wilkes University, the Dean of the appropriate College, Vice President of Student Affairs and the Compliance

Committee will jointly coordinate the investigation and any actions taken as a result of the investigation.

5. The General Counsel will have responsibility to review the following inquiries:
  - a. The investigation of reports or allegations that may constitute intentional violations or reckless disregard of criminal law. General Counsel will have primary responsibility for the matters transferred.
  - b. The investigation of reports or allegations that may constitute intentional violations or reckless disregard of civil law. General Counsel will have primary responsibility for the matters transferred.

## Investigation

1. The Compliance Committee will review all inquiries. They will agree on a documented investigative action plan and will assign the report to the appropriate party for investigation. As necessary, the Committee shall involve other individuals or committees to assist in an investigation or in formulating the appropriate response to a report. They may also assign investigational responsibility of a report to other departments, individuals, or committees. If investigational responsibility is assigned to another individual, department, or committee, they will be required to report back to the Committee, in writing, as to their findings.
2. If a report involves allegations regarding a member of the Committee or a member of a Committee's staff, that member will not participate in the review and resolution of that report.
3. The Committee may consult with external counsel who may conduct the investigation for and on behalf of the University.
4. The Committee will determine the appropriate amount of time for the investigation of a report.
5. All allegations or concerns received through reports will be investigated confidentially. The report and the ongoing investigation will only be revealed to those necessary to conduct a thorough investigation. All witnesses interviewed or contacted will be informed that this matter is confidential.
6. The Compliance Committee (or a designee) shall make a follow-up communication to the individual to inform them that the compliance issue is being investigated. However, because the investigation and resolution of compliance issues often involve legally confidential information such as personnel actions, the caller may not be given complete information on the nature of the investigation or the resolution of the issue.
7. At the close of the investigation, the Committee will document, in writing, the interviews conducted during the investigation, the documents reviewed, and any findings to assure the investigation is sufficiently documented and has answered all of the relevant questions.
8. If the case is sufficiently documented and has answered all of the relevant questions, the Committee will determine if the report is substantiated or unsubstantiated.

## **Recommendations**

1. If a report is substantiated, appropriate corrective or disciplinary action must be taken before the report can be considered closed.
2. The Committee will inform the department chair or department manager that a report has been substantiated and that they must develop a corrective action plan. The corrective action plan will focus on implementing changes in internal processes to improve, prevent, or detect compliance inadequacies. The department chair or department manager must submit the corrective action plan in writing to the Compliance Committee. The Compliance Committee will review the corrective action plan for completeness. The corrective action plan may include one or all of the following elements: specific areas requiring compliance attention, requirement of additional training, change in policies and procedures, further audit and/or investigation, and/or disciplinary action.
3. Disciplinary action may be imposed as part of a corrective action plan for all administration, faculty, and employees. All disciplinary actions will be administered in accordance with Wilkes University policies and procedures.

## **Reporting to Audit Committee**

1. A summary report of all investigations will be provided to the Audit Committee periodically. The Audit Committee will be informed of the allegations, the investigation, and any corrective or disciplinary action taken. The Audit Committee may direct further action if necessary. Additionally, the Audit Committee may direct reviews of the affected departments or work areas to ensure that all corrective action has been fully implemented to prevent recurrence of similar non-compliance in the future.
2. The Compliance Committee is responsible for preparing and submitting a trend report of all allegations to the Audit Committee at the end of the fiscal year. This report will summarize all reports and highlight major trends. Based on identified trends, the Audit Committee may recommend to the Compliance Committee the development of training, policies and procedures, or other corrective action to address the identified trends. Upon identified trends, the Compliance Committee may recommend the development of training, policies and procedures, or other corrective action to address the identified trends.

## **Retaliation**

1. All University employees shall be allowed to discuss freely and to raise questions and/or concerns to managers or to other appropriate personnel about activities they feel may be in violation of any applicable state or federal law or regulation, or University policy without fear of retaliation or other reprisal.

2. No University employee, contractor or agent shall intimidate, coerce, discharge, demote, suspend, threaten, harass, or in any other manner discriminate in the terms and conditions of employment in retaliation against any individual who in good faith:
  - a. exercises any right under, or participates in any process established by federal, state or local law, regulation, University policy, or an other applicable accreditation or regulatory requirements;
  - b. files a report or complaint regarding a violation of federal, state, or local law, regulation, University policy, or any other applicable accreditation or regulatory requirements;
  - c. discloses or threatens to disclose information about a situation they feel is inappropriate, or potentially illegal;
  - d. testifies, assists, or participates in an investigation, compliance review, peer review, proceeding, or hearing or
  - e. opposes any act or practice made unlawful by federal, state, or local law, regulation, University policy, or any other applicable accreditation or regulatory requirements, provided that the manner of the opposition is reasonable and does not itself violate law.

Any University employee who believes they have been retaliated against for raising a compliance question or concern should immediately contact a member of the Compliance Committee.

### **Records Retention**

1. The Compliance Committee is responsible for maintaining all necessary and appropriate documentation of reports of suspected non-compliance. All files and records will be kept in a locked file cabinet. Report logs will be retained for two years after the resolution of the last incident logged. All investigation records will be retained for ten years after the resolution of the incident.
2. Departments, individuals, or committees who are assigned the investigation of reports by the Compliance Committee shall maintain all records of their investigation or actions in a locked file cabinet or office. Additionally, all files and records pertaining to the investigation will be maintained according to the University's Records Retention Schedule.