

**DEVELOPING AN INSTITUTIONAL COMPLIANCE PROGRAM: A
CASE STUDY ASSESSING THE ORGANIZATIONAL STRUCTURE OF
TWO UNIVERSITIES**

by

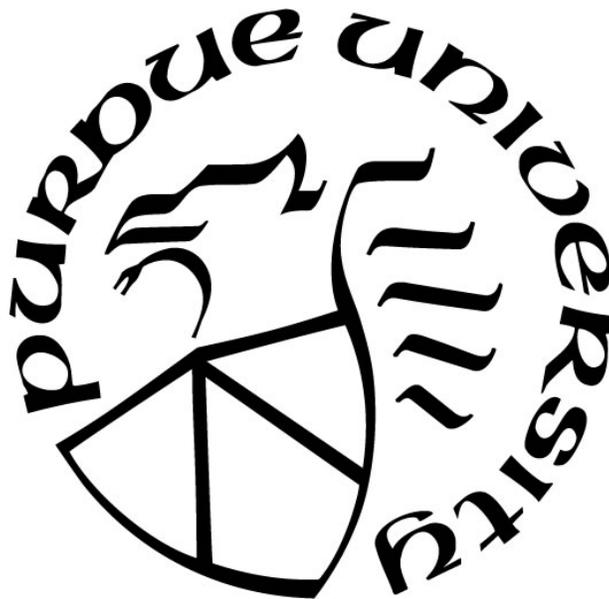
Kendra A. Cooks

A Dissertation

Submitted to the Faculty of Purdue University

In Partial Fulfillment of the Requirements for the degree of

Doctor of Philosophy



Department of Educational Studies

West Lafayette, Indiana

May 2019

**THE PURDUE UNIVERSITY GRADUATE SCHOOL
STATEMENT OF COMMITTEE APPROVAL**

Dr. Marilyn Hirth, Chair

Educational Leadership and Policy Studies Programs

Dr. John Campbell

Educational Leadership and Policy Studies Programs

Dr. William McInerney

Educational Leadership and Policy Studies Programs

Dr. F. Richard Olenchak

Educational Psychology and Research Methodology Programs

Approved by:

Dr. F. Richard Olenchak

Head of the Graduate Program

This work is dedicated to my family. Words cannot express the appreciation I have for your unfailing love and unflagging support of this work. You are the wind beneath my wings.

Owen—you have been part of this journey from the beginning and I am grateful that we've made it to the end together. It wasn't always easy, but your steadfast support and love has made the difference. I love you.

Jordan, Blaine, Audrey, Noah, Sara, Michael, Alex, Hannah, Loyal, Joselyn, Grace, and my Zeke—Your encouragement and belief that there wasn't anything your mom/K couldn't do means so much to me. I hope seeing this through to the end will, in turn, encourage you in the pursuit of your hopes and dreams.

To my parents and grandparents through life, love, or marriage —you have shaped the person I am through your teaching, your example, and your love. Thank you for giving me a solid foundation of faith in God and in the value of hard work. I hope I have exceeded your hopes and dreams for me. Dad, I wish you were here to celebrate.

ACKNOWLEDGMENTS

So many people have played a role in the completion of this work through encouragement, advice, and support in one form or another. It is with a grateful heart that I express my sincerest of thanks for any and all help I have received along the way.

First and foremost, I am so grateful for the support and many contributions of my dissertation committee— Dr. Hirth, Dr. Campbell, Dr. McInerney, and Dr. Olenchak. Each of you has inspired me, encouraged me, stepped in when needed, and stuck with me to the end of this work. Your willingness to go the extra mile—or two—has been a testament to your passion to educate and serve your students. I also am grateful for Dr. Rud’s support on this journey.

Dr. Hirth, there are simply no words to thank you enough for your encouragement, your support, and your assistance in helping me strategize and plan this work into achievable chunks. Through the many moments when real life seemed to be an obstacle, you provided the ray of sunshine that reflected on the progress made and illuminated a path forward that kept the momentum going. It would have been so easy to quit, but I knew I could do it and you were that glowing reminder that I definitely could! Thank you for being that light for me.

I want to thank my mentor and friend, Susan Brooks, for your steadfast support and belief in me as a colleague and friend. You have served as my model of leadership, ethics, and bringing out the best in a team and I sincerely appreciate the consistency, sense of humor, and infectious laugh that could be counted on every day. Your leadership role in higher education and in my professional development serves as my inspiration. You believed in me, supported this work, and allowed me the freedom to be the leader I knew I could be. Thank you for taking a chance on an Indiana girl!

Along with my family, I want to thank the teams I have been blessed to work with at Wabash College, The University of North Carolina at Charlotte, and Purdue University. My work family has been incredibly supportive and a joy to work with as we’ve partnered to implement key foundational changes and establish processes that have served and will continue to serve these great institutions. The focus of this work was inspired by the drive for continuous improvement at the institutions I serve or have served and I am honored to be on your team. Thank you for providing the many opportunities to make a life, not just a living! I am a better person for working with and knowing all of you.

TABLE OF CONTENTS

LIST OF TABLES	7
LIST OF FIGURES	8
ABSTRACT	9
CHAPTER 1. INTRODUCTION	10
Purpose of the Study	10
Significance of the Study	11
Research Questions	11
Limitations of the Study	12
Definition of Terms	12
CHAPTER 2. LITERATURE REVIEW	14
The Evolution of Compliance Programs	14
Legislation and Regulation	14
Sarbanes Oxley Act of 2002	18
Enterprise Risk Management	21
Additional Components of Compliance Programs	23
Compliance Programs in Higher Education	24
Transformation in Higher Education Accountability.....	24
Comparing Corporate and Higher Education Sectors.....	31
Emergence of Compliance Programs in Higher Education	32
Research on Compliance	36
Research Methods on Compliance.....	36
Research Studies on Ethics and Compliance Programs.....	38
CHAPTER 3. RESEARCH METHODOLOGY	52
Research Questions	52
Conceptual Framework.....	53
Research Design and Research Participants	55
Data Collection	56
Document and Artifact Collection	57
Interviews.....	59

Context of Research Site.....	59
Role of the Researcher	60
Data Analysis	61
CHAPTER 4. RESULTS OF THE STUDY.....	65
Qualitative Analysis.....	65
Open Coding of the Compliance Officer Interviews	66
Emerging Themes	78
Program Content and Scope.....	78
Organizational Culture and History	80
National Compliance Issues.....	81
Leadership.....	82
Organizational Support Structures	82
Assertions.....	83
Summary.....	95
CHAPTER 5. DISCUSSION AND RECOMMENDATIONS	97
Discussion of the Findings.....	98
Recommendations for Further Research.....	105
Limitations of the Study	107
Conclusions.....	108
APPENDIX A. DATA COLLECTION AND ANALYSIS PROCEDURES	110
APPENDIX B. PARTICIPANT INTERVIEW GUIDE FOR INSTITUTIONAL COMPLIANCE OFFICERS.....	112
REFERENCES	114
VITA.....	118

LIST OF TABLES

Table 1. Overview of Pre-21st Century Internal Control and Risk Management Provisions.....	17
Table 2. Comparison of Management Functions: Pre- and Post-Corporate Governance Reform	20
Table 3. Components of Enterprise Risk Management (ERM).....	22
Table 4. Five Dimensions of Transformation in Higher Education Accountability.....	27
Table 5. Comparing Corporate and Higher Education Sectors.....	31
Table 6. Themes Identified in Publications Related to Academic Integrity.....	37
Table 7. Differences in Legal and Ethical Compliance Approaches.....	46
Table 8. Revised Typology of University Ethics Failures.....	49
Table 9. Listing of Documents and Artifacts.....	58
Table 10. Interview Questions and Responses of Each Compliance Officer.....	67
Table 11. Management of Compliance Programs at Both Institutions.....	79
Table 12. Review of the Institutions' Conformance to Draft OIG Guidelines.....	84

LIST OF FIGURES

Figure 1. Internal Control Framework (Committee on Sponsoring Organizations, 1992).....	16
Figure 2. ERM objectives and components (Committee on Sponsoring Organizations, 2004) ...	21
Figure 3. Enterprise Risk Management (Roach, DeSouza, & Kaufman, 2010)	35
Figure 4. Word Cloud of the Analysis of Compliance Programs	63
Figure 5. Word Cloud of the Analysis of Decent University	63
Figure 6. Word Cloud of the Analysis of Central University	64

ABSTRACT

Author: Cooks, Kendra, A. PhD

Institution: Purdue University

Degree Received: May 2019

Title: Developing an Institutional Compliance Program: A Case Study Assessing the Organizational Structure of Two Universities

Committee Chair: Hirth, Marilyn

Compliance programs have grown since the early 1990s and evolved more formally into corporate institutional or enterprise-wide programs with the passage of the Sarbanes-Oxley Act of 2002. Formal institutional compliance programs are emerging in colleges and universities to assist in the management of the myriad of regulations and requirements placed on them by accrediting bodies, creditors, boards, donors, grantors, and federal and state regulators. An effective compliance program provides the structure for the institution and its employees to conduct operations ethically, with integrity, and in compliance with legal and regulatory requirements. The goals of this study were to identify organizational structures that assist large, public universities in effectively managing institutional compliance, the elements that shape these structures, and the benefits and limitations of those structures.

Keywords: accountability, code of conduct, corporate responsibility, enterprise risk management, ethics, ethics programs, institutional compliance, institutional compliance programs, integrity-based programs, Sarbanes-Oxley Act of 2002, U.S. Federal Sentencing Guidelines

CHAPTER 1. INTRODUCTION

Like corporate entities, public colleges and universities are subject to increasing review and oversight. In addition to fiscal concerns that have affected corporations, public colleges and universities face unprecedented scrutiny by an array of interests that demand greater accountability in every area of university life. Corporate ethics and compliance programs have emerged within institutions because of the demand for increased accountability.

Corporate malfeasance and failures in the late 1990s and early 2000s led to corporate reforms aimed at restoring the public trust. Passage of the Sarbanes Oxley Act of 2002 (SOX) and the Federal Sentencing Guidelines 2004 amendments were designed to shore up businesses' ethics infrastructures and encourage ethical conduct (Gallant, Beesemyer, & Kezar, 2009).

Although SOX does not specifically apply to higher education as it was targeted to corporate entities, many senior administrators and corporate members of governing boards view many of the provisions as best practices for higher education and have implemented Sarbanes-Oxley-type financial oversight (Gallant et al., 2009). Some colleges and universities have responded by implementing integrated compliance programs, although few have gone to this extent (Gallant et al., 2009). Many understand the importance of ethics and compliance programs, but little formal research has been conducted that explore the optimal organizational structure needed to support the development, implementation, and effectiveness of these programs, given the recent emergence of institutional compliance as an integrated function.

Purpose of the Study

The purpose of this multiple case study was to investigate the organizational structure of institutional compliance programs at two large public universities to gain an understanding of

how the structure affects the program. These institutions were purposefully selected to highlight similarities and differences in the structure of their compliance programs to gain an understanding of the elements that led to these differences. Institutional culture was considered a key influence on organizational structure and this study examined the impact of culture. The goals of this study were to gain an understanding of the most effective options for structuring an institutional compliance program, the elements that shaped the organizational structures, and the benefits and limitations of each structure. From this study, guidance was developed for campus leaders to inform the organizational structure of an institutional compliance program on their campus.

Significance of the Study

This study built upon the limited research of higher education institutional compliance and ethics programs, due to the relatively recent emergence of the profession within higher education. Practitioners have relied on corporate guidance provided by the Sarbanes Oxley Act of 2002 and the United States Sentencing Guidelines for Organizations as amended to provide a foundation for institutional compliance programs. A qualitative multiple case study of this nature helped develop an understanding of the types of infrastructure required to support a program and define the most effective organizational structure given the culture and other characteristics present at a specific institution. This information can help guide the development of similar programs at other institutions.

Research Questions

This case study is focused on answering the following questions as they relate to institutional compliance programs in higher education.

1. What organizational structure options are used by two large, public universities when each developed or revised its institutional compliance program?
2. What are the elements that shaped these organizational structures?
3. What are the benefits and limitation of these organizational structures?

Limitations of the Study

This study is limited to a review of the institutional compliance programs at two large, public research institutions in the Midwest. The study initially relied on the analysis of available data about each university's history and organizational structure, which may not have provided the complete context or organizational culture in place that affected each institution's compliance program. Due to some reliance on institutionally-provided data, there was a possibility of gathering incomplete data and formulating inaccurate linkages. To address these possibilities, this study included interviews to ensure completeness in data gathering and accuracy in the formulation of conclusions as well as the collection of data provided by independent sources.

The findings of the study were intended to understand the development of the organizational structure and program content of the compliance programs of the institutions included, but these findings may not apply unilaterally to all public higher education institutions. In addition, the two institutions were selected due to the researcher's perception that they have high quality programs that rely on different organizational structures. The same study, conducted at a different time with different institutions, may yield different results.

Definition of Terms

The following terms were used throughout this study and are defined below to ensure a common understanding by the researcher and readers.

COSO – Committee on Sponsoring Organizations, a joint initiative of five private sector organizations including the American Accounting Association, the American Institute of Certified Public Accountants, Financial Executives International, the Institute of Internal Auditors, and the Institute of Management Accountants. COSO develops frameworks and guidance on enterprise risk management, internal control, and fraud deterrence.

ERM – Enterprise Risk Management

Federal Sentencing Guidelines – Standards promulgated by the U.S. Sentencing Commission to provide fairness in sentencing. These guidelines were amended in 1991 to discourage misconduct by indicating punishment for criminal conduct would be less severe if the organization can demonstrate it has an active compliance program designed to prevent and detect violations of the law. These guidelines were later amended to require the maintenance of an organizational culture that encourages ethical conduct and ensures that management is provided direct access to the Board.

SEC – Securities Exchange Commission

SOX – Sarbanes-Oxley Act of 2002, which was established to provide standards for corporate entities on the areas of CEO and CFO accountability, audit committees, external auditor independence, corporate governance, and increased financial disclosure transparency.

CHAPTER 2. LITERATURE REVIEW

Institutional compliance programs are prevalent in corporate America due to financial failures and fraud culminating in highly publicized cases in the late 1990s and early 2000s. To restore public trust in corporations, the Securities Exchange Commission (SEC) and regulators passed requirements and legislation to enforce ethical standards, financial integrity, and internal controls (Van Daelen & van de Ven, 2010). These measures provided a strong foundation for the development of institutional oversight provided by institutional compliance programs. Though higher education as a business is not directly required to conform to these public entity requirements, many colleges and universities have adopted them since they represent best business practices (Gallant, Beesemyer, & Kezar, 2009) or to comply with internal control requirements of its state or governing body.

The Evolution of Compliance Programs

Legislation and Regulation

In 1976 the SEC and subsequently the Senate Foreign Relations Subcommittee documented that more than 200 large U.S. corporations had secret funds to pay foreign bribes. The Foreign Corrupt Practices Act of 1977 was enacted to prohibit bribery and imposed modest accounting and internal control requirements on corporations (van de Ven, 2010). Regardless of the expansion of accounting and auditing standards, over 1,000 banks failed due to internal control weaknesses in the mid-1980s to mid-1990s. The U.S. General Accounting Office (GAO) documented that internal control weaknesses contributed to the savings and loan crisis. Of 184 bank failures, the most significant weaknesses included inadequate or imprudent loan policies

(79%); inadequate supervision of the board of directors (49%); weak loan administration (42%); poor loan documentation and inadequate credit analysis (41%); over reliance on volatile funding sources (32%); the presence of a dominant figure (31%); and a failure to establish adequate loss allowances (29%) (van de Ven, 2010).

The importance of internal control was clear, but a common framework was lacking until 1992 when the Committee of Sponsoring Organizations (COSO) published its first report, *Internal Control-Integrated Framework*. COSO was organized in 1985 to sponsor the National Commission on Fraudulent Financial Reporting, a private-sector initiative that studied the factors that can lead to fraudulent financial reporting. Dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management (ERM), internal control, and fraud deterrence, COSO is a joint initiative of five private sector organizations that include the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), The Institute of Internal Auditors (IIA), and the Institute of Management Accountants (IMA) (COSO, 2013). Though sponsored by these professional organizations, the Commission operated independently and included representatives from industry, public accounting, investments firms, and the New York Stock Exchange (van de Ven, 2010).

This report defined and described internal control to establish a common definition and provided a standard against which businesses could assess their control system and determine how to improve it. This report's definition of the objective of internal control was much broader than preventing fraud or improving the reliability of financial reporting; the objective of internal control was to help ensure an entity's success, and internal control was described as:

A process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, (3) compliance with applicable laws and regulations, (4) safeguarding of the assets against unauthorized acquisition, use or disposition (COSO, 1992, p. 3).

The report presented a diagram that visually describes the framework, which is depicted in Figure 1 below.



Figure 1. Internal Control Framework (Committee on Sponsoring Organizations, 1992)

An overview of the main pre-21st century internal control and risk management provisions are provided in Table 1 below. These provisions provide the foundation for advanced measures that were subsequently implemented.

Table 1. Overview of Pre-21st Century Internal Control and Risk Management Provisions

Date	Document	Requiring or recommending
1933	Securities Act of 1933	A system of internal check and internal control for audit purposes.
1934	Securities and Exchange Act of 1934	Corporate audits conducted by and independent auditor. The auditor must provide an opinion related to the fair presentation of the financial statements.
1977	Foreign Corrupt Practices Act of 1977	Maintain a system of internal accounting controls to control management activities.
1978	Cohen Report	Corporate management should present a statement on the condition of the company's internal controls.
1979	Minahan Report	Internal accounting control involves the reliability of financial statements, and the broad internal control objectives and accounting controls should extend to all external reports of historical financial information.
1982	Item 303 on Management's Discussion & Analysis (MD&A)	Management's discussion and analysis must focus specifically on material events and uncertainties known to management that would causer reported financial information not be necessarily indicative of future operating results or of future financial condition.
1987	Treadway Report	Top management must identify and assess the factors that could lead to fraudulent financial reporting, issue a management report in which management acknowledges that it takes responsibility for the company's financial reporting process including management's opinion of the effectiveness of the company's internal controls, and develop and enforce effective, written codes of corporate conduct. The audit committee should assess the effectiveness of internal controls and annually review the program that management establishes to monitor compliance with the code.
1992	Committee of Sponsoring Organizations (COSO) I Report: <i>Internal Control – Integrated Framework</i>	Internal control is a process consisting of five components: control environment, risk assessment, control activities, information and communication, and monitoring- designed to provide reasonable assurance regarding the achievement of objectives in three categories: (1) the effectiveness and efficiency of operations, (2) the reliability of financial reporting and (3) compliance with applicable laws and regulations.

(Van Daelen, 2010)

Sarbanes-Oxley Act of 2002

Though corporate governance, accounting standards, and internal control measures were developed and implemented, additional corporate failures led to Congress' passage of the Sarbanes-Oxley Act of 2002 (SOX). Notable examples of these corporate governance failures and scandals include those of Enron, WorldCom, Global Crossing, Adelphia, and Quest. These scandals tarnished corporate trustworthiness and challenged business leaders to change their culture, behavior, and attitudes to restore confidence and trust in business. At its core, the Sarbanes-Oxley legislation was designed to fix auditing of U.S. public companies. This Act was intended to restore faith and trust in business through enhancing the reliability of the financial information provided by companies. Not only does SOX contain disclosure requirements, but also requires corporate governance mandates to enhance internal control through rules surrounding auditor-firm relationship, auditor rotation, provision of non-audit services, and corporate whistleblowers (Coates IV, 2007).

The proper implementation of SOX's far-reaching provisions is intended to address and affect the conduct of boards of directors, audit committees, executive, internal and external auditors, financial analysts, legal counsel, investment banks and other groups, and individuals associated with financial reports (Coates, 2007). SOX is considered a continuous improvement process; many of its provisions, such as the creation of the Public Company Accounting Oversight Board (PCAOB), Section 404 of internal controls, mandatory improved audit committee, and executive certifications were implemented with the understanding that it would take time to address the many corporate governance problems that contributed to the reported financial scandals. SOX was designed to (1) establish an independent regulatory structure for the accounting profession, (2) set high standards and new guiding principles for corporate

governance, (3) improve the quality and transparency of financial reporting, (4) improve the objectivity and credibility of audit functions and empower the audit committee, (5) create more severe civil and criminal remedies for violations of federal securities laws, and (6) increase the independence of securities analysts (Rezaee, 2009). In assessing SOX, Ira Millstein, a well-known leader in corporate governance, stated:

SOX did directly what it was supposed to do: take the best practices in director independence and audit procedures and make them mandatory...All that Sarbanes did was to take “should” and “could” and turned it into “must”. And it worked (Rezaee, 2007, p. 22).

A subsequent report by the Government Accountability Office (2006) concluded that regulators, investors, public companies, and auditors are in general agreement that SOX has had a positive impact on investor confidence and investor protection. The fundamental provisions of SOX can be divided into five categories, (1) corporate governance, (2) financial reporting, (3) audit functions, (4) federal securities law enforcement, and (5) other, including legal counsel and analysis. All functions are conducted by colleges and universities except for those generally covered by federal securities law enforcement.

The management function of corporate governance consists of achieving operational efficiency, enhancing the quality, reliability, and transparency of financial reports, and ensuring compliance with allocable laws, regulations, rules, and standards (Rezaee, 2007). Management is responsible for developing and executing the corporate strategies, safeguarding its financial resources, complying with applicable laws and regulations, and producing reliable and high-quality financial reports (Business Roundtable, 2016). Management functions include three key areas: (1) operations, (2) corporate reporting, and (3) compliance. The compliance process

involves compliance with all applicable rules, regulations, laws, and standards, including regulatory, legal, tax, environmental, social, and ethical standards and best practices (Rezaee, 2009). Table 2 provides a summary of management functions before and after the corporate governance reforms discussed.

Table 2. Comparison of Management Functions: Pre- and Post-Corporate Governance Reform

Pre-reform	Post-reform
Information asymmetry between management and shareholders	Public report on management's assessment of the effectiveness of internal control over financial reporting
Focus on short-term performance at the expense of long-term and sustainable performance	Plan to comply with accelerated filing deadlines
Lack of transparency or timely disclosures in the financial reporting process	Enhanced code of ethics for senior officers
Lack of mandated disclosures on management's accounting policies and practices	Increased time and attention to corporate governance activities
Inadequate and ineffective disclosure controls and procedures	Executive certifications of both internal controls and financial statements
Misalignment of interests between management and shareholders	Proper balance of power sharing between management the board of directors, and external auditors
Imbalance of power sharing between the board of directors and management	Improvements in MD&A [Management's Discussion and Analysis]
	More timely financial information
	More transparent disclosures of accounting policies and practices
	Disclosures of executive compensations
	Separation of the position of the chair of the board and the chief executive officer (CEO)

(Rezaee, 2009)

Enterprise Risk Management

Enterprise risk management (ERM) emerged in the early 2000s as a key business activity of interest due to financial scandals, terrorist attacks, and other world events that have generated more interest in the issue of overall ERM including traditional risks. In its report, *Enterprise Risk Management (ERM)—Integrated Framework*, COSO defines enterprise risk management as:

A process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives (COSO, 2004, p. 2).

COSO's visual depiction of the Enterprise Risk Management framework, referred to as the ERM cube, is provided in Figure 2.



Figure 2. ERM objectives and components (Committee on Sponsoring Organizations, 2004)

The ERM cube closely resembles the original internal control framework presented by COSO with additional components and objectives. The relationship between the ERM objectives and its related components are represented as a three-dimensional matrix. The vertical column represents the four key corporate objectives—strategic, operations, reporting, and compliance. The horizontal rows represent the eight components of objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring. The third dimension of the matrix shows ERM’s ability to focus on the entire company, regardless if it is entity-wide or down to a unit or work group. A summary of the matrix is indicated in Table 3.

Table 3. Components of Enterprise Risk Management (ERM)

1. Internal environment	The foundation of ERM
2. Objective setting	Strategic goals and mission
3. Event identification	Internal and external factors affect objectives
4. Risk assessment	Likelihood and impact of potential events
5. Risk response	Risk tolerance
6. Control activities	Policies and procedures
7. Information and communication	From internal and external sources
8. Monitoring	Ongoing basis, periodic

(Rezaee, 2009)

ERM was originally used to identify and manage financial and legal risks that could impact revenues. After SOX, ERM has taken a broader, strategic approach to promote corporate governance effectiveness of control risks and revealing opportunities. COSO’s ERM framework enables management to achieve the company’s goal of creating shareholder value by managing uncertainty and related risk and opportunities. The framework is developed based on the following premises:

1. Aligning risk appetite and strategy. An entity's risk appetite should be considered in assessing strategic alternatives, establishing objectives, and developing mechanisms to manage associate risks.
2. Enhancing risk response decisions. Management should identify and select risk responses associated with the uncertainty its company is facing.
3. Reduction of operational surprises and losses. Management should minimize pitfalls and surprises that cause losses and expenses.
4. Identifying and managing multiple and cross-enterprise risks. Management should effectively identify and manage interrelated and integrated risks threatening the entity's operation and performance.
5. Seizing opportunities. Management should identify and proactively realize opportunities provided by uncertainties.
6. Improving deployment of capital. Management should assess overall capital needs and allocation of capital to manage risk (COSO, 2004).

Additional Components of Compliance Programs

Corporate governance and business ethics are regarded as the most influential themes of the twenty-first century, having transformed from a compliance requirement to a strategic business imperative and ethical corporate culture. Effective corporate governance (1) assists management in better running its organization, (2) promotes a vigilant oversight function by the board of directors, (3) encourages shareholders to take an active role in monitoring their organizations, (4) promotes gatekeepers to fulfill their professional duties, and (5) improves public trust in the organization (Rezaee, 2009). Corporate governance and ethics is interdisciplinary and requires knowledge of laws, rules, regulations, finance, economics, politics,

organizational behavior, accounting, information systems, psychology, and other disciplines.

There are embedded roles and responsibilities of all corporate governance participants including investors, the board of directors, management, auditors, legal counsel, financial advisors, policy makers, regulators, and the global business and academic communities (Rezaee, 2009).

Corporate governance is ultimately about leadership and accountability (1) for efficiency and effectiveness of operations to compete in the global markets; (2) for disclosure of accurate complete and transparent information regarding corporate performance in areas of economic and social activities; and (3) for transparency to ensure trustworthiness of corporations and their leaders in contributing to the achievement of the company's sustainable performance and success, the integrity and efficiency of capital markets, economic growth prosperity of the nation, and the sustainability of the global market (Rezaee, 2009).

Compliance Programs in Higher Education

Transformation in Higher Education Accountability

Like corporate entities, public colleges and universities are subject to increasing review and oversight. Unlike corporate entities heavily regulated by regulatory bodies, including the Securities and Exchange Commission, public colleges and universities are regulated by its state of incorporation, any state agency that regulates higher education, and regional accrediting boards. The regional accrediting board assembles a review panel of peers to conduct the accreditation process, therefore in this context public higher education has essentially been a self-regulating industry. In the early 1990s the accreditation process received criticism as inadequate and self-serving (Ewell, 1994). Simultaneous charges of abuse, collusion, mismanagement, and outright fabrication in areas as diverse as the conduct of research, the use

of state and federal funds, and intercollegiate athletics have further undermined the public's confidence that higher education is capable of regulating its own affairs (Ewell, 1994).

Public educational institutions are established largely by the state through state statute or other legislative or constitutional acts as a form of corporation with a governing board (Birnbaum, 1988). Governance of the institution lies with the board of trustees, but decision making and action reside with university administrators and faculty (McLendon, Hearn, & Deaton, 2006). As institutions and regulatory requirements have become more complex, university presidents and provosts must govern in addition to managing and leading. The governance of presidents and provosts has focused on strategic issues: curricular areas to emphasize or deemphasize, potential revenue-generating markets to embrace or avoid, stances to take in response to emerging social, economic, technological, and political developments (Hearn & McLendon, 2012).

State governments have begun to face economic transformations, mounting budget pressures, and growing calls for more accountability. Since public colleges and universities receive public funds, these pressures consequently flow to public colleges and universities. Unfortunately, the predominant relationship between campuses and the state is one of compliance-based accountability and insular autonomy (Wellman, 2006). Drawing a line between the campus and the state reinforces the idea that higher education has separate interests rather than a common interest in the public good (Wellman, 2006).

Some authorities believe that higher education today faces unprecedented scrutiny by an array of interests whose demands for greater accountability touch every area of university life (Knapp, 2009). We have entered an era of hyper accountability where universities must reconsider many time-honored assumptions about institutional priorities and the nature of

effective leadership (Knapp, 2009). A report issued by the Spellings Commission, *A Test of Leadership: Charting the Future of U.S. Higher Education*, served as a major wake-up call for both higher education institutions and regional accrediting bodies (Bardo, 2009). The report pointed to a remarkable absence of accountability mechanisms to ensure that colleges succeed in educating students (Knapp, 2009). The Spellings report became a visible sign of the need for change, but two other trends are also important to colleges and universities—the high level of concern with higher education costs, productivity, and outcomes and accreditation standards that are much more outcomes-based than in the past (Bardo, 2009).

To fully understand the need for a university compliance program, it is important to identify the entities to which universities must comply. Due to funding, reputational risk, or other concerns, public colleges and universities are accountable to many groups and special interests.

Among them are the following:

- Federal Government
- State Government
- Accrediting Agencies
- Students and Parents
- Alumni and Donors
- News Media
- Other Interests
 - Employment
 - Sustainability
 - Diversity
 - Athletics (Knapp, 2009)

To address the need to be accountable to a diverse population of interested parties, Knapp (2009) advises a stakeholder-focused strategy for university leadership. This approach is a pragmatic way to gain better control of the university's own agenda. Second, it provides a unifying vision that brings the many fragments of accountability together as components of an overall strategy. Third, it is an ethical approach that takes seriously the interest of all who have a legitimate stake in the university's activities (Knapp, 2009). Stakeholders are beginning to expect more transparency, more information, and more responsiveness, as seen in Table 4.

Table 4. Five Dimensions of Transformation in Higher Education Accountability

Dimension	From	To
Substance of Accountability	Resource use; institutional processes	Results
Unit of analysis	Public institutions	Society, polity
Accountability as a policy tool	Stand-alone	Integrated
Treatment of institutions	Uniform	Differentiated
Institutional responsibility	Compliance, reporting	Transparency, responsiveness

(Ewell & Jones, 2006)

Though the public has continued to push for increased access to higher education, improvement in time-to-degree for students, more research results, and an increase in outreach, the public demand for ethics in educational institutions has been relatively quiet. However, the greatest need for higher education organizations in this time of increasing public pressure and decreasing resources is attention to ethics (Gallant et al., 2009). Universities must lead by example since its goal is not simply meeting the public or stakeholders' demands, but to educate

the next generation of leaders. In this sense, colleges and universities have a greater obligation to attend to ethics than do the for-profit corporations that have been the focus of the public's ethical concerns.

Ethical conduct is honest and transparent behavior, holding yourself accountable to higher-order principles such as doing more good than harm. Higher education organizations must be concerned with regulatory compliance. They have a duty as educators to support and facilitate the ethics of individuals that is activated in the absence of a law or rule to guide behaviors or in situations without a known resolution to conflicting interests, needs, or demands arise (Gallant et al., 2009).

The goals of codes of conduct and compliance programs are to ensure that 1) employees act lawfully and in ways consistent with the values and rules embodied in the code; 2) employees report behavior that is inconsistent with the code; and 3) the company takes actions to prevent the noncompliant behavior from occurring again. At a minimum, a compliance program should contain the following seven elements: (1) written standards; (2) oversight; (3) due diligence in the delegation of authority; (4) communication and training; (5) monitoring and auditing; (6) enforcement and discipline; and (7) corrective action (Gallant et al., 2009).

The Sarbanes Oxley Act required amendments to the Federal Sentencing Guidelines that included mandatory training and communication about ethics and compliance and the requirement that the organizational culture must reinforce and encourage ethical conduct, not just compliance. These amendments spurred additional growth in integrity-based programs, focused on establishing legitimacy with employees through internally-developed organizational values and self-governance and integrating ethics into employees' decision making and inspiring them to live up to the company's ethical ideals (Gallant et al., 2009).

Though these corporate requirements are not directly required of colleges and universities, senior management and board members view these requirements as a best practice for higher education and many institutions have implemented them on their campuses. Maintaining an ethical environment in higher education requires a more comprehensive approach than one represented by federal regulations and codes of conduct. Higher education responds best to an approach that acknowledges the multiple competing purposes that are inherent to the academic enterprise.

To create an ethical culture, organizational culture theorist, Edgar Schein, would refer to ethics or conduct codes, compliance programs and even integrity programs as secondary articulation and reinforcement mechanisms that codify, represent, or reinforce an ethical culture (Gallant et al., 2009). In the event these secondary mechanisms are inconsistent with the primary, they will either be ignored or be a source of internal conflict (Gallant et al., 2009). There are five primary mechanisms that a leader can use to influence an organization's culture: attention, reaction to crises, role modeling, allocation of rewards, and criteria for selection and dismissal (Sims & Brinkmann, 2006). Leadership is the critical component of the organization's culture because leaders can create, reinforce, or change the organization's culture.

Colleges or universities interested in creating an ethical culture must go beyond the implementation of codes, compliance, and integrity programs to an investigation of the practices, procedures, and pressures that encourage ethical behavior and create an ethical organizational culture (Gallant et al., 2009). After a major study of ethical conduct in higher education, May (1990) found that a focus on controlling and sanctioning individual conduct will not change the pattern of actions on campus. Universities need a variety of practices including leaders facilitating discussions around ethics, implementing reward structures that emphasize careful

judgments, and increasing communication around the ethics of all decision making. Specific actions recommended to create a culture of ethics include:

- Leaders need to encourage discussions and communications around ethics.
- Leaders should examine reward structures to see how they reinforce or contradict an ethical environment.
- Leaders must work on the psychological contract with others—that the ethical expectations of each other are made explicit.
- Colleges and universities need to work on ways to help strengthen individual members' identification with the institution.
- Help faculty, staff, and administrators to understand and negotiate the various ethics codes, institutional programs, and professional standards that currently exist.
- Colleges and universities should conduct a rigorous and thorough examinations of existing systems and incentives to determine what behaviors are currently being rewarded and to ascertain perceptions about the current state of the prevailing internal ethical climate.
- Campuses that are dedicated to creating a culture of ethics have regular training sessions for faculty, staff, and students (Gallant et al., 2009, pp. 212-214).

Ethics has found its way into the accreditation process since accreditors increasingly view ethics as a systemic and organizational issue. Standard nine of the Northwest Commission on Colleges and Universities asks the institutions in its region to demonstrate that

The institution adheres to the highest ethical standards in its representation to its constituencies and the public; in its teaching, scholarship, and service; in its treatment of its students, faculty and staff; and in its relationships with regulatory and accrediting agencies (Gallant et al., 2009, p. 215).

Comparing Corporate and Higher Education Sectors

Within the governance process, leaders are instrumental in setting a tone for the types of relationships that will develop. Relationships of integrity are crucial if people are to get outside of personal agendas and work together for institutional policy setting (Kezar, 2004). Regardless of industry, ethical practices shape the culture of the business or institution, though the practices or approaches may differ. The following table provides a comparison of ethical approaches in corporations with those found in colleges and universities.

Table 5. Comparing Corporate and Higher Education Sectors

Ethical Approach or Practice	Corporate	Higher Education
Code of conduct	Commonplace	Commonplace for students; less so for faculty and staff who are seen as professionals with their own ethical codes
Legislation like Sarbanes-Oxley	Mandatory compliance	Higher education boards are making effort to comply and seeing it as a necessary part of board audit committee
Compliance programs	Corporations must adhere to federal and state regulations such as Equal employment Opportunity Commission, etc.	Universities have to comply with federal and state regulations similar to business to obtain federal financial aid

Table 5 continued

Integrity-based programs (internally rather than externally driven)	Become more commonplace in corporate setting	Less commonplace as professional ethics and standards tend to provide guidance
Ethical culture	Not commonplace	Not commonplace
Differences by sector	Corporate	Higher Education
Complexity	Single codes or standards	Conflicting codes and standards by discipline, profession, and institution
Developmental focus	No developmental mandate	Higher education has a responsibility to teach and model, not just enforce, ethics
Workforce	Different types of staff and managers but tend to be three groups of workers: managers, staff, and clerical	Greater differentiation of staff, faculty, administration, clerical and even students who are also workers on campus which may impact approach
Stability of membership	Organizational membership is largely stable; individual employees come and go, but there is consistency from one year to the next, so ethics socialization can occur naturally	Student membership changes annually; requires constant and intentional ethic socialization; long term commitment of faculty and staff

(Gallant, Beesemyer & Kezar, 2009)

Emergence of Compliance Programs in Higher Education

To address the increasing importance of compliance programs and concerns, some colleges and universities have hired or appointed compliance officers to oversee enterprise wide compliance and risk. In 2007, an article in the *Chronicle of Higher Education* stated that “among the growing numbers of college administrator is a new kind of official who, 20 years ago, was

not yet part of the higher-education scene: the compliance officer” (Davis, 2007, p. B11).

Subsequently, institutional compliance programs in higher education have begun to emerge. In 2012, a consortia of professional educational associations banded together to form the Higher Education Compliance Alliance to provide the higher education community with a centralized repository of information and resources for compliance with federal laws and regulations.

Spearheaded by the National Association of College and University Attorneys (NACUA), the Compliance Alliance is now comprised of 27 participating associations representing a broad cross-section of higher education interests. These associations share a joint commitment to providing high quality resources on a diverse range of compliance topics as a service to the higher education community at large (Higher Education Compliance Alliance, 2019).

In a presentation to the NACUA National Conference on November 2011, compliance officers and attorneys presented a session on institutional compliance. The presenters indicated that colleges and universities should develop a compliance program to (1) foster a culture of ethics and compliance that is central to all the institution’s operations and activities, (2) understand the nature of risks and potential exposures; (3) identify and manage risks that impact the institution’s reputation; and (4) integrate the compliance program into an enterprise risk management framework (Brown, Williams, & Myers, 2011). Universities operate in an environment governed by a vast and constantly changing array of federal, state, and local regulations. The sheer number of these laws, their complexity and the gravity of violating many of these regulations necessitate a comprehensive and effectively maintained compliance program (Hansen, Myers, & Schwartz, 2011).

As corporate and higher education organizations have had experience with the regulations and requirements of the Federal Sentencing Guidelines, Sarbanes-Oxley, and other

regulations, best and leading practices have emerged. Some best practices include (1) lead with your code; (2) encourage and promote ethical behavior; (3) address risk and incident assessment using both proactive and reactive methods; (4) manage incidents with consistency; (5) practice compliance-never complacency; (6) put your compliance data to work; and (7) lead with integrity (The Network, Inc., 2012).

One key element of the 2004 amendment to the Federal Sentencing Guidelines was the incorporation of concepts from enterprise risk management techniques, specifically the periodic assessment of risk. The risk assessment process includes risk identification; risk analysis; risk evaluation; risk treatment and mitigation; monitoring, review, and corrective action; and communication (Roach, DeSouza, & Kaufman, 2010). The definition of an enterprise risk management is a structured, consistent, and continuous risk management process applied across the entire organization that brings value by 1) proactively identifying, assessing, and prioritizing material risks; 2) developing and deploying effective mitigation strategies; 3) aligning with strategic objectives and administrative processes; and 4) embedding key components into the organization's culture through risk ownership, governance, and oversight; reporting and communications; and leveraging technology and tools (Roach et al., 2010). The following model (Figure 3) depicts the integration of enterprise risk management within COSO's original audit framework.

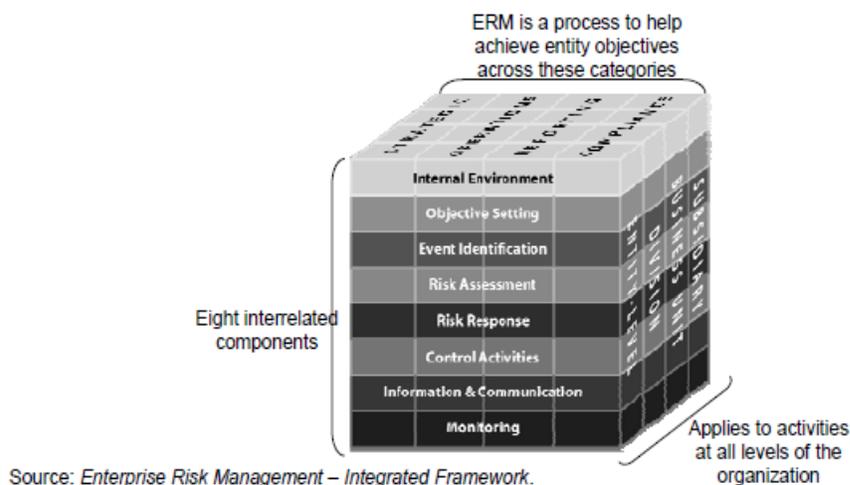


Figure 3. Enterprise Risk Management (Roach, DeSouza, & Kaufman, 2010)

The 2011 National Business Ethics Survey, a longitudinal study of workplace ethics conducted by the Ethics Resource Center, found that by every measure, strong ethics programs and strong ethics cultures produce substantially better outcomes – less pressure, less misconduct, higher reporting, and less retaliation – than in weaker ethical environments (Ethics Resource Center, 2012). Their summary recommendations advise executives to invest deeply in ethics and compliance programs, make ethical leadership a part of performance evaluations for managers, communicate your personal commitment to ethical conduct, develop ways to strengthen your ethical culture using social networks, and revisit your company’s non-retaliation policy and practices (Ethics Resource Center, 2012).

In summary, public colleges and universities are not immune to the question of culture and ethics. Many universities have adopted many components of corporate ethics and compliance programs including integrated approaches within an enterprise risk management framework. As recipients of public funds and more importantly as educators, public colleges and universities must model ethical and compliant conduct for the next generation of students and

scholars. This research study identified organizational structures that support a strong compliance program and the characteristics that can assist institutional leaders in determining the best structure for their college or university.

Research on Compliance

Research Methods on Compliance

As with many disciplines, research on compliance topics employ many qualitative and quantitative techniques. Macfarlane, Zhang, and Pun (2012) provide an extensive literature review that focuses on academic ethics and integrity in the core missions of teaching, research, and service. The authors' study was prompted by growing interest in issues related to academic integrity attributed to the increasing number of reported cases about academic fraud. The authors also point out that publications in academic integrity are widely dispersed across a range of academic journals rather than being clustered in specialist outlets due to its immaturity as a field of inquiry. The authors' review indicates that much of the literature is framed in terms of misconduct or academic corruption with research ethics the dominant focus. Therefore the focus in the literature is on investigating and illustrating a perceived lack, or absence of, academic integrity.

The authors conducted key word searches in library catalogues and frequently used online article databases, categorized them according to their theme and research methods. The most commonly occurring themes were then identified and grouped by teaching, research, and service activities. An excerpt of the themes they found is indicated in Table 6.

Table 6. Themes Identified in Publications Related to Academic Integrity

Teaching Themes	Research Themes	Service Themes
Nature and definition	Historical review of research ethics policy	Nature and definition
Examples of unethical behaviors	Nature and definition	Examples of unethical behavior
Specification of responsibilities and ethical principles	Examples of unethical behavior	Specification of responsibilities
Individual, situational and environmental factors	Specification of responsibilities	Individual, situational and environmental factors
Faculty-student dual relationships	Formation and review of research ethics policy	Characterizations of professional ethics and personal values
Staff perceptions of ethical behavior and ethical codes	Guide and ethics review of action research	Staff perceptions of ethical behavior and ethical codes
Students' perceptions of professors' ethical behavior	Individual, situational and environmental factors	Factors associated with non-reporting of academic misconduct
Comparing students and faculty perceptions of unethical behavior	Perceptions of ethical research behavior and ethical codes	Strategies for promoting moral practices
Ethical challenges and teaching dilemmas	Academia's handling of misconduct	Problems with faculty evaluation system
Professional ethics development and self-enhancement	Ethical challenges in areas of research	Ethics of faculty selling desk copies
Strategies for managing misconduct and promoting moral practices	Conflicts of interest in faculty-industry research relationships	Public expectations of universities and faculty
	Strategies for managing misconduct and promoting moral practices	Cost of ethics failure to academic community

(Macfarlane, Zhang, and Pun, 2012)

Macfarlane et al., (2012) also summarized the qualitative and quantitative research methods used by researchers identified in the study. This article summarized the key research methods used to study academic integrity and, by extension, to the overall study of the development or application of codes of ethics, integrity, and institutional compliance programs and the organizational structures that support them. Macfarlane et al.'s (2012) assessment of

research and research methodologies in investigating academic integrity was roughly divided between quantitative and qualitative approaches. The most popularly used research instrument included in this study was the questionnaire linked to forms of multivariate analysis (use of ANOVA, MANOVA, multiple regression, and factor analysis) (Macfarlane et al., 2012). The nature of academic integrity and the opportunity to discuss and analyze policy statements issued by government agencies, professional and scholarly organizations, and universities means that documentary analysis is the second most popular methodology. Other methods used include interview with faculty members, focus groups, case studies, critical reflections, self-reflections, and open-ended qualitative surveys.

Macfarlane et al. (2012) close their article by pointing out challenges for further research in academic integrity. As mentioned earlier, one of these challenges is the predominant focus on understanding academic integrity from a negative lens--framing the study with the use of 'unethical' examples and scenarios. Focusing on the investigation of 'bad' behavior leads to research identifying ethical shortcomings instead of identifying sets of norms, values, or behavioral characteristics that might be considered 'good' or 'ethical'. An additional challenge is present in the methods used by researchers, collecting data that will not be compromised by social desirability reporting (SDR), a common source of bias impacting the validity of experimental and survey research findings generally with respondents over-reporting good as opposed to bad behavior (Johnson & Fendrich, as cited in Macfarlane et al., 2012). These biases in design are important for researchers to mitigate to ensure results are not skewed.

Research Studies on Ethics and Compliance Programs

In an examination of the development and functioning of codes of ethics in higher education, Bray, Molina, and Swecker (2012) drew upon research from higher education and

organization studies more broadly to focus on a holistic view of higher education ethical codes from a scholarly perspective. The authors reviewed the rationale behind codes of ethics in higher education, provided an overview of the organizational principles that are the foundation for the development and functioning of the codes, and reviewed the ways in which these codes have become organizational anchors for key constituents. They end their scholarly review with a discussion of how codes of ethics are constrained in some ways by institutional structures and yet show promise for what these codes can offer. The importance of organizational structure will be examined in this research study.

Codes of ethics shape how individuals and groups within higher education view their roles and that affects nearly every important organizational process in higher education from the teacher-student relationship to administrative decision-making. Ethical lapses at colleges and universities has led to increased scrutiny in the codes of ethics as well as their fundamental underlying expectations, norms, and behaviors (Bennett 1998; Braxton & Bayer 1994; Reybold, Halz, & Jimenez 2008; Shurr 1982 as cited in Bray et al., 2012).

In higher education, codes of ethics shape institutional behavior and represent a set of professional norms that define acceptable or inappropriate behavior. Generally, norms shape behavior in a profession, which is defined as a self-regulating occupation that adheres to a common set of standards and training expectations (Braxton & Bayer, 1994; Bruhn, Zajac, Al-Kazemi, & Prescott 2002; Wilson 1942 as cited in Bray et al., 2012). For higher education, profession can be defined by student group, academic discipline, or administrative area. The professional code provides a framework by which member establish acceptable behaviors, seek to legitimize the profession, and address professional relationships (Bruhn et al. 2002; Callahan 1982 as cited in Bray et al., 2012). A well accepted code of conduct is essential to any

community of trust, and a community of trust is inherently more efficient than a community without trust.

One research study of note examined this important aspect--the relationship between codes of ethics and actual behavior. Schwartz (2001) first examined nineteen empirical research studies that had been conducted and found that the existing research was inconclusive regarding the impact of codes on behavior. It was the researcher's belief that the mixed results may involve the methodology used in these previous studies (Schwartz, 2001).

Schwartz (2001) also examined the extent to which the employees were aware of the code's ethical standards, both from the perspective of its existence, if the employees had read it, if the employees know how to locate it, and if employees knew the content of the code. The researchers found that every respondent was aware of the existence of the code, many reported reading the full text of the code, a third knew the location of their copy of the code, and many had forgotten the full content of the code, though they could recall at least a few key provisions. Surprisingly, despite the ethics officers working with the codes every day, the officers at three of the four companies indicated that they could only remember one or two of their company's five to seven core values or principles (Schwartz, 2001). As a final area of inquiry, participants were asked if they were aware of any violations of the code. Many examples of misconduct reported by the participants included stealing, fraud, sexual harassment, conflict of interest, misappropriation of company funds, breach of confidentiality, abusing expense accounts, falsifying records, drinking on the job, racism, and downloading pornography (Schwartz, 2001). These responses substantiate the proposition that the existence of the code did not eliminate unethical activity.

The data of the study suggest that codes have the potential to influence behavior but it appeared to rarely occur. The majority of the participants reported that the code had not changed their behavior because respondents (a) believed they already know what is right and wrong behavior; (b) the code is merely common sense; and (c) respondents believed they had never faced an ethical dilemma (Schwartz, 2001). These interviews did provide two pieces of evidence that codes directly influence behavior, including the fact that respondents provided examples of behaviors they modified as a result of the code and the number of questions the ethics officers received from employees about the code.

In terms of the second line of inquiry, Schwartz (2001) found that there were five reasons for non-compliance with the code: (a) self-interest; (b) dissatisfaction; (c) environment; (d) company's best interest; and (e) ignorance. Employees tend to comply with the code due to: (a) personal values; (b) fear of discipline; and (c) a feeling of loyalty to the company (Schwartz, 2001). The researchers also surmise that if any of the elements that would lead to non-compliance were not present, code compliance would be enhanced. Conversely if elements of personal values, fear of discipline, and loyalty to the company were not present, non-compliance might increase. The results of this research can be applied by an institution by identifying the reasons for compliance or non-compliance and modifying any of the characteristics identified above to enhance compliance with the code.

Oost (2007) furthered the research on the influence of ethics programs on behavior with a look at these programs in academic settings. This research focuses on the design of ethics programs and their influence on non-compliant behavior in the context of universities. Using exploratory research, Oost investigated whether ethics programs sufficiently support compliant behavior and the most appropriate way to design an ethics programs in an academic setting.

Oost examined two strategies for organizing ethics to determine the most appropriate one for organizing ethics at a university.

The two strategies Oost (2007) examined were the compliance strategy and the integrity strategy. The compliance strategy focuses on controlling and sanctioning ethical behavior. The integrity strategy relies on the responsibility and integrity of employees and does not rely on compliance to strict rules. Both strategies have common features including codes of conduct, training, reporting and investigating potential misconduct, and audit and controls to ensure that laws and company standards are being met (Paine, as cited in Oost, 2007). According to studies reviewed by Oost, the integrity strategy applied to ethics is more effective than the compliance strategy because it is broader, deeper, and more demanding than the compliance strategy. Employees following the integrity strategy are more likely motivated to behave within the shared values of the organization since the integrity strategy is based on self-governance.

Results of the interviews Oost (2007) conducted demonstrated that there were ethical issues present, including dating a student, teaching under the influence of alcohol, failure to credit associates or co-authors, and violating promises and confidentiality. The differences between the three universities were small, therefore most of the ethical issues identified were present at all three institutions. The research identified that non-compliance was noticed more frequently in education functions than in research functions.

In line with Oost's (2007) view of compliance versus integrity strategies, Arjoon (2005) researched corporate governance issues from a compliance viewpoint, highlighting the difference between legal and ethical compliance. Corporate governance covers a number of institutional processes and concepts and is defined by the Organization for Economic Cooperation and Development (OECD) as

...the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporations, such as, the board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decision in corporate affairs. By doing this, it also provides the structure through which the company objectives are set and the means of attaining those objectives and monitoring performance (OECD as cited in Arjoon, 2005, pp. 343-344).

Arjoon (2005) shares that the key points in corporate governance include issues of transparency and accountability, the legal and regulatory environment, appropriate risk management measures, information flows, and the responsibility of senior management and the board of directors. This holistic approach to governance was part of some progressive companies overarching strategy, but became more prevalent upon the publishing of the U.S. Sentencing Commission's Guidelines as a result of corporate ethical failures. Though these governance issues are not new, the environment has become more complex and more compelling due to globalization, technology advances, and rising competition.

Arjoon (2005) indicates that one of the challenges with legal compliance mechanisms is that many abuses are entirely legal. Some accounting and finance practices can be acceptable by accounting or finance standards, but can be deceiving. Corporate culture and climate are keys to understanding how a company operates. Arjoon cites a 1995 study of Harvard graduates conducted by Badaracco and Webb that revealed the following:

1. Young managers received explicit instructions from their middle-manager bosses or felt strong organizational pressures to do things that they believed were sleazy, unethical, or sometimes illegal
2. Legal compliance mechanisms (corporate ethics programs, codes of conduct, mission statements, hot lines, and so on) provided little help in such environments

3. Many of the young managers believed that their company's executives were out-of-touch with ethical issues
4. The young managers resolved the dilemmas they faced largely on the basis of personal reflection and individual values, not through reliance on corporate credos or company loyalty (Badarraco & Webb, as cited in Arjoon, 2005, pp. 344-345).

As additional corporate ethical issues unfolded, legal compliance mechanisms became more prevalent, such as the Sarbanes Oxley Act that served to increase the accountability and liability of chief executive officers and chief financial officers. Although a necessary component of corporate governance, these legal requirements may lack the ability to restore confidence and rebuild trust in corporations. One study compares ethical compliance mechanisms (virtues) versus legal compliance mechanisms (codes) and concludes that the ethical functioning of institutions cannot be trusted with the imposition of codes of ethical conduct. The only way in which companies can be ethical is for people to be ethical (Termes, as cited in Arjoon, 2005). An additional researcher observed that a legalistic approach to corporate governance will not inspire a true sense of ethical obligation and will lead to politically correct dictates. Instead of striving to meet high standards, corporations will only meet legal obligations instead of making innovative decisions that an ethical sound culture requires (Donaldson, as cited in Arjoon, 2005).

In keeping with a strong ethical focus, executives are learning that trust, integrity, and fairness do matter and are crucial to the bottom line (Byrne, as cited in Arjoon, 2005). Byrne also noted that many corporate scandals were a direct result of disconnecting performance from meaningful corporate values. What is now emerging is a new model of the corporation in which corporate cultures will change in a way that puts greater emphasis on integrity and trust (Byrne,

as cited in Arjoon, 2005). Trevino et al. (2005) found that specific characteristics of legal compliance programs matter less than the broader perceptions of a program's orientation toward values and ethical aspirations. The researchers found that consistency between policies and actions as well as dimensions of the organization's ethical climate such as ethical leadership, fair treatment of employees, and open discussion of ethics helped to boost compliance (Trevino et al., as cited in Arjoon, 2005).

Arjoon (2005) examined research that had been conducted on both ethical compliance and legal compliance. One researcher defined ethics as obedience to the unenforceable (Kidder, as cited in Arjoon, 2005), which also explains Kleining's belief that law is concerned primarily with conduct, and ethical requirements are centrally concerned with reasons, motives, intentions, and more generally with the character that expresses itself in conduct. Ethics therefore is concerned with what we are and not just what we do (Kleining, as cited in Arjoon, 2005).

Longstaff (2005) argued that overemphasizing legal compliance could be at the expense of ethical reflection since people may have less reason to form their own opinions and take personal responsibility for the decisions they make. This could result in a subtle substitution of accountability for responsibility (Longstaff, as cited in Arjoon, 2005). Seidman points out that you cannot have a culture of compliance unless you have a culture of ethics (Seidman, as cited in Arjoon, 2005). A summary of the differences in legal and ethical compliance approaches is provided in Table 7 below.

Table 7. Differences in Legal and Ethical Compliance Approaches

Factors	Legal	Ethical
Ethos	Regards ethics as a set of limits and something that has to be done	Defines ethics as a set of principles to guide choices
Objectives	Geared toward preventing unlawful conduct	Geared toward achieving responsible conduct
Method	Emphasizes rules and uses increased monitoring and penalties to enforce these rules	Treats ethics as infused in business practice (leadership, core systems, decision-making processes, etc.)
Behavioral assumptions	Rooted in deterrence theory (how to prevent people from doing bad things by manipulating the costs of misconduct)	Rooted in individual and communal values (both material and spiritual)

(Paine, as cited in Arjoon, 2005)

Arjoon (2005) concludes his assessment that an ethical compliance approach is more effective than a legal approach in the following observation:

An adequate corporate strategy must include non-economic goals...An economic strategy is humanized and made attainable in a living organization by deciding on the character the company is to have, the values it espouses, and its relationships to its customers, employees, communities, and shareholders. The personal values and ethical aspirations of the company leaders, though probably not specifically stated, are implicit in all strategic decisions...Although codes of ethics, ethical policy for specific vulnerabilities, and disciplined enforcement are important, they do not contain in themselves the final emotion power of commitment. Commitment to quality objectives-among them compliance with law and high ethical standards- is an organizational achievement. It is inspired by pride more than the profit that rightful pride produces. Once the scope of strategic decision is thus enlarged, its ethical component is no longer at odds with a decision right for many reasons (Andrews, as cited in Arjoon, 2005, p. 350).

Kelley and Elm (2003) also examined the impact of an organization's culture on ethical decision-making. The researchers conducted a phenomenological study set in a social services organization to better understand how participants experience ethical issues and how or whether organizational factors affect that experience. Kelley and Elm conducted structured face-to-face interviews with participants from different social services offices throughout the state of

Washington to gather data and concluded that context did affect the moral intensity of an ethical issue. This is an important concept to my research as it points out that the organizational environment and culture shapes employees' framework and behavior. The organizational structure of the two institutions included in the study were examined to identify how the structure supports an ethical culture.

Felo's (2001) research in corporate governance focused on the level of board involvement in ethics programs and the impact on conflicts of interest. Companies implement ethics programs to enhance the culture of the institution, to institutionalize an already strong ethical culture, or to comply with Federal Sentencing Guidelines or similar requirements. The results of Felo's second hypotheses combined with a supplemental analysis led to his final conclusion that the existence of an ethics program that is actively managed by the firm's board has a lower incidence of potential conflicts of interest in the firm's corporate governance structure. This supports the notion that high-level involvement is necessary for an ethics program to achieve its goals (Bernebeim; Kaplan & Perry, as cited in Felo, 2001). This research supports the foundational notion that 'tone at the top' is key to the effectiveness of ethics programs and in the overall culture of an organization.

Kelley and Chang (2007) studied the types of ethics challenges specific to universities. In their introduction, they share that existing research reflects that ethical lapses spring from employees putting their own needs above honesty, that the many and varied pressures affecting university employees may encourage ethical lapses, or that there is an absence of clear expectations of behavior. Kelley and Chang conducted an exploratory study, using the typology developed by Bruhn et al. (2002) as their starting point. Their goal was to answer the following questions:

1. What ethical lapses occur in university settings?
2. Where in the university do specific types of ethical lapses occur?
3. Who are the stakeholders affected by university ethical lapses?
4. What effect, and how serious is the effect, of these lapses on stakeholders? (Kelley & Chang, 2007, pp. 404-406).

The researchers conducted exploratory research by identifying ethical lapses that were reported in the media or on the web from 1999-2002, which coincided with significant ethical lapses uncovered in the business sector. Only ten institutions were selected across Carnegie Classifications to ensure a mix of subjects. The researchers selected news reports as their data set since these primary documents represent a naturalistic research methodology (Lincoln & Guba, as cited in Kelley & Chang, 2007). The design of their research followed Glaser and Strauss' (1967) methods of selecting varied groups, narrowly focusing a research question, and continuously comparing data across those groups.

After compiling, reviewing, and analyzing the data, Kelley and Chang (2007) identified four categories of lapses: sports-related lapses, organizational lapses, individual/academic lapses, and departmental lapses. The researchers then identified the stakeholders affected by the ethical lapses and assessed the severity of the lapses. The end result was the following revised typology reported in Table 8.

Table 8. Revised Typology of University Ethics Failures

Location of Failures	Individual/Academic	Sports Related	Departmental	Organizational
Seriousness of Failure and supporting rationale	Example and Rationale	Example and Rationale	Example and Rationale	Example and Rationale
Mild	Using e-mail for personal correspondence: While it costs the organization in short term productivity loss, it does not create harm that is irreversible	Not following professional recruiting standards may harm competitors in the short term, but is monitored by outside agencies	Endowment admits prevents other worthy students from acceptance at a particular school, but does not prevent them from attending other universities	Ignoring poor customer relations creates animosity from the customer, but does not negatively affect his/her life over the long run
Moderate	Biased grading: may affect a student's GPA and affect initial opportunities, but can be overcome via work performance	Coaches' betting on sports programs negatively influences public perception regarding the impartiality of coaches and judges	Falsifying Medicare billing affects billing agencies. However, oversight provided ensures these monies are returned	No ethics infrastructure prevents employees from resolving ethical lapses problems. Can be resolved through development and implementation
Severe	Manipulating research results; societal/medical action may be taken that can damage others irreversibly	Providing athletes performance-enhancing drugs can irreparably damage their health	Inappropriate ties to business can result in departments providing 'results' that satisfy a business but are false, thus having long term negative societal impact	Gender/minority discrimination can destroy and individual's career

(Kelley and Chang, 2007)

From their research and discussion, Kelley and Chang (2007) developed six propositions for further research, including (1) high sports-related violations are likely to occur proportionately more often at universities dependent on sports programs for donations and student applications; (2) in resource-scarce educational markets, pressure to engage in ethical lapses to secure funds will occur proportionately more often at universities depended on external giving; (3) ethical lapses in research and teaching will occur proportionately more often at universities where research is valued highly and teaching oversight is low; (4) individual ethical lapses will occur proportionately more often at universities with limited infrastructure support for ethical behavior; (5) ethical lapses relating to research activity will be proportionately higher at universities where faculty rewards are centered on research productivity; and (6) universities with limited ethics infrastructures will more often ignore ethical lapses than those with well-developed ethics infrastructures. This research can help guide content of institutional compliance programs.

Kelley and Chang (2007) pose two clear solutions for ethical lapses: (1) the development of university codes of conduct and (2) university codes built around professional codes. The researchers conclude that our universities must understand what contributes to ethical lapses and eliminate them. This is an imperative for higher education since we develop and shape the next generation of leaders and we must model an ethical environment for students. This study reviewed the organizational structure of two public universities and interviewed the compliance officers to gain their perceptions related to the extent of their structure's support of an ethical climate.

Kelley, Agle, and Demott (2006) conducted exploratory research about universities' ethical climate and behavior at 100 universities. They compared the different approaches used to

support and reinforce ethics codes. This data was analyzed to determine if factors like Carnegie Classification related to the specific types of ethics codes or infrastructure elements. The researchers found that many of the universities had easy-to-find ethics policies, but very few had ethics hotlines, ethics training programs, ethics review boards, or ethics officers. Few of the universities in the study provide the critical organizational resources needed to signal the importance of those policies and reinforce appropriate behavior in their institutions.

In a 2013 study of nine private, research intensive institutions conducted by the Education Advisory Board, five organizational models were identified including 1) an institution-wide independent compliance officer, 2) unit-specific interdependent compliance officers, 3) institution-wide, interdependent compliance officer and committee, 4) decentralized offices, without designated compliance officers, and 5) general counsel or internal audit as compliance office (EAB, 2013). This study provided good information about the types of organizational models for private, decentralized institutions that will likely be present in public institutions as well. A study that delves in to the elements behind the development of the organizational structure and the compliance officers' perception of its effectiveness will guide other institutions' compliance officers in developing their institutional compliance program.

In conclusion, research in compliance and ethics programs have formed around specific regulatory requirements, extended to colleges and universities as best practices or incorporated through state requirements. Effectiveness of ethics and compliance programs are influenced by strong leadership involvement and a supporting structure that emphasizes integrity, not simply compliance. Researchers used a variety of tools, techniques, and methods. The newer the topic or industry, the more prevalent qualitative and exploratory research is conducted to provide a framework or starting point for further inquiry.

CHAPTER 3. RESEARCH METHODOLOGY

This chapter describes the methods and approach used to investigate the organizational structure of institutional compliance programs at two public research universities, highlight the similarities and differences, and gain an understanding of the aspects leading to their development. Institutional culture was a key element in shaping the organizational structure. The goal of this study was to gain an understanding of effective options for structuring an institutional compliance program, to identify the elements that shaped the organizational structures, and to assess the benefits and limitations of each structure for the participant institutions. This research study explored two institutional compliance officers' perceptions of the impact of the institution's organizational structure on the effectiveness of its program. From this study, the researcher developed guidance for campus leaders to inform the organizational structure of an institutional compliance program on their campus.

Research Questions

This case study focused on answering the following questions as they relate to the development of institutional compliance programs at two large, public universities.

1. What organizational structures are recommended for large, public universities to manage its institutional compliance program?
2. What are the elements that shaped these organizational structures?
3. What are the benefits and limitation of these organizational structures?

Conceptual Framework

A central mission of management scholars is to conduct research applicable to the practice of management (van de Ven, as cited by Kelley, Agle & Demott, 2006). Case study research provides an appropriate qualitative approach to studying phenomenon in a specific context since this form of research is particularistic, descriptive, and heuristic (Merriam, as cited in Gay, Mills, & Airasian, 2009), meaning the case study illuminates the reader's understanding of the phenomenon under study beyond the reader's original knowledge (Merriam, as cited in Gay, Mills, & Airasian, 2009). Case study research provides more concrete results than other methods since it is focused on specific contexts, environments, and results. Using a multiple case study methodology as the research method and context enabled the researcher to pursue the objective of developing usable knowledge (Lindblom, as cited by Kelley et al., 2006) by describing and presenting some explanations and preliminary relationships based upon observations within and across the organizations studied. The goal of case study research is to understand the complexity of a case in the most complete way possible with multiple methods used to collect data and attain the richest understanding possible (Cohen & Crabtree, 2006). Since organizational structure is strongly influenced by an organization's culture, this study utilizes ethnographic research as part of the case study methodology.

The United States Sentencing Guidelines for Organizations were amended as a result of the Sarbanes Oxley Act of 2002 to include a section entitled "Effective Compliance and Ethics Programs." This amendment provides a framework of seven core elements required to demonstrate an effective compliance program. Other federal agencies and groups have provided similar guidance applied to research grants, hospitals, or other sectors. Some compliance officers and practitioners in higher education use the Draft OIG Compliance Program Guidance for

Recipients of PHS Awards (“Draft OIG Guidelines”) issued by the Office of the Inspector General of the Department of Health and Human Services as the framework for the management of institutional compliance programs. These guidelines incorporate some of the themes of enterprise risk management and have eight components that can be applied to other activities beyond research. These components are as follows:

1. The development and distribution of written standards of conduct, as well as written policies and procedures that reflect the institution’s commitment to compliance.
2. The designation of a compliance officer and a compliance committee charged with the responsibility for developing, operating, and monitoring the compliance program, and with authority to report directly to the head of the organization, such as the president and/or the board of regents in the case of a university.
3. The development and implementation of regular, effective education and training programs for all affected employees.
4. The creation and maintenance of an effective line of communication between the compliance officer and all employees, including a process (such as a hotline or other reporting system) to receive complaints or questions that are addressed in a timely and meaningful way, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation.

5. The clear definition of roles and responsibilities within the institution's organization and ensuring the effective assignment of oversight responsibilities.
6. The use of audits and/or other risk evaluation techniques to monitor compliance and identify problem areas.
7. The enforcement of appropriate disciplinary action against employees or contractors who have violated institutional policies, procedures, and/or applicable Federal requirements for the use of Federal research dollars, and
8. The development of policies and procedures for the investigation of identified instances of non-compliance or misconduct. These should include directions regarding the prompt and proper response to detected offenses, such as the initiation of appropriate corrective action and preventive measures (Office of the Inspector General of the Department of Health and Human Services, as cited by Harrington & Schumacher, 2006).

The case study evaluated the organizational structure of each program and examined how the organizational structure supports these guidelines.

Research Design and Research Participants

Methods employed in this multiple case study included the collection of documents and artifacts and interviewing. Initially, collection of artifacts included the detailed review and analysis of information obtained from the web and other resources related to the development, scope, and organizational reporting structure of the institutional compliance program of each

university included in the case study. As part of the review, the researcher identified the staffing levels, composition, and reporting relationships that supported each institution's compliance function as well as any guiding principles used by the team. These materials provided some information on elements behind the evolution of each specific institution's program or the rationale for the structure. The staffing information and guiding principles were examined for evidence or support of the Draft OIG Guidelines. The researcher summarized the data for each institution in a matrix. Similarities and differences were noted as part of the summarization of the artifacts collected.

After the document and artifact data collection was conducted, the researcher interviewed the institutional compliance officer at each institution using the interview guide included in Appendix B related to the content and scope of the program, the organizational structure that supports the content areas of the program, and the factors that led to the current reporting structure of the function. These combined methods ensured comprehensive data collection that enabled the researcher to draw sound conclusions regarding the scope and organizational structure of institutional compliance functions at the selected campuses. The deliverable of this study was the identification of factors or decision points to shape the development of an institutional compliance program's organizational structure at a public research university.

Data Collection

Two phases of data collection were proposed for this research study. The first phase included the collection of documents and artifacts, including website resources, organizational charts, program documents, board materials, and external articles related to each institution's compliance program. The second phase of data collection was comprised of interviews with each university's institutional compliance officer. The goal of the data collection process was to

provide descriptive information and analysis of the development of each institution's compliance program and the compliance officers' perception of its development and the impact of the organizational structure on the effectiveness of the program.

Document and Artifact Collection

As a first step, this study identified the institutional compliance officer for each institution and collected the content areas managed or overseen by the compliance office. The organizational chart and staffing of the function was identified as well as the extent of central management and/or central coordination of distributed compliance officers throughout each organization, as documented by organizational charts or other information. The researcher identified any characteristics of note obtained through the collection of artifacts that addressed specific decisions about the compliance function at the specific institution, whether it related to federal mandates, state statutes, or specific situations at the institution, as well as any tools used to manage the program, such as documents like the Draft OIG Guidelines.

The comparison of these data provided a preliminary set of empirical data needed to identify content and key issues that affected the development of the existing programs. The researcher also reviewed board minutes, other institutional references, and external journal or newspaper articles for potential references to factors in the development of the institutional compliance function or program. This listing of artifacts collected is provided below.

Table 9. Listing of Documents and Artifacts

Case 1-Decent University	Case 2-Central University
Compliance Program Overview	Compliance Program Overview
Staffing	Program Mission, Vision, Values
Listing of Key Collaborators	Strategic Plan
Internal Audit	Developing the Program
Risk Management	Organizational Structure and Staffing
Principles of Ethical Conduct	Key Collaborators
Overview	University Risk Management Committee
Principles Document	Principles of Ethical Conduct
Compliance Areas	Compliance Areas
Direct Oversight	Direct and Coordination Roles
Coordination Role	Americans with Disabilities Act
Conflict Policies	Athletics
Health Sciences	Clery Act
HIPAA Privacy and Security	Environmental Health & Safety
Anti-Trafficking	Information Security
Electronic Information Technology Accessibility	Conflict of Interest and Conflict of Commitment
Environmental Health & Safety	Conflict Policies
Title IX Programs	Medical Center
Programs Involving Children	Public Records
Clery Act	Research Compliance
Compliance Training and Education Programs	Title IX
Concerned Reporting	Concerned Reporting
Strategic Plan and Board Minutes	Institutional Policies
	Compliance Monitoring and Testing

The data collected from reviews of documents and artifacts were imported into NVivo, coded, and analyzed to develop initial findings. These initial findings validated the content of the interview questions and identified preliminary factors that shaped or guided the development of these institutional compliance programs. Initial information obtained from this step of the analysis included the published reasons for the development of the program, the organizational structure of each compliance office, and the compliance topics and functions included in the institutional compliance program managed directly or through coordination at each institution. Additional information is provided in the Data Analysis section below.

Interviews

After the initial data collection and analysis of documents and artifacts, interviews with key informants were conducted, recorded, and transcribed by the researcher to ensure completeness, accuracy, and richness of the data and information collected. Two institutional compliance officers participated in the interview portion of the study. Each interview was conducted in the office at the convenience of each participant and lasted approximately 45-60 minutes. Each participant was asked open-ended interview questions that provided an opportunity to share his or her thoughts and experiences related to the development and management of his or her program. The interview protocol developed by the researcher is provided in Appendix B. The interview tool was created to address questions developed by the researcher based upon the focus on program content and organizational structure, themes developed through the literature review, and information from the documents and artifacts analyzed in the initial data collection process. This comprehensive data collection strategy enabled the researcher to draw sound conclusions regarding the organizational structure of institutional compliance programs in public higher education and the factors that may impact the right structure for similar institutions.

Context of Research Site

This research work was conducted at two large, U.S. public research universities in the Midwest. The first university included in the study, Central University, is a federal land grant institution with 46,000 undergraduates and 11,000 graduate and professional students in 19 colleges and schools. Central is located in a large, urban city that is also the state capitol. Central University appeared to have a centralized institutional compliance structure. The second university included in the study, Decent University, has 38,000 undergraduate and 10,000

graduate and professional students with 15 degree-granting colleges and schools. Decent University's main campus is located in a small, college community of under 100,000. Decent appears to have a decentralized institutional compliance structure. These institutions were selected due to their size and the existence of an institutional compliance program with differing organizational structures. Examining their structures, the factors behind the different structures, and the compliance officers' perceptions about these structures and how they support compliance was useful information for the researcher and other institutional leaders.

Role of the Researcher

Explaining the concept of awareness of self, Peshkin (1992) defines subjectivity as the "personal orientations" that are a "complex composite of my values, attitudes, beliefs, interests, and needs" (Glesne & Peshkin, 1992, p. 102). The researcher's perceptions of this research relied heavily on 25 years of experience in higher education financial management at two public universities as well as training and continuing professional education as a professional accountant and controller. As a controller, the researcher led a financial reporting and internal control improvement project and participated in the development of an institutional compliance program for a large, public university in the south. These experiences provided the researcher insight into compliance and internal control requirements.

The researcher's bias to this study included some knowledge of the institutional compliance programs at a few institutions and a background in designing and monitoring internal control processes. It is important to monitor subjectivity during the research process to record and report in a responsible manner. The interview guide was a tool that helped manage any researcher bias since it guided the interview and ensured consistency throughout the interview with the participants. The guide also ensured that the interviews remained focused with standard

format and questions. The researcher was very careful not to add any presumed knowledge throughout the interview process, and the structured nature of the interview guide managed that bias. The researcher maintained a journal throughout the study to capture information and perform self-reflection to attempt to reduce bias. Given the specific interview protocol and questions, initial journaling was limited to ideas and topics for review, areas for background research, and a preliminary list of artifacts or documents to obtain. Prior to each interview, the researcher noted information and observations about the institutional program from the initial review and analysis. After each interview, the researcher recorded observations about the interview. As an example, the compliance officer had recently turned over and the researcher noted some concerns that the new officer may not have a complete background on the development of the program prior to his tenure. Journal notes after the interview observed that the pre-interview concern was allayed by the information gathered by the new compliance officer through the interview.

Data Analysis

The analysis of the data involved transcribing, organizing, and categorizing the data collected. Artifacts and documents were collected and presented in a matrix for comparison and analysis. The interview data were transcribed and coded after multiple passes of reviewing the data to identify themes or categories that emerged. The researcher used NVivo, a qualitative data analysis software program for coding, searching, and sorting data for analysis (Weitzman, 2003; Glesne & Peshkin, 1992). The software was used to code and analyze the unstructured data and this process assisted the researcher in the discovery of connections that may not have been obvious when reviewing the documents and data independently. In addition, the process of organizing the materials and coding data helped the researcher assimilate the information. The

interpretations of the observations and documents provided descriptive information. Analysis occurred concurrently with the data collection to provide opportunities for reflection and discovery and to provide a consistent method of managing information (Glesne & Peshkin, 1992). Memo writing was used for planning, capturing perspectives as the analyses took shape, and to capture the researcher's observations after each interview. The NVivo software analyzed data from artifacts and interview data to identify similarities, differences, and other common themes and connections to assist in the analysis. Though initially data was coded with a broad set of codes, the predominant codes used for analysis included the categories listed below.

- Best Practices
- Compliance Program
- Compliance Topic
- Definition of Compliance
- Definition of Integrity
- Institution 1
- Institution 2
- Institutional Policies
- Organizational Structures

The interview responses were the best source of data for the development of assertions are conclusions, but the analysis conducted from the artifacts and documents provided the framework and organization for all stages of the analysis. The following three figures provide a summary of the analysis of common words and themes developed through the initial analysis and coding of data from the documents and artifacts.

CHAPTER 4. RESULTS OF THE STUDY

The research for the case study was conducted May through July 2018. Data and artifacts were collected and reviewed for each institution included in the study to gain an understanding of the institution and its compliance program's culture, history, organizational structure, and program content as published on official websites, referenced in board minutes, and presented in other internal and external sources. The institutions included were both public research universities with medical schools in the Midwest—one representing a decentralized structure and one representing a centralized structure, referred to as Decent University and Central University, respectively. The institutional compliance officers were interviewed in their offices. Each institutional compliance officer was given a pseudonym for his or her name as well as the institution he or she represents to maintain confidentiality.

Qualitative Analysis

Each institutional compliance officer was provided a general description of the topics to be covered in the interview when the interview was scheduled. This information was provided so that each participant had an understanding of the scope of the study and to provide an opportunity to prepare for the interview. Interviews were conducted in each participant's office using the interview guide and the interviews were recorded. Qualitative analysis was conducted to allow for common themes as well as differences to emerge through the coding process.

Upon completion of the interviews, the two recordings were transcribed, which aided in the preliminary analysis and coding of the data. The repetition required to accurately transcribe each interview enhanced the accuracy of capturing each participant's answers and observations.

Transcribing the interviews verbatim ensured the results were objective since no interpretation or attempts at recollection were required. After completing the transcription process, the transcripts were reviewed multiple times before beginning the coding process.

The interviews were very helpful in understanding the process or journey undertaken by the compliance officers, and his or her organization, in the development of the program. Both brought a unique perspective and observations to the interviews, though many common themes emerged regardless of the organizational structure of the universities represented. The interview process provided an opportunity to speak candidly about the strengths and challenges of his or her program, and the two compliance officers candidly shared throughout the interview. The first compliance officer, Mr. Douglas from Decent University, was in his first year in the role and the second institutional compliance officer in the history of his university. His interview highlighted his observations about managing and coordinating institutional compliance in a decentralized organizational structure. Ms. Castille from Central University is in her seventh year in the role and is her institution's first institutional compliance officer. Both compliance officers were passionate and committed to ensuring a strong culture and program structure to support compliance. This chapter will describe the themes, similarities, and differences revealed in the interviews. I found that at the conclusion of each interview, we could have talked even longer about the programs and each compliance officer's desire for continuing to improve the program and its outreach to its students, faculty, and staff.

Open Coding of the Compliance Officer Interviews

The following tables provide each question and the response of each individual compliance officer. During the interview, a clarifying or follow up question was raised on occasion and that question and corresponding answer is noted in italics.

Table 10. Interview Questions and Responses of Each Compliance Officer

Question 1	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What compliance topics or issues are managed within the institutional compliance program?</p>	<p>The biggest one is Conflict of Interest/Conflict of Commitment. ADA Compliance of websites is coordinated with the IT group. A lot of them are specific to responsibilities with Clinical Affairs—eight schools centered around the School of Medicine—Medical, Dental, Optometry, two Schools of Public Health. Social Work, and a few others—those kinds of functions. They have detailed and rigorous compliance requirements and they need a little more help.</p> <p>This is kind of a minor thing, but we coordinate compliance with the anti-trafficking program—and only when federal funds come in to play, and being expended outside of the country over \$500,000. Some requirements and duties from Environmental Health and Safety came with me from my former role.</p> <p>Generally I coordinate with all of the other compliance functions of the university, make sure they are appropriately supported.</p> <p>We oversee EthicsPoint anonymous reporting line; act as traffic cop—complaints come in and we direct them to the appropriate office. There is more action on the line than I expected.</p> <p>Currently have 20 complaints in stages of investigation.</p> <p>There are 18 different areas of compliance that I keep my fingers in—like research compliance, Athletics, financial, HIPAA, FERPA, et cetera.</p>	<p>The program is managed in two ways—direct oversight with items structured with people identified on our org chart and website and an extended group of compliance partners.—not just obvious areas like HIPAA, but minors on campus, federal financial aid, and others— all under the umbrella of a compliance risk assessment based on our regulatory inventory.</p> <p><i>Follow Up Question: Do you review and update the compliance inventory annually?</i></p> <p><i>Answer: We do not do an annual update, but did do a complete review once, principally using a subject matter expert or legalistic approach from each area to review—many of these regulations or requirements don't change annually. A risk-based assessment/approach is used to identify operational, control, and monitoring ownership.</i></p>

Table 10 continued

Question 2	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>Why were these topics selected for central oversight?</p>	<p>It was not based on analysis or decisions, it was functions based on practical needs and which ones need support, example Clean Air. I could easily see someone coming in to this position ten years from now and asking ‘why does this office do Clean Air?’—It’s all because of me.</p>	<p>A 2011 consultant review, which identified formal compliance people and areas and designated them for inclusion of the Compliance Office. Many of the areas now included in the office were not identified by the consultant’s review, like</p> <ul style="list-style-type: none"> • HIPAA • Clery [Act] • Title IX • Public Records • Title IV • EEO • ADA <p><i>Follow up question: And so that was based on you taking on the role and seeing those needs?</i> <i>Answer: That or someone thinking “oh, what a great idea”.</i></p>
Question 3	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What are the program’s objectives or goals?</p>	<p>Generally a coordination and support role.</p>	<p>Our mission statement and the outline of it and strategic plan, currently being updated.</p> <ul style="list-style-type: none"> • Support and advance integrity and accountability • Support a culture of integrity • Support the University mission

Table 10 continued

Question 4	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What institutional resources are involved in the execution of the program's objectives?</p>	<p>I was thinking about that before you came up. We have about 11,000 employees, 3,000 faculty. The argument could be made that all of them are compliance employees. I've looked through all of the areas that we coordinate with and there are roughly 175 employees involved in oversight compliance. It covers data privacy, Medicare/Medicaid, et cetera. And topics like</p> <ul style="list-style-type: none"> • Athletics • Grants and contracts • Data • Health • Medicare/Medicaid • Financial • Human Resources <p><i>How does your role interface with Risk Management and Enterprise Risk Management?</i> <i>--These are actually two areas at our institution.</i> <i>Risk Management is insurance and fire and life safety and building code compliance.</i> <i>Enterprise Risk Management group does more of the –they look out across the country and identify emerging risks and work with executive leadership to be sure that we are addressing those risks.</i> <i>I intersect with those groups in a number of different ways</i></p> <ul style="list-style-type: none"> • <i>On the Policy Committee for the University</i> • <i>On Enterprise Risk Advisory Committee</i> • <i>The Enterprise Risk Manager is on the Compliance Committee and we meet together on a regular basis with Internal Audit on issues that are percolating.</i> 	<p>Compliance Office/direct report team. Level one resources is governance—Risk Management Committee that incorporates Enterprise Risk/Compliance. This includes time, effort, oversight over compliance risks—VP-level leaders.</p> <p>Also support committees on compliance domains like Information Security, HIPAA, Medical, Research...supported at the Board level at the Audit and Compliance Committee of the Board.</p> <p>Level two...formal, compliance function resources...Compliance Office team and compliance partners, resources and individuals that function in a control capacity.</p> <p>Level three...operational commitment...policies, procedures, processes, systems...compliance partners.</p>

Table 10 continued

Question 5	Mr. Douglas, Decent University	Ms. Castille, Central University
How many staff are included in the institutional compliance department or function?	One person that helps in a general, broad sense and a paralegal that oversees the EthicsPoint as coordinator, but only devoting half time to that. The other roughly 175 are decentralized members.	About 24 team members that support key, compliance topic areas, lead compliance training and workshops, coordinates compliance assessments, and directs investigation and assurance efforts.
Question 6	Mr. Douglas, Decent University	Ms. Castille, Central University
How many staff involved in the institutional compliance function are distributed across other departments on campus?	About 175.	Second group is about 60 –32 in Environmental Health and Safety which includes biohazard removal that is not separated out, 12-13 in Athletics, 12-13 in Information Security.
Question 7	Mr. Douglas, Decent University	Ms. Castille, Central University
Where does the institutional compliance function report within the organization?	<p>We report up through the VP and General Counsel’s Office—it does work well—gives access to legal counsel, which there are very few days that go by that I’m not working with one or another of the lawyers on an issue.</p> <p>Reporting to a VP is very helpful and I can cut through a lot of the bureaucracy to make things happen. It may be just a honeymoon phase.</p> <p>It’s a good arrangement, good reporting line.</p> <p><i>Follow up question: How much did you work with this position in your former role?</i></p> <p><i>Answer: Quite a bit, I was on the Compliance Committee.</i></p> <p><i>Worked a lot with this area on the online training system—Environmental Health and Safety is the biggest user of the online training.</i></p>	Functionally to the Board of Trustees’ Audit and Compliance Committee. Operationally to the General Counsel of the University.

Table 10 continued

Question 8	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What factors led to the program's development?</p>	<p>Two things really... President ... is dedicated to the idea of risk management and compliance, and is cognizant of the pressures on an institution more so than any other presidents I've worked with.</p> <p>Penn State and the Jerry Sandusky situation—that was a real game changer in higher education. Any time a University president gets indicted, we pay attention.</p> <p><i>Follow Up Question: How did you see the program develop as a result of that?</i></p> <p><i>Answer: Precedent that this position and function was created—really went through a gut check and an assessment period...Looked to see if we were really doing everything we could to support these different areas. We didn't have a compliance officer before that. We didn't have an Enterprise Risk Office before that. It was really key in sort of setting all of this stuff into motion.</i></p> <p><i>Follow Up Question: Did you have help setting that up?</i></p> <p><i>Answer: Hired a compliance officer and she assessed areas at a high level. It was more about the culture changing...Rolled out to people at the executive level and the trustee level that was a real wake up call. When people like that have a change in mind that slowly gets reflected out in the rest of the institution. That was my view as the Director of EHS, others that were closer may have a different perspective.</i></p>	<p>An institutional commitment to compliance. We wouldn't have gotten here if people at the institution hadn't been thinking about this already. A concern about the volume of regulation/requirements and prioritization of information.</p> <p>The Board felt overwhelmed by compliance reporting it was getting by silo and they were concerned that that reporting was not consistent, they questioned expertise within each silo and gaps between the silos. Prioritization and effectiveness goal is #2. Efficiency goal—decentralized spend—need to leverage resources to deliver an efficient model for compliance and a consistent way of managing and reporting. The pace is going faster than our resources can catch. Independence—a decentralized reporting structure leads to a stronger commitment to the unit and not to the university. It's a serious question, when resourced and reported in a decentralized fashion, the loyalty and commitment is to the unit leader and not to the university itself. We had a crisis that raised questions in buckets one and four.</p>

Table 10 continued

Question 9	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What campus events impacted or shaped the program?</p>	<p>We've talked about a national event, but anything that impacted the programs. We've been relatively lucky. I can't think of any instances that have impacted the growth of the compliance or risk management functions or programs.</p>	<p>In 2011-2012, our football... scandal, in 2014 our marching band... a sexual assault and culture of sexual harassment scandal, coincidentally having played in the Macy's Day Parade and being on Good Morning America... then it all blew up. We have about one every 18 months.</p> <p>The marching band case had two significant impacts—we formalized the structure of conduct of investigations and it led to our Title IX Resolution Agreement that led to a more formal role of the office.</p> <p>Sexual harassment and #MeToo movement has increased or maybe reinforced the need for independence in investigations; reinforcement, not undermining.</p> <p>In 2017 we had a research misconduct matter in national news, and in February of 2018 a Title IX and historical #MeToo sexual assault and sexual harassment allegation.</p>

Table 10 continued

Question 10	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What is the level of involvement of the Board of Trustees or executive leadership in the development, management, or oversight of the program?</p>	<p>Well, that's a tough one to answer with my lack of history with the program. My impression is that they get involved when they see a fire that needs put out, so for example the Larry Nassar issue that's created a lot of questions and analysis over what we are doing and whether we are positioned to avoid something like that happening here. In terms of systematic involvement, I haven't seen that yet. My boss reports regularly to the Board. I'm sure she gives them periodic assessments on where we stand from a compliance perspective.</p>	<p>Executive Leadership (1) has direct ownership. The central nature of the program provided clarity over unit-specific risks and ownership of risks. Ironically, unit leaders have a stronger ownership of research/research integrity, et cetera. I don't have actual evidence of that, but it is a qualitative statement on my part. Reason is if you have a problem and you're in higher education and you're a leader—if shared risk is possible—you'll share it. It's leadership by deflection.</p> <p>A more formal structure—a tough decision is on the head of the leader of the unit and they "own" it—they must make a tough decision AND argue the gray space for the research reason to take a risk. It's easier for a compliance officer to frame the risk. It's a clearer ownership for unit leadership. Confidentially, that has caused a clearer delineation between strong leadership and weak leadership. This wouldn't have happened in an environment of unclear ownership.</p> <p>(2) Crisis management and major issue management. If I asked executive leadership, they would say "far, far greater than I want" but we try to do it in a structured way. For major issue or crisis management, the President makes the call, often forms a working group and I serve as the project manager. On two occasions, we have formalized that group with an added specific working group of the board—Three or four representatives of the full board and those two groups connect on an ad hoc basis... the internal and external working groups.</p> <p>(3) Routine management is handled by the Risk Management Committee, the compliance network, and the Audit and Compliance Committee.</p>
<p>From your perspective, is the institutional compliance program fulfilling its intended purpose?</p>	<p>Yes, I would say so. We've certainly devoted an appropriate amount of resources toward that. As I said, culture here has gone through significant change since President ... has taken the reins. It's [the program] at the right level.</p> <p>We have institutional processes in place to deal with all of the potential compliance issues we're aware of.</p>	<p>Yes, it is.</p>

Table 10 continued

Question 12	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What tools or guides does your program use to manage or assess its effectiveness?</p>	<p>An annual survey that we do to gauge people’s awareness of the various compliance programs. This year we will focus more on culture—we’ve just started going down that road—we’re still evaluating what types of questions we want to ask people that would give us to get us a good picture on that front. [The] EthicsPoint system—that’s sometimes disconcerting to read all of the things that come through a portal like that—but I think it also gives us a good gauge of where we are as an institution. If we have a sudden uptick in complaints of a certain type of behavior, that would spur us to find ways to address that through training or information campaigns or other avenues.</p>	<p>We have a Compliance Program Assessment tool. It looks at the program framework, what are the program elements, identifies the optimal state, with a 5-point maturity scale</p> <p>We have a compliance wheel shown on the website and the [Compliance Office’s] strategic plan shows the program elements—</p> <ul style="list-style-type: none"> • Leadership • Engagement • Regulatory Inventory • Risk Assessment • Plan, Policies, Training • Operational Controls • Testing and Monitoring • Investigating and Reporting <p>And the program assessment tool defines what an optimized state would be for each of those program elements. It has a 5-point maturity scale and we have done an assessment for ourselves [compliance office] and for tailored programs.</p> <p>It formalizes the partner structure – as an example the Medical Center reports their assessment to the overall committee and it is reported in a consistent way across all groups/partners. Everyone on campus is doing the assessment, and doing it consistently and it is reported out on a one page document. Everyone reports the status of their compliance program consistently and gives everyone an opportunity to evaluate it annually.</p>

Table 10 continued

Question 13	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>What challenges have you faced in managing or growing this function and how did you resolve them?</p>	<p>Getting your arms around something this big is a challenge—where it’s so much and so broad. The biggest change that I’ve gone through from my old role and to this role is in my old role I was a policeman and I could tell people what to do and I had backing all the way to the top for whatever I needed to do for compliance. Now I am more of an influencer, I’m talking to people, and helping them, and ensuring that people have resources and are approaching them in the right way—it’s the biggest challenge, changing gears.</p> <p>And in any public institution money is always going to be an issue, especially if a big program expense comes up in the middle of the year.</p>	<p>First, growth and development of the program has been very personality-dependent. It requires a strong relationship between the Chief Compliance Officer and the General Counsel, which is very strong, but if either of them leave.... I am working to more formally structure it so that it is more of a process. Second, an institutional resistance to establishing a University code of values and prioritizing concerned reporting as a measure of a culture of integrity. Can’t have a culture of integrity until you define and establish standards on how to follow them—what are our values? And if you see something inconsistent with those values, report it.</p> <p>These [concerned reporting] are part of a culture of innovation and learning....there is a resistance in higher education to it—ethics codes and concerned reporting. We have laid the groundwork for concerned reporting and included questions on concerned reporting on the campus culture survey. Third, defining and clarifying and educating on the difference between operational responsibility and a control function. Compliance is a control function. Much of what people think about related to compliance is operational.</p> <p>No one socialized my role before I started work. I arrived to an empty office. No one communicated the mandate of the board to anybody. I had a pizza party with everyone that had the word “compliance” in their job title. An example of a compliance role is to check completion of grant reports—that is more of an operational function than a control/compliance function. Guardians can’t guard themselves.</p> <p>Fourth, ensuring effective communication around an iterative compliance program—things don’t magically happen. Some happen and can be delivered the same way. Having a plan and using pilots when the right opportunity arises helps advance the program.</p> <p>Fifth, and most important—distinguishing and developing a common language about the difference between values and logic—actually this is the most important—need values and logic at the same time. People in higher ed are very smart and approach problems in a detailed and analytical way.</p> <p>Understanding risk and risk acceptance took me three years to accomplish—now people talk about risk acceptance on campus. You can talk about details a long time, but focusing on defining and understanding our values is very important---then you start making decisions about competing values. My role/job is often to frame decisions.</p>

Table 10 continued

Question 14	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>Is there any additional information or observations that might be useful in understanding your institution's program and its development?</p>	<p>I don't think so, beyond our website. There is a lot of good general information on the website. There is one tab called compliance areas, which provides links to all of the areas we coordinate compliance with—this communicates the breadth. We have a Compliance Assurance Committee—it meets three times per year and we have representatives from all of the compliance areas. We also have Enterprise Risk Management Advisory Committee—it's a smaller group of people, they are the chiefs including the Director of Internal Audit, Chief Policy Officer, Chief Compliance Officer—those kinds of functions.</p>	<p>Understanding the value of investigations of all types. Investigations and audit findings are evidence of failure. Those are issue-driven or concern-driven assessment over whether a policy, law, or value was violated.</p> <p>You don't need to be directly in charge of them, but need confidence that it's being done, it's being done well with a consistent and reliable process—how it's reported. How did we do? What did we need to do as a result? Modify something in the training as an example. An effectiveness goal—model compliance as a learning system.</p>

Table 10 continued

Question 15	Mr. Douglas, Decent University	Ms. Castille, Central University
<p>Are there any observations you can provide to other compliance officers that are looking to implement or improve the organizational structure of their institutional compliance programs—e.g. lessons learned, pitfalls to avoid, methods or ideas to increase effectiveness?</p>	<p>Tone at the top is really everything. If you don't have that then you are going to be fighting an uphill battle. There are no two ways about that.</p> <p>Centralized versus decentralized that's another. Decentralized programs that's almost like they are very different programs. Centralized models, in those compliance officers are telling people what to do, they are not being influencers. There are advantages and disadvantages. In our [decentralized] model—people are embedded in departments. [They are] more likely to sniff out problems. They are part of the schools so they are trusted, they hear about things. As long as I am doing my influencing correctly, it is probably the stronger model. But it depends on personal relationships</p> <p>Disadvantages of decentralized model, there is always the danger that someone's going to go native and get wrapped up into something they shouldn't. You've got compliance personnel reporting to the person they are overseeing, so if you don't have the tone at the top, that can be a big problem ensuring they are leading compliance correctly. It may be difficult to get a gauge of all of the compliance activity going on.</p> <p>On centralized activities like my former position—we weren't embedded in an area, we were often telling someone or an area what to do. In a sense we were more objective and direct about what it was that needed to be done. At the same time, I know there were things that were happening that people weren't concealing, but they wouldn't come forward with until things went kerplooy, so I think that's the biggest disadvantage, lack of trust, instead of a sort of organic, cultural compliance program.</p>	<p>Credibility is earned through influence, influence by sharing your values. How do people engage and become more effective? Share information, add value, learn how people become influential in your organization and do it.</p> <p>There is an extraordinary importance of personal modeling; title and function mean nothing. You have to show exceptional personal behavior; personal behavior is everything.</p> <p>There is a challenge in higher education—it creates a culture of defeatism. People are exhausted and overwhelmed. It takes courage to do the right thing.</p> <p>To model that, retain 20% of your brain to have the personal capacity to be open and available, responsive, listen positively, be optimistic. It's like Maya Angelou's quote "People will forget what you said, forget what you did, but they don't forget how you make them feel". You need brain power and time. Before a meeting, I think about the emotional result I want—that's the output, so I have to determine how to get there.</p> <p>Process expertise and mindset is important and novel in higher education. Behavior becomes habits, habits form character.</p> <p>Individual behaviors must be converted into organizational processes. Organizational habits become organizational character or culture. The role of compliance is to create those organizational habits or processes.</p> <p>My closing thought is that I have a clear idea of where the lighthouse is that I am aiming for on the other shore. I have to tack to the wind at times, but I can handle that. If you're bailing the boat and your head is in the boat, you won't get there. So tack to the wind, but you know you're going to get there because you know where the lighthouse is. My job is to be the rock on which people stand. You need a place that people can count on. The compliance office is that support, place of solidity, enabling function. "You can count on me".</p>

Emerging Themes

After transcribing the audio files, reading the transcripts, and coding the transcripts along with the data obtained from the artifacts, themes emerged related to institutional compliance programs at the institutions studied surrounding program content and scope, organizational culture and history, influence of compliance issues at other campuses, leadership impact on the program, and organizational structure in support of these programs.

Program Content and Scope

The institutions included in the study were very similar in size and operation—public universities with strong research programs and medical schools. Though the oversight of compliance was delivered using different management models, both compliance officers described his or her institutional compliance program with many, if not all, of the same components or topics of focus. The table below shows the key components of each program, as well as the method of providing oversight over each compliance topic—centralized or decentralized. Centrally managed indicates that the compliance topic is provided direct oversight by an individual in the institutional compliance office’s organizational structure. Decentralized management indicates that the compliance topic is managed in an operating area outside of the institutional compliance office with the compliance office providing some level of central coordination or assurance that the compliance function is being conducted.

Table 11. Management of Compliance Programs at Both Institutions

Compliance Topic	Program Management Method	
	Decent University	Central University
Americans with Disabilities Act (ADA)	Coordinated	Direct
Anti-Trafficking	Direct	Direct
Athletics	Coordinated	Direct
Clery Act	Coordinated	Direct
Conflict of Interest	Direct	Direct
Electronic Information Technology	Coordinated	Direct
Environmental Health and Safety	Direct	Direct
FERPA	Coordinated	Direct
Health Sciences/Medical	Coordinated	Direct
HIPAA	Coordinated	Direct
Information Security/Cybersecurity	Coordinated	Direct
Minors on Campus	Coordinated	Direct
Public Records	Coordinated	Direct
Research	Coordinated	Direct
Title IX	Coordinated	Direct
Concerned Reporting	Direct	Direct

Both institutions have developed its program to include the portfolio of compliance topics listed above. In the decentralized model implemented by Decent University, the compliance officer and his team of 2.0 FTE (full time equivalent) are coordinating compliance among 175 other individuals throughout the university and serve as a focal point of quality assurance that the risk is being managed by the operating areas. At Central University, compliance functions are predominantly managed by individuals directly reporting within the compliance office, including a team that directly investigates potential compliance failures and reported concerns. A few key compliance functions, such as research compliance and compliance of medical research and patient care, may have a joint reporting structure—to the department or division on operating matters as well as to the institutional compliance office on matters that ensure risk assessments,

documenting fulfillment of compliance standards, and control activities are occurring in those operations within the processes established by the institutional compliance office.

As Mr. Douglas indicates, the topics included for central oversight ‘was not based on analysis or decisions, it was functions based on practical needs and which ones need support.’ Central University’s compliance scope was expanded based on a 2011 consultant review, which identified formal compliance people and area and designated them for inclusion of the Compliance Office. The scope of the program was expanded based upon Ms. Castille’s subsequent appointment as the first institutional compliance office for Central University, her initial assessment of campus needs, and risks identified subsequently.

Organizational Culture and History

The institutional compliance office for each university in the study operates within a greater, unique culture. Both officers point to its office mission in the context of its overall institutional mission, vision, and values. Ms. Castille from Central University points out that the office “mission statement and strategic plan” is intended to “support a culture of integrity, support the University mission.” Like many large, public universities, Decent University is known for a decentralized management model. It adopted a responsibility-center management model for managing finances. Pushing management and administration to a division and unit level is mirrored in the decentralized approach applied to its compliance office. Mr. Douglas indicates that the institutional compliance office for Decent University is staffed by a total of 3.0 individuals and institutional compliance is served by that group in “generally a coordination and support role” with the remaining services distributed across other departments on campus by “about 175” additional individuals.

Campus history and specific events impact the organizational culture as well as the compliance office. Central University's compliance function was initially decentralized. As a result of compliance challenges in Athletics that reached national scope, the compliance function evolved to a centralized one to provide more independence in the control process and to signal a strong culture and expectation of compliance and ethical conduct for its campus. This change was a result of the review of a consulting firm that was engaged to develop a path forward for Central University that would establish a program to oversee compliance efforts across the University.

National Compliance Issues

Compliance issues that reached national scope and attention had impact on the development of both programs included in the study. As Mr. Douglas pointed out "Penn State and the Jerry Sandusky situation—that was a real game changer in higher education. Any time a university president gets indicted, we pay attention." That situation was the "precedent that this position and function was created---really went through a gut check and an assessment period and looked to see if we were really doing everything we could to support these different areas."

At Central University, people at the institution had "a concern about the volume of regulation/requirements and prioritization of information." Central's compliance program was impacted due to national events and its own campus events that reached national scope. A compliance issue in 2014 raised concerns about a culture of sexual harassment. "We formalized the structure of conduct of investigations and it led...to a more formal role of the office. Sexual harassment and the #MeToo movement has increased or maybe reinforced the need for independence in investigations; reinforcement not undermining."

Leadership

Like other institutional imperatives, commitment from institutional leaders is key. Both participants point to the impact of specific leaders on the implementation or development of the program. Mr. Douglas mentions that the program at Decent University was spearheaded by the president of the university who “is dedicated to the idea of risk management and compliance, and is cognizant of the pressures on an institution more so than any other presidents I’ve worked with.” Decent hired its first compliance officer who “assessed areas at a high level. It [compliance program] was more about the culture changing...rolled out to people at the executive level and the trustee level. That was a real wake up call. When people like that have a change in mindset that slowly gets reflected out in the rest of the institution.”

Leaders at Central University “had an institutional commitment to compliance...the board felt overwhelmed by compliance reporting it was getting in silos. They were concerned that the reporting was not consistent, they questioned expertise within each silo and gaps between the silos.” After an assessment of compliance, Central hired an institutional compliance officer that helped to develop a central compliance function. Ms. Castille expanded areas of compliance based on additional review beyond that of the consultants using risk assessments and results of other reviews. From her view, growth and development of the program has been very personality-dependent. It requires a strong relationship between the Chief Compliance Officer and the General Counsel.

Organizational Support Structures

Both programs have significant, institutional support. Specifically, both institutions have a compliance committee that ensures compliance risks are identified, evaluated, managed, and communicated among key constituents. The compliance officer has oversight over the

management over all key compliance risks for his or her institution and its process. The compliance officers serve on risk management and audit committees. At Central University, Ms. Castille describes the institutional resources to include the Compliance Office and its direct report team, the Risk Management Committee that includes senior leaders, and support committees on compliance domains. Mr. Douglas leads the Compliance Committee, serves on the Enterprise Risk Advisory Committee, and routinely meets with the Risk Manager and Director of Internal Audit on “issues that are percolating.” Both Chief Compliance Officers organizationally report to the Chief Legal Counsel of his or her institution. From Mr. Douglas perspective “reporting to a VP is very helpful and I can cut through a lot of the bureaucracy to make things happen. It does work well—give access to legal counsel, which there are very few days I’m not working with one or another of the lawyers on an issue.”

Assertions

The themes that emerged above from the qualitative data provided by compliance officer interviews and additional research as part of these case studies provides insight into key factors that can shape institutional compliance programs and qualities that make them effective.

Assertion #1. An effective institutional compliance program can demonstrate it conforms to the Office of Inspector General’s Draft Guidelines. The compliance programs of the institutions included in the study contained these components, though each managed the program using different organizational models. A summary of these components are included in the chart below.

Table 12. Review of the Institutions' Conformance to Draft OIG Guidelines

Components of Draft OIG Guidelines		Institutional Compliance	
Category	Description	Decent University	Central University
Policies and Procedures	Development and distribution of written standards of conduct as well as written policies and procedures that reflect the institution's commitment to compliance.	Written Code of Ethics. Conflict of Interest Policy. Conflict of Commitment Policy. Compliance Officer is a member of the Policy Committee.	Written Code of Ethics. Conflict of Interest. Compliance Office oversees Institutional Policy process.
Compliance Officer and Compliance Committee	Designation of a compliance officer and a compliance committee charged with the responsibility for developing, operation, and monitoring the compliance program, and with authority to report directly to the head of the organization, such as the president and/or board of regents.	Institutional Compliance Officer. Organizational reporting line to General Counsel. Compliance Committee with documented responsibilities. Compliance Officer is a member of the Enterprise Risk Management Committee.	Chief Compliance Officer. Institutional Compliance Office. Functionally reports to Chief Legal Counsel. Direct Report to the Board of Trustees' Audit Committee Chairman.
Education and Training Programs	Development and implementation of regular, effective education and training programs for all affected employees.	Web-based Training Programs. Classroom Training Programs. New Employee Orientation.	Web-based Training Programs. Classroom Training Programs.

Table 12 continued

Effective Line of Communication	The creation and maintenance of an effective line of communication between the compliance officer and all employees, including a process (such as a hotline or other reporting system) to receive complaints or questions that are addressed in a timely and meaningful way, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation.	Training and communication programs. Reporting Hotline. Whistleblower Policy. Multiple communication methods--upward and to departments and employees.	Training and Communication Programs. Reporting Hotline. Whistleblower Policy. Multiple communication methods--upward and to departments.
Clear Definition of Roles and Responsibilities	The clear definition of roles and responsibilities within the institution's organization and ensuring the effective assignment of oversight responsibilities.	Roles and responsibilities of the Compliance Office team are well documented. Reporting structure to the General Counsel and to the Board of Trustees.	Central roles in the Compliance Office are well documented and published. Reporting structure to the General Counsel and to the Board of Trustees. Compliance network responsibilities are documented.
Audits and/or Risk Evaluation Techniques	The use of audits and/or other risk evaluation techniques to monitor compliance and identify problem areas.	Risk assessment conducted. Works closely with Internal Audit and General Counsel. Compliance Committee to routinely discuss compliance risk.	Compliance assessments are conducted and evaluated using standard format. Consistency in reporting enhances management. Compliance network meets monthly to review institutional metrics and scorecards and discuss a special topic, case study, and lessons learned.

Table 12 continued

Appropriate Disciplinary Actions	The enforcement of appropriate disciplinary action against employees or contractors who have violated institutional policies, procedures, and/or applicable Federal requirements for the use of Federal research dollars.	Investigates and takes action on compliance failures.	Investigates and takes action on compliance failures.
Investigation of instances of non-compliance and corrective action	The development of policies and procedures for the investigation of identified instances of non-compliance or misconduct. These should include directions regarding the prompt and proper response to detected offenses, such as the initiation of appropriate corrective actions and preventive measures.	Investigates reports of non-compliance. Corrective actions are taken.	Investigates reports of non-compliance. Corrective actions are taken. Problems emerging in an area or compliance topic results in a change in process or additional training.

The compliance officers described their programs throughout the interview including staffing, reporting structure, compliance network, educational programs, and development of the program. Reporting, investigation, and training processes were included in discussion of the programs and were also located on each institution's compliance office website. Both institution's training catalog included the compliance program and the code of ethics as a component of new employee orientation, which supported its institutional commitment to compliance.

In developing the program, both institutions described an assessment or evaluation process—Central's program started with an external consultant review that recommended the creation of a central compliance office that developed further to include additional compliance topics for central oversight as identified by the institutional compliance officer. Central

developed a compliance inventory using a “subject matter expert or legalistic approach from each area to review.” This inventory is complemented with a “risk-based assessment, approach is used to identify operational, control, and monitoring ownership.”

Investigations and concerned reporting components of the function were discussed in some detail by both officers. As Mr. Douglas explained, overseeing the anonymous reporting line required he and his team to act as traffic cop. “Complaints come in and we direct them to the appropriate office. There is more action on the line than I expected.” He goes on to describe that “it is disconcerting to read all of the things that come through a portal like that, but I think it also gives us a good gauge of where we are as an institution.” Ms. Castille shared the importance of understanding the value of investigations of all types. “Investigations and audit findings are evidence of failure.” The compliance office doesn’t have to be directly in charge of them, but need confidence that “they are being done well with a consistent and reliable process. Results of the investigations should lead to a change—in a process, in training.”

Assertion #2. Compliance programs are part of the organization’s culture and history and operate consistently within its culture. Both institutions included in the study are large, public research universities that have decentralized operations and responsibilities. Both institutions implemented a decentralized management approach in the initial implementation of its institutional compliance function. Mr. Douglas described his institutional compliance role as one of being an influencer, talking to people, helping them, and ensuring that people have resources. As Decent University is decentralized, the compliance function is largely decentralized with central coordination of overall oversight. Though about 175 individuals are performing a compliance function at the university, Douglas indicates that “the argument could be made that all of them [university’s employees] are compliance employees.” Douglas shares that

decentralized programs are very different programs—its institutional compliance officers are not acting as police officers, but influencers. “There are advantages and disadvantages. In our [decentralized] model, people are embedded in departments. [They are] more likely to sniff out problems. They are part of the schools so they are trusted, they hear about things. As long as I am doing my influencing correctly, it is probably the stronger model, but it depends on personal relationships.”

Douglas goes on to describe his former role, leading a compliance function that was centralized. “We weren’t embedded in an area, we were often telling someone what to do. In a sense, we were more objective and direct about what it was that needed to be done. At the same time, I know there were things that were happening that people weren’t concealing, but they wouldn’t come forward until things went kerplooeey.” So Douglas opines that the biggest disadvantage of a centralized program may be a lack of trust, instead of a “sort of organic, cultural compliance program.”

Douglas shares that an advantage of a centralized program is more control and independence. “The disadvantages of the decentralized model, there is always the danger that someone’s going to go native and get wrapped up in to something they shouldn’t. You’ve got compliance personnel reporting to the person they are overseeing.” Central University’s compliance program evolved to a centralized model as a result of compliance failures. The need for decisive action in the face of these compliance failures prompted executive leadership to conduct an external review that led to recommendations for a strong, central control function for compliance to signal its importance. Compliance failures and the concern about the volume of requirements was overwhelming to its Board and its “need to leverage resources to deliver an efficient model for compliance and a consistent way of managing and reporting. The pace is

going faster than our resources can catch.” Ms. Castille indicates that increased independence is also an advantage to the centralized structure for Central’s culture. “A decentralized reporting structure leads to a stronger commitment to the unit and not to the university. It’s a serious question, when resourced and reported in a decentralized fashion, the loyalty and commitment is to the unit leader and not to the university itself. We had a crisis that raised questions.” In her opinion, the central nature of the program “provided clarity over unit-specific risks and ownership of risks.” Ultimately, the optimal model is dependent upon the preferred management style of the institution and the perceived risks inherent in its culture and processes. As Ms. Castille reports, the significance of past compliance failures and the frequency of failures—“about one every 18 months,” presents enough risk that has led to a more central approach in managing those risk. The implementation of Central’s current compliance program has driven additional support to ensure “organizational habits become organization character or culture. The role of compliance is to create those organizational habits or processes.”

Assertion #3. Organizational structures form the key cornerstone of institutional compliance program. Both decentralized and centralized programs can be effective if they have formal structures, processes, and tools in place. Formal structures include organizational reporting lines, institutional committees, and support networks for outreach and training.

Both Decent and Central’s programs have its institutional compliance officers directly reporting to the General Counsel. In Central’s case, the institutional compliance officer functionally reports to the General Counsel and directly reports to the Audit and Compliance Committee of the Board of Trustees. In Decent’s case, its General Counsel reports to the Board. Though he has not been in the role very long, Decent’s compliance officer is certain that the General Counsel provides the board periodic assessments of compliance at the university. As

both officers indicate, the reporting structure provides direct access to legal counsel and limits the bureaucracy in resolving problems or implementing components of the program that are required to enhance a culture of compliance.

Both institutions have formal committees, compliance partners, and formal compliance processes to support institutional compliance. Committees like Compliance Assurance, Enterprise Risk Management, and others are in place at both institutions and implement policies and business processes and procedures to mitigate risks they have identified on their campus. Central University developed a compliance risk assessment based on their regulatory inventory. They update the inventory based on regulation or requirement changes since many of them do not change annually. Ms. Castille commented that “this risk-based assessment is used to identify operational, control, and monitoring ownership of the risk.” The compliance office team ensures that these inventoried risks are managed and monitors the regulatory environment for any changes.

At Central University, though staff in the Compliance Office is on the front line of managing institutional compliance, Ms. Castille indicates that the “level one resource [for compliance] is governance—Risk Management Committee that incorporates Enterprise Risk/Compliance. This includes time, effort, oversight over compliance risks—VP-level leaders”. Governance also includes support committees “on specific compliance domains like Information Security, HIPAA, Medical, Research—supported at the Board level at the Audit and Compliance Committee.” Level two resources for the program is the Compliance Office team and compliance partners, which represent the “resources and individuals that function in a control capacity.” Level three resources represent the operational resources in support of compliance—the policies, procedures, processes, and systems established to help departments

and compliance partners. One of the tools and processes in place is the program assessment tool, which “defines what an optimized state would be for each of those program elements. It has a 5-point maturity scale.” In Ms. Castille’s view, use of the tool as part of the risk assessment process “formalizes the partner structure. Each area reports their assessment to the overall committee and it is reported in a consistent way across all groups, all partners.” The tool is a one page document and “everyone reports the status of their compliance program consistently and gives everyone an opportunity to evaluate it annually.”

At Decent University, Mr. Douglas’ oversight and coordination role ensures that all of the areas that need to support compliance are in turn, appropriately supported. He serves on the Enterprise Risk Advisory Committee and the Enterprise Risk Manager serves on the Compliance Committee. The interaction between these two areas are very important in managing compliance risks and identifying and mitigating new risks. Douglas is also a member of the Policy Committee for the University. It is the Compliance Office and these supporting committees that form the compliance support structure for its university. The Compliance Office also manages a training catalog and online training system to deliver training on a variety of compliance topics, as well as coordinating a compliance segment for new employees that sets the cultural expectation for compliance at the beginning of employment. Both compliance officers manage the reporting hotline and other concerned reporting and investigation processes.

Assertion #4. Executive support and strong leadership are needed to have an effective institutional compliance program. Both compliance officers point to tone at the top and strong modeling of compliance from its leaders. Presidents of both institutions spearheaded the creation of the institutional compliance program on campus. As Douglas described earlier, the President is “dedicated to the idea of risk management and compliance, and is cognizant of the pressures

on an institution more so than any other president I've worked for." With the advent of compliance failures outside of higher education, then events inside of higher education, the President of Decent University worked with the board to have a "gut check and an assessment period" that led to evaluating if they were really doing everything they could to support these different areas. From that assessment came the first institutional compliance officer and office, an Enterprise Risk Office, and committees to support these functions. The first assessment was conducted at a high level and was "more about the culture changing." The assessment was rolled out to people at the executive and trustee level and that was a "wake up call." Capturing the attention of these leaders and changing their mindset was reflected out in the rest of the institution and created the shift in culture. Douglas indicates "we've certainly devoted an appropriate amount of resources [to fulfill compliance goals]. As I said, the culture here has gone through significant change since [our current] President has taken the reins."

Central University's institutional compliance program was driven by the president and board as well. They set the expectation and example for a culture of compliance. Its president had commented in the past that Central was the model of compliance. Though that was his perception, compliance failures on campus prompted the president with support of the board to conduct an independent review of compliance and he followed through on the recommended actions.

One key that Ms. Castille emphasizes is the assignment of ownership of the risk. "Executive leadership has direct ownership of the risk. The central nature of our program provided clarity over unit-specific risks and ownership of risks. In higher education, if shared risk is possible, you'll share it. It's leadership by deflection." In a more formal structure, the leader of the unit owns the risk. They must make a tough decision and argue the gray space for

the research reason to take a risk. “It’s easier for a compliance officer to frame the risk. Confidentially, that has caused a clear delineation between strong leadership and weak leadership. This wouldn’t have happened in an environment of unclear ownership.”

The compliance officer must also be a strong leader, setting and reinforcing the structure for compliance on his or her campus. Ms. Castille mentions that “growth and development of the program has been very personality-dependent.” Driving the program has required a strong relationship between her role and that of the General Counsel. “I am working to more formally structure it [the program] so that it is more of a process”, so that the program is less dependent upon specific people. One of her roles is to “ensure effective communication around an iterative compliance program, things don’t magically happen. You can talk about details a long time, but focusing on defining and understanding our values is very important, then you start making decision about competing values. My role is often to frame decisions.” Persistence and consistency is needed in compliance officers in implementing the compliance program.

As Castille mentions “there is an extraordinary importance of personal modeling; title and function mean nothing. You have to show exceptional personal behavior, personal behavior is everything”. Douglas mentioned the shift in his past role over Environmental Health and Safety to the Institutional Compliance Officer to the role of influencer. The importance of strong leadership as an influencer is also echoed by Castille, as follows. “Credibility is earned through influence, influence by sharing your values. How do people engage and become more effective? Share information, add value, learn how people become influential in your organization and do it.” She mentions that there is a challenge in higher education; it creates a culture of defeatism. “People are exhausted and overwhelmed. It takes courage to do the right thing.” To model that, “retain personal capacity to be open and available, responsive, listen positively, be optimistic.”

Both institutions have strong leadership, including the leadership provided by their compliance officers.

Assertion 5: An effective compliance program is a system of continuous improvement and learning. In reviewing the evolution of the programs included in the study, both compliance officers emphasized training, education, communication, and concerned reporting. It became clear that each program continued to survey the compliance climate and incorporated changes in its program. “Process expertise and mindset is important and novel in higher education.” Much of what the compliance officers are doing is laying out a process and mindset for the stakeholders to follow and monitor. “Behavior becomes habits, habits form character. Individual behaviors must be converted into organizational processes. Organization habits become organizational character or culture.” Castille adds “as an effectiveness goal, model compliance as a learning system. Investigations and audit findings are evidence of failure. Those are issue-driven or concern-driven assessments about whether a policy, law, or value was violated.” Understanding how the institution performed and what needs to be done as a result is critical.

Risk inventories, risk assessments, compliance training, and incorporating lessons learned into modified processes or training initiatives serves as a communication and learning loop for campus. Castille has worked hard to help people understand risk and risk acceptance on campus. “It has taken me three years to accomplish. Now people talk about risk acceptance on campus”. One of the educational tools used by Central is the compliance wheel, which shows the program elements for compliance, which includes leadership; engagement; regulatory inventory; risk assessment; plan, policies, and training; operation controls; testing and monitoring; and investigating and reporting. The team trains campus colleagues on these topics and incorporate any compliance failure in these categories in to future training and modification to processes.

Douglas mentioned that they learn a lot from their concerned reporting system. He conveyed that it can be disconcerting to read all of the things that come through, but it provides a “good gauge of where we are as an institution. If we have a sudden uptick in complaints of a certain type of behavior that would spur us to find ways to address that through training or information campaigns, or other avenues.”

Summary

At the conclusion of the interviews, coding of interview and artifacts, and analysis of the data, this study revealed that both centralized and decentralized institutional compliance programs are both effective if adequately supported within the overall organization’s culture. Key factors in implementing or developing an effective institutional compliance program were identified. The two institutional compliance officers interviewed represented two different compliance program models—Mr. Douglas managed a decentralized compliance program at Decent University and Ms. Castille managed a centralized compliance program at Central University. Themes emerged from review and analysis of the interviews and other materials related to program content and scope, organizational culture and history, national compliance issues, leadership, and organizational support structure. These themes were identified and explored in detail in the interview responses provided by the compliance officers and his or her insight.

Five assertions were developed in the further analysis of this study. The assertions were as follows:

1. An effective institutional compliance program contains the components of a comprehensive program as described in the Office of Inspector General’s Draft Guidelines.

2. Compliance programs are part of the organization's culture and history and must operate consistently within its culture.
3. Organizational structures form the key cornerstone of the institutional compliance program.
4. Executive support and strong leadership are needed to have an effective institutional compliance program.
5. An effective compliance program is a system of continuous improvement and learning.

The compliance officers' interview responses support the research conducted about his or her respective compliance programs and with compliance programs generally. Further exploration of this study, including recommendations for future research will be discussed in Chapter 5.

CHAPTER 5. DISCUSSION AND RECOMMENDATIONS

This chapter focuses on the overall implications of the study, including the research questions examined, the limitations of the study, and recommendations for future research related to implementation or development of institutional compliance programs in higher education. One of the aspects of this study was including the perspectives of compliance officers that managed compliance programs within two different organizational structures—one in a decentralized program structure and one in a centralized program structure. Each compliance officer brought his or her own perspective to the evolution of his or her program and the effectiveness of the program in his or her environment. Though the study examines some key factors and characteristics, the primary focus of the study is the observations of the compliance officers in an effort to assist both current and future compliance officers in developing an effective program on their campus, or improving the effectiveness of their program.

As five core themes emerged from which five assertions were derived from the study. It isn't surprising that effective institutional compliance programs for similarly-sized institutions would have a consistent program content and scope; its structure is influenced by organizational culture, history, and compliance issues of other institutions; have strong leadership support; and multi-level organizational support structures. The assertions encompass those themes.

The following questions were used to direct the study:

1. What organizational structures are recommended for large, public universities to manage its institutional compliance program?
2. What are the elements that shaped these organizational structures?

3. What are the benefits and limitations of these organizational structures?

The qualitative research lent itself to addressing the three research questions related to the study.

Discussion of the Findings

Research Question 1. What organizational structures are recommended for large, public universities to manage its institutional compliance program?

The Education Advisory Board (2013) identified five organizational models in its study of research institutions, including 1) an institution-wide compliance officer, 2) unit-specific interdependent compliance officers, 3) institution-wide, interdependent compliance officer and committee, 4) decentralized offices without designated compliance officers, and 4) general counsel or internal audit as compliance office (EAB, 2013). The compliance officers interviewed conveyed that the compliance program at his or her respective institution was effective in achieving its goals. Though each institution had a different model to provide assurance, there were common key elements of each program's organizational structure that contributed to its effectiveness, as follows.

First, each program had a specific position tasked with the oversight and management of the institution's compliance program. Compliance areas or topics managed through direct oversight were a function of institutional decision or based upon the specific experience or skill set of the institutional compliance officer. Regardless of direct or indirect oversight, the institutional compliance officer coordinates and documents compliance with core or highest risk areas, integrates efforts conducted throughout the organization. The institutional compliance office is supported beyond the officer and his or her team provides key support for the office, the extent varies with the level of centralization of the office. In the institutions included in the study, monitoring the concerned reporting process and ethics hotline was common to both

programs. The qualities found in these two programs represent advances from the conditions found by Kelley et al. (2006) in their research of ethical climate and behavior. The researchers found that few universities in the study provided the critical organizational resources needed to signal the importance of the ethics program, such as ethics officers, hotlines, or training programs (Kelley et al., 2006). The developing trend for a holistic approach to governance and growing support for these programs is encouraging and reflects its leaders' belief that trust, integrity, and fairness do matter and are crucial to the bottom line (Byrne, as cited in Arjoon, 2005).

The institutional compliance function reporting organizationally to a Vice President position with access to the Board of Trustees or directly to the Board signals the program's importance to its community. Both compliance officers felt the reporting lines streamlined the efficiency and effectiveness of the function. Direct access to general counsel and reporting lines to the Board directly or through general counsel strengthened the program and supported an expectation of an ethical culture. These observations supported the research conducted by Felo (2001) who found that reporting structure and board level involvement enhances effectiveness of the program and enables it to achieve its goals. Both officers indicated that tone at the top was an imperative to the program's success, prompted the program's development, and organization reporting and access was a common characteristic of both. Arjoon (2005) concluded that the personal values and ethical aspirations of the company leaders are implicit in all strategic decisions. Commitment to quality objectives, including compliance with laws and high ethical standards, is an organizational achievement.

Additional organizational support was provided by key institutional committees, such as enterprise risk management, compliance, and institutional policy committees. These committees

are comprised of executive level leadership and form a core, high level resource as these leaders spend time, effort, and oversight over compliance risks in their respective roles in the organization. There are also support committees that focus on specific compliance domains, such as data security, HIPAA, FERPA, financial, and human resources. These are comprised of operational or unit leaders or subject matter experts that lead or support compliance efforts in their domain.

. At a basic level is the operational commitment to compliance comprised of the policies, procedures, processes, systems, and compliance partners that support all compliance activities. These elements serve as the daily framework for compliance used to support business processes at the institution. At the most granular level, all employees are part of the compliance team. Through policies, procedures, and training that form the framework, an expectation of an ethical and compliant culture can reinforce a culture of ethics and accountability. Termes found that the ethical functioning of institutions cannot be trusted with the imposition of codes of ethical conduct. The only way in which companies can be ethical is for people to be ethical (Termes as cited in Arjoon, 2005). From an operational perspective, both models rely on a number of individuals operating within a department or unit. As Central's compliance officer explained, they use a "risk-based assessment...to identify operational, control, and monitoring ownership" of compliance functions.

The goals of a compliance office was described as an entity that will "support and advance integrity and accountability, support a culture of integrity, and support the University's mission". To achieve those goals, the institutional compliance officer and his or her direct reports form the first layer of support for compliance and represent the formal compliance function resources. Serving on the front line, the institutional compliance staff form the integrity strategy

that motivates others to behave within the shared values of the organizations since the integrity strategy is based on self-governance (Oost, 2007). This group is supported by executive leadership and institutional committees. Additional committees, operational leaders, and subject matter experts form an additional line of organizational support over key domains such as data security, HIPAA, medical, financial, human resources, and other areas. These support structures provide the resources that were lacking in the institutions studied by Kelley et al., (2006). The 2011 National Business Ethics Survey found that by every measure, strong ethics programs and strong ethics cultures produce better outcomes – less pressure, less misconduct, higher reporting, and less retaliation—than in weaker ethical environments (Ethics Resource Center, 2012). The summary recommendations encouraged leaders to invest deeply in ethics and compliance programs, identifying a number of strategies to implement (Ethics Resource Center, 2012).

Research Question 2. What are the factors that shaped these organizational structures?

The predominant factor expressed by the compliance officers that led to the development of an institutional compliance program was each institution's commitment to compliance. The president and board of trustees of both institutions were concerned about the increasing number of regulations and needed assurance that requirements were being met. Ultimately the president and board is responsible for compliance. They supported the program's development as a means to enhance assurance through an organizational structure that provided a level of independent oversight, leveraged institutional resources, and ensured consistency in management and reporting within its culture. Rezaee (2009) found that there are embedded roles and responsibilities of all corporate governance participants including the board of directors, management, auditors, legal counsel, financial advisors, policymakers, regulators, and the global

business and academic communities. Implementation of a stakeholder-focused strategy for compliance provides a unifying vision that brings the many fragments of accountability together as components of an overall strategy, as recommended by Knapp (2009).

Institutional risk assessments, compliance failures, and results of internal investigations have subsequently shaped each program and the structure supporting it. The compliance officers discussed the impact of specific situations or institutional needs on his or her program. Central University's compliance program was largely decentralized until an independent, comprehensive review recommended a central compliance office structure in light of a significant compliance failure. Compliance failures and concerns at other institutions have also impacted the structure of these compliance programs. As one of the officers stated, one or two national compliance failures became game changers in the higher education community. Many institutions looked at their own institutions and assessed if they were supporting the institution appropriately. Institutional compliance officers, offices, and committees were a result of these assessments and the need for additional resources and reassurance that compliance was adequately supported. Like the corporate scandals that tarnished corporate trustworthiness and challenged business leaders to change their culture, behavior, and attitudes to restore confidence and trust in business (Rezaee, 2009), higher education institutions have adopted these best practices.

Periodic assessment of risk is common to both programs, which includes risk identification; risk analysis; risk evaluation; risk treatment and mitigation; monitoring, review, and corrective action; and communication. (Roach et al., 2010). These compliance efforts provide value by proactively identifying, assessing, and prioritizing material risks; developing and deploying effective mitigation strategies; aligning with strategic objectives and administrative processes; and embedding key components into the organization's culture through

risk ownership, governance, and oversight; reporting and communications; and leveraging technology and tools (Roach et al., 2010). The results of these activities shaped each program as each compliance officer used each situation or finding as a continuous learning and improvement opportunity.

The program and structure is also impacted by the institutional compliance officer. Though executive leadership or a risk assessment may lead to the initial structure or scope of the function, the expertise of the compliance officer also impacts the structure. With a strong compliance background outside of higher education, Central's compliance officer implemented the current program and developed a compliance network that meets monthly to focus on education, training, tools, and other resources that support an ethical culture on campus. Many of the compliance areas currently under direct oversight of the office weren't identified initially, but through subsequent identification as the program was implemented. Development of the program has been personality-dependent and working to educate campus on risk and risk acceptance was key in moving Central's program forward. Decent's compliance officer has a strong background in environmental health and safety, so he retained direct oversight of this area in his role. He is modifying his campus' annual survey that measures compliance awareness to focus more on culture. The results of this survey, as well as issues gleaned from concerned reporting hotline, will inform future changes to the program and its conduct. Compliance programs are reinforcement mechanisms of an ethical culture (Gallant et al., 2009) and leaders can influence the culture through attention, reaction to crises, role modeling, allocation of rewards, and other means (Sims & Brinkmann, 2006). The institutional compliance officers included in the study provided the attention, role modeling, and led corrective actions that influenced the culture of compliance at his or her university.

Research Question 3. What are the benefits and limitations of these organizational structures?

Both compliance officers were confident that his or her compliance program was effective in achieving its goals. Both are clear that his or her institutional compliance program does not eliminate compliance failure, as evidenced by the compliance issues and investigations conducted on campus. Though existence of codes or compliance programs doesn't eliminate unethical activity (Schwartz, 2001), they serve as organizational anchors for key constituents and shape institutional behavior (Bray et al., 2012). The programs reinforce the expectation of a culture of ethics and compliance and create the structure to support and educate the community.

Both programs employ a number of individuals to support a function and its compliance. Having a higher level of support to provide coordination and assurance that compliance requirements are met is key. In the centralized structure, there is a level of assurance and consistency that is provided through a larger core team in the central compliance office. These resources include the team that investigate reported situations and provide routine compliance assessments. From that perspective, having a larger team to support the institutional compliance program provides a level of independence and efficiency. The resources of that team has led to the implementation of tools, roles assignments, and a routine risk assessment process and standard reporting tool that achieves the consistency and oversight desired by its board and executive leadership. In a centralized program, individuals may not come forward to report a challenge as quickly as they would to an individual in their department. Identifying a situation timely can be more challenging until a situation is severe in a centralized model.

A decentralized model has advantages and disadvantages. Individuals tasked with compliance functions are embedded in departments. Given this integration, they serve as the front line in identifying and addressing compliance issues and challenges. As key, trusted

resources in the department, they may identify situations sooner and react more nimbly. If the institutional compliance officer is performing well as an influencer it may be the stronger model from the institution's perspective, but it is dependent on personal relationships. A disadvantage is that the decentralized compliance team member is reporting to the department or unit manager responsible for the unit's compliance, which can be challenging in light of the potential conflict. The loyalty and commitment may be to the unit leader and not the university itself. Therefore, a decentralized model should develop and implement strategies, such as post audit sampling or other techniques, to periodically test its compliance functions.

Recommendations for Further Research

As compliance regulations and requirements mount and become increasingly complex, ensuring the university's compliance program is effectively managed is an institutional imperative. According to the National Association of College and University Attorneys (NACUA), trends in compliance include:

- increasing regulation and oversight of higher education
- movement toward centralized compliance programs
- additional resources required for compliance
- continued focus on campus safety and sexual misconduct
- continued focus on conflicts of interest—research and financial
- focus on international activities
- emphasis on shared governance, athletics, health care centers and regulation, and data privacy (NACUA, 2015)

Further research of these programs to determine the factors and characteristics that will increase effectiveness is warranted. Given the early stage of development of the programs included in this study, conducting a future study at these institutions to review the evolution of each program including enhancements made to scope and programming, changes to the organizational structure and support model, shifts in centralization or decentralization, and lessons learned would be informative to those managing or concerned about implementing or improving compliance programs.

Since compliance and managing institutional risk is a need of every institution, a study focused on the compliance program of small public or private institutions would be beneficial. Given the relatively large number of these institutions, the increasing financial pressures related to competition for students, narrowing financial margins and financial resources, and limited staff; understanding strategies to increase effectiveness in compliance programs with limited resources would be invaluable to staff supporting the compliance functions at these institutions. In addition, studies on the cost of compliance for varying sizes of institutions would be informative for planning and management of these programs.

Another topic for further research would be the measurement of change in compliance issues over time after the implementation of or significant change to an institutional compliance program. Determining effectiveness could be measured by changes in the number of reports from a concerned reporting hotline or tool, number of investigations conducted on campus, and number of failures identified through other means, such as internal or external audit findings, penalties, or fines.

Another area of inquiry would be an examination of the perceptions of compliance program effectiveness from the perspective of faculty, staff, students, and senior administration.

Customers or consumers of the program have key insights and observations related to the program itself that could be examined. Alternatively, research on the impact of the program in terms of an enhanced culture of ethics or compliance would be helpful for compliance officers to be able to build upon. Compliance officers may be too close to the program to objectively assess its effectiveness on the constituents they are serving.

For managers or others interested in evaluating levels of centralization of institutional compliance programs, conducting a study that identifies organizational structures of these programs in the United States would be informative. As an example, this study would examine the organizational structure of the top one hundred institutions as measured by student population or net assets. This study could also include the frequency of compliance failures to determine if failures impact the structures.

Limitations of the Study

There are limitations to the study that are presented as follows. The first limitation is that only two institutions were included in the study therefore results of the study may be applicable only to those institutions or ones that closely resemble these institutions in terms of size and profile. Since a large component of the study's results are based upon data and information collected by the interviews, the compliance officers' observations and experiences are provided from their perspective and may not reflect the actual state of his or her program.

Another limitation is that one of the compliance officers selected for the interview was new to the role and may not have a complete understanding of the development or effectiveness of the program. The two institutions selected for the study had similar profiles in terms of region, size, and inclusion of medical schools with the level of centralization of management of the institutional compliance program being the variable.

A third limitation is that the evaluation of program effectiveness was presented from the perspective of the compliance officer. Perspectives of the customers of the function, senior leadership, and individuals that report or support the program may have differing opinions from those presented by the officer.

Conclusions

This study confirms that both central and decentralized organization models can be effective in managing institutional compliance programs in higher education. The function and requirements of the institution's compliance program are the same, but its execution differs. To maximize effectiveness, the program must work with and within the culture of its organization, driving a culture of ethics and compliance forward. At the heart of effectiveness and results is solid support for the program, starting with the tone at the top. Executive leadership and trustees must model and reinforce that ethics and compliance is a core value and expectation. Communication, education, and training are the tools to program excellence and conducting the compliance program as a continuous learning and improvement system to address gaps will enhance its effectiveness and reach.

An effective program should be able to demonstrate its conformance to the Office of Inspector General's Draft Guidelines and serves to assess and monitor controls of the risks present in the institution, leveraging and integrating activities of the compliance group and its partners. Identifying and documenting operation, control, and monitoring ownership strengthens controls and accountability, which leverages the institution's resources. Best practices of a compliance program include lead with your code; encourage and promote ethical behavior; address risk and incident assessments using both proactive and reactive methods; manage

incidents with consistency; practice compliance, never complacency; put your compliance data to work; and lead with integrity (The Network, Inc., 2012).

Regardless of organizational structure, strong personal relationships; modeling and championing an ethical culture; and supporting the mission and values of the university are primary objectives of an effective compliance program. As one of the officers shared, the compliance officer is the rock on which people stand. Institutions need a place that people can count on. The compliance office is that support, place of solidity that tells its community 'you can count on me.'

APPENDIX A. DATA COLLECTION AND ANALYSIS PROCEDURES

1. Review each university's website for general, organizational structure information
2. Review more detailed web resources for institutional compliance office or functions
3. Identify compliance areas and topics and the officer managing compliance for that classification of risk
4. Research Board of Trustees minutes, President's Office publications, and other publications related to institutional compliance, audit, internal controls, institutional ethics, or risk management topics
5. Research external publications related to the compliance program, compliance issues, or organizational structure involving the institutions included in the study
6. Develop a draft matrix of compliance areas, how they are managed at each institution, preliminary factors leading to that structure, and identify similarities and differences
7. Identify relevant material from the research conducted above and import the materials in to NVivo software. NVivo software is used with qualitative research data to organize, analyze and find insights from unstructured or qualitative data to discover connections.

Code each item, as follows:

- a. As a starting point, code each item by broad categories, such as compliance topic or organizational structure element, institution, and source
- b. As more information is gathered and imported, code the artifacts using more descriptive classifications and common themes that emerge from the review of the resource information
- c. Indicate if the material or artifact supports one or more of the eight basic elements of a comprehensive compliance program provided by the Draft OIG Guidelines

8. Write memos in the NVivo software throughout the process that records the researcher's goals, assumptions, and key decisions about the materials included
9. Conduct interviews with the chief institutional compliance officer at the designated universities, using audio recording, and taking notes to ensure accuracy and completeness in capturing the results of the interview
10. Transcribe the audio recordings
11. Import the results of these interviews in to the NVivo software
 - a. Code responses to each interview by topic, by descriptive information, and using analytical coding categories previously identified
 - b. If the interviews reveal additional coding categories, review previously imported information for supplemental coding
12. Analyze the data using tools available in NVivo, such as the comparison features and analysis functions that will identify themes, similarities and differences, and other connections that will help the researcher develop insights
13. Summarize the results of the analysis, develop conclusions, and identify how these conclusions might be applied to other institutions

APPENDIX B. PARTICIPANT INTERVIEW GUIDE FOR INSTITUTIONAL COMPLIANCE OFFICERS

Your participation is appreciated. The information that you provide is confidential. The data from the interviews will collectively inform dissertation work conducted at Purdue University regarding the development of an institutional compliance program in higher education.

The goal of this interview is to develop an understanding of the content/scope and organizational structure of the institutional compliance program at your university and factors behind its development.

Consider the compliance topics included in your institutional compliance program, the staff involved in its management, and factors in its development.

Program Scope/Content

1. What compliance topics or issues are managed within the institutional compliance program?
2. Why were these topics selected for central oversight?
3. What are the program's objectives or goals?

Program Resources and Structure

4. What institutional resources are involved in the execution of the program's objectives?
5. How many staff are included in the institutional compliance department or function?
6. How many staff involved in the institutional compliance function are distributed across other departments on campus?

7. Where does the institutional compliance function report within the organization?

Program Development and Leadership

8. What factors led to the program's development?
9. What campus events impacted or shaped the program?
10. What is the level of involvement of the Board of Trustees or executive leadership in the development, management, or oversight of the program?
11. From your perspective, is the institutional compliance program fulfilling its intended purpose?
12. What tools or guides does your program use to manage or assess its effectiveness?
13. What challenges have you faced in managing or growing this function and how did you resolve them?
14. Is there any additional information or observations that might be useful in understanding your institution's program and its development?
15. Are there any observations you can provide to other compliance officers that are looking to implement or improve the organizational structure of their institutional compliance programs—e.g. lessons learned, pitfalls to avoid, methods or ideas to increase effectiveness?

REFERENCES

- Arjoon, S., (2005). Corporate governance: An ethical perspective. *Journal of Business Ethics*, 61, 343-352.
- Bardo, J. W. (2009). The impact of the changing climate for accreditation on the individual college or university: Five trends and their implications. In P. M. O'brien (Ed.), *New Directions for Higher Education*, 145, 47-58.
- Birnbaum, R. (1988). *How colleges work: The cybernetics of academic organizations and leadership*. San Francisco, CA, USA: Jossey-Bass, Inc.
- Bray, N. J., Molina, D. K., and Swecker, B. A. (2012). Organizational constraints and possibilities regarding codes of conduct. *New Directions for Higher Education*, 160, 73-87.
- Brown, L. A., Williams, N., & Myers, C. (2011, November 09). *Compliance 101: A Guide to Building Effective Compliance Programs*. (NACUA November 2011 CLE Workshop, NACUA) Retrieved from www.higheredcompliance.org/resource/compliance-101-a-guide-building-effective-compliance-programs/.
- Business Roundtable (2006). *Principles of Corporate Governance*. Retrieved from <https://s3.amazonaws.com/brt.org/Principles-of-Corporate-Governance-2016.pdf>.
- Coates IV, J. (2007).). The goals and promise of the Sarbanes-Oxley Act. *Journal of Economic Perspectives*, 21(1), 91-116.
- Cohen, D. & Crabtree, B. (2006). *Qualitative research guidelines project*. Retrieved from <http://www.qualres.org/HomeCase-3591.html>.
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) (1992). *Internal control: Integrated framework*, New York: AICPA Inc., (COSO 1 Report).
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2004). *Enterprise Risk Management: Integrated framework*. Retrieved from <https://www.coso.org/Documents/COSO-ERM-Executive-Summary.pdf>.
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013). *COSO to issue updated internal control-Integrated framework 2013*. Retrieved from <http://www.coso.org/documents/COSO%20Release%20March%202013.pdf>.
- Davis, K. (2007, January 19). The compliance racket. *The Chronicle of Higher Education*, 53(20), p. B11.

- Dee, J. (2006). Institutional autonomy and state-level accountability. In W. G. Tierney (Ed.), *Governance and the public good* (pp. 133-155). Albany, NY, USA: State University of New York Press.
- Educational Advisory Board (2013). *Ensuring compliance at decentralized institutions*. Retrieved from www.eab.com/Research-and-Insights/Business-Affairs-Forum/Custom/2013/03/Ensuring-Compliance-at-Decentralized-Institutions.
- Ethics Resource Center. (2012). *2011 national business ethics survey: Workplace ethics in transition*. Retrieved from: www.ethics.org/nbes/files/FinalNBES-web.pdf.
- Ewell, P. T. (1994). A matter of integrity: Accountability and the future of self-regulation. *Change: The Magazine of Higher Learning*, 26 (6), 25-29.
- Ewell, P. T., & Jones, D. P. (2006, Fall). State-level accountability for higher education: On the edge of a transformation. In N. B. Shulock (Ed.), *New Directions for Higher Education* 135, 9-16.
- Felo, A. J., (2001). Ethics programs, board involvement, and potential conflicts of interest in corporate governance. *Journal of Business Ethics*, 32, 205-218.
- Gallant, T. B., Beesemyer, L. A., & Kezar, A. (2009). Creating a culture of ethics in higher education. In J. C. Knapp & D. J. Siegel (Eds.), *The business of higher education* (Vol. 1, pp. 199-226). Santa Barbara, CA, USA: Praeger Perspectives.
- Gay, L. R., Mills, G. E., & Airasian, P. (2009). *Educational research: Competencies for analysis and applications* (9th ed.). Upper Saddle River, NJ: Pearson Education, Inc.
- Glesne, C. & Peshkin, A. (1992). *Becoming qualitative researchers*. New York: Longman.
- Hansen, J., Myers, C., & Schwartz, B. (2011, November 11-13). *The case for compliance programs: The legal and policy mandates*. Retrieved from www.higheredcompliance.org/resources/case-for-compliance-programs-legal-policy-mandates.
- Harrington, P. & Schumacher, T. (2006, June 26). *Establishing an effective compliance program, compliance risk assessments, and the role of general counsel*. (NACUA June 2006 CLE Workshop, NACUA). Retrieved from http://ecommons.med.harvard.edu/ec_res/nt/A6963478-B33E-4576-BA7C-B16087604B93/Establishing_an_Effective_Compliance_Program.doc.
- Hearn, J. C., & McLendon, M. K. (2012). The elephants in the room: Power and politics in higher education. In M. N. Bastedo (Ed.), *The organization of higher education: Managing colleges for a new era* (pp. 20-37). Baltimore, Md, USA: Johns Hopkins Press.
- Higher Education Compliance Alliance. (2019). About us. Retrieved from <https://www.higheredcompliance.org/about-us/>.

- Kelley, P. C., Agle, B. R., & Demott, J. (2006). Mapping our progress: Identifying, categorizing, and comparing universities' ethics infrastructures. *Journal of Academic Ethics* 3, 205-229.
- Kelley, P. C. & Chang, P. L. (2007). A typology of university ethical lapses: Types, levels of seriousness, and originating location. *The Journal of Higher Education*, 78 (4), 402-429.
- Kelley, P. C., & Elm, D. R., (2003). The effect of context on moral intensity of ethical issues: Revising Jones's issue-contingent model. *Journal of Business Ethics*, 48 (2), 139-154.
- Kezar, A. (2004). What is more important to effective governance? In W. G. Tierney & V. M. Lechuga (Eds.), *New Directions for Higher Education*, 127, 35-46.
- Knapp, J. C. (2009). University leadership in an era of hyperaccountability. In J. C. Knapp & D. J. Siegel (Eds.), *The business of higher education* (Vol. 3, pp. 1-20). Santa Barbara, CA: Praeger Perspectives.
- MacFarlane, B. Zhang, J., and Pun, A. (2012). Academic integrity, a review of the literature. *Studies in Higher Education*, August 2012, 1-20.
- May, W. W. (1990). *Ethics and Higher Education*. New York, NY: McMillan Publishing.
- McLendon, M. L., Hearn, J. C., & Deaton, R. (2006, March 20). Called to account: Analyzing the origins and spread of state performance-accountability policies for higher education. *Educational Evaluation and Policy Analysis*, 28 (1), 1-24.
- National Association of College and University Attorneys (NACUA). (2015 November). Building an effective compliance program. Retrieved from <https://www.nacua.org/login?ReturnUrl=https%3a%2f%2fwww.nacua.org%2fdocs%2fdefault-source%2flegacy-doc%2fpublications%2fbuilding-an-effective-compliance-program.pdf>
- The Network, Inc. (2012, July). Seven elements: Staying aligned with the federal sentencing guidelines. Retrieved from www.twinc.com.
- Oost, M., (2007). Professional versus institutional morality: The design of ethics programs and their influence on non-compliant behaviour in universities (Unpublished doctoral dissertation). University of Twente, Enschede, Netherlands.
- Rezaee, Z. (2007). *Corporate governance post-Sarbanes-Oxley*. Hoboken, NJ: John Wiley & Sons, Inc.
- Rezaee, Z. (2009). *Corporate governance and ethics*. New York, NY: John Wiley & Sons, Inc.

- Roach, R. F., DeSouza, S., & Kaufman, C. (2010, December 16). Risk management in higher education: A guide to building effective compliance programs and risk management programs and counsel's role. Retrieved from www.higheredcompliance.org/resources/risk-management-in-higher-education-a-guide-to-building-effective-compliance-and-risk-management-programs-and-counsels-role.
- Schwartz, M. (2001). The Nature of the relationship between corporate codes of ethics and behaviour. *Journal of Business Ethics* 32, 247-262.
- Sims, R. R., & Brinkmann, J. (2003). Enron ethics (or: Culture matters more than codes). *Journal of Business Ethics* 45 (3), 243-256.
- United States Government Accountability Office. (2006). *Sarbanes-Oxley Act: Consideration of key principles needed in addressing implementation for smaller public companies*. Retrieved from <https://www.gao.gov/new.items/d06361.pdf>.
- Sarbanes-Oxley Act: Considerations of key principles needed in addressing implementation for smaller public companies. Enron ethics (or: Culture matters more than codes). *Journal of Business Ethics* 45 (3), 243-256.
- Van Daelen, M. (2010). Risk management from a business law perspective. In M. Van Daelen and C. Van der Elst (Eds.), *Risk Management and Corporate Governance* (pp. 56-108). Northampton, MA: Edward Elgar Publishing, Inc.
- Van Daelen, M. and van de Ven, A. (2010). Introducing risk management. In M. Van Daelen and C. Van der Elst (Eds.), *Risk Management and Corporate Governance* (pp. 1-6). Northampton, MA: Edward Elgar Publishing, Inc.
- van de Ven, A. (2010). Risk management from an accounting perspective. In M. Van Daelen and C. Van der Elst (Eds.), *Risk Management and Corporate Governance* (pp. 7-55). Northampton, MA: Edward Elgar Publishing, Inc.
- Weitzman, E. A. (2003). Software and qualitative research. In N. Denzin and Y. Lincoln (Eds.) *Collecting and Interpreting Qualitative Materials, 2nd Ed* (pp. 310-339). Thousand Oaks, CA: Sage.
- Wellman, J. V. (2006). Accountability for the public trust. *New Directions in Higher Education*, 135, 111-118.
- Wellman, J. V. (2006). Rethinking state governance in higher education. In W. G. Tierney (Ed.), *Governance and the Public Good* (pp. 51-72). Albany, NY: State University of New York Press.

VITA

Kendra A Cooks, CPA

EDUCATION

- 2019 Purdue University, West Lafayette, IN
PhD in Higher Education Administration
- 1992 Purdue University, West Lafayette, IN
Master of Science in Management, Accounting Concentration
- 1988 Purdue University, West Lafayette, IN
Bachelor of Science, Financial Planning and Counseling

PROFESSIONAL EXPERIENCE

- 2017-Present Wabash College, Crawfordsville, IN
Chief Financial Officer and Treasurer
- 2014-2017 Purdue University, West Lafayette, IN
University Comptroller
- 2008-2014 The University of North Carolina at Charlotte, Charlotte, NC
University Controller
- 1998-2008 Purdue University, West Lafayette, IN
Assistant Comptroller
- 1997-1998 Purdue University, West Lafayette, IN
Unrestricted Funds Accountant
- 1995-1997 Purdue University, West Lafayette, IN
Business Manager, Mathematics, Statistics, Earth and Atmospheric Sciences, and
Computer Science

1992-1994 Purdue University, West Lafayette, IN
 Accountant and Sponsored Programs Administrator

PROFESSIONAL ACTIVITIES

Certified Public Accountant – Indiana, North Carolina
 American Council on Education (ACE) Women’s Leadership Forum
 Center for Creative Leadership (CCL) Leadership Development Program
 National Association of College and University Business Officers (NACUBO) Faculty
 Member – Facilities and Administrative Cost Rates Workshop
 Investment Policy Committee, Wabash College
 University of North Carolina System Committees-Capital Assets Advisory, Tax
 Advisory, Internal Control Assessment Advisory
 Chair, UNC Finance Conference Board
 Co-Chair, Midwest Costing Association
 Collegiate Management Institute
 Certified Zenger-Miller Facilitator and Certified Targeted Selection Interviewer
 Presenter/Speaker on Financial Compliance, Leadership, and Cost Accounting Topics
 Purdue University Finance Advisory and Human Resources Advisory Committee
 Member for ERP Implementation
 Extensive Professional Development in Tax Management, Accounting, Risk
 Management, Leadership, and Change Management