



Ethics Hotline Report

2017, 2018, 2019 & 2020

April 28, 2021

Report No. 168-21

Office of Internal Audit & Risk Management



DATE: April 28, 2021

TO: Missouri State Board of Governors, Risk Management & Audit Committee

CC: Rachael Dockery, General Counsel & Chief Compliance Officer
Dennis Lancaster, Interim Chancellor – MSU West Plains
Clifton M. Smart III, University President

FROM: Natalie B. McNish, Interim Director, Internal Audit and Risk Management

Ethics Hotline Report

BACKGROUND

The University has a third-party anonymous hotline service provided by EthicsPoint. An individual may contact the hotline service either by the toll-free phone or via the internet, 24 hours a day, 7 days a week. EthicsPoint immediately prepares a report for each contact and sends the report to the Office of Internal Audit and Risk Management and the Office of General Counsel where they are reviewed and directed to the appropriate University official for follow-up. The University official receiving the report is required to provide a resolution for each report to the Office of Internal Audit and Risk Management or the Office of General Counsel. The Office of Internal Audit and Risk Management tracks each report to ensure the assigned University officials properly complete follow up actions.

OBJECTIVE AND SCOPE

The objectives of this report are to summarize the data related to the Ethics Hotline for calendar years 2017, 2018, 2019 and 2020.

SUMMARY

There have been 95 reports filed with the University's third party hotline vendor between January 1, 2017 and December 31, 2020. An investigation was completed for all 95 hotline reports. The Office of Internal Audit and Compliance has tracked all 95 reports and none of the 95 reports are currently open or pending investigation.

A handwritten signature in black ink, appearing to read "Natalie B. McNish".

Natalie B. McNish, CFE, CGAP
Interim Director
Office of Internal Audit and Risk Management

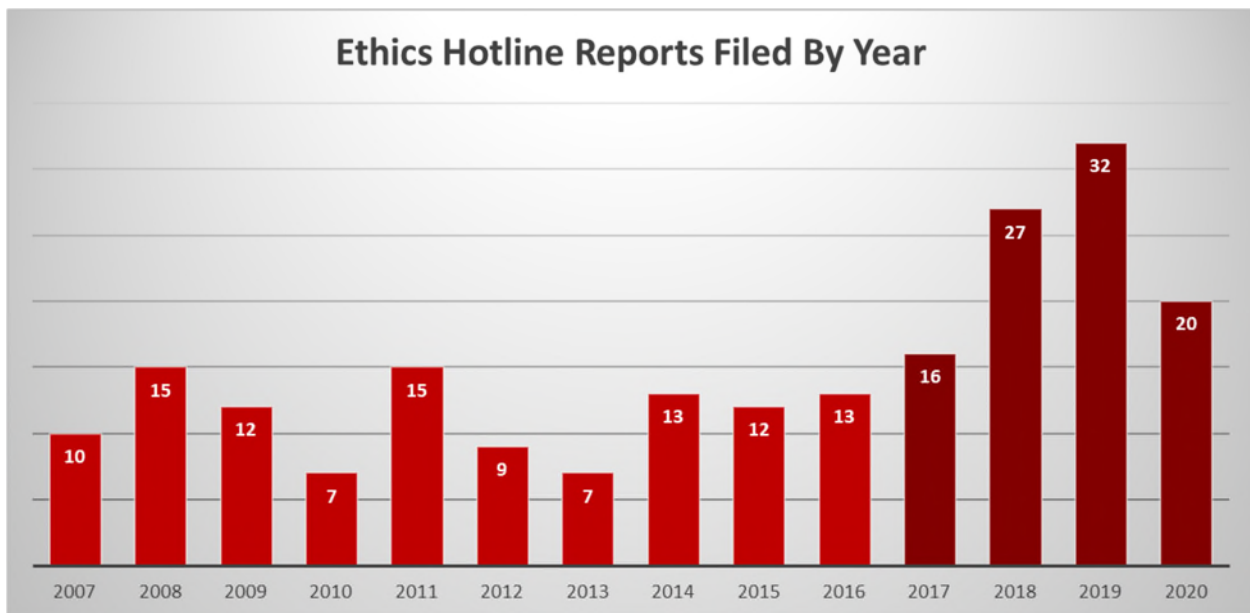
ETHICS HOTLINE DATA

Missouri State University first implemented the Ethics Hotline in September 2007, in conjunction with the Board of Governors' approval of the University's Whistleblower Policy (G1.25). This policy encourages employees to come forward in good faith with reports or concerns about suspected compliance issues. The Ethics Hotline provides an avenue where anyone (employees, students, and others) can report concerns to University officials.

An individual may contact the hotline service either by the toll-free phone service or via the internet, 24 hours a day, 7 days a week. EthicsPoint, a third party provider, manages the hotline service. After each contact, EthicsPoint immediately sends a report to personnel within the Office of Internal Audit and Risk Management and the Office of General Counsel. The report is reviewed immediately and the appropriate University official is contacted for investigation and any appropriate follow-up. University officials are committed to conducting a complete, thorough, and timely follow up of each report. The Office of Internal Audit and Risk Management tracks each report to ensure the assigned University official properly completes follow up actions.

Number of Reports

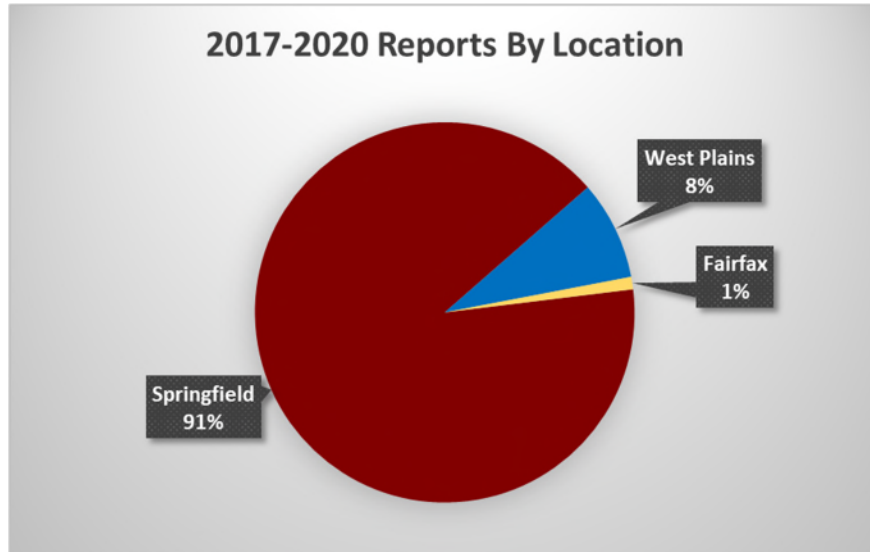
In a prior report issued March 3, 2017, the Office of Internal Audit & Risk Management indicated 113 reports had been received, investigated, and closed between September 2007 and December 31, 2016. Due to increased efforts to ensure employees are aware of this reporting tool and which allows anonymous reporting, reporting has increased. Between January 1, 2017 and December 31, 2020, the University received, investigated, and closed 95 new reports. The chart below shows the variance in reports filed by year since the program's inception:



The Office of Internal Audit & Risk Management and/or the University's independent auditor tests the hotline service at least annually to ensure reports are properly recorded in the system and a response is made timely. Since 2007, the hotline has been tested 21 times, with eight (8) of those tests occurring between January 1, 2017 and December 31, 2020. These 21 test reports are not included in the report numbers cited above or in the remainder of this report.

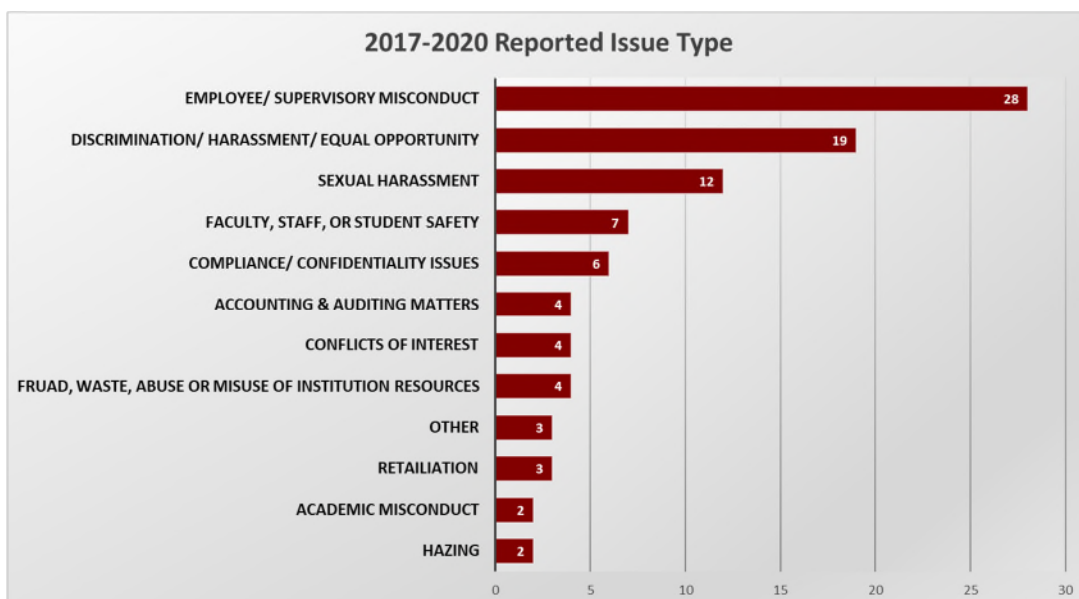
Location

The Ethics Hotline is designed to serve the University system and, therefore, reports can be filed for concerns involving any Missouri State University campus. A breakdown of the location of the reported concerns received between January 1, 2017 and December 31, 2020 is seen below:



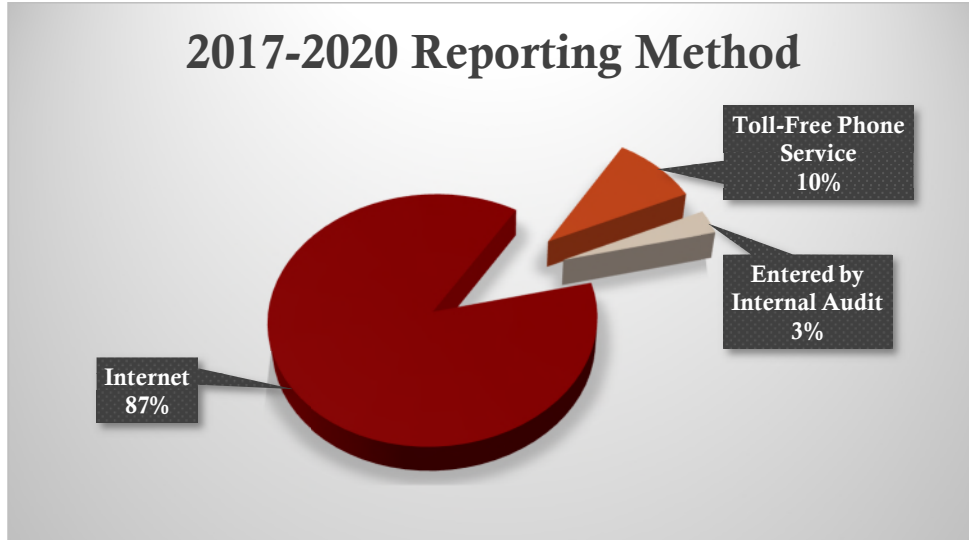
Reported Issue

The March 2017 Ethics Hotline Report noted 69% of reports received between January 1, 2014 and December 31, 2016 involved issues of employee/supervisory misconduct or discrimination/harassment/equal opportunity. While the total number of reports has increased significantly since that timeframe, there was an almost 20% decrease in these specific types of allegations. Of the 95 reports received between January 1, 2017 and December 31, 2020, approximately 49% reported allegations of employee/supervisory misconduct or discrimination/harassment/equal opportunity issues.



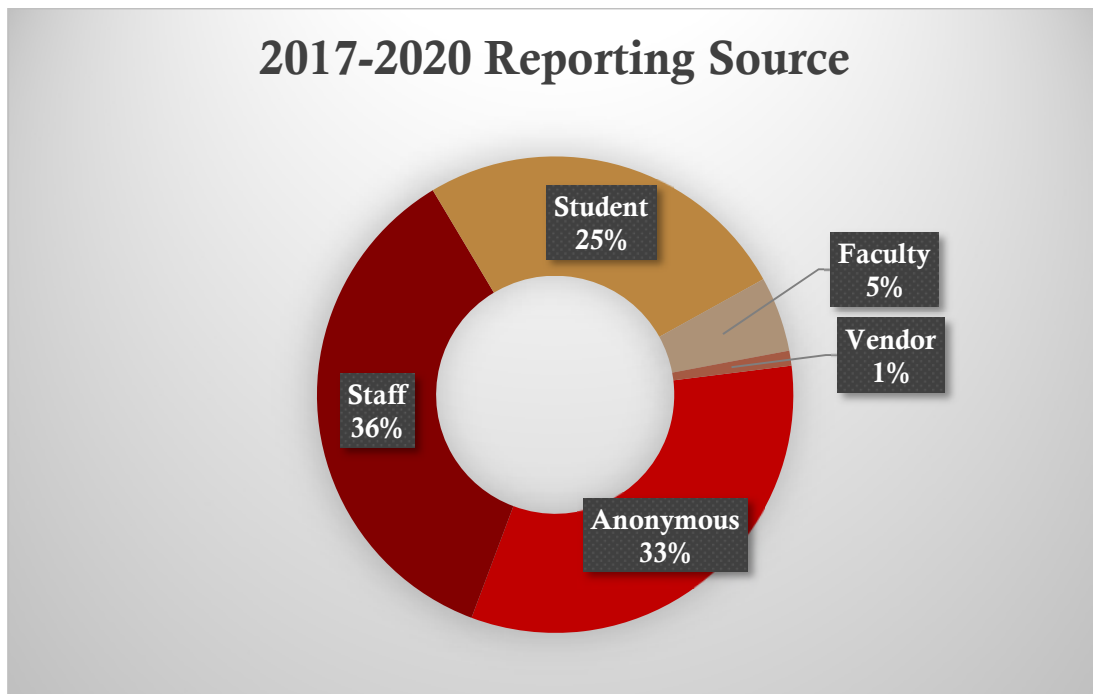
Reporting Method

Individuals overwhelmingly preferred to make reports via the internet rather than using the toll-free phone service. The Office of Internal Audit and Risk Management received three (3) reports through the mail, which were subsequently added to the EthicsPoint system for tracking purposes.



Reporting Source

The Ethics Hotline allows individuals to remain anonymous if they choose. It also provides the individual the opportunity to identify themselves by either including their name or identifying their relationship to the University. The chart below identifies the source of the reports received during the most recent four years.



Response Rate and Resolutions

The Office of Internal Audit and Risk Management is responsible for responding to all reports in a timely manner. This response generally acknowledges the receipt of the report and the forwarding of the report to the applicable University official. Of the 95 reports received between January 1, 2017 and December 31, 2020, 50 were provided an initial response the same day the report was filed and 26 were provided an initial response the next calendar day. The remaining 19 reports received an initial response between three (3) and 10 calendar days from the date of the report. We noted only one (1) instance in which the initial response was made 10 days after the report, and this was in response to a report received during winter break when the University was closed. This report was responded to on the next business day that the University reopened.

The Office of Internal Audit and Risk Management is also responsible for tracking the resolution of each report. As of March 31, 2021, the Office determined there are no open or pending investigations and all 95 reports received between January 1, 2017 and December 31, 2020 are resolved and closed.