

The Regents of the University of California

COMMITTEE ON COMPLIANCE AND AUDIT

October 28, 2009

The Committee on Compliance and Audit met on the above date by teleconference at the following locations: 1111 Franklin Street, Room 12322, Oakland; 1130 K Street, Sacramento; 3104 Mosher Alumni House, Santa Barbara Campus; 3750 University Avenue, Suite 610, Riverside.

Members Present: Regents Bernal, Makarechian, Ruiz, Stovitz, Varner, and Zettel; Advisory member Hime; Expert Financial Advisor Schneider and Expert Compliance Advisor Guyton

In attendance: Faculty Representative Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Executive Vice President Taylor, and Recording Secretary Johns

The meeting convened at 2:30 p.m. with Committee Chair Ruiz presiding.

1. PUBLIC COMMENT

Committee Chair Ruiz explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Committee.

- A. Mr. Charles Schwartz, a UC Berkeley professor emeritus, expressed concern about oversight of the University's general revenue pool. He presented four questions to the Committee: Have student fees been used to pay for UC construction projects? Have student fees been pledged as collateral for construction projects, to be used as payment substitution in case of default by the primary funding source? How would one know if a default and payment substitution had occurred or was likely to occur? Is the benefit of fee revenues to UC's debt capacity and credit rating a motive for raising student fees? Mr. Schwartz asked that revenue from the Educational Fee paid by students be placed in escrow until these questions have been answered.
- B. Mr. Richard Mellor, a retired UC employee and American Federation of State, County and Municipal Employees (AFSCME) member, emphasized that the University should be free from political influence and should rally to the defense of education. He stated that the Board of Regents is a corporate board and not independent. He expressed opposition to corporate policies carried out by the Board. He asked who among the Regents would oppose cuts to education.

- C. Mr. Robert Meister, a professor at UC Santa Cruz and president of the Council of UC Faculty Associations (CUCFA), requested that the University perform an audit of the source of repayment for all projects funded by general revenue bonds. This audit should address two specific questions: Are projects that earn no revenue, or insufficient revenue, partially repaid with Educational Fees? What other components of general revenue have been diverted or increased to subsidize such projects if Educational Fees, the largest component, are not being used? Mr. Meister asserted that there is a potential conflict between the UC policy on construction finance, the use of general revenue to back bonds, and the student fee policy, which does not list construction among the permissible uses of the Educational Fee. Construction project documents should show that the University has protected the Educational Fee from being used for construction. If the University cannot produce these documents, it should not raise student fees.
- D. Mr. Jason Ahmadi, an alumnus of UC Berkeley, emphasized that public education, like public health, is a foremost responsibility of the State of California. As a public institution, the University should serve the people. Mr. Ahmadi suggested that UC may not need more building projects and asked that the University listen to public suggestions about how to use its funding. He noted recent student actions to keep campus libraries open.
- E. Mr. Derrick Wortes, a representative of AFSCME 3299, requested that the University perform an audit on the use of student fees. He expressed workers' concern that the University not be hurt as it was by the compensation issues of 2005-06, and that it handle its business in the best and most straightforward way possible. AFSCME members have children who attend UC; for them, any fee increase that proves unnecessary is troubling on ethical grounds and amounts to another reduction in pay. He stated that AFSCME wishes to discuss transparency and budget issues with the administration.
- F. Ms. Annie McClanahan, a graduate student and instructor at UC Berkeley, requested an audit on the use of student fees as collateral for construction bonds. She emphasized the importance of affordability and accountability and warned that many students might not be able to continue their education at UC as a result of fee increases, which are effectively tax increases for middle-income families. She described her experience of having to turn away many students from a course section she was teaching. This was a course required for graduation, and students had tried for two semesters to get into the class, but not enough sections were available.
- G. Ms. Christine Garcia, an alumna of UC Berkeley and Hastings College of the Law and an attorney specializing in animal welfare, expressed concern about the treatment of animals in UC laboratories. She discussed concerns about practices used by the Institutional Animal Care and Use Committee (IACUC), the body which authorizes animal testing at UC. The U.S. Department of Agriculture investigated one case at UC San Francisco where a primate had undergone

implants, displayed necrotic tissue, and was in an aggravated condition for months. Only after the USDA inspection was there a decision to euthanize the animal. Ms. Garcia stated that the IACUC is either not receiving the information it should or is not acting on this information appropriately.

- H. Ms. Ruth Feldman echoed Ms. Garcia's concerns about lack of proper animal care at UC. She stated that UCSF has been found to be in violation of the Animal Welfare Act several times and has been penalized for this. She asked the University to investigate violations of protocol by the IACUC at UCSF and to ensure compliance with established protocols. Ms. Feldman questioned the value of animal research, which sometimes involves highly invasive surgery, such as tracheotomy.
- I. Ms. Christine Rosen, an associate professor at the Haas School of Business at UC Berkeley and secretary of CUCFA, requested an audit to determine if the University is using the Educational Fee for debt service on construction bonds, and if this debt is actually being paid from revenues generated by programs housed in new buildings. She cited the Student Athlete High Performance Center and the Memorial Stadium projects on the Berkeley campus, and noted that the Department of Intercollegiate Athletics (DIA) is responsible for paying the \$457 million debt on these projects, while it operates at a multimillion dollar loss every year. With the project debt, Ms. Rosen anticipated an annual DIA shortfall of at least \$33 million. She cautioned that UC's revenue-generating programs and extramural research grants may not be able to cover construction debt. Diversion of Educational Fee funds would hurt students and the quality of the institution. She expressed her view that it may be inappropriate to undertake big building projects at this time.
- J. Mr. Craig Flanery, a representative of the American Association of University Professors (AAUP), expressed serious concern about transparency at UC and about the University's priorities. Referring to concerns voiced by previous speakers about possible misuse of University revenue, Mr. Flanery stated that the AAUP might expect this at other institutions, but not at UC. The AAUP is interested in hearing the public's view on this matter, and has a national interest in what occurs at UC.
- K. Mr. Douglass Russell stated that UC San Francisco does not maintain proper compliance with the Animal Welfare Act and noted that the campus was fined for violations in the recent past. He expressed concern about primate mistreatment at UCSF and other UC locations. He described the situation of a primate who was subjected to several series of injections, suffered, and was not euthanized in a timely manner according to U.S. Department of Agriculture regulations. Mr. Russell emphasized that these violations should never happen.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of July 14, 2009 were approved, with Regents Bernal, Makarechian, Ruiz, Stovitz, Varner, and Zettel (6) voting “aye.”¹

3. ANNUAL REPORT ON COMPLIANCE

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chief Compliance and Audit Officer Vacca presented the Office of Ethics, Compliance and Audit Services’ (ECAS) Annual Report on Compliance. She noted that this extensive report is the first one produced by ECAS and called attention to the various activities represented in the report. ECAS’ approach was programmatic. Ms. Vacca explained that, during the first full year of ECAS operations, the Office was focused on establishing its processes and programs.

Regent Zettel requested a definition of the term “effort reporting.” Ms. Vacca explained that effort reporting is a term used by the federal government to refer to the time and effort spent on a research project. It concerns the accountability for funds received for research. Time and effort must be accurately reported.

Regent Zettel referred to a section of the report that discusses export control and asked when citizenship concerns would be relevant. Ms. Vacca responded that, as a general rule, citizenship is not a factor in an individual’s ability to participate in research which does not concern nuclear energy. Some grants and awards impose a condition that researchers must be U.S. citizens, because of security concerns and the sensitive nature of some research.

Regent Makarechian referred to the same passage on export control in the report, which notes that there have been recent attempts by federal funding agencies to impose publication and citizenship restrictions on some research awards. He asked how the University, with its thousands of employees, implements new policies such as this. He asked about the process and how it is measured. Ms. Vacca responded that, when there are changes in requirements for receiving funding from agencies such as the National Institutes of Health or the National Science Foundation, the new criteria are applied nationwide. UC researchers may be the first to become aware of new requirements. UC policy changes most often are related to changes in funding rules and regulations. She acknowledged that it is a challenge for UC to ensure that all affected employees are aware of a change in policy. There are policy coordinators on every campus; research functions on the campuses also serve to disseminate this information. Ms. Vacca stated that she cannot give complete assurance that all UC employees will be aware of policy

¹ Roll call vote required by the Bagley-Keene Open Meeting Act §11123(b)(1)(D) for all meetings held by teleconference.

changes. This situation is monitored by the internal audit and compliance programs. The University is developing training for individual researchers on accountability issues. Ms. Vacca reported that a mandated compliance training program for researchers has just been developed; it has received some criticism. The University's efforts to ensure compliance include training, policy dissemination and communication, and auditing and monitoring.

Regent Makarechian asked if this training was done campus by campus or through ECAS. Ms. Vacca responded that both occur. Systemwide mandatory training has web capability and is tracked. There is also campus-based training for certain research areas; campuses determine which training they wish to offer. The University also offers voluntary training every quarter. Training to prevent research misconduct will be offered to all campuses in December. This will be made available through a live session and as a webinar.

Regent Makarechian asked how participation in these training programs is measured. Ms. Vacca responded that mandatory training is provided by the Learning Management System, which tracks individuals' progress to completion. The system sends the employee an email message, which he or she can print as a certificate of completion. ECAS tracks completion rates systemwide. The greatest challenge is to identify those employees who need training. These lists are compiled with help from the campuses and the payroll system, but there are questions of data integrity. Ms. Vacca estimated that there is about a ten percent error rate in the University's lists, but it is correcting errors as training programs are developed and implemented.

Regent Zettel asked about criticism of, or resistance to, training by some UC employees. She asked about the reasons for this, given that some research projects might lose funding if the researchers do not receive mandatory training.

Faculty Representative Powell noted that, as compliance requirements grow, there is increased pressure on researchers' time. In an administrative system like that of the University, it may be difficult to provide detailed explanations for requirements. Researchers receive a notice of a new requirement and are likely to feel annoyance, although this is an inevitable part of doing business. Dr. Powell noted that employees have become more accepting of the sexual harassment prevention training; some continue to question it. Even very capable and efficient administrators are concerned about the amount of time taken by compliance.

Regent Zettel observed that this may be even more true of the requirements for American Recovery and Reinvestment Act (ARRA) funding.

Committee Chair Ruiz advised Committee members to keep the report document for future reference. It reflects a new way of doing business, a new norm. He acknowledged that compliance efforts can be very time-consuming, but cautioned that the consequences of noncompliance could be severe for the University. He asked Ms. Vacca to provide the

Committee with updates and progress evaluation, and to include how the payback or return on investment is measured for compliance efforts.

Expert Compliance Advisor Guyton reported that he and Ms. Vacca have discussed this matter, and that they are working on ways of determining compliance effectiveness and return on investment. He observed that this factor is difficult to manage and to measure.

Regent Zettel referred to statistics on investigations provided in the report. She asked about the percentage of anonymous tips, about 75 percent, and asked if the employees who submit these tips do not want further information about the matters. She noted that approximately 30 percent of allegations are substantiated. Ms. Vacca responded that each issue is given a number, and that an anonymous caller can obtain an update on the status of an issue, even if he or she does not want to be identified. She indicated that, given the state of the California economy, employees feel fear of retribution, retaliation, or of losing their jobs. The anonymous hotline mechanism is useful to these individuals. Based on industry norms, it appears that anonymous reporting is increasing. This has been the case at UC as well. The most recent statistic for anonymous reporting is 85 percent. Mr. Guyton added that this is legally protected activity.

Regent Zettel observed that, if about one-third of allegations lead to a finding of fact and are of value in making corrective actions, there must be measurable savings. Ms. Vacca responded that ECAS does keep track of issue resolution, but that the issues involved are difficult to quantify. There are savings generated by the investigations, and where possible, such information would be provided.

Regent Makarechian referred to the same investigation statistics, which stated that 43 percent of the allegations of fraud, theft, or embezzlement were substantiated, while 42 percent of allegations of economic waste and misuse of University resources were substantiated. He underscored that this could represent significant savings for the University. Ms. Vacca agreed, but noted that not all investigations lead to directly quantifiable savings. Sometimes these matters concern soft money. However, a positive outcome of this activity is that, by identifying an obstacle or inappropriate activity, the University will save money in the future by taking measures to prevent an incident from recurring. Detection mechanisms will prevent catastrophic risk or liability.

Regent Makarechian asked if the percentages for theft, fraud, and economic waste were normal compared to other institutions. Ms. Vacca responded that the University's hotline vendor has many higher education clients. She offered to provide benchmarks from that vendor which would show the University's place relative to other institutions.

4. **FAIR AND ACCURATE CREDIT TRANSACTIONS ACT (RED FLAGS RULE)
STATUS UPDATE**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chief Compliance and Audit Officer Vacca recalled the adoption of the Identity Theft Prevention Implementation Plan, an action taken by the Committee in January 2009. It is the obligation of the Office of Ethics, Compliance and Audit Services (ECAS) to inform the Committee of the University's standing relative to identity theft and the Red Flags Rule.

The Identity Theft Prevention Implementation Plan was adopted by the University and implemented at the campus level. ECAS assisted the campuses in identifying accounts which might be subject to identity theft. ECAS has discussed with the campuses their campus-specific implementation efforts over the last year. The campuses have developed plans, submitted them to their campus risk committees for approval, and implemented them. Every campus is in the process of implementation.

Ms. Vacca observed that issues of privacy and security are also addressed by laws such as the Family Educational Rights and Privacy Act (FERPA) and the Health Insurance Portability and Accountability Act (HIPAA); nevertheless, it is the University's responsibility under the Red Flags Rule to have a plan in place and to report to the Committee on its implementation. She added that, because of the transition in the Executive Vice President – Business Operations position at the Office of the President (UCOP), the implementation plan for UCOP has not yet been brought to the UCOP local compliance committee.

In response to a question asked by Chief Financial Officer Taylor, Ms. Vacca confirmed that the Mortgage Origination Program has been reviewed and demonstrated to be in compliance. She asserted that, if there were any significant risk, she would have communicated this to the Committee.

In response to a question asked by Regent Zettel, Ms. Vacca confirmed that the University has hired a privacy officer since adoption of the Plan. Eventually, this officer will have authority over this area and provide future updates.

5. **ANNUAL REPORT ON INTERNAL AUDIT ACTIVITIES 2008-09**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chief Compliance and Audit Officer Vacca presented the Annual Report on Internal Audit Activities for 2008-09. The main purpose of this report is to provide assurance to the Committee that appropriate internal audit processes have been carried out. The internal audit program identified no material weaknesses through any of its audits. There are no significant financial disclosures that would be of concern to the Committee.

Regent Zettel commended the internal audit program on completion of its goals. She asked about the eminence building initiative mentioned in the report. Ms. Vacca responded that the internal audit program has tremendous capability and skills. This initiative encourages employees to share their skill set internally and externally.

Regent Zettel asked about the finding that there are opportunities for more effective control over cash. She asked if this was a concern at just one campus. Ms. Vacca responded in the negative. Control over cash has been identified as a significant theme in audit findings. She recalled that the current University environment includes employees taking furloughs and retiring. Systemwide Audit Manager Hicks added that this item in the report refers to internal control issues, which could be a combination of issues noted and potential risks. It does not necessarily mean that losses or fraud were identified. It indicates that there were control breakdowns or potential control breakdowns.

In response to questions asked by Regent Zettel about cash handling policies and procedures, Ms. Vacca confirmed that there are policies requiring that envelopes be opened by two employees, and that there are surveillance cameras in most locations.

Chief Financial Officer Taylor added that the University carries out regular “sweeps” of checking accounts. In an organization as large as UC, cash enters the system in many places. He recalled an instance from earlier years in which one employee counted cash at the end of the day at a UC parking structure; over a number of years, the University lost a large amount of money. He emphasized that basic cash controls are an important part of UC operations. Accounts are examined seven times daily.

Regent Zettel asked about a shift in the allocation of audit hours from audit to advisory activities. Ms. Vacca responded that this reflects a shift in the industry, which has moved to advisory activity and a broader reach of operational and business functions, rather than only traditional audit activity. As an example, she cited the plans for a new payroll system. The audit program could play an advisory role, proactively identifying areas of potential weakness. Mr. Hicks added that the audit program has a goal of increasing its advisory activities. He echoed Ms. Vacca’s statement that there is now a greater focus in the audit industry on advisory services. Particularly in an economic downturn, there is an emphasis that internal audit should add value, not merely serve in a compliance role.

Regent Makarechian referred to a conclusion in the report which stated that “we identified no circumstances in which we believe that management’s decisions resulted in the acceptance of unreasonable levels of risk.” He asked about the 25 current Management Corrective Actions identified in the report as “high risk past due.” Mr. Hicks explained that these high risk Management Corrective Actions were past due as of June 30. Many of these actions have since been closed out.

Regent Makarechian asked if any high risk Management Corrective Actions involve activities such as check forgery. Mr. Taylor responded that the University has had a positive pay system in place for several years. Recently, the University has experienced a large number of fraudulent checks, drawn on false UC paper stock and sent all over the country by FedEx. These checks are in the range of \$1,000 to \$5,000. The checks bear forged signatures of Mr. Taylor, President Yudof, and Chief Investment Officer Berggren. Fortunately, the positive pay system has prevented payment on any of these

checks, and the University has experienced no losses. The matter has been turned over to the Office of Ethics, Compliance and Audit Services (ECAS) and to the UC police.

In response to a question asked by Regent Makarechian, Mr. Taylor confirmed that the bank knows the amounts and check numbers.

Ms. Vacca observed that there has been discussion about the definition of “high risk.” In this report, which refers to the last year, the campuses defined high risk actions. ECAS is moving to standardize that definition.

Regent Makarechian referred to another issue raised in the report, the inadequate segregation of duties. He cited as an example a situation where the same individual who processes invoices would also issue work orders. He asked how this is being addressed and about the effect of budget cuts. Ms. Vacca responded that the budget cuts present a challenge in this area, because there are now fewer personnel. It is difficult to maintain segregation of duties in small departments. In some cases, the University has had to accept a minimal level of risk. This area will remain a focus for the audit program.

Regent Zettel asked if weaknesses in information technology security involve software deficiencies or personnel training deficiencies, and asked about systemwide planning. Ms. Vacca responded that she would ask Chief Information Officer Ernst to provide that information at a future meeting.

Committee Chair Ruiz noted a reference to material deficiencies and asked about the dollar amount of a material deficiency. Ms. Vacca responded that the internal audit program did not quantify this; it was quantified by the campuses and reflects their revenue base. If there were an aggregate, it would be included in the report. PricewaterhouseCoopers (PwC) representative Joan Murphy responded that, for the external audit, the measurement of significant deficiencies and material weaknesses is based on operating expenses. Thus this amount would differ for different organizations. When PwC reports the results of its audit at the November meeting, it will share its threshold amount, used in analyzing the consolidated financials. This year, PwC did not detect any issues that even bordered on this threshold.

Committee Chair Ruiz stated that material deficiencies should be quantified as a dollar amount. Ms. Vacca responded that she could provide the dollar amounts used as a threshold by the campuses.

Committee Chair Ruiz asked about audit personnel at the medical centers. Ms. Vacca responded that the campus internal audit directors oversee the medical centers as well. Medical center audit activity is incorporated into their operations.

Regent Varner asked about the extent of the systemwide audit on executive compensation. Ms. Vacca responded that two audits occur simultaneously. One is an audit of the Annual Report on Executive Compensation; the other is an audit of additional factors, such as reimbursement for travel and expenses for the chancellors and the

President. The internal audit program performs other reviews of executive compensation, but this audit had a systemwide focus, and it is performed every year.

Regent Makarechian noted a reference to a health sciences vendor policy. He referred to a case of a physician who received large amounts of money from a drug company to prescribe certain drugs. He asked if UC vendors are being audited. Ms. Vacca responded that UC's vendor policy prohibits gifts or gratuities from a vendor in any health science area. The case of the physician would pertain to financial disclosure and conflict of interest. She suggested that, at a future meeting, Senior Vice President Stobo could address the Committee on his efforts surrounding conflict of interest. This is a key risk area of interest to the Committee.

6. **REPORT ON ENVIRONMENT, HEALTH AND SAFETY**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chief Risk Officer Crickette introduced Ed Baylosis, systemwide director of Environment, Health and Safety. She then provided an update on the Risk Services program. She reported that the University continues to make good progress in managing accidents and claims. There has been a 32 percent reduction in employee injuries over the last five years. At the same time, the University wishes to improve its safety culture. The Be Smart About Safety program is an effort in this direction. The Risk Services program is seeking to make the Office of the President the flagship location for safety and to improve the safety culture at the campuses and medical centers.

Ms. Crickette outlined how the culture of safety might be improved on the campuses. The chancellors can establish executive safety committees; these do not now exist on all campuses. Job descriptions can include a commitment to performing work safely. There can be annual safety performance measures for faculty and staff; those currently in place mostly pertain to administrative employees. Adequate resources could integrate the work of Environment, Health and Safety into all work at UC – safety is everyone's concern.

Ms. Crickette recalled that the University has a Policy on Management of Health, Safety, and the Environment. It was adopted in 2005, and recently President Yudof wrote a letter to the chancellors expressing his support for this policy. The policy focuses on leadership and culture. Ms. Crickette stated that she would provide an implementation report to the President and the Committee at a future meeting. This report will provide a baseline of the Integrated Safety and Environmental Management program. A survey with about 20 questions will be sent to campuses to determine the level of awareness of the policy. While representatives of the locations expressed concern that this survey might produce less than satisfactory results, Ms. Crickette emphasized that the survey will provide a baseline to show future improvement. The campuses will have the opportunity to provide narrative responses as well. Chief Financial Officer Taylor observed that some of these concerns were expressed by people who had not seen the survey.

Ms. Crickette compared the medical centers and the campuses. The medical centers have a higher level of safety culture. She attributed this to how often and thoroughly the medical centers are reviewed. Inspections by outside agencies or entities, such as the Occupational Safety and Health Administration (OSHA) or the fire department, are rare on the campuses. These inspections typically occur after a bad incident; they are not proactive. By contrast, the medical centers are inspected regularly, and this creates engagement by all medical center employees. Ms. Crickette anticipated that it will be a challenge to create this kind of engagement in safety programs and a sense of ownership by chancellors and researchers on the campuses. Over the last year, the campuses have reduced workers' compensation injuries by seven percent; the medical centers have reduced these injuries by 14 percent.

Environment, Health and Safety directors have identified two significant concerns. The first is a lack of visible executive leadership support for safety at the campuses. As an example, this support could take the form of chancellors addressing safety issues on their websites. The second concern is the availability of adequate staffing and resources to cope with new and changing regulations and complexity of operations. Some additional funding has been made available through the Be Smart About Safety program, but it may not be sufficient. In addition, physical locations, such as the number of laboratories, are increasing.

Chief Compliance and Audit Officer Vacca noted that the University has as much as \$5 billion or more in research funding. One of the University's missions is research, and it wishes to attract more researchers. With each new researcher, the University develops a new laboratory. There are many areas in which research activities add complexity to safety efforts. She cited a significant increase in the number of laboratories at UC San Diego.

Ms. Crickette estimated that, even with double the number of existing Environment, Health and Safety staff, the University would be able to inspect each laboratory only once a year. Therefore it is necessary to create a sense of responsibility and ownership among those who work in the laboratories. Even regular inspections cannot ensure day-to-day safety compliance.

Regent Zettel asked if there are attention-getting materials in the laboratories that promote safety. Ms. Crickette answered in the affirmative. She discussed the importance of promotional or advertising materials for safety and reiterated the desirability of including safety in job reviews and the value of high-profile endorsement by chancellors.

Ms. Vacca added that the campus risk committees will receive reports on safety. Environment, Health and Safety will be integrated into the oversight of these committees.

Faculty Representative Powell suggested that an advertising approach would not work in an academic environment. Instead, he proposed seminars or meetings where employees can discuss the issues, problems, and means of resolving them. This approach has been effective in implementing ethics training. In discussion, individuals learn that ethics

issues in the workplace are more complex than they imagined. Such discussions would frame this topic in academic communication, which is concerned with knowledge and commentary on knowledge. If individuals understand the importance of a measure, there are not problems with compliance. If they see it as a regulation that does not make sense, it will be a nuisance for them. This is a constant process of education, but it should function at an educational institution like UC.

Ms. Crickette asked if there is a specific campus where this approach has been effective. Dr. Powell referred to the Research Ethics Program at UC San Diego and noted that, over a period of 20 years, the campus has developed effective forums for discussion, which are supported by National Institutes of Health and private funding. It may be more difficult to secure funding for safety than for ethics training. As an educational institution, the University should move from a bureaucratic to a professional approach to this issue. Safety should generate its own literature and discussion and become absorbed into the marketplace of ideas. Compliance will then be easier to achieve.

Committee Chair Ruiz encouraged a focus on safety, reminding the Committee that the value of safety measures is not realized until an accident occurs. It is important to create a culture of safety in which individuals take responsibility for their surroundings.

The meeting adjourned at 4:10 p.m.

Attest:

Secretary and Chief of Staff