

The Regents of the University of California

COMMITTEE ON COMPLIANCE AND AUDIT

July 16, 2014

The Committee on Compliance and Audit met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members Present: Regents Engelhorn, Makarechian, Ruiz, Saifuddin, Sherman, and Zettel; Ex officio member Varner; Advisory member Gilly; Staff Advisors Acker and Coyne

In attendance: Regents De La Peña, Gould, Island, Kieffer, Lansing, Lozano, Napolitano, Reiss, and Wachter, Regents-designate Davis, Gorman, and Oved, Faculty Representative Jacob, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice President Dooley, Vice Presidents Lenz and Sakaki, Chancellors Block, Blumenthal, Dirks, Katehi, Khosla, Leland, Wilcox, and Yang, Interim Chancellors Gillman and Hawgood, and Recording Secretary Johns

The meeting convened at 2:55 p.m. with Committee Chair Zettel presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of May 14, 2014 were approved.

2. APPROVAL OF INTERNAL AUDIT PLAN 2014-15

The Senior Vice President – Chief Compliance and Audit Officer recommended that the Committee on Compliance and Audit approve the Internal Audit Plan 2014-15, as shown in Attachment 1.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Systemwide Audit Director Matthew Hicks noted that the Internal Audit Plan for 2014-15 had been developed as in prior years, through the annual audit risk assessment process, which had solicited input from management and other stakeholders. Risks were prioritized and audit and advisory projects were identified to address those risks. The allocation of hours was generally consistent with the prior year.

Committee Chair Zettel remarked on the thoroughness and collaboration that went into forming this audit plan. She drew attention to the number of hours in the current plan, and

asked if there had been an increase due to filling of staff positions that had been vacant. Chief Compliance and Audit Officer Vacca responded that the change from the previous year was more in the allocation than in number of hours. In the current year there would not be a systemwide training session, something which takes place every other year and takes up a number of hours. Those hours would be returned to auditing and advisory services. There was no increase in staffing, and in fact there had been no change in staffing over the past seven years. The audit program looks for other ways to leverage resources within the UC organization. The program seeks to be more efficient. As management seeks efficiencies and streamlining, the internal audit program focuses more on controls than on advisory services, to ensure regular monitoring functions.

Committee Chair Zettel noted that many hours would be devoted to UCPATH, something that had not been the case in prior years. She asked if this would add a new burden to the internal audit program, or if the amount of work remained about the same because the program was already auditing various UC payroll systems. Mr. Hicks responded that most audit hours allocated to the UCPATH project were advisory hours, moved from other advisory projects to UCPATH, to assist management as the UCPATH implementation date approaches.

Upon motion duly made and seconded, the Committee approved the Senior Vice President – Chief Compliance and Audit Officer’s recommendation.

3. **APPROVAL OF ETHICS AND COMPLIANCE PROGRAM PLAN FOR 2014-15**

The Senior Vice President – Chief Compliance and Audit Officer recommended that the Committee on Compliance and Audit approve the Ethics and Compliance Program Plan for 2014-15, as shown in Attachment 2.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chief Compliance and Audit Officer Vacca explained that the Ethics and Compliance Program Plan uses the same process as internal audit in making a risk assessment for the UC system. The compliance plan reflects high-level risks found in higher education institutions generally.

Regent Engelhorn asked for a report showing past versus present activity and demonstrating the benefit of this activity. Ms. Vacca responded that an annual report is provided. The upcoming annual report would include figures demonstrating whether risks have been mitigated or lowered. She emphasized that this is not an exact science, and that it is difficult to measure the effectiveness of preventive measures.

Regent Makarechian expressed concern about Management Corrective Actions (MCAs) that remained unresolved for long periods, such as 200 to 300 days, due to budget constraints. He asked what the University was doing to ensure these MCAs are resolved. Ms. Vacca expressed confidence that the chancellors and campus leadership have been

working effectively to address outstanding MCAs, sometimes by a realignment of campus funds. For MCAs or priorities that are more strategic in nature, chancellors are identifying long-term budget needs for the future.

Regent Makarechian asked if the chancellors receive a monthly list of MCAs, coded by level of urgency. Ms. Vacca responded in the affirmative. Chancellor Katehi stated that she has regular meetings with campus audit staff to discuss audits and any delays. In one case, information technology upgrades at the UC Davis Medical Center were identified as a critical need. The upgrades were costly and therefore delayed for some time. Funds were moved to allow the upgrades to be made.

Regent Makarechian requested that a future presentation include a graph showing average long-term outstanding MCAs, in the approximate range of 300 or 400 days, and how these numbers have been reduced. Ms. Vacca stated that this information would be provided.

Committee Chair Zettel observed that the UC ethics and compliance program is a model among higher education institutions. Many hours are devoted to training staff on compliance issues, a very positive effort.

Upon motion duly made and seconded, the Committee approved the Senior Vice President – Chief Compliance and Audit Officer's recommendation.

4. **EXPORT CONTROL PROGRAM AND FOREIGN CORRUPT PRACTICES ACT
ACTIVITIES REPORT**

This item was withdrawn.

The meeting adjourned at 3:05 p.m.

Attest:

Interim Secretary and Chief of Staff



The University of California

Attachment 1



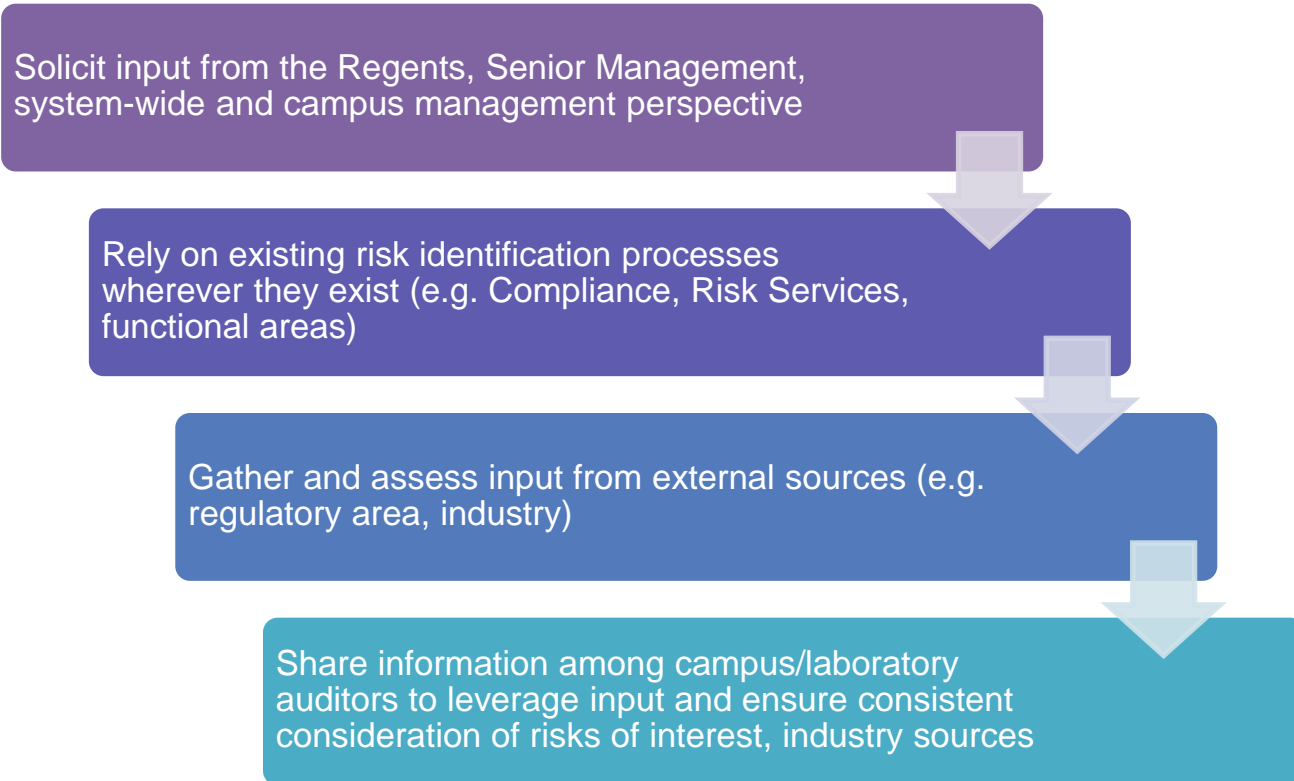
Internal Audit Plan

2014-15

Internal Audit Plan Objectives

- Improve the effectiveness of campus governance, risk management and control processes;
- Assist campus leadership in the discharge of their oversight, management, and operating responsibilities;
- Assist management in addressing the University's significant financial, operational and compliance risks and making informed risk acceptance decisions;
- Support and leverage campus efforts to identify, evaluate and mitigate risks;
- Support management's restructuring and budget coping strategies;
- Serve the needs of campus/laboratory leadership while addressing broader issues from a systemwide perspective;
- Support the evolution of the Systemwide Compliance Program; and
- Meet the challenge to enhance the value of the Internal Audit Program.

Audit Plan Development Risk Assessment Process for 2014-15



The result of the risk assessment is an informed perspective on the current risk environment – including a prioritization of risks that are scalable to available resources.

High Level View of Key Audit Risk Areas

Financial

- Construction
- Account Reconciliations
- Extramural Funds Accounting
- Revenue Cycle (Health Sciences)
- Billing and Coding (Health Sciences)
- Investments
- Segregation of Duties
- Cash Handling
- Compensation

Operational

- Business Continuity
- Data Center Operations
- Business Contracts
- Third Party Relationships
- Disaster Recovery Plans
- Contracts & Grant Administration
- International Activities
- Facilities Administration
- Resources

Compliance

- Policy
- Research
- Conflicts of Interest/Commitment
- Increased Regulations and Regulatory Enforcement
- Safety
- Laboratory Safety
- Protection of Minors
- Export Control
- Information Privacy
- IT Security
- International Activities

Note: Issues are inter-related across these risk types. The above categorization is not meant to be exclusive.

Highlights of the Consolidated Audit Plans

Personnel:

	FY15 Plan	Prior Year Plan
Authorized staff level	111 FTE's	107 FTE's
Avg. Staff Level	108 FTE's	101 FTE's

Distribution of Planned Activities:

By Audit Activity Type (hours/%):	FY15 Plan		Prior Year Plan	
<i>Audits</i>	95,789	64%	93,139	64%
<i>Advisory Services</i>	37,153	24%	33,905	24%
<i>Investigations</i>	<u>18,963</u>	<u>12%</u>	<u>17,799</u>	<u>12%</u>
	151,905	100%	144,843	100%

By University area:	FY15 Plan		Prior Year Plan	
<i>Campus/Laboratory*</i>	76%		70%	
<i>Health Sciences</i>	<u>24%</u>		<u>30%</u>	
	100%		100%	

* Includes Lawrence Berkeley National Laboratory (LBNL), Agriculture & Natural Resources (ANR) and UCOP

Highlights of the Consolidated Audit Plans

- The Plan provides for over 37,000 Advisory Service hours to be able to assist management in addressing internal control issues in a restructured and budget constrained environment;
- The Plan affords flexibility with over 15,000 hours provided for audit topics to be determined based on emerging local or systemwide priorities;
- The Plan contains over 8,000 hours to continue the emphasis on audit follow-up on corrective actions;
- Over 10,000 hours are budgeted for continued professional development for our internal audit staff; and
- While the budgeted hours for investigations increased compared to the current year, there continues to be an emphasis on reducing audit involvement in investigations that are appropriately handled by management.

Available Resources

	FY15 Plan		3/31/14 Annualized	
Weighted Average FTE	108		100	
	<u>Hours</u>	<u>Percent</u>	<u>Hours</u>	<u>Percent</u>
Personnel Hours	224,530	97.7%	209,042	98.4%
Other Resource Hours	<u>5,198</u>	<u>2.3%</u>	<u>3,401</u>	<u>1.6%</u>
Gross Available Hours	229,728	100.0%	212,443	100.0%
Less: Non-Controllable Hours	36,289	15.8%	39,093	18.4%
Less: Admin/Training	<u>27,505</u>	<u>12.0%</u>	<u>30,589</u>	<u>14.4%</u>
Total Direct Hours	<u>165,934</u>	<u>72.2%</u>	<u>142,761</u>	<u>67.2%</u>

Available Resources

The table to the left depicts the staffing level assumed in the Plans and quantifies the human resources available to assign to audit activities. Total hours are reduced for non-controllable hours (vacation, holiday and illness per University policy) and for program administration and training.

Resource Allocation

	FY15 Plan		3/31/14 Annualized	
	<u>Hours</u>	<u>Percent</u>	<u>Hours</u>	<u>Percent</u>
Audit Program				
Planned Audits* (261 projects)	72,583	43.7%	65,018	45.5%
Supplemental Audits	15,092	9.1%	8,352	5.9%
Audit Follow Up	<u>8,114</u>	<u>4.9%</u>	<u>8,373</u>	<u>5.9%</u>
Total Audit Program	95,789	57.7%	81,743	57.3%
Advisory Services				
Planned Projects* (77 projects)	12,185	7.2%	N/A	N/A
Supplemental Hours	<u>24,968</u>	<u>15.2%</u>	<u>N/A</u>	<u>N/A</u>
Total Advisory Services	37,153	22.4%	34,044	23.8%
Investigations	18,963	11.4%	15,916	11.1%
Audit Support Activities	<u>14,029</u>	<u>8.5%</u>	<u>11,057</u>	<u>7.8%</u>
Total Direct Audit Hours	<u>165,934</u>	<u>100.0%</u>	<u>142,761</u>	<u>100.0%</u>

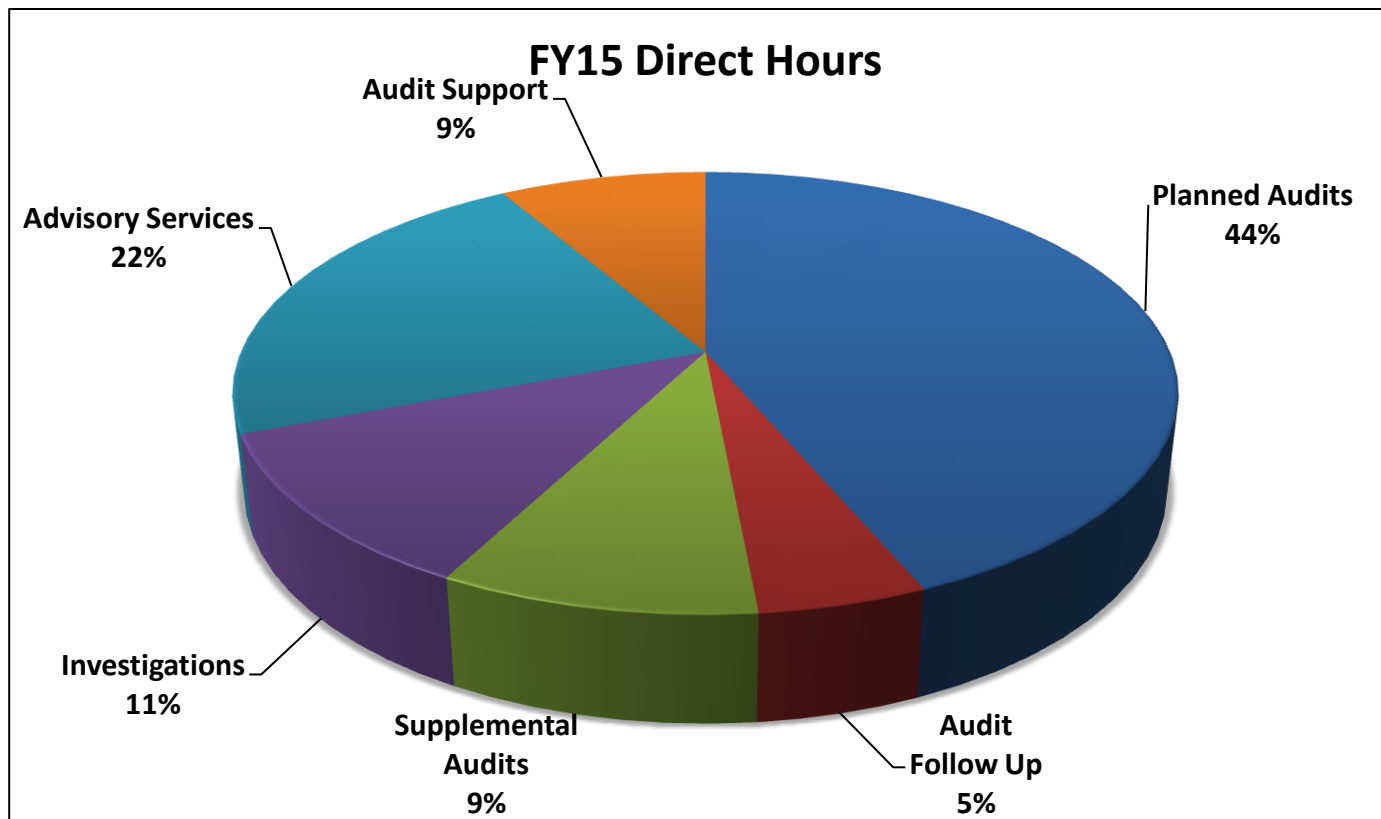
Resource Allocation

The table to the left displays the deployment of the Available Resources among our activities by type (audit, advisory services and investigations). While the mix over time tends to shift somewhat between Investigations and Advisory Services, the commitment of the majority of our efforts to a substantial program of regular audits remains evident.

*Total Hours for 338 Planned Projects = 84,768 (see Planned Projects at Appendix 1)

The chart below depicts the direct audit coverage of our FY15 plan. It demonstrates that over half of our planned direct hours have been allocated to planned and supplemental audits, with the remaining time allocated to our other lines of service, advisory services and investigations, as well as audit follow up and audit support activities.
(refer to the next page for the specific detail of the direct areas).

Distribution of Direct Hours



* Audit support activities include audit planning, audit committee support, systemwide audit support, computer support and quality assurance

DISTRIBUTION OF AVAILABLE HOURS

	FY15		3/31/2014 Annualized	
	Plan	Percent	Actual	Percent
INDIRECT HOURS				
Administration	16,547	8.6%	19,481	11.2%
Professional Development	10,275	5.3%	11,108	6.4%
Other	683	0.4%	-	0.0%
Total Indirect Hours	27,505	14.2%	30,589	17.6%
DIRECT HOURS				
Audit Program				
Planned Audits	72,583	37.5%	65,018	37.5%
Supplemental Audits	15,092	7.8%	8,352	4.8%
Audit Follow Up	8,114	4.2%	8,373	4.8%
Total Audit Program Hours	95,789	49.5%	81,743	47.2%
Advisory Services				
Advisory Service Projects	27,072	14.0%	25,348	14.6%
External Audit Coordination	8,585	4.4%	7,191	4.1%
Compliance Support	1,496	0.8%	1,505	0.9%
Total Advisory Services Hours	37,153	19.2%	34,044	19.6%
Investigations Hours, IN	18,963	9.8%	15,916	9.2%
Audit Support Activities				
Audit Planning	3,552	1.8%	2,229	1.3%
Audit Committee Support	1,783	0.9%	1,153	0.7%
Systemwide Audit Support	3,826	2.0%	4,011	2.3%
Computer Support*	3,637	1.9%	3,178	1.8%
Quality Assurance	1,231	0.6%	487	0.3%
Total Audit Support Hours	14,029	7.3%	11,057	6.4%
Total Direct Hours	165,934	85.8%	142,761	82.4%
TOTAL NET AVAILABLE HOURS	193,439	100.0%	173,350	100.0%

Distribution of Available Hours

The table to the left provides a more detailed breakdown of planned time as a basis for ongoing accountability. From this detail the continuing commitment to timely audit follow-up is displayed by the plan to invest over 8,000 hours. The category of Compliance Support is intended to facilitate our efforts to integrate the Compliance and Audit Programs into joint efforts such as annual plan development, project coordination and ongoing risk monitoring.

* Includes time spent on TeamMate (Audit Management System) upgrades and functional enhancement

Appendix – List of Audit and Advisory Service Projects

Appendix lists all the planned audit and advisory service projects at each location - the progress and status of these projects are reported quarterly.

Systemwide-Focused Projects (2.5 FTE at UCOP) – Audits	Hours	Est. Completion Qtr
Student Health (Systemwide)	200	2
External Financing Campus Reimbursement Process	150	4
UCPath Application Security Review	150	1
Compensation (Systemwide)*	200	4
Medical Centers Clinical Enterprise Management Recognition Plan (CEMRP)	250	2
Office of the Treasurer Annual Incentive Plan (AIP)	200	2
Senior Management Group (SMG) Market Reference Zones (MRZ) Implementation Review	150	2
UC Retirement Plan (UCRP) User Access Review	125	2
Retirement Administration Service Center (RASC) - Targeted Process Reviews	175	3
Athletics (Systemwide)*	200	4
Systemwide-Focused Projects – Advisory Services	Hours	Est. Completion Qtr
UCPath - Information Technology Services (ITS) Operational Readiness Assessment	300	4
UCPath Implementation Advisory Assistance	400	4
UC Path Center Controls Review	200	2
Retirement Administration Service Center (RASC) Operations Key Reports Review	175	1
Family Member Eligibility Verification Advisory Assistance	50	4
Total Planned Hours – Systemwide-Focused Projects	2,925	

* Fieldwork to be performed by campus Internal Audit Departments

Lawrence Berkeley National Laboratory (5 FTE**) – Audits	Hours	Est. Completion Qtr
FY14 Cost Allowability	650	4
Conference Activities	350	3
Financial Systems Modernization (FSM) Post-Implementation	400	3
Capital Planning, Budgeting	400	2
Disaster Recovery/Business Continuity	300	4
Compensation (Systemwide)	150	4
Office of Management and Budget (OMB) Circular A-123	350	3
Continuous Auditing Monitoring	500	4
American Reinvestment Recovery Act (ARRA) Closeout	350	2
Excess Property Inventory and Sales	200	1
Lawrence Berkeley National Laboratory – Advisory Services	Hours	Est. Completion Qtr
CY14 Annual Report of Executive Compensation (Systemwide)	300	2
Employee Performance Management	300	2
Total Planned Hours - LBNL	4,250	
UC Berkeley (9 FTE) – Audits	Hours	Est. Completion Qtr
Alignment of Access, Administrative Roles and Responsibilities, Authority, and Accountability for Research Administration Post Campus Shared Service (CSS) Implementation	200	4
Berkeley Education Alliance for Research in Singapore (BEARS) International contracting, Remote employees)	240	3
Blum Center for Developing Economies	240	2
Cloud Computing	240	2
Institutional Compliance Program	240	4
Deferred Maintenance – Governance and Resource Allocation	240	4
Disclosure Statement (DS-2) Compliance	200	2
Donor-Built Facilities	280	2
Annual Report of Executive Compensation (Systemwide)	120	3
Chancellor's Expenses (G-45 Compliance) (Systemwide)	120	3

** Plus contracted resources

UC Berkeley – Audits	Hours	Est. Completion Qtr
Compensation (Systemwide)	150	3
Human Resources - Hiring Practices (Independent Contractors vs. Contract Employees vs. Career Staff)	280	3
Human Resources - Employee and Labor Relations	300	3
Intercollegiate Athletics (Systemwide)	50	1
Intercollegiate Athletics – Revenue Recognition	200	2
Records Management	240	3
Revenue Generation (including Unrelated Business Income Taxes (UBIT) considerations)	240	2
Service (Recharge) Centers	300	2
Social Media	180	1
Sponsored Projects - Participant Support	200	3
Sponsored Projects - Subaward monitoring	280	4
Supporting International Research	240	1
Sustainability Reporting (Climate Neutral by 2025)	180	4
Timekeeping, Leave Accrual, and Payroll	280	4
UC Berkeley – Advisory Services	Hours	Est. Completion Qtr
Procure to Pay - BearBuy – Ship to Address	60	4
Procure to Pay - Vendor Master	60	4
Procure to Pay - Duplicate Payments	60	4
Human Capital Management System - Employee Master/Ghost Employees	60	4
Human Capital Management System - Compensation Adjustments	60	4
Total Planned Hours - UCB	5,540	

UC Davis (12.5 FTE) – Audits	Hours	Est. Completion Qtr
Review of Annual Report on Executive Compensation (AREC) (Systemwide)	200	4
Minor Maintenance and Renovation Management	150	4
Indirect Cost Recovery	250	3
Strategic Sourcing	300	3
Construction Contracts	350	4
Financial Aid	300	3
Conflict of Commitment	300	4
Compensation (Systemwide)	150	4
Athletics (Systemwide)	50	4
Payroll Time Reporting	300	1
Financial Audits (Systemwide)	200	4
Graduate Studies Administrative Review	300	2
Letters and Sciences (L&S) Humanities, Arts and Cultural Studies Administrative Review	300	2
Epic Resolute Billing System	300	4
Patient Registration	300	4
Electronic Medical Records (EMR) Access Surveillance	250	1
Mind Institute Administrative Review	300	2
Vendor IT Access Management	300	4
Active Directory Security	300	2
University of California Davis Health System (UCDHS) Business Continuity and Disaster Recovery of IT systems	300	4
IT Desktop Support	340	2
IT Asset Management	340	3
Research Administration	450	2
Primate Center	400	1
Business Contracts Administration	300	1
Telecommunications	300	3
Veterinary Medicine Teaching Hospital Billing System	300	2
IT Account Management	100	4

UC Davis – Advisory Services	Hours	Est. Completion Qtr
Student Admissions by Exception	200	3
Student Housing	300	3
Mileage Reimbursement & Travel Approval Process	250	1
Redesign of Shared Service Center	120	3
Veterinary Medicine (Vet Med) Clinical Trial Development	100	4
Intercollegiate Athletics	300	4
ACL Analytics and Development	150	4
IT training/presentation - IT Security Symposium	40	4
Total Planned Hours - UCD	9,190	
UC Irvine (9 FTE) – Audits	Hours	Est. Completion Qtr
Travel & Entertainment	300	1
Critical Infrastructure IT Systems	300	1
Anteater Recreation Center	300	1
Pharmacology	300	1
Disaster Recovery & Business Continuity Planning	300	2
Police Department	350	2
School of Social Ecology	350	2
Medical Center Security and Parking Department	350	2
Compensation (Systemwide)	150	2
Urology	300	3
Recharge Operations	250	3
Annual Review of Executive Compensation (AREC) & Chancellor's Expenses (Systemwide)	200	3
Medical Center Main Cashiering	350	3
Athletics	350	3
Parking & Transportation	350	3
Dermatology	300	4
Emergency Department (with Compliance)	300	4
Electronic Medical Records	400	4
Meaningful Use Incentive Program Phase II	300	4

UC Irvine – Advisory Services	Hours	Est. Completion Qtr
Child Care Services	400	4
Kuali (Kuali Financial System (KFS) & Coeus)	100	4
UC Path	100	4
Payroll Certification System	100	4
Office of Management and Budget (OMB) Uniform Guidance	100	4
International Classification of Diseases (ICD) -10 Readiness	100	4
Continuous Auditing Corporate Card Transactions	75	4
Sundry Debtors	75	4
IT Security Risk Assessment Questionnaire	100	4
Payment Card Industry (PCI) Compliance	50	4
Total Planned Hours - UCI	7,000	
UC Los Angeles (26 FTE***) – Audits	Hours	Est. Completion Qtr
Lu Valle Commons Store	220	4
Operations Division: Food Service Operations	240	4
South Division: Court of Sciences Center & Café Synapse	100	4
Publications Accounting	220	4
Main Cashier's Office	120	4
Cash Count Verifications	60	4
Ratex Point of Sales System	240	4
Central Warehouse Inventory Review	400	3
Project Estimation Process	400	3
Custodial Services Review	350	1
Key Security	300	1
Fund Management	350	1
Personnel / Payroll Review	350	2
Contract Management	400	1
Fleet and Transit (F&T) - Recharge Audit	280	2
Parking Citation Contract Review	325	1
Events and Transportation (E&T) - Cashiering	340	3

*** Incorporates recharge model

UC Los Angeles – Audits	Hours	Est. Completion Qtr
Vanpool Program	160	1
UCLA Events Office	225	2
Housing and Hospitality Services (H&HS) - Access Controls	320	3
H&HS - Information Technology Equipment Inventory	240	3
H&HS- Construction	365	1
H&HS- Assignments	365	3
On-Campus Housing (OCH) - Food Inventory	420	3
University Apartments (UA) - Maintenance Shop	420	2
University Guest House	240	1
Campus Service Enterprises (CSE) - Asset Management	520	2
Information Technology Services (ITS) - Recharges	375	1
ITS - Enterprise Exchange	375	4
ITS-Technology Infrastructure Fee (TIF)	200	2
ITS-Technology Infrastructure Fee-Allocation to Contract and Grants	200	3
Central Ticket Office (CTO) - Ticket Inventory	255	3
UC Police Department (UCPD) - Records Management	275	2
UC Police Department (UCPD)- Travel and Accounts Payable	325	1
Human Resources and Payroll Center - South	500	2
Annual Review of Executive Compensation (AREC) (Systemwide)	400	3
Chancellor's Expenses (G-45) (Systemwide)	200	4
Compensation (Systemwide)	200	3
Foundation	500	1
Athletics	400	4
Lab Safety	300	4
CashNet Process and Reconciliation	400	4
Revenue Cycle - Hospital	1000	3
IT Business Continuity	475	4
Network Clinic 1	425	2
Network Clinic 2	425	3

UC Los Angeles – Audits	Hours	Est. Completion Qtr
Network Clinic 3	425	4
Network Clinic 4	425	4
House Staff Duty Hours (Accreditation Council for Graduate Medical Education (ACGME) Compliance)	400	4
Mobile Device Security	300	3
Rape Treatment Center	550	3
Revenue Cycle - Physician	600	3
Dialysis	450	3
International Relations	450	2
Laundry	400	3
Internal Joint Ventures	400	3
Child Life	376	4
Santa Monica Nutrition Cashiering	400	4
Total Planned Hours - UCLA	20,376	
UC Merced (2 FTE**) – Audits	Hours	Est. Completion Qtr
Construction Project - Science and Engineering II Building	150	2
Athletics (Systemwide)	50	2
Financial Audits (Systemwide)	170	3
Compensation (Systemwide)	150	2
Control over computers, laptops, and mobile devices	200	1
IT Disaster Recovery	200	3
IT Planning - Purchasing IT and Audio Visual Equipment for New Buildings	150	4
General IT controls around internally developed systems	250	4
Laboratory Safety	200	4
Financial Review of Recharge Rates	200	1
Payroll Processing - Review of processing by different payroll groups	200	3
Travel and Entertainment Card Review	125	1

UC Merced – Advisory Services	Hours	Est. Completion Qtr
Early Childhood Education Center	100	2
Payroll Processing - Student Employees	100	2
Review of Management Service Officer (MSO) Responsibilities	100	2
Vice Chancellor (VC) Student Affairs Transition Review	125	1
Total Planned Hours - UCM	2,470	
UCOP (1.5 FTE UCOP staff plus co-sourced auditors) – Audits	Hours	Est. Completion Qtr
UCOP Executive Compensation (Systemwide)	100	4
UCOP Remote Facilities – Center Sacramento	250	3
ANR 4-H Cash Review	100	1
ANR Research and Extension Center (REC) Review	150	1
Innovation Alliance Services (IAS) Cash Controls Review	100	3
UCOP – Advisory Services	Hours	Est. Completion Qtr
Research Grants Program Office (RGPO) System Implementation Advisory Assistance	100	4
Office of General Counsel (OGC) eBilling System Advisory Assistance	100	4
Agriculture and Natural Resources (ANR) Financial System Feasibility Study	400	2
ANR Cooperative Extension Support Costs	300	2
ANR Data Analytics Assistance	100	4
Business Resource Center (BRC) Data Analytics Assistance	100	4
Total Planned Hours - UCOP	1,800	
UC Riverside (5 FTE) – Audits	Hours	Est. Completion Qtr
Payment Card Industry (PCI) Compliance	240	1
Temporary Employees	330	1
Campus Human Resources (HR) functions	270	1
School Of Business Administration (SOBA)	330	2
Agricultural Operations	290	2
Mobile Device Security (IT)	230	4
School of Medicine (IT)	230	3

UC Riverside – Audits	Hours	Est. Completion Qtr
Compensation (Systemwide)	240	3
Athletics (Systemwide)	105	2
Environmental Health & Safety Program (EH&S) Program	220	4
Physical Safety & Security	220	2
Graduate Student Association	220	4
Annual Review of Executive Compensation (AREC) (Systemwide)	105	4
Sociology Cluster	220	4
Chemistry	270	3
Annual Analytic Review & Fraud Detection	680	4
UC Riverside – Advisory Services	Hours	Est. Completion Qtr
Student Information System (SIS) Replacement project (IT)	120	4
Major Campus systems New Graduate Student Information System (GSIS)	50	4
Major Campus systems Time And Reporting System (TARS)	50	4
Major Campus systems (Capital programs)	50	4
Major Campus systems (Academic Personnel System)	50	4
School of Medicine	310	4
UC Path	210	4
Athletics Aspire Agreement	150	3
Patent Expenses	150	3
Early Academic Outreach Program	90	4
Total Planned Hours - UCR	5,430	
UC Santa Barbara (6.75 FTE) – Audits	Hours	Est. Completion Qtr
Integration and Control of Auxiliaries - Phase 1	150	1
Assessment of Campus Policies and Procedures	100	1
IT: Information Security - Desktop Practices	350	1
IT: Enterprise and Campus-wide IT Project Costs	350	1
Intercollegiate Athletics - Camps and Clinics	250	1

UC Santa Barbara – Audits	Hours	Est. Completion Qtr
Integration and Control of Auxiliaries - Phase 2	300	1
Intercollegiate Athletics and Department of Recreation: Procurement and Contracting	300	2
IT: Financial System Implementation Project (FSIP): Limited Scope Progress Review	200	2
IT: Financial System Implementation Project (FSIP): Phase I Post Implementation Internal Control Review	250	2
University Center (UCen) Internal Control Review	250	2
Graduate Financial Aid and Graduate Student Fee Remission	350	2
Executive Compensation: Chancellor's Expenses G-45 (Systemwide)	100	3
IT: Information Security	200	3
Athletics (Systemwide)	50	3
Compensation (Systemwide)	150	3
University Inventories - Audit Follow-up Review	225	3
Payroll: Special Appointments, Contract Employees, and Volunteers	250	4
IT: Student Information Systems (SIS) Modernization: Limited Scope Progress Review	150	4
Sponsored Projects - Cost Sharing	250	4
Delegated Procurement	250	4
UC Santa Barbara – Advisory Services	Hours	Est. Completion Qtr
IT: Financial System Implementation Project (FSIP) : Roles and Profiles	200	1
IT: Kronos Electronic Timekeeping - Post Implementation Best Practices	300	1
Succession Planning - Advisory Report on Department Practices	200	2
IT: Enterprise Systems Implementation - As-Needed Project No. 1	150	4
IT: Enterprise Systems Implementation - As-Needed Project No. 2	150	4
IT: Financial Aid System Implementation - As-Needed Project	200	4
IT: UC Path Implementation Support	200	4
Data Analytics Program - Development and Collaboration	200	4
Outreach, Training, and Presentations	200	4
Total Planned Hours - UCSB	6,275	

UC Santa Cruz (4 FTE) – Audits	Hours	Est. Completion Qtr
Athletics (Systemwide)	50	2
Annual Review of Executive Compensation (AREC) and Chancellors Expenses (G-45) (Systemwide)	200	3
Compensation (Systemwide)	150	4
Intellectual Property Security	425	4
Service Contracts Administration	425	2
Contracts and Grants Administration	450	3
IT Physical Security	400	4
Endowment Administration- Donor Intent	375	2
ProCard Review	325	3
Use of Policy Exceptions	225	4
Employee Termination Checkout Process	227	4
UC Santa Cruz – Advisory Services	Hours	Est. Completion Qtr
Website Management	150	4
National Collegiate Athletic Association (NCAA) Report Annual Review	60	2
Business & Administrative Services (BAS) Process Streamlining	125	4
Total Planned Hours - UCSC	3,587	
UC San Diego (17.2 FTE) – Audits	Hours	Est. Completion Qtr
Laboratory Safety – Chemical Safety	300	4
Conflict of Commitment/Outside Professional Activities	300	2
Joint Ventures/Affiliations	300	3
Information Technology Governance and Planning	300	1
Gift Fund Expenditures	300	4
Fraud Detection/Continuous Monitoring	300	1
Information Technology Security (Systemwide)	200	3
Student Health Services (Systemwide)	200	3
MyTime Entry (On-line Timekeeping)	300	1

UC San Diego – Audits	Hours	Est. Completion Qtr
Financial Audits (Systemwide)	200	3
Bioengineering	300	2
Marine Facility/Shipboard Technical Support	300	2
Clinical Research Billing Systems	300	4
Surgical Pathology Billing Review	300	2
Epic Charge Router	300	3
Surgical and Perioperative Services (Epic OpTime)	300	4
Enterprise Security – Phase II	300	4
Charge Description Master: Research Rate Review	300	1
Claim Denial Management	300	3
Faculty Compensation	300	4
Vendor Hosted Applications	300	1
Collective Bargaining Agreements Terms	300	2
Skaggs School of Pharmacy and Pharmaceutical Sciences Executive Accounts	300	1
Health System International Patient Services Program	300	3
Department of Reproductive Medicine	300	2
UC San Diego – Advisory Services	Hours	Est. Completion Qtr
Threat Assessment Team	200	4
Export Controls	200	4
Office of Management & Budget (OMB) Cost Principles - Readiness for Code of Federal Regulations Title 2 (2 CFR)	200	1
Capital Improvement Program	200	3
Cognos Business Intelligence & Reporting	200	2
Review of Annual Report on Executive Compensation (Systemwide)	200	3
Health Sciences Enterprise: Assessment of Fraud Management	200	3
Epic Reporting	200	3
International Classification of Diseases (ICD)-10 Implementation	200	2
Deferred Maintenance –School of Medicine Facilities at Hillcrest	200	1
Total Planned Hours - UCSD	9,200	

UC San Francisco (11 FTE) – Audits	Hours	Est. Completion Qtr
Compensation (Systemwide)	150	3
Annual Report of Executive Compensation (AREC) (Systemwide)	150	3
Shared Service Center - Human Resources	250	4
Cash Operations	175	2
School of Dentistry (SOD) - Clinics	300	3
Research Compliance - Export Controls	300	2
Research Compliance - Sub-award monitoring	250	4
School Of Medicine (SOM) - Departmental Reviews	400	2
Facilities Services - Internal Controls Assessment	250	2
Emergency Preparedness	250	2
Clinical Trials - Start Up	300	3
Encryption of Devices	300	1
Cloud Computing	300	3
Clinic Operations	250	4
Office for Civil Rights (OCR) Readiness - Phase II	350	2
Registration - Ambulatory Outpatient Clinics	300	2
Pharmacy - Billing	350	4
Pharmacy - Investigational Drugs	200	2
Hospital Billing - Single Billing Office	300	4
Government Payors - Credit Balances	200	2
Medical Staff Office - System Review	190	1
UC San Francisco – Advisory Services	Hours	Est. Completion Qtr
Enterprise Data Warehouse	75	4
Capital Program Business System	75	3
Continuous Monitoring Program	500	4

UC San Francisco – Advisory Services	Hours	Est. Completion Qtr
Ethics & Compliance Board	60	4
Cell Culture Facilities - Billing	200	3
Mission Bay Closeout	150	3
Graduate Student Compensation	150	4
Total Planned Hours - UCSF	6,725	
All Campuses and Lab Total Planned Hours	84,768	

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



ETHICS AND COMPLIANCE PROGRAM PLAN
FOR 2014 – 15

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I. Executive Summary

Background and Overview

The Office of Ethics, Compliance and Audit Services (ECAS) is a Regental Office of the University of California (UC) that provides direction, guidance and resources on how to optimize ethical and compliant behavior through effective ethics and compliance programs. Our goal is to help the University fulfill its responsibilities to the people of California in an ethical environment that is compliant with applicable laws, rules and regulations and in which the public trust is maintained. Consistent with the Ethics and Compliance Program charter, ECAS develops an annual work plan in an effort to help mitigate non-compliance in high-risk areas and assure the Regents and the public that compliance controls supporting UC strategic goals are in place and evaluated on a regular basis.

The ECAS Annual Compliance Work Plan (Plan) for FY2014-15 (FY15) is developed in collaboration with the ten campuses, Lawrence Berkeley National Laboratory, Office of the President, Division of Agriculture and Natural Resources, and the five academic medical centers. The Plan strives to address key risks facing the UC system as a whole. The Plan is developed using prioritized risks and work plan activities from each of the locations' ethics and compliance risk committee function. ECAS and campus compliance staff, including the Campus Ethics and Compliance Risk Committees (CECRC), the Campus Ethics and Compliance Officers (CECOs), and the Health Science Compliance Officers (HSCOs), worked collaboratively with the internal audit function and the risk management functions at each location to more fully capture compliance risks for inclusion in the campus work plan, and ultimate prioritization for this system-wide Plan.

Key Compliance Areas

The key systemwide, compliance risk areas of focus in FY15 include, the following, in no order of importance:

1. **Safety**— *emphasis on continued efforts and improvements to prevent sexual violence and sexual assault on UC campuses. Specific focus will be on the Re-authorization of the Violence Against Women Act (VAWA), Clery Act reporting, Office of Civil Rights (OCR) guidelines and investigations; and the California State Audit report and recommendations*
2. **Research Compliance** —*complexities of research in areas of government enforcement, e.g. documentation, conflicts of interest, allowable costs, research misconduct, contract compliance, and export controls.*
3. **Government Reporting** —*external regulatory activities, e.g., agency audits, and key risk areas where supporting documentation is needed for federal and/or state funding.*
4. **Culture of Ethics and Compliance** —*supporting the cultural tone of accountability and "doing the right thing".*
5. **Data Privacy and Information Security** —*auditing and monitoring, and continued training on protection of data across the UC landscape.*

6. **Health Sciences** –*complexities associated with the Affordable Care Act, clinical research and related billing, and other regulatory enforcement areas.*
7. **General Compliance** –*international activities, athletics, conflicts of interest monitoring, security assessment and monitoring for mitigating activities, policy and procedure management, investigations and overall tracking of emerging themes.*

These key risk areas are outlined in more detail in Section III of this Plan.

II. Plan Background & Development

Higher Education Ethics and Compliance Program – State of the Industry

Higher education continues to be the focus of regulatory pressures, new legislative mandates, and government oversight. The University's ethics and compliance program is based on the nationally accepted foundation of the United States Sentencing Commission's seven elements of an effective compliance program that is recognized by industry and government agencies as the hallmark for compliance programs. Guidance from the Commission recommends that an effective compliance program have:

- Clear oversight through governance structures
- Well-articulated policies and procedures
- General and targeted training addressing 'top risks'
- Monitoring and mitigation of 'top risks'
- Enforcement and appropriate discipline for non-compliance
- Transparency and optimal communication practices
- Methods for appropriate response and prevention

An Adaptable Compliance Plan. Having a compliance plan based on transparent assessment and accepted by the governing body with regular updates are key indicators of an effective compliance program. An effective compliance program must adapt to emerging issues, trends, and regulatory burdens. Legal and regulatory requirements affecting higher education constantly change, and universities need to have reliable and consistent processes in place to identify and comply with applicable laws and regulations. New or unanticipated regulatory requirements often re-direct the focus on emerging issues that drive our work and affect our Plan. This past year's focus on sexual violence/sexual assault on campus is a key example of how the systemwide compliance plan must adapt and change when new risks emerge.

Budget constraints affect a compliance program. In addition to regulatory burdens, budget constraints often increase compliance risks as we continue to strive to increase efficiencies and streamline resources. Areas such as social media, online education, international activities, data privacy and information security, conflict of interest and the need to improve governance and accountability remain high priorities for higher education. While many colleges and universities have worked to establish compliance governance structures and communication frameworks, high-risk areas remain, and there is often a gap between policy and behavior.

Compliance Program Self-Assessment

'Effectiveness' is a critical benchmark of a model ethics and compliance program. Regulators consider the level of effectiveness of an organization's ethics and compliance program in assessing penalties for non-compliance. To assess the effectiveness of the University's compliance program ECAS conducted a self-assessment in FY13 and reviewed the results of this assessment, implementing changes as necessary. The ECAS program benchmarks itself to a number of ethics and compliance programs across the nation and is continually identified as one of the leaders in the higher education industry. However, as an industry best practice, the effectiveness of a program should be assessed on a regular basis and ECAS will continue an ongoing self-assessment and improvement process in FY15.

Risk Assessment Process

Our efforts to move the UC ethics and compliance program toward a more mature risk intelligent approach is reflected in the process we continue to use in the development of the Plan. "Risk intelligence" is an organization's ability to think holistically about risk by utilizing a common framework to help senior leadership make better decisions in achieving strategic goals.

Coordination and common framework within the Plan. Mature risk programs promote coordination between areas and/or departments that are actively involved in risk assessments, including compliance, internal audit, and risk management. As in past years, we encourage and support collaboration among ethics and compliance, internal audit, and risk management. The process consisted of surveys and interviews of campus leadership and key risk owners, reviews of new regulations, guidance, and legal findings, followed by prioritization of risk based on probability, severity, and level of control. The goal is to work systemically from strategic goals to risk identification, analysis, and then prioritization with the objective of identifying a scalable list of risk priorities.

As the UC compliance program continues moving towards a more mature, risk intelligent model, cross-functional risk owners will coordinate their efforts to share different perspectives, reduce duplication of effort, and conserve resources. For FY15, ECAS will continue working with the Campus Ethics, Compliance, and Risk Committees (CERC) and mid-management compliance risk committees to help implement a "best practices" risk intelligent approach to continue implementing UC's model of risk intelligence. In addition, ECAS will be reaching out to systemwide campus partners to develop data analytic metrics that can be used to measure and benchmark risks and associate mitigation strategies. Partners in this

collaborative model include risk management, legal and ECAS working to develop a deliberate and transparent approach to risk reduction and compliance.

Identifying and prioritizing key compliance risks within the Plan. Within the framework of the University's overarching compliance program, key compliance risks were identified at each campus, then aggregated across the system and prioritized by the Campus Ethics and Compliance Officers. *Appendix A: Compilation of Common Compliance Risk Areas* reflects a quantifiable prioritization of the aggregated campus risks that generates the systemwide compliance risk priorities for the FY15 Plan.

The methodology for scoring is noted in the legend on Appendix A but the scoring allowed for a risk determination for *likelihood* and *severity* from 1-5 with 1 reflecting a low risk to 5 reflecting a high likelihood and severity. The *level of control* score, with 1-5 with 1 reflecting no control to 5 reflecting a high level of control, mitigates the seriousness of the first two categories. The resulting *residual risk exposure* score provides a basis for prioritizing and acting upon those risks priorities. For the purpose of this Plan, all risks with scores greater than 3.5 will be addressed in addition to other key areas.

Section III will outline key goals and related activities that will be undertaken by ECAS to assist the locations in mitigating their specific risks as identified in Appendix A, related to the systemwide prioritized risk areas.¹

III. Key Compliance Risk Focus Areas

1. Safety

Sexual Violence/Sexual Assault on Campus

There is an elevated national awareness around sexual violence/assault on college campuses, in part due to Re-authorization of the Violence Against Women Act (VAWA), Clery Act reporting, OCR regulations and investigation, and the California State Audit report and recommendations. ECAS worked closely with a wide constituency of UC staff from Human Resources, Student Affairs, Title IX officers, Academic Affairs and other functional areas to revise University policy to comply with the Re-authorization of the Violence Against Women Act. On June 20, 2014, the President established the Task Force on Preventing and Responding to Sexual Violence and Sexual Assault at the University of California. ECAS is leading the efforts of this Task Force and will work with the above groups and campus police to ensure the University is the national leader in the awareness and prevention of sexual violence/assault in higher education.

¹ Due to the dynamic nature of risks, the goals may be revised during the fiscal year to meet additional priority or other business risks identified by the organization.

Goal

Researched, evidenced-based best practices will be reviewed by the Presidential Task Force on Preventing and Responding to Sexual Violence and Sexual Assault. Recommendations will be presented to the Regents for implementation of new processes for investigation, response, and prevention of sexual violence and sexual assault on University of California campuses.

2. Research Compliance Risk

Export Controls and International Activities

Compliance with the evolving export control regulatory and operational landscape remains a key compliance risk for UC in FY15 as evidenced by its systemwide, residual risk exposure score of 3.42 in Export Controls and a 3.53 in International Activities. The University needs to remain vigilant with the monitoring of international collaborations involving foreign travel and the shipping of tangible research materials as well as traditional UC concerns regarding fundamental research and academic freedom.

Goal

Systemwide policies and practices regarding international activities, including specifically export control, will be reviewed with UC location leadership and revised to develop a formal systemwide policy. Training and education related to federal export control laws will be delivered in-person and online, with focus on materials, tools, and training for researchers. The Foreign Corrupt Practices Act (FCPA) will also have an increased focus for campuses. Awareness training, necessary policies, and tools will be developed to assist campuses in complying with the FCPA.

3. Government Reporting

Regulatory Activities

Compliance with regulatory activities continues to be an area of risk focus for our campuses. Government agencies, such as the National Sciences Foundation (NSF), the Center for Medicare/Medicaid Services Office of Inspector General (OIG), the Office of Civil Rights in the Department of Health and Human Services, and the Office of Federal Contract Compliance Programs (OFCCP) and others, continue their reviews and visits across a number of UC campuses and medical centers. These activities increase the resource burden on the locations as evidenced by the residual risk exposure ranking of this risk of 3.23, 2.77, and 2.42 in health care, government reporting, and research respectively. Cost disallowances, paybacks and fines can be a result of audit observations that may negatively impact the system's financial resources and national reputation. Consequently, this area remains a risk priority. Examples of resources we provide or will provide include coding compliance and training for national certification, etc. However, additional time and effort is required by campuses to respond to audit and review requests by these agencies to ensure the accuracy of the audited information. Moreover, burden is placed on campuses to assure that appropriate controls are in place and communications to administrative staff and faculty takes time.

Goal

ECAS will monitor external agency audit activities and facilitate systemwide response, as appropriate, to external agency audit activities. Summary reports of trended observations and/or recommendations will be shared with campus leadership to enhance local controls on high risk reporting requirements. ECAS will also conduct audits in the health sciences and/or research compliance risk areas including billing and coding.

4. Culture of Ethics and Compliance

Supporting a culture of inclusivity and accountability

ECAS continues to focus on activities related to maintaining compliance with relevant state laws and regulations as well as UC policy that addresses creating and supporting a positive and inclusive culture that makes education, teaching, research, and service productive experiences for students, faculty, and staff. Compliance with Child Abuse and Neglect Reporting Act (CANRA) and the Clery Act will be monitored and reviewed. Issues and questions raised by the Moreno Report and the UC Climate Survey will be reviewed and discussed with appropriate campus leadership. Policy and training recommendations will be made in tandem with the President's Task Force on Preventing and Responding to Sexual Violence and Sexual Assault, the President's Task Force on LGBT Issues, and campus committees reviewing the Climate Survey data.

Goal

ECAS will facilitate the review of questions and issues raised by various University reports such as the Climate Survey, the Moreno Report, and the work of Presidential Task Forces to develop necessary policies, trainings, and recommendations for senior leadership.

5. Data Privacy and Information Security

Privacy and Information Security

The areas of data privacy and information security residual risk rankings reflect scores of 4.01 and 4.26, respectively, compared to scores from FY14 of 2.38 and 2.22 respectively; this area remains an area of risk given the national focus on privacy security and of restricted information.

Campuses have begun implementing the approved recommendations from the "UC Privacy and Information Security Steering Committee recommendations". The evolving landscape of information technology conversions, including cloud computing, entails significant risk to privacy and information security management. A focus for ECAS in FY15 will be to support and enhance the privacy and security of restricted information across the system through its privacy office and in collaboration with information technology leadership, legal and risk management.

Goal

ECAS will collaborate with system and campus information security, risk management, and campus privacy committees to develop or revise policies as necessary, provide training, and implement appropriate monitoring programs to identify goals for management action to mitigate risks.

6. Health Sciences Compliance***Clinical Research Billing***

Accurate and timely submission of billing and coding data to government reimbursement agencies continues to be a key compliance program risk that requires continual and focused vigilance as expressed in a residual risk exposure score of 5.29. Due to changes in California Medicare Administrative Contractor, the interpretation of reimbursable clinical items and services are being challenged, with requirements for enhanced documentation for claim payment and appeal processes. The consequences of non-compliance with clinical research billing rules may be disastrous in terms of negative publicity for UC and resultant lack of sponsorship, increased paybacks of inaccurately billed services to insurers, potential monetary (civil) fines for billing errors to the Centers for Medicare and Medicaid, and undercharging or overcharging study accounts.

Goal

Clinical research billing readiness plans are completed timely per local plans, and management is included in the operational oversight for clinical research billing.

Health Sciences Coding

The residual risk ranking of this area is 3.64, compared to the risk ranking of 3.15 last year. The potential for increasing compliance risk over the next several years increases due to the continued need for qualified coding resources. This past year ECAS supported the training of 60 UC staff with a certified coding course. However, with changes in healthcare laws, ICD-10 implementation, and continued scrutiny on coding and documentation accuracy, coding continues to be a risk for the UC Academic Medical Centers, as it does to other institutions across the nation.

Goal

Continuing to implement a systemwide industry-sponsored, coding certification program will increase availability of skilled resources. In addition, ongoing training will be provided for current coding professionals, physicians, and a monitoring program will be initiated to track and trend retention of UC coding professionals, and coding accuracy rates.

7. General Compliance

International Activities

UC's international activities continue to expand. With expansion has come increased monitoring activity and enforcement by the federal government. This increase reflects the climate of national security issues existing today. Changes in applicability of the Foreign Corruption Practices Act (FCPA) to higher education provide both opportunities and challenges for academia. Intercollegiate consortia, sponsored research, research collaborations, international alumni associations, foundations, trusts, and more. In FY14, ECAS revised policy to devolve much of the responsibilities for engaging in international activities to the campuses, and is providing a library of high-level risks associated with international activities for consideration of risk-mitigation.

Goal

Compliance risks associated with international activities will be mitigated through early implementation of controls around high-risk areas.

Athletic Compliance Regulations (includes NCAA)

Increased focus on compliance with athletic rules and regulations, and specifically NCAA Regulations, places this area on the risk area for FY15. Nationally, issues around recruiting, financial aid limitations and extra benefits garner increased scrutiny from outside agencies.

Goal

ECAS will review the organization and structure of NCAA compliance activities across the University and identify appropriate mechanisms for integrating athletics compliance programs into overall campus compliance activities. Areas of focus will include governance, risk assessment, communication protocols (including escalation of priority issues), reporting and training.

IV. Ethics and Compliance Program Focus Areas

In addition to the identified key compliance risks for the FY15 Plan identified above, we will continue to address areas within three ECAS units – the Office of Investigations, the University Policy Office, and the Office of Privacy Management. The Office of Investigations is responsible for coordinating, tracking, managing and/or conducting investigations at the Office of the President and systemwide. This Office is also responsible for oversight of an independent hotline to receive confidential reports of suspected misconduct. The overarching objective of the hotline is to help the University maintain its commitment to a culture based on the highest of ethical standards. The University Policy Office oversees the policy-making process in all areas for which the President has authority. The University of California systemwide policy process involves broad consultation with diverse University constituencies on ten campuses, and the office issues and maintains all Delegations of Authority from the President to the Chancellors and senior managers, and is the official repository of historical and current documents. The

Privacy Office is responsible for implementing the strategic goals accepted by President Mark Yudof in the Privacy and Information Security Initiative Steering Committee Report to the President.

Investigations Office Goals

The ECAS Investigation Office will increase support to the campuses in view of competing budget and workforce priorities at the campus level and continue to provide a wide range of services to assist campuses in a variety of investigations to include workplace misconduct, whistleblower retaliation and management reviews. The Office maintains a list of outside investigators available to complete employee misconduct investigations where the use of a neutral third party is recommended. It provides education to the campuses to increase awareness of the elements of the investigation process and whistleblower policies, and training for employees responsible for receiving and addressing complaints systemwide. It utilizes available tools to generate informative data and track campus and systemwide trends to share with the system.

Policy Project Goals

ECAS continues to provide clear and consistent guidance on Presidential policy development and governance, policy framework, and writing “plain language” policy. ECAS will continue to enhance the web-based tools to access policy, review schedules, provide training for campuses, and lead the policy development process for Presidential policies. The University Policy Office will also reach out to campus policy offices to coordinate the linking of policies to improve communication and referencing of all university policies.

Privacy Program Goals

ECAS will assist campuses in building their privacy programs, including providing web-based tools to foster awareness of UC privacy principles and practices across the system. ECAS will also provide guidance and work with other departments and campuses on such issues as incident breach response, privacy policies, and conducting privacy impact assessments.

V. Summary

In collaboration with the campuses, ECAS will further quantify the goals and objectives related to this Plan that will then be aggregated on a periodic basis and reported to the Regents’ Compliance and Audit Committee. ECAS also continues to collaborate with a variety of national universities to maintain our efforts to have “best practices” in place at the University of California. ECAS Staff continues a variety of external collaborations that provide a forum to discuss and review compliance program best practices and process improvements.

APPENDIX A: Compilation of Campus-Identified Compliance Risk Areas from Draft Campus Compliance Work Plans FY2014-15

Risk Area	Focus	Risk Likelihood	Risk Severity	Level of Control	Residual Risk Exposure
Safety	VAWA/Clery	3.00	3.70	3.70	2.89
	Laboratory Safety	2.70	3.80	3.70	2.67
	Emergency Planning	3.40	3.80	3.60	3.62
	Violence on Campus	2.70	4.00	3.40	3.46
Research	Conflicts of Interest/Conflict of Commitment	3.20	2.90	3.50	2.78
	Intellectual Property	2.67	2.44	3.33	2.17
	Export Controls/OFAC Awareness	3.00	3.00	3.10	3.42
	Outside Regulatory Compliance	3.00	3.10	3.70	2.42
Government Reporting	Fraud Management	3.00	2.70	3.20	2.92
	Time & Effort Reporting	2.60	2.80	3.60	2.04
	OMB Uniform Guidance	2.60	2.90	3.50	2.26
	Regulatory Activity, i.e., external audit	3.30	2.80	3.50	2.77
Culture of Ethics and Compliance	Campus Climate	2.80	2.80	3.50	2.35
	ADA/EEOC	2.90	3.00	3.30	2.96
	Diversity-Awareness	2.50	3.00	3.70	1.95
	Managing Youth Activities (CANRA)	2.90	4.00	3.70	3.02
	Management Accountability	2.60	3.20	3.60	2.33
	Reputational	2.80	3.50	3.70	2.55
Data Privacy & Security	Privacy	3.20	3.30	3.10	4.01
	Information Security	3.20	3.70	3.20	4.26
General Areas	Language Requirements for critical documents	3.00	2.63	2.88	3.35
	Background Checks	2.80	3.50	3.70	2.55
	NCAA Regulations	2.88	2.38	3.38	2.22
	UCPATH	3.50	3.88	3.00	5.43
	Third Party Relationships	2.78	2.89	3.22	2.85
	International Activities	3.00	3.10	3.10	3.53
Health Care	Billing and Coding	3.71	2.86	3.29	3.64
	Regulatory Activity	3.14	3.00	3.29	3.23
	Clinical Research Billing	3.43	3.86	3.00	5.29
	Conflict of Interest	3.43	3.29	3.29	3.86
	Third Party Relationships	3.17	3.00	3.17	3.48
	Privacy and Security	3.43	3.29	3.29	3.86
Risk Likelihood	Rare=1, Unlikely=2, Possible=3, Likely=4, Almost Certain=5				
Risk Severity	Negligible=1, Minor=2, Moderate=3, Serious=4, Critical=5				
Level of Control	None=1, Minimal=2, Moderate=3, Strong=4, High=5				