

Office of the President

TO MEMBERS OF THE COMMITTEE ON COMPLIANCE AND AUDIT:

ACTION ITEM

For Meeting of July 21, 2015

APPROVAL OF ETHICS AND COMPLIANCE PROGRAM PLAN FOR 2015-16

RECOMMENDATION

The Senior Vice President – Chief Compliance and Audit Officer recommends that the Committee on Compliance and Audit approve the Ethics and Compliance Program Plan for 2015-16, as shown in Attachment 1.

BACKGROUND

The Ethics and Compliance annual work plan for Fiscal Year 2015-16 (Plan) has been designed to reflect the ongoing maturation of the UC Ethics and Compliance Program, entering its seventh year of operation. Like other industries, higher education continues to value a comprehensive, integrated ethics and compliance program, designed to positively influence the culture of the organization in its efforts to meet its mission and maintain its value. The UC Ethics and Compliance Program is recognized as a national leader in ethics and compliance program development and implementation by colleagues from other leading academic institutions who recognize the innovative and effective methodologies used by the Compliance Program to assist the individual campuses in their overall compliance efforts.

The Plan has been developed using prioritized risk assessment observations and work plan activities from each of the campus ethics and compliance risk committees, including all ten campuses, Lawrence Berkeley National Laboratory, Agriculture and Natural Resources, and the Office of the President. Additionally, campus compliance staff worked collaboratively with internal audit, and as possible, with the risk management functions at each campus to more fully capture identified compliance risks for inclusion in the campus work plan. Prioritization of the risks was discussed and agreed upon by the campus ethics and compliance officers and is reflected in this systemwide Plan. The following systemwide compliance risk areas, listed in no specific order of priority, will be focused on in this Plan and include key mitigation activities. Outcomes will be measured in the review of management risk mitigation activities and resolution of identified risks.

1. **Safety - ensuring UC students, faculty, and staff are safe**
 - a. **Laboratory Safety**
 - b. **Sexual Violence and Sexual Assault Prevention and Response**
 - c. **VAWA/Clery Act Implementation**
2. **Research Compliance – addressing complexities of research in areas of government regulation, including export control**
 - a. **Research Regulations**
 - b. **Export Controls**
3. **Government Reporting – monitoring external regulatory activities, e.g., agency audits, and key risk areas where supporting documentation is required for receiving federal and/or State funding**
 - a. **OMB Uniform Guidance: New Processes**
 - b. **Regulatory and Reporting Requirements**
4. **Data Privacy and Information Security – auditing and monitoring, and continued training on protection of data across the UC landscape**
 - a. **Information Security**
 - b. **Data Management**
 - c. **PCI compliance (credit cards)**
 - d. **Privacy and Information Technology**
5. **Health Sciences – monitoring the complexities associated with the Affordable Care Act, clinical research and related billing, and other regulatory compliance areas.**
 - a. **Clinical Research Billing**
 - b. **Open Payments: Conflict of Interests**
 - c. **Billing and Coding (ICD-10 Conversion)**
 - d. **Contract Management**
6. **General Compliance – implementing appropriate tools and resources for international activities, conflicts of interest monitoring, policy and procedure management, investigations, and overall tracking of emerging themes**
 - a. **Facilities and maintenance**
 - b. **International Activities**
 - c. **Third Party Relationships**
 - d. **UC Path**
7. **Culture of Ethics and Compliance – supporting the cultural tone of accountability and “doing the right thing”**
 - a. **ADA/EEOC/Accessibility**
 - b. **Systemwide Education and Training**
 - c. **Standards of Conduct and Policy & Procedures**

(Attachment)

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



ETHICS AND COMPLIANCE PROGRAM PLAN FOR
FY 2015 – 16

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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) responsible for leadership, strategic direction, campus guidance and resources to ensure the University fulfills its responsibilities in an ethical environment that is compliant with applicable laws, rules, regulations and University policies. ECAS develops an annual work plan to mitigate non-compliance in high-risk areas and ensure that UC's core mission and objectives are supported by effective compliance controls which are evaluated on a periodic basis.

The UC Ethics and Compliance Program Plan (Plan) for FY2015-16 (FY16) is developed in collaboration with the ten campuses, Lawrence Berkeley National Laboratory (LBNL), Office of the President, Division of Agriculture and Natural Resources (ANR), and the five academic medical centers. The Plan focuses on key compliance risk areas that are priorities for the system and campuses to address during the new fiscal year.

Key Compliance Areas and Strategic Foci

Seven systemwide priorities were identified in FY16 with 21 specific strategic foci. Embedded across and within these priorities are overarching critical drivers such as crisis management and business continuity plans, facilities maintenance and employment factors (retention, recruitment and succession planning). While we recognize these drivers and are cognizant of them in our efforts, the FY16 Plan focuses on areas under the direct purview of the compliance function.

Consequently, these seven priorities and 21 strategic foci are (listed in no particular order):

1. **Safety** - *ensuring our students, faculty, and staff are safe*
 - a. **Laboratory Safety**
 - b. **Sexual Violence and Sexual Assault Prevention and Response**
 - c. **VAWA/Clery Act Implementation**
2. **Research Compliance** – *addressing complexities of research in areas of government regulation, including export control*
 - a. **Research Regulations**
 - b. **Export Controls**
3. **Government Reporting** – *monitoring external regulatory activities, e.g. agency audits, and key risk areas where supporting documentation is required for receiving federal and/or state funding*
 - a. **OMB Uniform Guidance: New Processes**
 - b. **Regulatory and Reporting Requirements**
4. **Data Privacy and Information Security** – *auditing and monitoring, and continued training on protection of data across the UC landscape*
 - a. **Information Security**
 - b. **Data Management**
 - c. **PCI compliance (credit cards)**
 - d. **Privacy and Information Technology**

5. **Health Sciences** – *monitoring the complexities associated with the Affordable Care Act, clinical research and related billing, and other regulatory compliance areas*
 - a. **Clinical Research Billing**
 - b. **Open Payments: Conflict of Interests**
 - c. **Billing and Coding (ICD-10 Conversion)**
 - d. **Contract Management**
6. **General Compliance** – *implementing appropriate tools and resources for international activities, conflicts of interest monitoring, policy and procedure management, investigations, and overall tracking of emerging themes*
 - a. **International Activities**
 - b. **Third Party Relationships**
 - c. **UC Path**
7. **Culture of Ethics and Compliance** – *supporting the cultural tone of accountability and “doing the right thing”*
 - a. **ADA/EEOC/Accessibility**
 - b. **Systemwide Education and Training**
 - c. **Standards of Conduct and Policy & Procedures**

Further descriptions of each of the 21 specific risk categories are outlined in more detail in Section III of this Plan.

II. Compliance Program Plan and Development

Higher Education Ethics and Compliance Program

Industry standards confirm that the essential hallmarks of an effective ethics and compliance program are based on the nationally accepted foundation of the United States Sentencing Commission’s seven elements of an effective compliance program. Guidance from the Commission recommends that an effective compliance program is comprised of:

- 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

Within this framework, higher education continues to receive increased scrutiny, review and regulations at the state and federal levels. A recent report of the *Task Force on Federal Regulation of Higher Education* from the American Council on Education documented a range of complexities implicit and explicit in higher education regulations.

This regulatory climate continues to intensify. During FY15, the University saw increased interest in biosafety compliance, campus crime reporting, sexual violence/sexual assault prevention and response, crime reporting/safety, health care billing, and research grant reimbursements. These

changes in the regulatory climate increase the pressure on UC to have an active, robust and transparent compliance program.

The University of California. The University of California is recognized nationally and internationally as having an industry-leading compliance program. A key underlying framework for the UC program is having a compliance plan based on the seven elements identified above coupled with strategic visioning, transparent assessment and Regental oversight. The Senior Vice President and Chief Compliance & Audit Officer provides leadership for the University and as a Regental Office has the unique ability and expertise to direct a compliance program that is transparent, responsive and innovative as the University continues as a leader in education, research and public service.

UC's Compliance Plan is Dynamic: Adapting to Change. While many colleges and universities have worked to establish compliance governance structures and communication frameworks, high-risk areas remain and there can be a gap between policy and behavior. These pressures—regulatory, budget, emerging cultural changes—necessitate a compliance program and Plan that is transparent and systematic while being fluid and responsive to change at system and local levels.

A key UC compliance program key strength is its ability to change and adapt to emerging issues, trends and regulatory changes. For instance, last Spring there was a call for a moratorium on work in biosafety Level-3 laboratories from national activists and the Centers for Disease Control and Prevention (CDC) to assess safety procedures. In response, President Napolitano formed the “President’s Task Force on Biosafety and Biosecurity” directing ECAS and Environmental Health & Safety (EH &S) to take a leadership role. In another example, new regulations in campus crime reporting required shifting resources within the FY15 approved Plan. Consequently, new or unanticipated regulatory requirements continue to re-direct the focus on emerging issues that drive our efforts and affect our Plan. Within ECAS’s strategic leadership role for the University’s compliance program, responding to these new risks is our highest priority.

Effective compliance programs and work plans should not be fixed but should be dynamic—they must have the ability to change as risks evolve and new ones are identified. Within UC, quarterly updates to the Regents and regular interaction with senior leadership allow the University’s Plan to change with both the current, and the unanticipated, emerging risks the University faces. This ability to implement four “R” processes—Review, React, Respond and Report—continues to be a strength of the University’s compliance efforts.

Emerging areas of risk were of consideration in the FY16 Plan and influenced the compliance effort’s focus for next fiscal year. For example, social media, electronic purchasing card transactions, common electronic medical record systems, and online education raise parallel data privacy and information security concerns. Another example includes the growing footprint of UC faculty and students in international activities that create increased challenges in conflict of interest/conflict of commitment monitoring and fiscal accountability. Further, issues of foreign transactional compliance require improvements in governance and accountability in our relationships abroad, as well as the continued

focus on the safety of our students, staff and faculty. Finally, the importance of ensuring our campuses are safe, accommodating and welcoming is continually at the forefront of everyone's efforts.

Ongoing Strategic Leadership. As an industry best practice, the effectiveness of a compliance program should be assessed on a regular basis. ECAS had a formal systemwide assessment by an outside reviewer in FY14, and changes and suggestions were implemented as a result of that review. ECAS continues ongoing self-assessments and identifying how processes can be improved in conjunction with the campuses. As well as ensuring ongoing effectiveness of the overarching compliance program, ECAS leads strategic efforts of the UC compliance program ensuring sustainability, transparency and ongoing focus on the highest levels of compliance.

Development of the Plan

The FY16 Plan draws on the efforts of hundreds of staff across the UC system. Each campus risk assessment and subsequent work plan involved efforts from staff across all departments and functional units. This year's Plan saw increased and improved effort to move the UC ethics and compliance program toward a more mature risk intelligent approach. "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. This year there was a concerted effort to involve these areas in "horizontal" risk assessments across the campus as opposed to silo-based, singular risk assessments.

Development of the individual campus plans included Campus Ethics and Compliance Officers (CECOs), partnering with experts in risk, internal audit and legal services, inclusion of a variety of subject matter experts, and discussions with leadership, campuses engaged in many processes to develop compliance plans based on a risk intelligence model and approach. 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 was to work systemically from strategic goals to risk identification, analysis and then prioritization with the objective of identifying a scalable list of risk priorities. ECAS evaluates these individual campus plans and develops the overarching Plan for the University.

Identifying and Prioritizing Key Compliance Risks within the Plan. Once individual campus compliance plans were compiled, ECAS aggregated the prioritized risks and work plan activities from each of the locations' ethics and compliance risk committees. These prioritized risks were analyzed with the campus compliance officers and final 21 "key compliance areas" were identified and confirmed. These prioritized risks are expanded and discussed in Section III.

III. Key Compliance Risk Focus Areas

Section III presents the aggregated campus risks that form the compliance risk priorities for the FY16 Plan. This Section outlines key goals and related activities that will be undertaken by ECAS to assist the locations in mitigating their specific risks within each of the systemwide prioritized risk areas.

1. Safety

A. Laboratory Safety

Campuses continue to assess and mitigate risks associated with implementing laboratory safety procedures and processes. EH & S has implemented significant programs and distributed protective personal equipment across the system. However, campuses continue to identify safety in our laboratories as a key risk area. This risk category is also driven by recent emphasis on biosafety and biosecurity, the work of The President's Task Force on Biosafety and Biosecurity, and the subsequent Presidential directives to campuses.

Goal

ECAS will partner with EH & S to assess compliance with the directives in the President's memorandum on biosafety and biosecurity as they are implemented across the system. Monitoring implementation of key laboratory safety requirements and regulations, and working with EH & S to review key training and education initiatives will also continue to be a major focus.

B. Sexual Violence/Sexual Assault Prevention and Response

Continued elevated national awareness remains around sexual violence/sexual assault on college campuses. This is in part due to the Office of Civil Rights (OCR) regulations and investigations, the 2014 California State Audit report and recommendations, and other state and federal legislation. A key effort in FY15 was the implementation and support of the President's Task Force on Preventing and Responding to Sexual Violence and Sexual Assault (SVSA). Eight key initiatives form the substance of the Task Force's recommendations. ECAS will sustain monitoring for campus efforts to meet the goals in these recommendations in FY16's Plan.

Goal

ECAS will continue to focus monitoring implementation of the SVSA recommendations. In addition, continued focus on developing guidance tools for the CARE advocates and Title IX coordinators to assist them to fulfill their responsibilities and reporting requirements for Title IX, and the SVSA recommendations. Continued efforts with the campuses will include exploration of emerging issues around sexual violence prevention to ensure the University's model for sexual violence prevention is responsive, innovative and transparent.

C. VAWA/Clery Act Implementation

The enforcement and scrutiny in compliance efforts related to sexual violence prevention and response is additionally heightened due to final regulations in the Re-authorization of the Violence Against Women Act (VAWA) as part of the Clery Act. The Clery Act—a broad-based campus safety and crime statistic reporting act—requires annual security reports, designating campus security authorities and key policy development. Compliance with the multitude of

reporting and notification requirements of the Clery Act continues to be critical as enforcement, review and potential fines by federal agencies are increasing.

Goal

Guidance, coordination across campuses and training will be led by ECAS to support compliance with the Clery Act (including VAWA). A UC systemwide policy on Clery Act requirements is under development. ECAS will also continue providing systemwide leadership and training to the campus Clery Act Coordinators and the campus security authorities (CSAs).

2. Research Compliance Risk

A. Research Regulations

Protecting our research subjects is of highest priority for UC. Maintaining the integrity of our work with research subjects is similarly of utmost importance to the University. Continued changes to the regulations governing research compliance creates new challenges for campuses, particularly in light of budgetary and facilities limitations.

Goal

Monitoring of subject review, institutional research compliance, regulations and queries will continue. ECAS will assist campus programs in the review and evaluation of their policies and procedures to ensure compliance and best practices with all research regulations.

B. Export Controls

Compliance with the evolving export control regulatory and operational landscape remains a key compliance risk for UC in FY16. The University needs to remain vigilant with the monitoring of international collaborations involving foreign travel and the shipping of research materials, as well as traditional UC concerns regarding fundamental research and academic freedom. ECAS continues serving as the Systemwide Export Control Compliance and Empowered Official roles under the International Traffic in Arms Regulations (ITAR) as well as leading the University's broader compliance initiatives within the international arena.

Goal

ECAS will continue to oversee how campuses monitor export control processes and training. For instance, ECAS will launch new training initiatives and will expand awareness and oversight as a result of the significant regulatory revisions occurring under Export Control Reform (ECR). ECAS will lead discussions with other central departments and systemwide locations to finalize a formal Export Control Compliance policy and support campuses in their efforts to establish local compliance programs. ECAS is part of a national multi-university organization focused on export control regulations in university settings; this expertise will continue to be infused into the University's Export Control Program.

3. Government Reporting

A. OMB Uniform Guidance: New Processes and Phased Approach

The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR Chapter I, Chapter II, Part 200 (Uniform Guidance) was published by the Office of Management and Budget (OMB) and the Council on Financial Assistance Reform (COFAR) on December 26, 2013 in the Federal Register. The Uniform Guidance represents the culmination of a two-year effort by the federal government to harmonize and streamline administration of assistance awards by combining eight previous OMB circulars covering the areas of administrative requirements, cost principles and audit requirements.

The Uniform Guidance significantly updates the federal government's approach to awarding assistance agreements (grants and cooperative agreements). It shifts the focus of administration from a prescriptive set of rules to institutional accountability and performance. Accordingly, the University will need to adapt existing policy and guidance to provide a framework for effective internal controls on the campuses, and campuses will need to review their own standards of and procedures for internal control. Within this overarching concept there are nine priority areas of change to existing policy, guidance and procedures. Those areas are: allowable/unallowable costs, procurement, equipment, sub-awards, facilities and administrative costs, prior approvals, pre-award: mandatory disclosures, internal controls, and financial management and reporting.

The significant change in the longstanding policies and procedures for pre- and post-award management, costing principles and internal controls creates the potential for widespread compliance risks.

Goal

Across the system, ECAS will lead efforts across the system to:

- (1) Update UC's understanding of internal controls for compliance with the new Uniform Guidance.
- (2) Review internal controls through identification and assessment. Strengthen internal controls as necessary. Acceptable audits in previous years should not be relied upon as an indication that internal controls are sufficient.
- (3) Review policies and procedures to determine if they adequately address protecting Personally Identifiable Information (PII). Identify information systems and material that could contain Protected PII, and other sensitive information, and assess if controls are in place. Determine whether existing policies and/or controls need to be strengthened or should to be created to ensure compliance.

B. Regulatory and Reporting Requirements

The University receives billions of dollars from outside funding agencies to support its core mission. These include funding for health care, financial aid, research, and state and federal

grants. With this funding comes requirements and responsibilities. Government funding agencies such as National Science Foundation (NSF), National Institutes of Health (NIH), and the Department of Health and Human Services (HHS) continue to increase their regulatory and reporting requirements. Political pressure continues on fiscal responsibility and eliminating fraud, waste and abuse. Finally, outside reviews and audits place new constraints on how our campuses fund and support research and other programs.

Goal

We will continue to monitor new reporting and regulatory requirements from governmental funding agencies to maintain compliance processes and procedures. Necessary trainings and guidance will be implemented to support UC's efforts to maintain leading edge research programs that maintain the integrity of our programs for the public trust and government funders.

4. Data Privacy and Information Security

A. Information Security

Information security continues to be an increasing area of concern across UC's risk landscape. UC is not unique in addressing the area of data breaches which have elevated in sophistication beyond any institution's technical capabilities and has created continued risk to our campuses and health care institutions. Notification and mitigation requirements increase operational costs and campus reputational risks.

Goal

ECAS will provide training, resources and guidance to mitigate and address security breaches and lapses. We will work with IT Services and the ECAS Privacy Program to develop compliance guidance and monitoring processes to maximize our technical skills and minimize both healthcare and non-healthcare breaches.

B. Data Management

The University retains large amounts of data from its business operations as well as its academic research and health records. Despite varying levels of regulatory requirements around this data, adding a more cohesive information classification and management strategy will lower the risk of breaches, clarify contractual obligations of third-party vendors who handle University data, and help ensure the appropriate use of the data created by and entrusted to the University.

Goal

In the coming year, ECAS will work with campus subject matter experts to improve standard contract language around Data Security and Privacy, as well as offer training and awareness about [UC values and principles](#) for keeping our data private and secure.

C. PCI-DSS: Payment Card Industry Data Security Standard

An emerging risk identified across the system is the capturing and storing of Payment Card Industry Data Security Standard (PCI-DSS) data, a proprietary information security standard for organizations that handle branded credit cards. The Payment Card Industry (PCI) Standard is mandated by card brands and administered by the PCI Security Council. This Standard's purpose is to detect and prevent fraud through improper credit card use.

Goal

ECAS will collaborate with Audit Services and Risk Services to monitor campus efforts to implement PCI-DSS compliance processes that meet the PCI standards. Information will be gathered and incorporated into the systemwide compliance guidance and direction.

D. Privacy and Information Technology

In FY15, UC campuses began implementing the approved recommendations from the President's Steering Committee on Privacy and Information Security, as well as President Napolitano's Cybersecurity Risk Reduction Initiative (GERI). ECAS continues its collaboration with information technology leadership, privacy, audit services, legal, and risk management. The FY16 Plan includes ECAS collaborating 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.

Goal

ECAS will lead continued implementation of the University's privacy initiative as campuses continue building their privacy programs. ECAS will provide direction and collaborate with other departments and campuses on such issues as incident breach response, conducting privacy impact assessments, and training on privacy in specific areas such as student health, counseling, etc. ECAS will provide resources, including additional tools and education, to foster awareness of UC Statement of Privacy Values and Principles and share best practices from across the system and industry.

5. Health Sciences Compliance

A. 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. For UC's academic medical centers, the risks associated with clinical research billing represent an ongoing challenge. Due to changes in the California Medicare Administrative Contractor, the interpretation of reimbursable clinical items and services is being challenged by requirements for enhanced documentation for claim payment and appeal processes. The consequences of non-compliance with clinical research billing rules could be significant in terms of negative publicity for UC as well as increased paybacks of inaccurately billed services

to insurers, potential monetary (civil) fines for billing errors to the Centers for Medicare and Medicaid Services (CMS), and undercharging or overcharging study accounts.

Goal

ECAS will review the clinical research billing processes and procedures at all UC academic medical centers and assess the extent that campus processes include timely Coverage Analyses, coordination with Institutional Review Boards (IRBs) and appropriate charges to third party payers. We will identify new or additional risks and develop systemwide approaches to mitigate these risks in an effective and consistent manner.

B. Conflict of Interest/Conflict of Commitment: Open Payments

Conflict of interest, conflict of commitment coupled with the federal government’s new open payments database is a continued risk area for UC. With the recent implementation of the new Public Health Service conflict of interest regulations, UC faculty members now face multiple and sometimes divergent applicable policies related to conflict of interest and conflict of commitment. Federal funding agencies and some non-profit funders have adopted different standards related to reportable financial interests related to research and UC policies. The rollout of the CMS Open Payments Database, which captures pharmaceutical company (and other health care industries) payments to physicians and teaching hospitals, introduces another source of information that has potential to inform both research and healthcare related financial disclosures. However, the Open Payments Database is cumbersome, difficult to analyze and, thus far, full of inaccuracies.

Goal

ECAS will develop an analytic tool to analyze and synthesize the information in the Open Payments system. This tool will be made available for campuses to use with their internal determinations of conflict of interest and conflict of commitment.

C. Billing and Coding—ICD-10 Implementation

October 1, 2015 will see the long-delayed implementation of the CMS conversion of healthcare medical coding. Converting to the new coding system (called ICD-10) has been in preparation for several years and UC is ready. However, the conversion and changes are massive and compliance risks still exist related to medical necessity, appropriate documentation, monitoring of loss revenue, and staff errors that could result in potential false claims to government payors.

Goal

ECAS will continue providing training, guidance and leadership for ICD-10 implementation problems and issues. ECAS will continue to take the lead in providing resources for our academic medical centers to audit and monitor coding as we convert to the new system. Additionally, we will support the Student Health Centers and Counseling Centers with training in this area as well.

D. Contract Management

Contracts are generated and managed within different functions throughout our organization. Due to this fragmentation, areas of potential risk may be missed, i.e. proper privacy protections, appropriate rules addressed and correct application of regulations.

Goal

ECAS will work with key stakeholders on identifying appropriate areas to assist a more common approach to contract management.

6. General Compliance

A. International Activities

UC's international presence around the globe continues to expand. With expansion has come increased compliance 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 Corrupt Practices Act (FCPA) to higher education provide both opportunities and challenges for UC. Intercollegiate consortia, sponsored research, research collaborations, international alumni relations, foundations, trusts, etc., increase the pressure on UC to ensure compliance with both U.S. and multinational laws and regulations.

Goal

Campuses consistently rank compliance issues with international activities as a key risk. Risks associated with international activities will be mitigated through early implementation of controls, tools and training around key areas as well as establishing best practices across the system. ECAS is expanding its focus on compliance tools and initiatives for international travel programs and international shipping. Specifically, for the FY16 Plan, ECAS will lead an International Compliance Work Group comprised of key systemwide functions providing support to campuses. One key goal of this Work Group is the development of a web portal for UC researchers to access information to increase knowledge about, and compliance with, various laws and regulations from both U.S. and foreign governments.

B. Third-Party Relationships

One of the many aspects of UC that make it a world leader is our ability to partner with key entities, businesses, institutions and community agencies. A strategic focus for UC is innovation partnership to increase the University's footprint, reputation, legacy and financial foundation. However, campuses identified that this increased network of partners increases possible risks that come with memoranda of understanding, affiliation agreements, partnership arrangements and joint ventures.

Goal

ECAS will coordinate efforts across the system to inventory key legal, compliance, risk and regulatory issues that can arise from third-party arrangements. This inventory will be shared with senior leadership along with suggested possible guidance.

C. UCPATH

The implementation of a comprehensive unified human resources and payroll process system (UCPATH) is a goal set by the Regents. This year's Plan includes a review of the UCPATH implementation for risks associated with payroll, business payments and business financial continuity. Payroll errors, vendor payments or system down-time could impact University compliance and reporting requirements with federal, state and other grant-making agencies in addition to putting employees at risk if paychecks are not issued timely and/or accurately.

Goal

It will be important to monitor, in collaboration with Audit Services and Risk Services, the ongoing implementation of UCPATH to identify and mitigate associated risks from problems that are identified during testing and go-live periods. ECAS will work with UCPATH and campus leadership to communicate and address compliance concerns resulting from the UCPATH implementation.

7. Culture of Ethics and Compliance

A. ADA/EEOC/Accessibility

This year, campuses heightened the risk level of compliance with Americans with Disabilities Act (ADA), Equal Employment Opportunity Commission (EEOC) regulations, and specifically accessibility to information technology for students, faculty and staff. In addition, with the increased and mandatory reliance on computer technology for conducting everyday University business, campuses highlighted the risk of non-compliance with mandatory access issues. For instance, campuses must provide equivalent access for students, faculty and staff who require information technology for their work.

Goal

ECAS will facilitate the review of questions and issues around IT accessibility by partnering IT Services to develop necessary policies, trainings and recommendations for senior leadership.

B. Education and Training

The provision of systemwide training and education around a myriad of compliance issues is embedded throughout the Plan for FY16. Training and education—both for ongoing issues and emergent “just in time” issues—is critical for a transparent and effective compliance program.

Goal

ECAS will continue to develop and support leading-edge training and education programs on specific compliance topics. These trainings will include delivery of revised general ethics and compliance courses for all faculty and staff, new courses implementing sexual violence prevention information for students, faculty and staff, and training for campus security authorities (CSAs). In addition, ECAS will deliver specific, focused trainings for topics of need as identified by this Plan and new compliance risks.

C. Standards of Conduct and Policies & Procedures

Effective, accessible and accurate policies are the critical foundation for an effective compliance program. Maintaining, distributing and reviewing policies on a regular basis are essential.

In addition, a key component of effective compliance programs is investigating policy and standard of conduct violations when reported—including, but not limited to—violations that involve improper governmental activities and fraud. ECAS’s Investigations Office continues to address a variety of investigation needs across the system and liaises with campus Locally Designated Officials (LDOs) and Campus Ethics and Compliance Officers (CECOs) to conduct fair, impartial and timely investigations. In FY15, the University issued a new Whistleblower Protection Policy and is updating the University’s Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities (Whistleblower Policy).

Goal

ECAS will continue to provide clear and consistent guidance on Presidential policy management and governance. ECAS will continue developing the policy framework to provide a more consistent and transparent policy development process throughout the system. The University Policy Office will institute the systemwide policy crosswalk, linking Campus and Presidential policies, improving communication and ease of use, while continuing to enhance our web-based resources to improve access, transparency and tools for policy development.

The Investigations Office will augment its subject matter expertise with the addition of a Principal Investigator with experience in conducting workplace investigations in a health care environment. Additionally, it will work with Locally Designated Officials to develop and implement guidelines for minimum qualifications for UC’s workplace investigators as well as facilitate increased training opportunities to promote best practices in investigations.

IV. Summary

The Compliance Plan for FY16 includes 21 overarching goals within seven key high level risk areas. The Plan was developed in collaboration with the campuses and discussion with the CECOs. During the year, ECAS will further review and refine the goals and objectives related to this Plan. It is important to realize that due to the dynamic nature of risks, the goals may be revised during the fiscal year to meet additional priorities or other business risks identified by the organization. Changes necessary to respond to emerging or new risks will be incorporated into the Plan and required revisions will be aggregated on a periodic basis and reported to the Regents' Compliance and Audit Committee.

Future Steps. As the UC compliance program continues moving towards a fully-developed mature risk intelligent model, cross-functional risk owners will continue coordinating their efforts to share different perspectives, reduce duplication of effort and conserve resources. For FY16, ECAS will continue working with the campus ethics, compliance and risk committees 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 associated mitigation strategies. Partners in this collaborative model include Audit Services, Risk Management, Office of the General Counsel and ECAS working to develop a deliberate and transparent approach to risk reduction and compliance.

ECAS 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 is involved with a variety of external collaborations that provide a forum to discuss and review compliance program best practices and process improvements. Our ongoing quality assessment challenges the UC compliance program to maintain the most robust, transparent and responsive compliance program among higher education campuses.