

How to Take an Integrated Approach to Compliance in a World of Uncertainty

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Learning Objectives

1. Dive into the challenges of managing compliance in a world where institutions are held to more than 265 federal statutes that change every year.
2. Demonstrate how to take an integrated approach and communicate across the organization when identifying necessary resources, engaging subject matter experts, and closing potential gaps.
3. Examine the benefits of a consolidated reporting structure, as well as some key metrics universities and colleges should collect to prove compliance and garner support.

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Michigan State University

2014 - A recent MSU graduate complains Larry Nassar sexually assaulted her during a medical examination. Three months later, Nassar is cleared of any wrongdoing by MSU.

August 2016- The Indianapolis Star publishes an investigation into USA Gymnastics and its handling of sexual abuse complaints.

September 2016 - MSU removes Nassar from his athletic training duties and fires him from associate professor position.

July 2018 - MSU creates a new Office of Enterprise Risk Management and hires a Chief Compliance Officer.



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<https://www.usatoday.com/pages/interactives/larry-nassar-timeline/>

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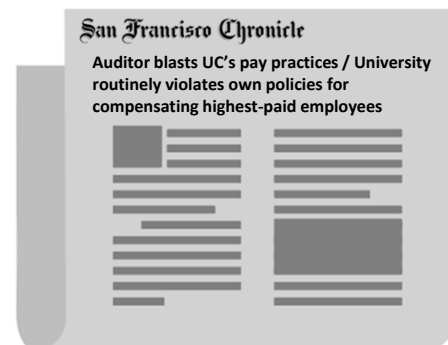
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University of California

2006 – State Auditor issued audit report on compensation. San Francisco Chronicle published story on May 3, 2006.

2007 – UC Office of the President creates role of Senior Vice President and Chief Compliance and Audit Officer for UC system.

2008 – Each UC campus identified a Campus Ethics and Compliance Officer (CECO).



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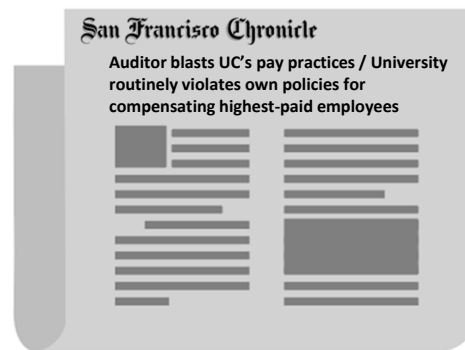
<https://www.sfgate.com/education/article/Auditor-blasts-UC-s-pay-practices-University-2519099.php>

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What Do These Scandals Have In Common?



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How to Implement Risk-Based Compliance

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Compliance Professional



Goal: Protect your organization's reputation and ensure compliance at your university.

Challenge: Managing regulatory change in the See-Through Economy.

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How to Implement Risk-Based Compliance

- 1 Identify Risks Across the Organization
- 2 Connect Risks to Root Causes
- 3 Link Regulations & Requirements to Controls
- 4 Structure Reporting for Flexibility & Efficiency
- 5 Develop a Process for Managing Change Over Time

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Traditional, Siloed Approach



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Risk-Based Language



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The Way It Was at UC Merced

- Multiple strategic plans
- Various risk lists
- Visibility issues
- Inefficient/redundant processes
- Leadership blindsided

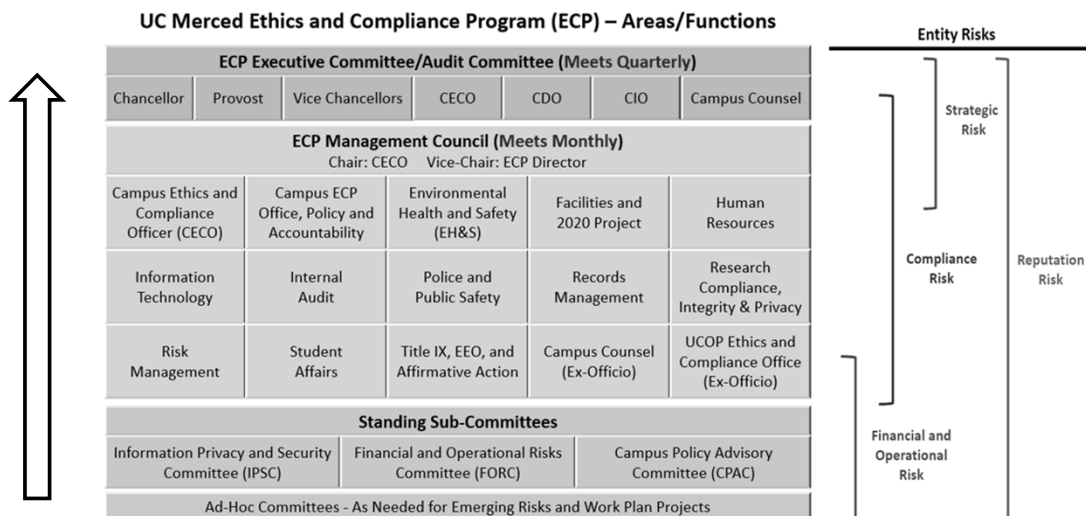


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The Way It Is at UC Merced



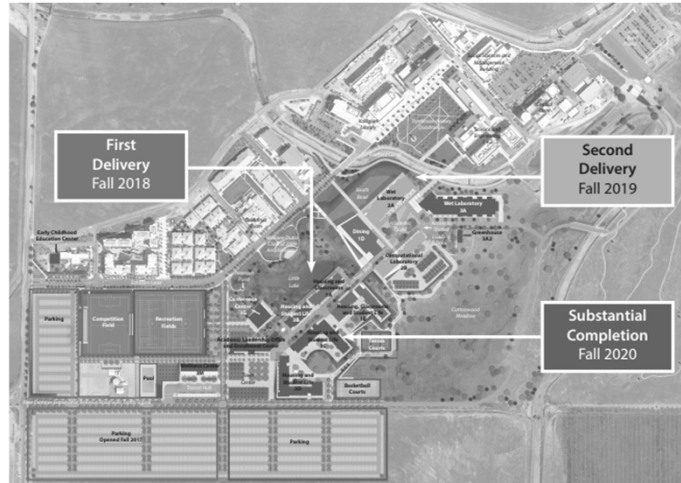
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2020 Plan - Project Goals

- Increase student enrollment to 10,000
- Attract talented and diverse faculty and staff
- Rapidly and cost-effectively add significant amounts of new teaching, research, housing and student life facilities



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5 Root-Cause Categories



External



People



Process



Relationships



Systems

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Standardize Assessments

Adopt a uniform numerical scale to objectively prioritize risks.

1 – 2 Insignificant	3 – 4 Minor	5 – 6 Moderate	7 – 8 Serious	9 – 10 Major
<ul style="list-style-type: none"> • Financial • Legal • Operational • Regulatory • Strategic 	<ul style="list-style-type: none"> • Financial • Legal • Operational • Regulatory • Strategic 	<ul style="list-style-type: none"> • Financial • Legal • Operational • Regulatory • Strategic 	<ul style="list-style-type: none"> • Financial • Legal • Operational • Regulatory • Strategic 	<ul style="list-style-type: none"> • Financial • Legal • Operational • Regulatory • Strategic

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Risk and Opportunity Assessment at UC Merced

Joint risk assessment (Audit, Compliance, Risk)

- Capture/analyze data from monitoring and ERMIS tracking systems
- Audit findings internal and external
- Changing regulations, policies, environment
- Workshops, surveys, discussions, forums, events
- Opportunities for improvement and savings/cost avoidance
- Workforce planning – What can we stop doing?



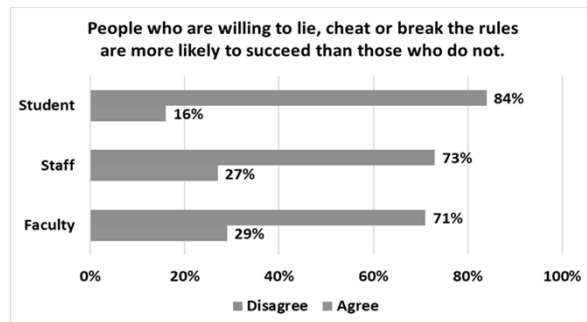
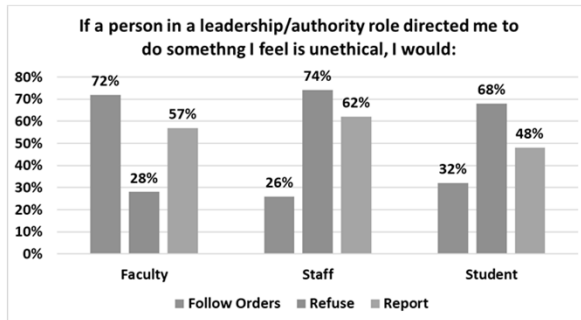
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Ethics and Compliance Week 2018

Surveying the ethical pulse of our campus



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How UC Merced Manages Risks

High Risk Needs Improvement	High Risk - Risks are emerging, rapidly changing, and/or not yet well understood. Needed mitigations are not known or not yet implemented.
Medium Risk In Progress	Medium Risk - Risks are understood. Needed mitigations are partially implemented and/or preliminary stages of mitigation.
Low Risk Controlled	Low Risk - Risks well understood. Mitigations and improvements implemented and further improvements in progress.
Remove from List	Low risk. Risks well understood. Mitigations implemented and improvements embedded in operations and routinely monitored.

Key Risk	Risk Description	Effectiveness of Current Controls	Planned FY20 Mitigation/Control Activities	Mitigation/Control Activity Metrics	Responsible Organization Area	Status
Sexual Violence and Sexual Harassment (SVSH): Title IX UC SVSH Policy	Risk of non-compliance due to ongoing changes to law, policy, process, requirements, and growing campus population.	Not sure of new requirements but keeping track of changes and developments.	<ul style="list-style-type: none"> Major changes expected. Downstream effects on campus, especially adjudication procedures. 	<ul style="list-style-type: none"> Track new guidance and requirements expected. Follow CA Court of Appeals and pending Dept. of Education rule changes. 	Title VII/IX Office, Legal, Compliance Office	High Risk Needs Improvement

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How UC Merced Manages Risks

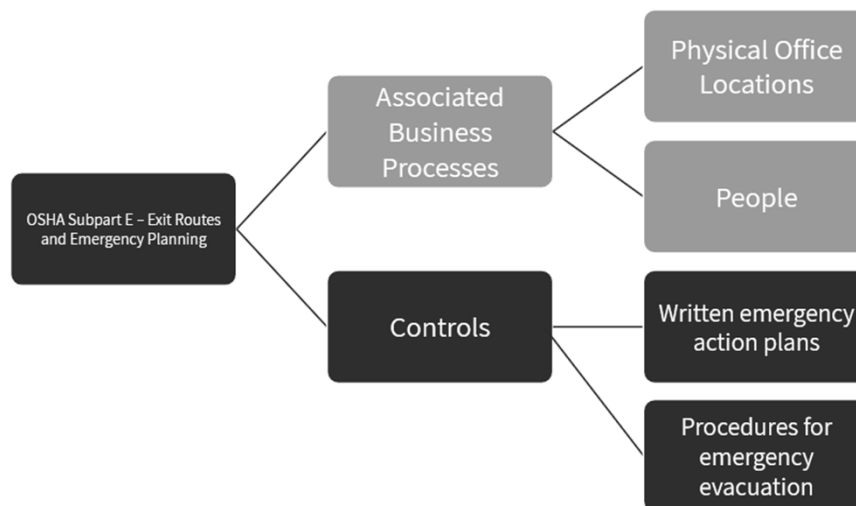
Key Risk	Risk Description	Effectiveness of Current Controls	Planned FY20 Mitigation/Control Activities	Mitigation/Control Activity Metrics	Responsible Organization Area	Status
CLERY Clery Act UC Policy	Growing campus, potential for not identifying CSAs and misreporting.	Procedures and training in place but need update.	Identify new CSAs and roll out new training.	Track number of CSAs and reports.	Police and Public Safety	High Risk Needs Improvement
Lab Safety Cal/EPA, Cal/OSHA UC Policy	Growing campus and lab space, potential for Lab noncompliance.	Procedures and escalation process working.	Implement new system, increase self-inspections, more online trainings.	Dash board key metrics, track escalations and self inspections.	EH&S and Compliance Office	Medium Risk In Progress
Child Abuse and Neglect Reporting Act CA CANRA UC Policy	Growing campus, potential for noncompliance with law and policy.	Campus procedures working well, requires annual certifications.	Review/update procedures, implement monitoring and new training options.	Track and report mandated reporter metrics and personnel file compliance.	APO/SA/CFO Offices and Compliance Office	Low Risk Controlled
Emergency Planning and Business Continuity Cal/OSHA, NFPA UC Policies	Increased risk of delayed response with new facilities and people.	Plans in place, campus is preparing for new space and people.	Coordinate with building managers to assess readiness. Update emergency plans, hold table-top and other exercises to increase readiness.	Track update and exercise of plans, hold site trainings and track attendance.	Risk Services and Emergency Management	Medium Risk In Progress

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Link Regulations & Requirements to Controls



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Structure Reporting for Flexibility & Efficiency



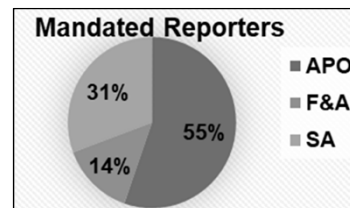
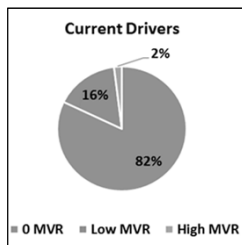
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UC Merced Monitoring/Reporting

Policy/Procedure



DMV Pull Program

- Formalized procedures
- 98% drivers low to no MVR score
- Compliance Office/FORC to implement BUS 46 and Campus Vehicle Safety Committee

Abusive Conduct Policy published

- Only campus with a policy that covers all staff and faculty
- Comprehensive roll-out and received positively from campus
- Started tracking climate issues in complaints

CANRA Procedure

- 2,396 Mandated Reporters
- Met with POCs to discuss requirements, process, procedure changes and monitoring plans
- Compliance Office to implement random testing

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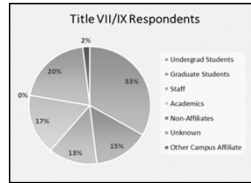
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UC Merced Monitoring/Reporting

Reporting/Investigations

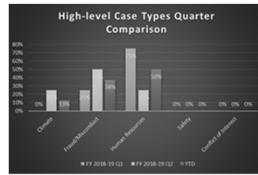
Title VII/IX Complaints

- FY 18-19 **23.9%** Increase in reports from FY17-18
- Associated outreach was **99%** of all incoming students
- Increase in reporting due to increased outreach and awareness of programs**



LDO/Whistleblower Complaints

- 50%** of reports are Human Resources related
- 38%** of reports are Fraud/Misconduct
- Compliance Office tracking policy issues in complaints/cases**



Communication/Outreach

- Ethics and Compliance Forum – 130 Attendees
- Ethics and Compliance Week – 425 Attendees
- Student Integrity Week – 240 Attendees
- Risk Workshop – 55 Attendees
- Created and delivered approximately 800 hours of ethics and compliance training and case study material

Training

Laboratory Safety Training Compliance

- Lab Safety Fundamentals 94% (+8%)
- Other Lab Safety Training 86% (+3%)
- Compliance working with EH&S to add other online trainings**

Employee Mandatory Training Completion

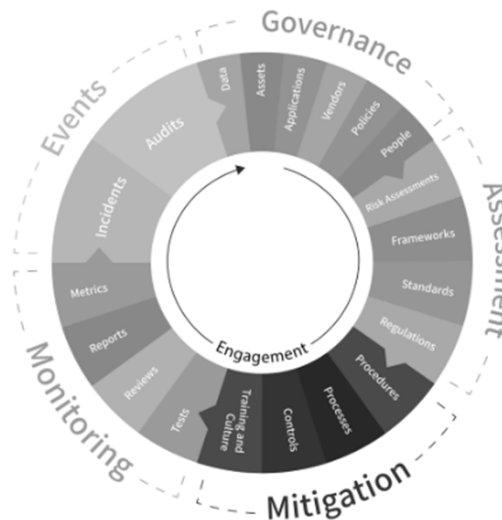
- General Compliance Briefing **90%** (-7%)
- SVSH Prevention for Supervisors and Faculty **95%** (+3%)
- SVSH Prevention for Staff **95%** (No Change)
- Cyber Security Awareness **82%** (+7%)
- New Employee Orientation **100%**
- Departments to identify Training Liaisons**

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Manage Change Over Time



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Questions and Answers