



## Consent

### Agenda Item 5d

June 19, 2013

**ITEM NAME:** Enterprise Compliance Division Status Report

**PROGRAM:** Enterprise Compliance Division

**ITEM TYPE:** Consent Information

#### **EXECUTIVE SUMMARY**

This report provides a current status update of key activities and accomplishments of the Enterprise Compliance Division (ECOM), as of April 30, 2013. It covers the areas of program compliance, investigations oversight and automated business control and statutory regulation oversight.

#### **STRATEGIC PLAN**

This agenda item supports Strategic Plan Goal B: Cultivate a high-performing, risk-intelligent and innovative organization.

#### **BACKGROUND**

On a quarterly basis, the Enterprise Compliance Division updates the Risk & Audit Committee on key enterprise compliance activities.

#### **ANALYSIS**

During the period from February 16, 2013, through April 30, 2013, ECOM continued routine monitoring and oversight activities to prevent and detect potential conflicts of interest, including personal trading, Form 700, contract-related disclosure reviews and undue influence certification and interviews.

As part of active oversight of the Investment Office's compliance activities, ECOM staff detected an operational policy violation, oversaw resolution and monitored implementation of controls mitigating future risk.

ECOM is piloting its Compliance Review procedures on a review of CalPERS Diversity Outreach Program (CDOP)'s annual reporting requirements to the California Department of Human Resources. Two more compliance reviews have been initiated related to PeopleSoft Human Resources transactions and the Contract-Related Disclosure process. Consistent with our annual plan, after the completion of each review, ECOM will develop and implement a compliance monitoring plan and provide ongoing compliance support to these areas.

ECOM is also developing several policy and process revisions to improve our enterprise-wide compliance efforts.

- Development of the CalPERS Code of Service for mid-2013 roll out. This will help provide staff with a central place to find and reference our Core Values and ethics-related policies that guide our service to others.
- Revision of the Personal Trading Regulation to clarify pre-clearance requirements and definitions, add new definitions and change the annual attestation date. The Insider Trading Policy will also be revised to align with the Personal Trading Regulation. These changes will help improve staff understanding of how the regulation affects them and will provide ECOM staff with a clear standard for implementation.
- Review of reporting procedures for CalPERS Form 700 and Travel Transparency Policy to improve meaningfulness of published information.

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