

2013-15 Compliance Plan

June 19, 2013

Methodology

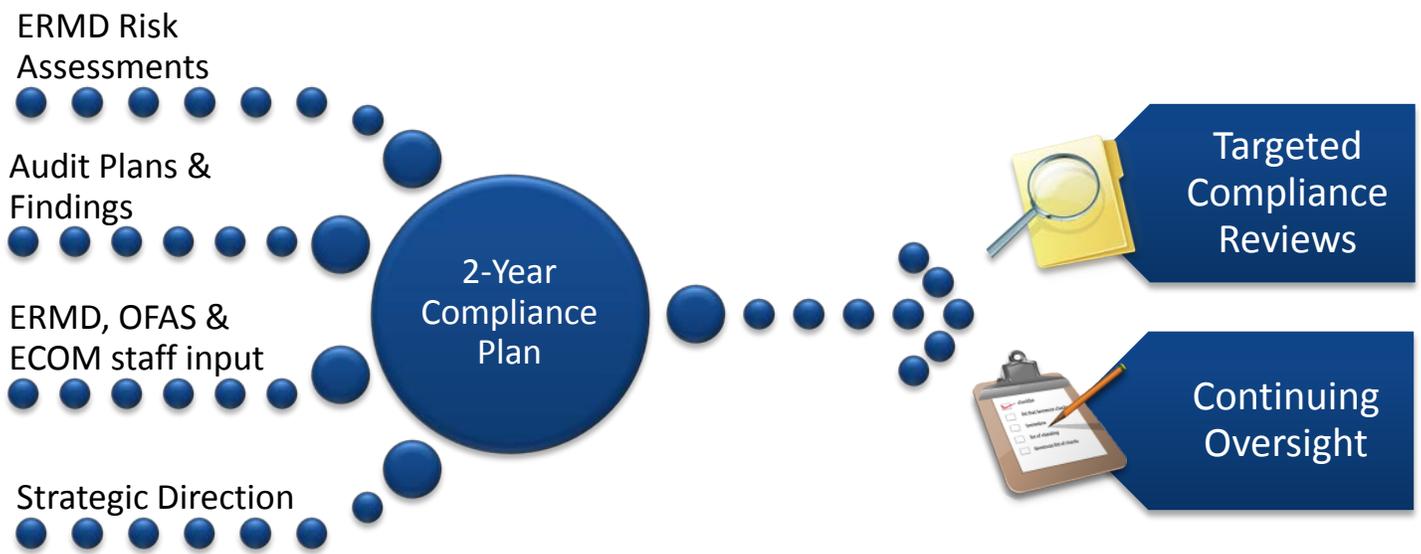
To develop this two year plan, Enterprise Compliance Division (ECOM) staff identified, prioritized and selected organizational risk areas for compliance reviews and monitoring, as follows:

- Risk assessments from Enterprise Risk Management Division (ERMD) agenda items presented to the CalPERS Risk & Audit Committee
- Historical experience and review of audit findings
- Discussions with the Office of Audit Services (OFAS) and ERMD
- Ethics Helpline trends and observations by ECOM staff
- ECOM strategic direction and available resources

Enterprise Compliance Review Lifecycle

The activities in this Compliance Plan represent planned annual reviews, or more frequently as required, to provide for the monitoring of compliance activities across CalPERS through a risk-based compliance approach.

ECOM will develop program area specific compliance review plans. Throughout the compliance review lifecycle, ECOM will partner with the program areas to provide best practices and deliver continual business process improvement support. ECOM program compliance oversight will continue throughout the year by providing periodic monitoring over enterprise-wide compliance activities.





2013-14 Enterprise Compliance Reviews

Program Area	Focus
<p>Investments</p>	<p>Conduct targeted reviews of investment compliance controls and delegated authorities.</p> <p>Review and validate daily exception reports, monthly analysis reports and quarterly reviews of Black Rock, Charles River and other system controls.</p>
<p>Pension</p>	<p>Review governance and implementation process for Public Employees Pension Reform Act (PEPRA) and related laws, regulations, policies and procedures.</p>
<p>Health</p>	<p>Review governance and implementation process for Patient Protection and Accountable Care Act (ACA) and related laws, regulations, policies and procedures.</p> <p>Review Health Insurance Portability and Accountability Act oversight activities and privacy controls.</p>
<p>Contract Administration (Enterprise-wide)</p>	<p>Review vendor selection process, including process for identifying vendor conflicts of interest.</p> <p>Review contract management practices, including vendor adherence to contractual requirements, conflicts of interest and vendor performance evaluations.</p>
<p>Emerging Priorities</p>	<p>Conduct ad hoc compliance reviews and special projects based on consultation with management, as issues may arise from risk and internal audit assessments.</p>



2014-15 Enterprise Compliance Reviews

Program Area	Focus
Investments	Conduct targeted reviews of investment compliance controls and delegated authorities.
	Ongoing review and validation of daily exception reports, monthly analysis reports and quarterly reviews of Black Rock, Charles River and other system controls.
Pension	Conduct targeted reviews of controls over provisions implemented in 2013-14.
Health	Conduct targeted reviews of controls over provisions implemented in 2013-14.
Form 700	Test Form 700 record accuracy based on Personal Trading Platform data.
Emerging Priorities	Conduct ad hoc compliance reviews and special projects based on consultation with management, as issues may arise from risk and internal audit assessments.