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CELEBRATING OUR **10**TH YEAR



UNIVERSITY OF CALIFORNIA Ethics & Compliance Program

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The University of California

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Objectives

- Overview of UC Systemwide Ethics and Compliance Program
- Understand how Business Officers fit into the Program
- Option Finder Activity
- Future Focus

Why Establish a University Ethics and Compliance Program?

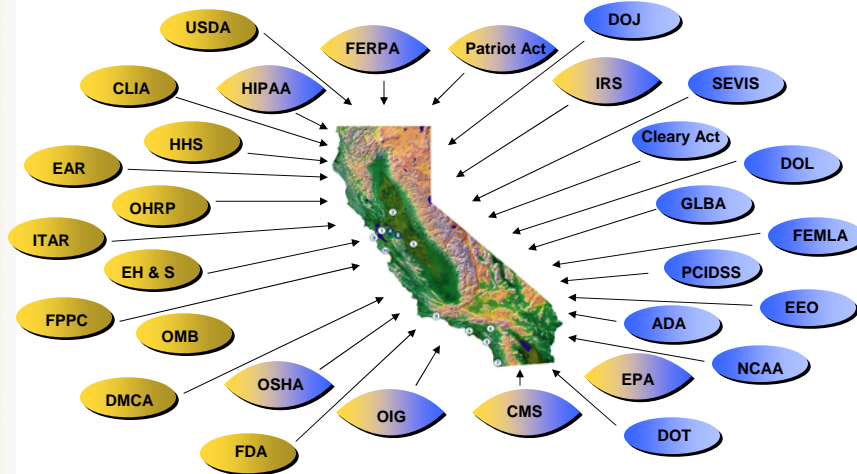
- Good business practice
- Industry benchmarks
- Enhance the public trust
- Effective program aids in preventing compliance risks
- Efficiencies in processes and communication
- Meet expectations of external constituents, i.e., funding sources
- Effective programs are recognized by regulatory agencies in culpability scores which reduces and/or prevents civil and/or criminal enforcement
- Meet Regental expectations

Federal Responses to Non-Compliance in Sponsored Programs

Date	Activity	Univ/Gov't	Issues
6/16/2006	OIG Audit	Univ of Chicago	cost transfers
4/10/2006	OIG Audit	Univ of Maryland	allocation of acquisition costs
3/31/2006	OIG Audit	Howard Univ	policies & procedures and supporting documentation
1/9/2006	DOJ Settlement	Univ of Connecticut	\$2.5 M ; billing rates, overcharging, cost sharing
9/29/2005	OIG Audit	Dartmouth College	salary statements, cost allocation, and subrecipient monitoring
8/23/2005	OIG Audit	Univ of Massachusetts	recharge & lab supply center charges and cost transfers
8/16/2005	NSF Audit	UC Berkley	subrecipient monitoring, cost sharing, salary costs, documentation
5/6/2005	DOJ Settlement	Mayo Clinic	\$6.5 M ; improper transfers and charge monitoring
4/14/2005	DOJ Settlement	Univ of Alabama	\$3.4 M ; research overstated, effort reporting, Medicare billing
4/4/2005	OIG Audit	Univ of Oklahoma	indirect costs
6/1/2004	DOJ Settlement	Harvard	\$2.4 M ; allocation of effort, salaries and expenses
2/7/2003	DOJ Settlement	Northwestern Univ	\$5.5 M ; effort reporting
12/17/2002	DOJ Settlement	40 Hospitals	\$42 M ; Medicare billing between 1986 - 1995 for cardiac devices

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**Compliance Matters Impacting the University of California
And Relevant Regulatory Bodies***



*Including but not limited to the agencies listed

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**The Elements of an Effective
Compliance Program***

- Compliance Officer reporting to highest level of leadership
- Involvement and oversight of the governing board, executive leadership and management in the compliance function
- Clear standards of conduct and compliance policies and procedures
- Appropriate education and training, communication
- Monitoring, auditing and reporting of non-compliance
- Corrective/remedial action for non-compliant behavior
- Appropriately responding and preventing further non-compliance

*based on regulatory mandates across industry and nationwide

University Ethics and Compliance Program Development and Activities

- Office of the SVP – Ethics, Compliance and Audit Services (ECAS) established, and UC Compliance and Audit Officer reporting directly to the Board of Regents hired (Oct 2007)
- Focused compliance inventory conducted at each campus to determine “base-line” compliance activities in place around key risk areas of research, conflicts of interest, executive compensation and contracts and grants (Jan 2008 – present)
- UC Ethics and Compliance Program approved by The Regents (<http://www.universityofcalifornia.edu/compaudit/welcome.html>) (July 2008)
- Campus establishment of Ethics and Compliance Risk Committee and Campus Ethics and Compliance Officer

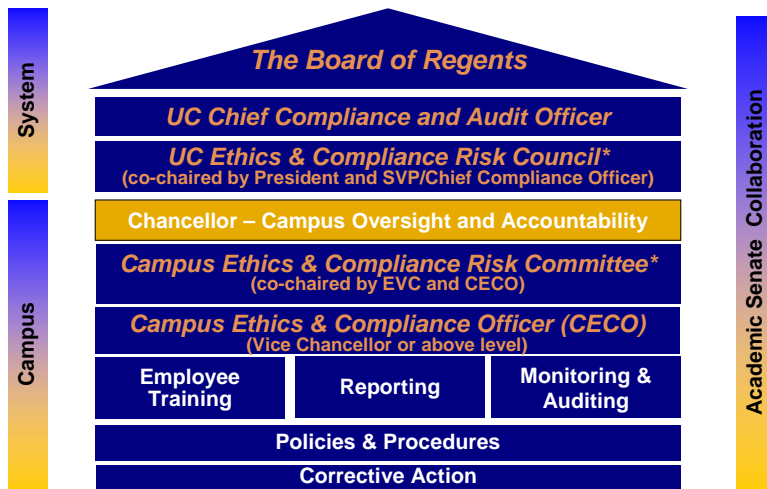
Mission Statement

The UC Ethics and Compliance Program enhances the University’s duty to perform its public responsibilities in an ethics and compliance-based environment where applicable laws, rules and regulations and UC policies are followed and in which the public trust is maintained.

Goal

To become the “best practice” model of an effective Ethics and Compliance Program for Universities nationwide.

UC Ethics and Compliance Program: Communication Model



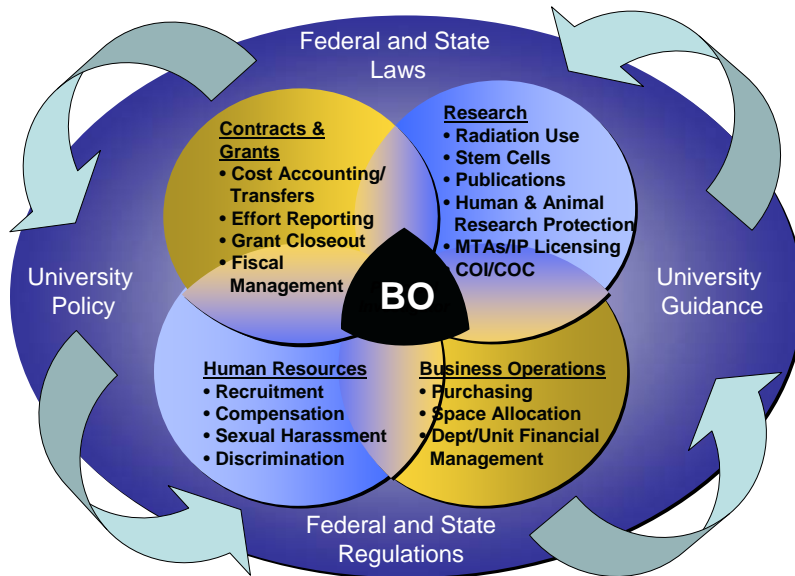
*Membership to include representation from academic senate and administrative leaders of compliance risk areas; "campus" refers to UC locations including LBNL, UCOP and ANR
*Academic Medical Centers are included in "campus" definition

UC Ethics and Compliance Program: Next Steps

- Campus Ethics and Compliance Officers appointed by Campus, 3Q/08
- Campus Ethics and Compliance Risk Committee formed, 3Q/08
- UC Ethics and Compliance Risk Council formed, 3Q/08
- UC Ethics and Compliance Program fully implemented, 1Q/09
- Quarterly/Annual reports to the Board through Compliance and Audit Committee on high risk areas, performance metrics (process and outcome oriented), comparison to baseline status of risks and status on implementation of program, 3Q/08 and ongoing
- Compliance activities established, revised or maintained around identified risks to UC (Campus and System focus) – ongoing
 - Education, monitoring, guidance, check list tools, etc.

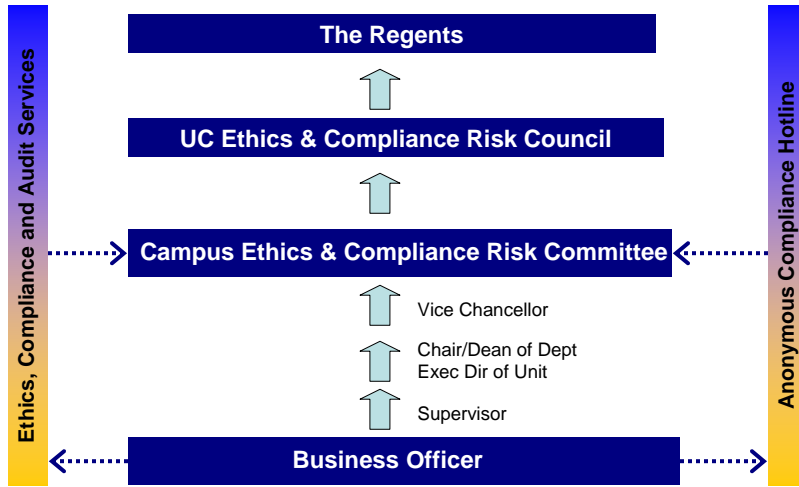
What is the Business Officer's Role in Ethics and Compliance?

Compliance Matters Impacting the Business Officer



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**UC Ethics and Compliance Program:
Communication Model for the Business Officer**



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Option Finder Questions

When faced with a potential compliance matter in my unit/department, I usually:

1. Bring it to my supervisor's attention
2. Discuss the matter with my peers to determine the best thing to do with the information
3. Don't do anything with the information because I am not responsible for compliance in my area
4. Try to resolve the matter, without reporting it to anyone

How do you usually find out about new federal or state laws/regulations that affect your area of responsibility?

1. My job is not affected by any laws or regulations
2. Through communications via campus email, listserves, training, etc.
3. Through communications via UCOP email, listserves, training, etc.
4. Word of mouth--through internal or external colleagues
5. My supervisor

How do you find out about new UC policies that impact your job duties?

1. Wait for someone to tell me about a new policy
2. Through campus/UCOP communications
3. My supervisor
4. Other

Does your unit/department have formal processes in place to monitor compliance with Contracts & Grants laws/regs/policies?

1. Yes
2. No
3. Non applicable

Do you think there is a need for a UC Systemwide Ethics and Compliance Program?

- 1. Yes**
- 2. No**

Do you know who the Chief Compliance Officer is for UC?

- 1. Katie Lapp**
- 2. Sheryl Vacca**
- 3. Dick Blum**
- 4. Dan Sampson**

Future Focus

Summary

- Promoting an ethical and compliant environment at UC is everyone's responsibility
- Compliance issues should be addressed and resolved as they arise
- We are here to help!

Thank You!