



Audits & Risk Management Committee

Item Number 4 – Open Session

Subject: 2022 Enterprise Compliance Services Plan Mid-Year Progress Report

Presenter(s): Cheryl Cervantes-Dietz

Item Type: Information

Date & Time: July 7, 2022 – 15 minutes

Attachment(s): Attachment 1 – Revised CalSTRS Code of Ethics and Business Conduct (2022)

Attachment 2 – Previous CalSTRS Code of Ethics and Business Conduct (2017)

PowerPoint(s): None

PURPOSE

The purpose of this item is to present the Calendar Year 2022 Enterprise Compliance Plan mid-year progress report on the status of the approved compliance initiatives.

DISCUSSION/SUMMARY

Effective April 1, 2022, Enterprise Compliance Services (ECS) joined the Financial Services Branch. The transition to the Financial Services Branch allows for increased synchronization and collaboration of compliance and risk activities in support of a strong culture of compliance and risk management at CalSTRS. Although administrative oversight transferred from the Chief Auditor to the Chief Financial Officer, the Compliance Director will continue to report compliance program plans and progress to the Audits and Risk Management Committee.

Enterprise Compliance Services continues its efforts to support the organization in maintaining an ethical and compliant environment through the 2022 compliance plan activities.

ECS and Enterprise Risk Management teams are coordinating its efforts to align and mature both programs through charter reviews, maturity assessments and integrated risk activities. ECS also revised its program charter to account for the new reporting structure and align with best practices.

Through our collaboration with various branches, I am pleased to report that CalSTRS' revised Code of Ethics and Business Conduct (Code) has been published and announced to the organization. Refer to Attachment 1 to view a copy of the revised Code and Attachment 2 for the prior Code. ECS plans to work with Communications on continued promotion of the Code throughout the year.

ECS also published and highlighted the following to the organization:

- General Compliance Roles and Responsibility Matrix
- CalSTRS Organizational-Wide Training Matrix
- CalSTRS External Reporting Matrix
- Policy Updates
- CalSTRS Compliance and Ethics Hotline Speak Up Article
- Annual Policy Attestation Knowledge-Based Challenge

The following compliance activities are in progress:

- Regulatory Tracking Subscription Onboarding
- Compliance Risk Assessment Interviews
- Governance, Risk and Compliance Tool Participation
- Coordination of Annual Policy and Biennial Standards Review
- Policy Management Handbook
- Compliance and Ethics Reporting Wallet Cards Distribution
- Compliance Monitoring
- Third Party Risk Management Cross Functional Team Participation