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Date: May 3, 2013

AGENDA ITEM 9ai – INFORMATIONAL ONLY

TO: MEMBERS, BOARD OF DIRECTORS

- I. SUBJECT:** Governance and Compliance Update
- II. PROGRAM:** EXECUTIVE
- III. RECOMMENDATION:** Information Only

IV. ANALYSIS:

The following summarizes compliance related activity for the period¹:

Compliance Model alignment – Consistent monitoring, evaluation & reporting

- **2013 Statement of Economic Interest (Form 700)**
 - 4/2 Form 700 filing due date (FPPC Reg. 18723)
 - 4/16 completed final submission to FPPC of statutory filing of Board, CEO, CIO and CFO forms
 - Designated workforce filing compliance
 - Employees, consultants and their management chain accountable
 - 4/17 and 4/18 non-compliance memoranda issued
 - 4/23 Board and active workforce member compliance 100%

Form 700 Filing Compliance rates:

<i>Form 700 Designated Filers</i>	<i># Submissions</i>	<i># Form 700s Outstanding Active Members</i>	<i>Active Workforce Compliance Rate</i>	<i># Form 700s Outstanding Inactive/Separated Members[^]</i>
Board of Directors	11	0	100%	0
Employees	3466	0	100%	120
Consultants	150	0	100%	3
Total	3595	0	100%	123

[^]Annual and/or Leaving Office Statements

Compliance Model alignment – Consistent monitoring, evaluation & reporting

- *3/1 Inaugural publication - Compliance Bulletin: Ethics/Privacy Reporting & Outcomes*
- **1Q 2013 Ethics & Privacy Reported Issues – All Sources**

¹ All Governance reports are grounded in State Fund's Compliance Framework – resource USSG Ch. 8 Part B2.1(b)

Reporting Topic	# Reports Received
Accounting & Financial Controls	1
Claims Practices	3
Compliance & Regulatory Matters	3
Human Resources	20
Information Security	1
Privacy or Security Breach	66
Other	1
Total	95

Compliance Model alignment – Effective training, communication & awareness

- Privacy awareness messaging –
 - 1/28 National Data Privacy Day Spotlight: Steps to Protecting Yours and our Stakeholders' Data;
 - 1/28 Privacy Protection – Your Responsibilities
 - 2/14 and 4/16 Transmission of private information for non-business purposes using State Fund computer systems prohibited
- 2013 National Corporate Compliance and Ethics Week (May 5-11)
 - Activities and messaging coordinated with **2013 Code of Conduct** launch
 - Doing the right thing
 - Building an ethical culture - passing on individual ethics stories
 - Reporting and raising concerns
 - Commitment to compliance

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 Manager