

Governance and Compliance Update

Governance Committee – Open Agenda Item 4

August 16, 2012

Barbara Simmons, CCEP
Governance, Compliance & Privacy Manager

Strategic Objective Alignment

Corporate Strategic Objective

- ❑ **Maintain strong governance, risk management, and compliance framework.**



Governance Goal*

- ❑ **Lead integration of privacy and confidentiality compliance into daily business operations**
 - **Communicate privacy news & successes to employees**
 - **On-going Privacy messages – protective measures, breach response and mitigation, awareness, consequences**
 - **California Information Practices Act compliance**
 - **Privacy Data Inventory**
- ❑ **Administer the organization's compliance framework**
 - **Drive maintenance of the Code of Conduct & certification processes**
 - **New hotline vendor & enhanced reporting**
 - **2012 Code of Conduct & Training deployed**
- ❑ **Administer the Corporate Policy Library**
 - **Recommend – Motion to retain *corporate naming convention***
 - ***Company vernacular since 1978 ; Cross functional use published materials & department name conventions; Referenced – Ins. Code, By-Laws, Committee Charters***

^Topics are informational unless labeled otherwise.

Privacy

Compliance model* alignment:

Effective Training, Communication, & Awareness

- Ongoing messages to the organization

Risk Assessment, Response, Continuous Improvement, & Auditing

- Obtain data for Privacy Inventory
 - Assessment in progress
 - Evaluative process with business owners
 - Close gaps

**Compliance model resource: USSG Ch. 8 Part B2.1(b)*

Code of Conduct & Privacy

Compliance model* alignment:

Consistent Monitoring, Evaluation, & Reporting

- Ethics/Privacy Hotline new vendor selected
 - Implementation September 2012
- Implement Hotline enhancements
- Monitor 2012 report volume
- Establish separate contact center
 - Information for individuals – breaches affecting many parties

**Compliance model resource: USSG Ch. 8 Part B2.1(b)*

Code of Conduct

Compliance model* alignment:

Clear Written Standards, Policies, & Procedures

- Code of Conduct 2012 & Key Policies deployed
- Accessible online to employees & the public
 - Internal – Worksite; external www.statefund.ca.com
 - HTML or Downloadable PDF versions

**Compliance model resource: USSG Ch. 8 Part B2.1(b)*

Corporate Vernacular

❑ Corporate Definition¹

- Of a company or group of people authorized to act as a single entity and recognized as such in law;
- Of or shared by all the members of a group

❑ Usage

- ❑ Prolifically used since 1978 – over 3,200 Worksite citations
 - ❑ Policies/guidelines
- ❑ Cross functional usage
 - ❑ Publications – Training manuals, handbooks process descriptions
 - ❑ Department naming convention
 - ❑ Corporate Claims, Communications, Labor Relations, Legal, Marketing, Planning, Underwriting
- ❑ CA Insurance Code, Board By-laws and Charters

¹Oxford U.S. English Dictionary. Late 15th century origin; Latin *corporatus*.

APPENDIX

1. Compliance Framework
2. Privacy Messages
3. Code of Conduct – President's page

Compliance Framework*

Oversight,
Accountability, &
Resources

Clear Written
Standards of
Conduct, Policies
& Procedures

Effective Training,
Communication,
& Awareness

Consistent
Monitoring,
Evaluation &
Reporting

Consistent
Enforcement,
Discipline, &
Incentives

Due Care in
Delegating
Authority

Risk Assessment,
Response, Continuous
Improvement, &
Auditing

**All Governance reports are grounded in this framework. Compliance model resource: USSG Ch. 8 Part B2.1(b)*

Privacy Messages

| Date | Topic(s) | |
|------|---|--|
| 2/21 | Privacy Breach Impact | Private information protection advice; Timely breach reporting |
| 3/5 | Privacy Training | Mandatory training; Privacy responsibilities and resources |
| 3/29 | Privacy breach costs | Quality assurance; Privacy protection tools |
| 6/11 | Privacy news | Using strong passwords |
| 6/19 | Privacy training follow-up | Privacy risks, policies, responsibilities, consequences |
| 6/20 | Safeguarding information and reducing privacy risks | Disabling risky application functionality |
| 7/3 | Preventive measures for information protection | Phishing attack prevention |

2012 Code of Conduct



2012 Code of Conduct For All State Fund Employees

» [Worksite Home](#)

Code Contents

- [President's Message »](#)
- [Our Code of Conduct »](#)
- [State Fund's Mission, Vision, Strategic Objective and Values »](#)
- [Maintaining Trust and Credibility »](#)
- [Being Ethical »](#)
- [Ethics Decision Tree »](#)
- [Governing State Fund »](#)
- [Communicating Openly and Honestly »](#)
- [Upholding the Law »](#)
- [Protecting and Respecting Information »](#)
- [Being a Responsible Member of the Workforce »](#)
- [Complying with our Corporate »](#)

Dear State Fund Colleagues,

I am proud of State Fund's commitment to integrity and ethics; to doing the right thing and to holding ourselves to a high standard of business and professional conduct.

State Fund's Code of Conduct reflects who we are. It embraces the values we carry out daily with each other, our clients, and our business partners. That's why the Code is so important and was created to reinforce the values that make State Fund such a great organization.

The Code serves as a tool to help us make the right decision when we encounter ethical issues we may come across.

The Code is a living document. Fresh ideas based on your survey feedback were incorporated into the Code this year. We updated the Code's language as well as clarified specific topics, including conflicts of interest and safeguarding protected information.

Going forward, you can expect to see more emphasis than ever placed on our Code, reemphasizing our commitment to trust, and speaking up without fear of retaliation. If you ever feel the Code is being violated, we ask you to speak up. We encourage you to talk with your supervisor or

