

Enterprise Compliance Services FY 2026-27 Work Plan Progress Report

The Enterprise Compliance Services (ECS) team is committed to strengthening the organization’s compliance and ethics framework to support resilience and integrity. This progress report outlines our current responsibilities and the status of key initiatives designed to mature the program and proactively manage compliance risks.

As of November 2026, we have completed two key initiatives and are on track to finish the remaining four by the end of the fiscal year.

Current Responsibilities

Our core responsibilities ensure compliance oversight throughout the year. The table below outlines our progress.

Core Responsibility	Description	Progress
Policy Management	Coordinates the annual policy review process. Administers the annual policy attestation.	<ul style="list-style-type: none"> • Launched the policy review process in July 2026. Policy reviews remain on schedule. • The 2026 annual policy attestation was completed with 100% employee participation.
Training and Awareness	Develops and delivers annual risk-based compliance training.	<ul style="list-style-type: none"> • Partnered with Public Affairs to implement the annual compliance education plan. • Development of the annual training began in October 2026 and is on target to be delivered to all staff in March 2027.
Monitoring and Reporting	Administers the Compliance & Ethics Hotline. Performs annual quality review of hotline data. Conducts annual compliance risk assessment. Performs policy compliance monitoring.	<ul style="list-style-type: none"> • Continuous administration of the Hotline with a focus on case manager and staff education. • Continuous monitoring of open cases. • Developing additional training for case managers to improve hotline data quality. • Completed two policy monitoring reviews.
Third-Party Risk Management	Administering the System and Organization Controls (SOC) reporting process.	<ul style="list-style-type: none"> • In July 2026, the ECS team launched the new SOC reporting workflow. • SOC report reviews remain on schedule.

Initiatives Progress

This table outlines the status of FY 2026-27 work plan initiatives supporting the ongoing improvement and maturity of the Enterprise Compliance Services program.

Key Initiative	Strategic Impact	Target Completion	Status	Progress
Transfer new-employee policy acknowledgment process from Human Resources	This process will continue to ensure timely onboarding compliance and accountability.	Q1	Complete	The new-employee policy acknowledgment process was transferred and implemented.
Implement a risk-ranked enterprise policy review cycle	Enhances risk management and resource allocation by prioritizing policy reviews based on risk exposure.	Q1	Complete	A risk-ranked policy review process was implemented. This process allows for a tailored review schedule that prioritizes high-risk policies for more frequent assessment while optimizing resources for lower-risk areas.
Implement Riskconnect software to streamline processes and gather analytics	Improves efficiency and scalability of compliance operations. Provides real-time insights.	Q2	On track	Customized Policy management module was implemented. The SOC and Monitoring modules are in progress.
Begin performing policy monitoring reviews, with a goal of completing three this fiscal year	Provides assurance and strengthens risk oversight.	Q3	On track	Successfully completed two policy compliance monitoring activities and has another one scheduled for early 2027. Results were reported to management.
Develop criteria for adding or removing System and Organization Controls (SOC) 1 and 2 reports to the enterprise processes	Ensures consistent and transparent control reporting.	Q3	On track	ECS is refining the SOC review process to align with the new third-party risk management framework, including criteria for when a SOC report is required.

Key Initiative	Strategic Impact	Target Completion	Status	Progress
Conduct annual quality review of Compliance and Ethics Hotline data	Strengthens organizational integrity by testing hotline system controls and ensure timely resolution of ethical concerns.	Q4	On track	ECS is reviewing CalSTRS needs, best practices and industry benchmarking in preparation for this initiative.

The Enterprise Compliance Services team has successfully transferred the new-employee policy acknowledgment process from Human Resources and implemented a risk-ranked enterprise policy review cycle that prioritizes policy reviews based on risk exposure. The team deployed the Policy Management module within Riskconnect and is currently progressing with implementing the Riskconnect Regulatory Compliance module to further streamline and enhance compliance operations.

These initiatives reinforce CalSTRS’ commitment to compliance and ethics by:

- Improving accessibility and understanding of policies
- Enhancing monitoring and reporting capabilities
- Integrating technology for efficiency and scalability
- Strengthening organizational resilience through proactive compliance management

Our work remains aligned with the **Society of Corporate Compliance and Ethics (SCCE)¹ guidance for an effective compliance program**, ensuring best practices and continuous improvement.

ECS remains committed to fostering integrity, promoting ethical practices, and encouraging a speak-up culture across the organization.

¹ SCCE is dedicated to enabling the lasting success and integrity of organizations worldwide by promoting high standards in compliance and ethics programs, nurturing a community of skilled compliance and ethics practitioners, and offering knowledge-rich educational opportunities. <https://www.corporatecompliance.org/about-scce>