



Compliance Plan

Introduction to the Compliance Plan of the Archdiocese of Indianapolis

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Overview

- I. Compliance Background**
- II. Elements of an Effective Compliance Program**

What is Compliance?

Compliance is a comprehensive program that helps institutions and their employees conduct operations and activities ethically; with the highest level of integrity, and in compliance with legal and regulatory requirements.



BENEFITS OF A COMPLIANCE PROGRAM

- To provide a framework for educating staff regarding the link between our mission and values and regulatory compliance;
- To provide programs and services in compliance with state and federal laws and consistent with the highest standards of business and professional ethics;



BENEFITS OF A COMPLIANCE PROGRAM

- To identify systems that are working well with the possibility of replicating those systems in other agencies throughout our system as well as to find and correct organizational weakness;
- To implement and document changes as proof of effectiveness;



BENEFITS OF A COMPLIANCE PROGRAM

- To communicate to employees Archdiocese's commitment to quality service, and a willingness to hear employee concerns;
- To promote ethical conduct;
- To promote a willingness to work collaboratively with auditors.

Why Have Organizational Compliance programs?

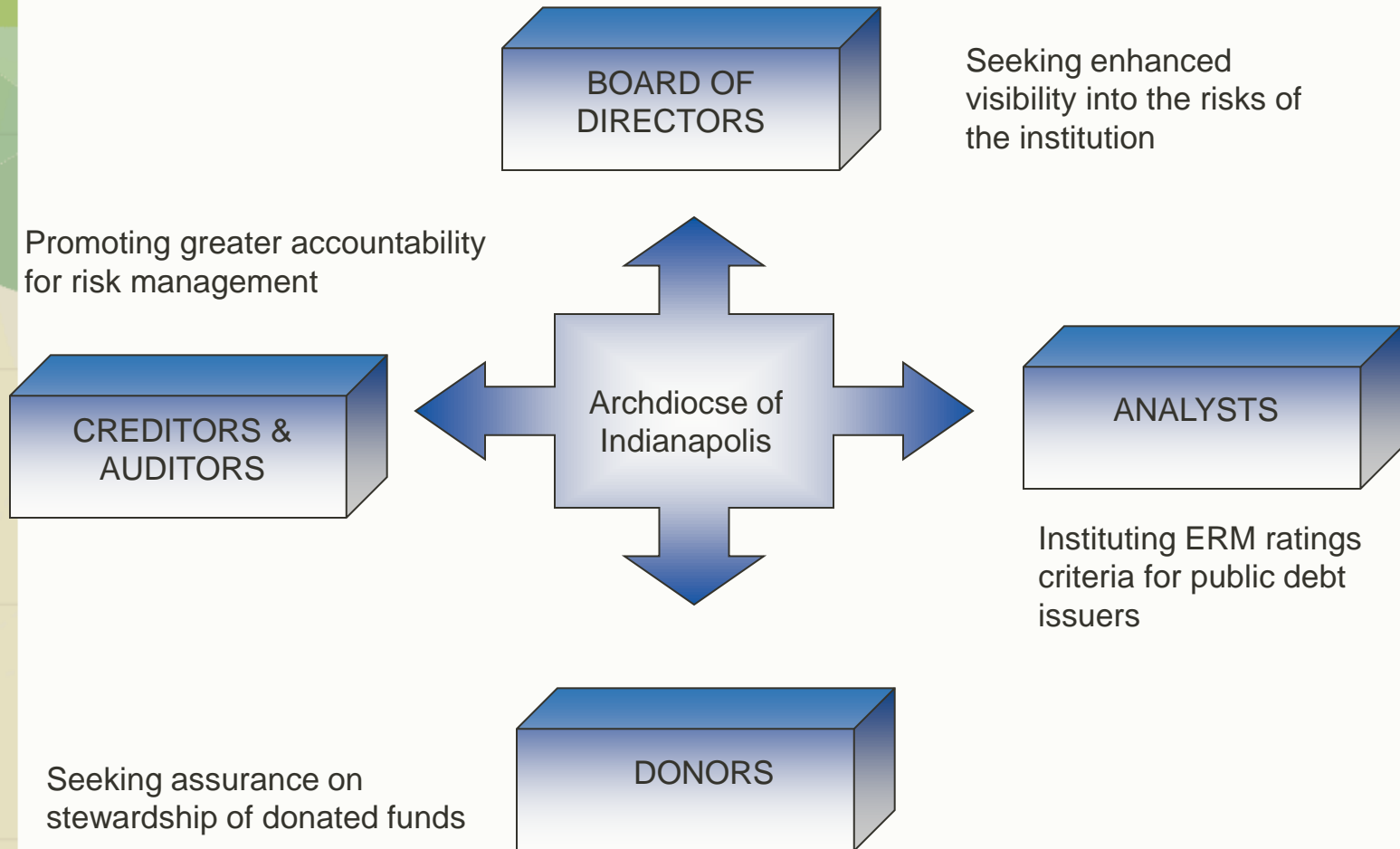
- ***Compliance Programs***
 - Fiduciary Responsibility
 - Federal Financial Reporting and Internal Control Standards
 - Legal and Regulatory requirements and organizational policies




Business Reasons For Developing Compliance Programs

- Foster a culture of ethics and compliance that is central to all of the institution's operations and activities.
- Understand the nature of risks and potential exposures.
- Identify and manage risks that impact the institution's reputation.

Why Are Compliance Programs Important?






II. Elements of an Effective Compliance Program

Twelve Elements of an Effective Compliance Program:

1. High level company personnel who exercise effective oversight and have direct reporting authority to the governing body;
2. Written policies and procedures;
3. Training and education
4. Effective Lines of communication- EthicsPoint

Twelve Elements of an Effective Compliance Program, Cont'd

5. Standards enforced through well-publicized disciplinary guidelines
6. Internal compliance monitoring through violation detection and investigation
7. Response to detected offenses (including remediation of harm caused by criminal conduct) and corrective action plans (including assessment and modification of the compliance and ethics program); and
8. Periodic Risk Assessments



Twelve Elements of an Effective Compliance Program, Cont'd

9. Evaluation of Effectiveness Compliance Plans
10. Development of an Annual Work Plan
11. Disciplinary action for Non- Compliance
12. Whistleblower Provisions and Protection

Implementation

- Compliance Committee - will be comprised of representatives from across Archdiocese.
- Corporate Compliance Officer (CCO) - reports to the Vicar General and the Policy Procedures and Legal Matters Committee Meeting.

Compliance Committte Responsibilities

- The Committee is responsible for:
- Reviewing and/or investigating non-compliant conduct that is referred to the Committee;
- Identifying responsible persons for the implementation of Action Plans, Standards and Processes in the remediation of compliance issues;

Compliance Committte Responsibilitie

- Recommending compliance responses including Action Plans, Standards and Processes and developing documents such as the Annual Work Plan, Code of Conduct and other written materials related to corporate compliance;
- Recommending need areas for training existing and new employees in compliance matters;



Compliance Committte Responsibilitie

- Reviewing corporate compliance trends;
- Recommending and monitoring the development of internal systems and controls to ensure compliance.

Archdiocesan Compliance Officer

- The Archbishop will designate an individual with expertise in regulatory compliance and project management as the Archdiocesan Compliance Officer. The Compliance Officer position reports directly to the Vicar General.

Archdiocesan Compliance Officer

- Has the overall responsibility for day to day operations of the compliance program.
- Facilitation of ongoing Compliance Committee meetings.
- On an annual basis, create a Diocesan wide Compliance Work Plan.

Archdiocesan Compliance Officer

- Act as a resource for Secretariats and the Boards of Directors of incorporate agencies, the Corporate Board of Director, and staff.
- Facilitate annual review and modification (as needed) of policies and procedures.
- Assist in the identification, standardization, and/or creation of additional required or desired policies and procedures.

Risk Identification

- **Process Flow Analysis**
 - Regulatory analysis
 - Responsible Officers
- **Event Inventories**
 - Organizational History
 - External Context (Stakeholder expectations)
 - Events Common to Industry
- **Interviews, Questionnaires, Surveys**
- **Facilitated Workshops**
- **Leading events and escalation triggers**

Risk Assessment

- Inherent Risk
 - Strategic
 - Operational
 - Financial
 - Compliance
 - Reputational

- Residual Risk
 - Risk after accounting for current internal controls

Compliance Risk Analysis

1. Organizational Context: What are the organization's objectives, structure and operations?
2. Risk Identification: What are the possible risk events your organization faces?
3. Risk Assessment:
 - What is the likelihood of the risk event happening?
 - What is the potential impact of the risk event?
4. Risk Evaluation- Having assessed the risks:
 - What is your organizations "appetite" for risk?
 - What are the most important risks to address?

Compliance Risk Analysis

5. Risk Treatment: What steps must be taken to mitigate the risks Identified?
6. Monitoring, Review and Corrective Action,
 - Are internal controls working effectively to mitigate risk?
 - Is there any corrective action needed?
7. Communication: Throughout the Organization

Risk Response

- Avoidance
- Reduction/Mitigation (Internal Controls)
- Sharing (e.g. Insurance)
- Acceptance
 - Crisis Management Plans
 - Business Continuity Plans
 - Other Operational Plans
 - Development of new policies/procedures

Next Steps

- Organizational/Process Controls (i.e. separation of duties)
- Documentation - written policies and procedures
- Training
- Audit Reports
- Security and Integrity

Next Steps

- Written Policies and Procedures
- Training and Education
- Lines of Communication
 - *Hotlines and Whistleblowers*
- Standards enforced through well-publicized disciplinary guidelines
 - *Codes of Conduct*

Phase I

Task	Month 1	Month 2	Month 3	Month 4
Communicate concept to Vicar General and Chancellor	Completed			
Draft of outline of a Compliance Program	Completed			
Appoint Work Group	Completed			
Work Group Organization		X		
Discuss General Risk Assessment		X	X	
Develop Compliance Objectives and prioritize risk areas			X	
Define job of Chief Compliance Officer (CCO)			X	
Select/ Recruit CCO				X
Develop specific Policies				X
Develop Compliance Manual			X	X
Establish Annual Work Plan Objectives				X

Phase II

Task	Month 5	Month 6	Month 7	Month 8
Education of Leadership and Commitment	X			
Finalize composition of Compliance Committee and Committee Education	X			
General Introduction to Employees		X		
General Education and Implementation of Communications Plan		X	X	
CCO and Committee begins addressing Compliance Issues			X	
Implementation of Documentation Systems				X
Establish Investigative and Follow up procedures				X
Establish Annual Work Plan Objectives				X

Phase III

1. On-going Response to Reported Violations and Compliance Inquiries. .
2. Evaluate Program Effectiveness.
3. Amend Compliance Manual and Policies as necessary.
4. On-Going Risk Assessment.
5. Identify Compliance Resources
6. On-Going Training and Education in Identified Risk Areas.



Questions?