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University-wide Compliance Assessment – Phase I Results

WRIGHT STATE
UNIVERSITY

August 2015

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Risk & Business Consulting.
Internal Audit.

This report reflects the results of the Phase I effort (the assessment phase). Refer to separate report dated December 2015 for Phase II results (recommendations phase).

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Executive Summary

Wright State University (WSU) engaged Protiviti to perform an assessment of WSU's compliance programs to analyze and document the current state of University-wide compliance. This did not include an assessment with any specific law or regulation, but rather was an assessment of University-wide compliance. Compliance documentation was obtained and analyzed and interviews were conducted with targeted business owners where significant compliance activities reside. The following themes were identified based on the procedures performed:

- **Compliance Responsibility and Accountability is Not Clearly Defined:** Institutional knowledge of compliance lies within individual departments and with staff managing compliance in those departments; compliance is decentralized. Responsibility and accountability for compliance is intuitively known but not clearly outlined or defined at the institution. Staff generally do not have a clear line of authority related to compliance, but are generally encouraged to do the "Wright" thing.

- **Risk Assessment Methodologies and Tools to Support Compliance are Limited:** No formal risk assessment process exists. Standardized tools for on-going compliance and reporting to leadership and the Board of Trustees is minimal. No common language of risk and compliance exists throughout the university. University tenure and experience within higher education drive basic compliance efforts, which are often slow and hard to get things done.

- **No Defined Process to Escalate Compliance Matters:** Tone at the top generally encourages "doing the Wright thing" but additional support and focus around compliance could improve awareness of compliance issues. Protocols for escalating compliance concerns are not clearly defined and reliance is placed on staff "just knowing what to do". Staff responsible for compliance fall several layers below senior leadership and escalation of compliance issues may be inhibited or delayed without more direct reporting.

- **Compliance is Not Discussed Regularly:** Awareness of compliance amongst faculty, staff, students, and administrators is limited and very few people have compliance in their job responsibilities. Compliance issues do not appear to be discussed on a regular basis. Additionally, while performance evaluations are becoming increasingly emphasized, compliance responsibilities are not typically included in those evaluations. Training resources are generally available, but compliance training is not typically a top priority.

- **Lack of Policies Supporting Institutional Compliance:** Policies and procedures around compliance exist within select departments but are not regularly maintained or kept current. The Wright Way policies provide a good framework and process to establish a University-wide foundation for a strong compliance environment, but the process is perceived to be slow and inconsistent to navigate.

- **Monitoring Activities:** Although monitoring activities exist in certain highly regulated areas, they are not consistent throughout the University. Reliance is primarily placed on audits by third parties for monitoring and change management. Findings are generally seen as opportunities to motivate change as the status quo (we have always done it this way) is typically hard to change. Internal audit is independent, but it does not appear that compliance is a main focus. Internal Audit could improve its monitoring of compliance risks and objectives with more specific compliance testing.

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Background, Objective, and Scope

Background

Wright State University (WSU) is a public, research institution accredited by the Higher Learning Commission. Located in Dayton, Ohio, the University has a current enrollment of approximately 18,000 undergraduate and graduate students pursuing a degree at one of its eight distinct colleges and three schools.

At WSU, there are multiple core compliance areas of responsibility, from endowment funding to environmental health and safety and everything in between. Compliance departments are subject to periodic reviews by internal and external audits as well as from federal and state agencies. Compliance activities at WSU are generally decentralized with limited cross-functional coordination across departments.

In the wake of recent events of non-compliance at prominent higher education institutions, there is increased focus across the industry around institutional compliance. As a proactive measure, WSU's leadership engaged Protiviti to evaluate University-wide compliance and provide recommendations for enhancing overall compliance activities at the University.

Objective and Scope

Protiviti was engaged to perform an assessment of WSU's compliance programs to analyze and document the current state of University-wide compliance. The scope included a selection of processes with significant compliance responsibilities and/or activities subject to regulatory or external agency requirements. The assessment was not an audit and was not intended to evaluate the effectiveness or controls of any single law, regulation or compliance area. Rather it was an assessment of the compliance process taken as a whole.

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Compliance Assessment Approach

Approach

To accomplish the project objectives and scope, the following procedures were performed:

- ✓ Identified areas with significant compliance aspects at WSU.

- ✓ Interviewed key personnel with compliance responsibilities to gain an understanding of current state compliance activities.

- ✓ Obtained and reviewed existing compliance documentation (e.g., policies, procedures, reporting, tools, people, and organization structure).

- ✓ Utilizing information received from detailed discussions and documents received, arrived at overall maturity using the Compliance Management Capability Maturity Model matrix*.

- ✓ Identified University-wide improvement opportunities based on the assessments performed in the individual compliance areas.

Limitation

- ✓ The assessment was a design assessment only based on targeted interviews and documents provided by process owners upon request.

- ✓ The assessment was not an audit. Accordingly, tests were not performed to validate statements made by process owners or documents provided.

- ✓ This assessment provides the Board of Trustees and WSU leadership with information about the condition of the compliance program at one point in time (August 2015). Future changes in environmental factors and actions by personnel may significantly impact these assessments in ways we did not and cannot anticipate.

Refer to the Appendices for definitions of the Infrastructure elements and Maturity levels

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Core Compliance Areas of Responsibility

Areas with significant compliance aspects were reviewed as part of this assessment including:

- ✓ Athletics
- ✓ Campus Safety/Cleary Act
- ✓ Environmental Health & Safety
- ✓ Faculty and Staff Affairs, including Title 9
- ✓ Financial Aid
- ✓ Financial Reporting Controls

- ✓ Human Resources
- ✓ IT & Information Security
- ✓ Registrar & Academic Integrity
- ✓ Research Compliance
- ✓ Research & Graduate School Program
- ✓ WSU Foundation & University Advancement

Additionally, key personnel at WSU involved with supporting compliance from a University-wide level were consulted and contributed to the overall assessment including:

- ✓ Board of Trustees
- ✓ Senior Leadership
- ✓ Internal Audit

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Compliance Management Capability Maturity Model – An Introduction

Compliance Management Capability Maturity Model (CMM)

✓ The CMM defines the state of a compliance process using a common language which is based on the Carnegie Mellon Software Engineering Institute Capability Maturity Model and the compliance infrastructure elements necessary to manage compliance objectives.

✓ The CMM describes an improvement path from an ad-hoc, immature process to a mature, disciplined process focused on continuous improvement.

✓ The CMM consists of a continuum of five process maturity levels, enabling process owners to rate the state, or maturity, of a given process as Initial, Repeatable, Defined, Managed or Optimized.

Key Concepts

✓ Maturity levels should not be viewed as grades or that lower ratings are inherently undesirable or inappropriate. The objective of this process is to identify the current state, and where improvements are considered appropriate, provide clarity regarding what the next level of compliance looks like.

✓ Achieving a higher level of maturity may require trade-offs in the form of increased resources and/or reduced operational efficiencies. For this reason, reaching the Optimized (or even Managed) level is not necessarily reasonable or desirable for every process.

✓ Significant investment in people, process, and technology is typically required to achieve an optimized state. This level of maturity is more typical in highly regulated industries, such as financial services or healthcare organizations. Within the higher education industry, achieving an optimized state is rare, and perhaps unrealistic.

✓ Improvement from one maturity level to the next requires time and resources. Improvement is typically achieved one maturity level at a time.

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Compliance Assessment Summary – Analysis

✓ Using the CMM, analysis was performed for each core compliance area of responsibility against the six key areas of infrastructure from the maturity model:

- Organizational Structure and Accountability

- Requirement Identification

- Risk Assessment

- Standards and Controls

- Training

- Monitoring and Remediation

These key areas of infrastructure are considered necessary for the Compliance function to perform effectively.

✓ Results for each core compliance area were then aggregated to formulate a single composite maturity for each element. This analysis provides a baseline for current state evaluation as well as opportunities to improve compliance management at WSU.

✓ For results of the current state compliance assessment and level of maturity, refer to page 9.

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Compliance Assessment Summary –
Key Observations

Several key observations were identified through discussions with business owners which have been summarized below. These observations represent opportunities for WSU leadership to enhance the University's compliance program as it strives toward a stronger University-wide compliance environment.

Organizational Structure and Accountability
- Responsibility for compliance at the Board of Trustees level is in the process of being formalized. Currently no Committee-level reporting of compliance or regular University-Wide or department level reporting exists.
- A formal compliance reporting structure does not exist. Informal reporting relationships have developed in its place and reporting of issues is based largely on trust and doing the "Wright" thing.
- Compliance ownership and responsibility is generally not at a strategic level and compliance issues do not appear to have a standing agenda with Senior Leadership. Involvement of General Counsel in compliance related decision-making appears inconsistent.
- Compliance does not appear to be a clearly stated component of process owners responsibilities and may not be documented in job descriptions.

Requirement Identification
- A documented and comprehensive list of compliance requirements within each compliance area generally does not exist. Requirements are generally identified by knowledgeable personnel within each department.
- Regional coordination with other State of Ohio institutions is encouraged, especially in highly regulated compliance areas. National participation is limited based on budget and time constraints.

Risk Assessment
- No University-wide risk assessment methodology or process exists, most compliance areas do not perform formal or informal risk assessments.

Standards and Controls
- Policies and procedures are inconsistent across the institution. The Wright Way appears to be a good foundation for high level standards and policies, but may not be promoted effectively and is inconsistently updated. Controls are generally manual and detective in nature.

Training
- Training mechanisms and tools vary across the University. There are multiple training delivery and tracking tools in the various departments and there may be opportunities to leverage and centralize to promote consistency and cost effectiveness.
- Required training is considered mandatory, but is not enforced on a regular or consistent basis.

Monitoring and Remediation
- Compliance monitoring is generally restricted to required audits by external sources, but are generally welcomed as opportunities for change.
- Select highly regulated areas have consistent monitoring; however within other areas, if monitoring exists, is performed as time allows or as issues are identified. There is no centralized tracking or follow-up of known compliance risks and findings/issues.
- Internal audit does not appear to include sufficient compliance objectives in their audits to provide adequate monitoring control for the University.

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University-Wide Compliance Capability Maturity Model

Capability Maturity (vertical axis, top to bottom):
- Optimized
- Managed
- Defined
- Repeatable
- Initial

Current State bar positions:
- Organizational Structure and Accountability — Repeatable
- Requirement Identification — Repeatable
- Risk Assessment — Initial
- Standards and Controls — Defined
- Training — Repeatable
- Monitoring and Remediation — Initial

Infrastructure Elements

Organizational Structure and Accountability	Requirement Identification	Risk Assessment	Standards and Controls	Training	Monitoring and Remediation

Current State Compliance Attributes

Organizational Structure and Accountability	Requirement Identification	Risk Assessment	Standards and Controls	Training	Monitoring and Remediation
• Compliance decentralized • No University-wide oversight or coordinating function exists • People generally encouraged to do the "Wright" thing	• Inventories of requirements generally managed informally by department • Scope and effectiveness of change management practices vary	• No University-wide risk assessment framework or methodology exists • Certain Departments perform externally required risk assessments or analyze emerging risks based on external influences	• Robust, yet inconsistent, Wright Way Policy process • Other policies, procedures, and guidelines are managed by individual lines of business (LOB) • Design of LOB compliance processes generally sound	• Training generally managed by individual Departments. • No unified training delivery platform or University-level tracking of compliance.	• Most Departments are doing some proactive quality assurance, but do not have effective monitoring processes in place • Remediation activities are mainly based on external findings

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Department Compliance Management Average CMM *

Capability Maturity

Optimized (5)						
Managed (4)	3.17	2.83		2.42	2.58	2.42
Defined (3)						
Repeatable (2)			1.58			
Initial (1)						

Infrastructure Elements

Organizational Structure and Accountability	Requirement Identification	Risk Assessment	Standards and Controls	Training	Monitoring and Remediation

	Organizational Structure and Accountability	Requirement Identification	Risk Assessment	Standards and Controls	Training	Monitoring and Remediation
Strengths	• Compliance ownership within the departments is taken seriously, even in situations where accountability is not clearly defined. • Perception of tone at the top varies, but is generally considered to be supportive.	• Compliance personnel have a general understanding of the compliance requirements within departments. • Personnel make judgment decisions based on prior experience with requirements. • Compliance personnel network with colleagues throughout their networks to discuss best practices and impending compliance requirement changes.	• Staff rely upon tenure and experience to intuitively assess risk in their departments. • Examples of informal analysis of emerging risks exist in a few of the departments.	• High level polices called Wright Way policies exist and provide an initial foundation for University wide policies. • A set of policies and procedures below the Wright Way policies support compliance objectives for several departments, especially those that are more highly regulated.	• Staff responsible for compliance are creative with regard to training and create an environment in which training is encouraged, even if formally required. • Continuing education necessary to support mandatory certifications are generally supported.	• Required audits by external sources occur as scheduled and are generally positive with limited findings. • Audits performed by external sources are generally viewed as improvement opportunities by process owners and action items are considered positively.
Improvement Opportunities	• Management of compliance is isolated within departments. Cross-functional coordination or interaction could improve consistency and visibility. • Compliance relies upon a limited number of employees and a significant institutional knowledge gap could result if current staff are not retained. Centralization of compliance could help bridge this gap. • An additional or alternative reporting structure that includes the Board of Trustees and resources external to the department could lead to increased accountability and focus.	• More formal documentation related to the compliance process could lead to increased focus on compliance objectives. • Documentation linking specific compliance objectives to business processes and controls could provide more effective compliance risk identification. • A more defined requirement identification process could prevent reliance on key individuals for compliance. • A more formal connection between staff accountable for compliance and General Counsel could strengthen communication and awareness.	• Implementing a formal risk assessment process could lead to increased ability to assess compliance. • Formal identification of compliance risks could lead to issue prioritization. • Quantitative risk ratings across the institution could lead to more consistent compliance standards. • Formal risk-based reports could increase accountability for compliance objectives.	• Wright Way policies do not typically address compliance objectives or accountability. • Although policies and procedures exist on several levels, they may be out of date. Consistent and periodic evaluation and revision of existing policies and procedures could lead to more current and relevant compliance documentation. • An increased focus on preventative controls instead of detective controls could lead to more proactive compliance.	• Development of required role-based training across the institution could establish a universal standard for employees to meeting training objectives. • A centralized system for the formal tracking and monitoring of compliance training could identify employee training deficiencies and cross-training opportunities. • A required annual compliance training agenda could increase awareness of key compliance objectives.	• A formal, risk-based monitoring program could lead to a more quantitative and defined process for monitoring compliance objectives and reporting deficiencies to senior leadership and the Board of Trustees. • Increased communication and promotion of anonymous reporting hotlines could result in more awareness and proactive reporting of potential compliance issues. • More robust testing of compliance risks and objectives by internal audit could improve reliance consistent with IIA Three Lines of Defense model.

* Refer to the Appendices for definitions of the Infrastructure elements and Maturity levels

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Key Themes that May Affect Compliance

Additional key themes that may affect compliance, but not be directly connected to compliance, were identified from discussions with business owners and summarized below. These observations represent additional opportunities for WSU leadership to enhance the University as it strives toward a stronger University-wide compliance environment.

Organizational Structure
- Though currently being evaluated for change, many believe the Provost operating model may not be sustainable as the organization continues to grow. The Provost role as both the Chief Academic Officer and the Chief Operating Officer may be too large for any one person.
- Several departments discussed challenges in collaboration, especially around the area of compliance, as their department may not be aligned with similar or complimentary units.
- Several departments discussed challenges related to operational effectiveness as they may not have leaders with experience in their area.

Overall awareness of Code of Conduct and Anonymous Reporting Lines
- A code of conduct exists in the Wright Way policies, but awareness is low and there is no training outside of employee orientation upon hiring.
- Anonymous reporting hotlines exist, but are not centrally managed, are not objectively monitored, and do not appear to be promoted effectively.

Enterprise Risk Management (ERM) and Emerging Risks
- Departments were generally aware of emerging risks in their area, but expressed that analyzing and responding to these risks was not always a priority.
- ERM was mentioned by several interviewees as an area that, similar to compliance, was not currently being addressed centrally. Additionally it is not clear if internal audit risk assessment methodology is sufficient to leverage across the University.

P-Card Spending and Contract Signature Authority
- Spending, and more specifically P-Card spending, was raised as a very decentralized and difficult area to control.
- Concerns related to the Signature Authority Matrix, more specifically related to contracts, was also a concern noted by departments.

Budgeting and Accountability
- The budgeting process as a whole was noted as an area for immediate improvement.
- The ability of the organization to hold itself accountable to the budget it creates, and the ability of the organization to respond to changing factors and opportunities in its environment were also noted.

Growth Challenges
- Several departments noted that there was a tendency to change slowly, and that many people just continued to do things the way that they have always been done, without challenging the status quo.
- People generally described the organization as relatively new, and still a "mom and pop" shop that needs to take additional steps to evolve and innovate appropriately. This may have contributed to the increased variability in the overall assessments at the Department level.

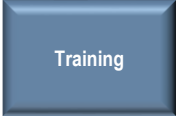**protiviti**®

Suggested Next Steps

- ✓ Further analyze results from compliance assessment to determine desired state of compliance maturity.

- ✓ Leveraging results from the University-wide compliance assessment, collaborate with business owners and senior leadership to develop recommendations for improvement.

- ✓ Evaluate the current organizational structure and assess alignment with recommendations.

- ✓ Identify potential changes to the organizational structure, including reporting lines and responsibilities to align with recommendations.

- ✓ Obtain 'buy in' from key stakeholders, including senior leadership and Board of Trustees, on recommendations and potential organizational structure changes.

- ✓ Create an implementation roadmap, change management plan, and supporting budgets (as necessary) prioritizing efforts and estimated implementation timeframes.

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Appendices

Appendix A – Infrastructure Elements

These key areas of infrastructure are considered necessary for the Compliance function to perform effectively.

Infrastructure Element	Key Descriptions of Infrastructure Elements
Organizational Structure and Accountability	Key tasks are assigned to people with the requisite knowledge, skill, and expertise. Roles and responsibilities must be defined and delineated. • Reporting structure • Accountability • Tone at the Top
Requirement Identification	In order to be efficient and effective, identified compliance requirements must be aligned with business processes . • Identified • Integrated • Documented
Risk Assessment	In order for management to make informed decisions, a formal risk assessment is required. • Be prepared with appropriate frequency • Consistent across compliance functions • Capture risks succinctly and highlight key information for decision-making
Standards and Controls	Standards and controls provide key company stakeholders with a common understanding and a key set of guidelines. • Objectives • Policies, Procedures, Guidelines, etc. • Control structure
Training	Training is essential to the development of people and the compliance function. • Internal training • External training • Tracking and monitoring of training
Monitoring and Remediation	Monitoring and Remediation should: • Report compliance activities and exceptions • Provide relevant, accurate, and timely information related to monitoring activities • Update management on activities to fix known failures

Together the Infrastructure Elements and CMM provide a concise view of process effectiveness

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Appendix B – Key Characteristics of CMM

Compliance Management Capability Maturity Model (vertical axis label, upward arrow)

Description	Key Characteristics of CMM
Optimized *Continuous Improvement*	Management of compliance is a source of competitive advantage • A centralized compliance function that provides consistent excellence • Compliance is aligned with overall strategy and culture • Tone at the top is consistently communicated and reinforced • Emphasis is placed on continuous improvement
Managed *Quantitatively Managed*	Management of compliance is quantitative and aggregated University-wide • Rigorous compliance management elements are applied to University-wide risks • Fact based debates on the risk / reward trade off for implementing further compliance activities • Processes are monitored with automated controls and managed by exception • Thorough cross-training and a fully integrated infrastructure that is not dependant on key individuals
Defined *Qualitatively Managed*	Compliance measures and management is primarily qualitative • Uniform compliance management elements are defined and institutionalized • Compliance management infrastructure elements are in place but still require improvement • Ownership is defined and accountability is enforced
Repeatable *Intuitively Managed*	Compliance management processes are established and repeating • Response effectiveness relies on quality people assigned to tasks • Initial compliance management infrastructure elements are developed • Standards are inconsistent and controls are largely manual and detective
Initial / Ad Hoc *Dependant on Heroics*	Compliance management efforts are dependant on individuals and "fire fighting" • Limited or incomplete infrastructure to manage compliance • Compliance response effectiveness is ad hoc and incorporates undefined tasks • Reliance on key people and their initiative • "Just Do It" mentality

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Appendix C – Compliance Management Capability Maturity Model

Compliance Management Capability Maturity Model

	Organizational Structure and Accountability	Requirement Identification	Risk Assessment	Standards and Controls	Training	Monitoring and Remediation
Optimized *Continuous Improvement*	Employees maintain a proactive view of identifying potential compliance issues across the organization. Compliance with regulations is a skill developed in all employees, not just those with a compliance role. Reporting lines allow for clear and consistent decision making. Tone at the top is clear and embedded in the organization.	Requirement identification and compliance processes are fully integrated across the organization. Proactive management of potential compliance issues is possible due to process consistency, automation and transparency.	Management reviews and actively seeks to reduce the residual risk ratings of each identified compliance objective based on University-wide controls. Leadership is able to access quantitative data and reports allow for proactive identification of potential compliance issues and trends.	Organization-wide standards and controls, including policies and procedures, for maintaining compliance objectives are focused on continuous improvement. Controls are systemic, and an emphasis is placed on proactively identifying and managing potential compliance issues.	University-wide training is provided to key Compliance personnel regarding organizational goals and industry leading practices. Compliance personnel are expected to continually enhance their Compliance Programs.	Standardized assessments of compliance objectives are conducted in accordance with a documented, risk-based approach. Reviews are centrally-performed to evaluate compliance and are shared with management and the Board and tracked through to resolution.
Managed *Quantitatively Managed*	The requisite knowledge, expertise, and experience are in place to manage compliance objectives. Experienced personnel apply judgment to potential concerns. Strong reporting and accountability is in place and enforced consistently. Tone at the top is consistent.	Compliance processes include requirement identification and are integrated with core business processes. Processes are reviewed periodically and adjusted to meet changing regulatory, business and educational requirements.	Management has assigned consistent risk ratings to compliance objectives as a documented, standardized consideration of internal controls and residual risk. Leadership has ability to report some quantitative data that assesses overall compliance and historical trends.	Policies and procedures are up to date and reviewed regularly to meet changing objectives and standards. Control objectives are preventative in nature and have a cross functional perspective. Controls are reviewed and tested regularly.	Compliance training is formally provided to operational personnel in accordance with an individual training needs assessment or plan. Monitoring and tracking is performed for attendance as well as comprehension of materials.	Business activities are monitored for internal policy and compliance objectives. Reviews may leverage monitoring work performed directly by the organizations. Results of reviews are documented and shared with management and the Board.
Defined *Qualitatively Managed*	Accountabilities at all levels are clearly stated for ensuring ongoing compliance objectives. Management has established a formalized accountability program to identify, and remediate deficiencies, including defining employee accountability. Tone at the top has been communicated to everyone.	Requirements are defined and compliance processes are documented consistently across organizations to address requirements. Processes do not depend on specific individuals to successfully execute. Additional process improvements may still be needed.	Management has a defined process and considers risk based on approved criteria. Standard reports with defined risk language are communicated regularly and prioritizes compliance objectives accordingly. Reports are generally qualitative in nature and include a historical element.	Policies and procedures are defined and controls are in place for maintaining compliance with objectives. Policies and procedures are generally uniform across the organization and identify specific controls, although improvements may be required. Controls are largely detective in nature.	Annual training programs are provided in addition to new employee training. Attendance at compliance training sessions, or completion of compliance training courses, is monitored and tracked systemically. Employees may also be encouraged to develop training programs, as well as attend external training.	Formal monitoring occurs and management responses to identified compliance deficiencies are required. Formalized follow-up procedures are performed to ensure appropriate implementation of corrective action in an effective and timely manner.
Repeatable *Intuitively Managed*	Ownership of compliance is inconsistent. Responsibilities and roles are mostly understood and people are generally held accountable. Responsibilities for meeting compliance objectives may overlap. Enforcement is inconsistent and tone at the top is unclear.	Processes for maintaining compliance with regulations and standards are in place, but largely undocumented. Processes and controls remain inconsistent and highly manual. Responsibilities are defined for some processes but are not organization wide.	Compliance risks are intuitively assessed and documented. Reports for meeting compliance objectives are consistent and are likely created manually. Historical reporting is possible.	High level policies for maintaining compliance with objectives exist. Controls are manual and repeating, although they may not be consistent across the organization or documented. Informal policies are being followed in the absence of formal policies.	Compliance training is provided to operational personnel on an ad-hoc basis, generally at the beginning of employment, as time permits or in response to external regulatory recommendations only. Completion of compliance training courses may be manually monitored and tracked.	Compliance reviews occur as time and resources permit, or based on external reviews. The results of compliance reviews are documented, though the root cause, corrective action and accountability may not be documented. Results may be shared with management.
Initial / Ad Hoc *Dependant on Heroics*	No formal organizational structure exists to ensure compliance objectives are met. A "just do it" mindset persists and firefighting is common to fix issues identified. Reporting lines across functions are vague and there is very little accountability or enforcement. There is no tone at the top.	Few formal, consistent processes are in place for managing compliance with regulations and standards. Most processes rely on a few key people to successfully execute. Processes are undocumented and reactionary.	Compliance risks are not defined, assessed or documented. The reporting process is informal, manual, inconsistent and/or not timely. Reports are ad hoc and not developed to proactively track potential information requests or regulatory examinations.	Policies and procedures for maintaining compliance objectives and standards are undocumented, inconsistent and/or unclear across the organization. Controls do not exist and compliance objectives are dependant on people doing the right thing.	Compliance training is not provided or may be informally provided to operational personnel as time permits. Completion of compliance training courses, is inconsistently monitored and tracked.	Key business activities may be inconsistently or informally monitored for compliance objectives. Formal documentation of review procedures does not exist. Reviews are not prioritized by risk and a formal review schedule does not exist.

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