

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Division of Audit & Compliance Committee  
Date: Wednesday, June 6, 2018  
Time: 1:30 PM**

***Location: The Grand Ball Room***

**AGENDA**

- |                  |                     |
|------------------|---------------------|
| I. Call to Order | Chair Craig Reed    |
| II. Roll Call    | Debra M. Barrington |

**ACTION ITEMS**

- |  |                |
|--|----------------|
| III. Approve Minutes – February 20, & March 8, 2018                | Richard Givens |
| IV. Approve Compliance Program and Update on Compliance Activities | Rica Calhoun   |

**INFORMATION ITEMS**

- V. Report Follow Up to Audit Findings
- VI. Report on Status of Major Projects
  - a. Review of Rattler Boosters Financial Records
  - b. Update – Athletic Reviews
  - c. Update – ERM Project
  - d. Update – Operational Audit

**Adjournment**

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Audit & Compliance Committee Meeting**

**Date: Thursday, March 8, 2018**

**Time: 9:30 AM**

**Committee Minutes**

**Members Present:** Trustee Craig Reed, Vice Chair (Absent)  
Trustee Harold Mills, Trustee Belvin Perry, Jr., (Chair)  
Trustee Robert Woody (Absent)

Debra Barrington, called the roll. Did not have a quorum.

**Action Items**

Trustee Belvin Perry, Jr., Vice Chair, called the meeting to order. Chair Perry shared that we will go ahead and take the reports and refer any actions until the full Board meeting. Chair Perry requested the approval of Attorney Linda Barge-Miles to proceed with the meeting, as she agreed for the meeting to proceed. Chair Perry continued by sharing, we have only one action item and no informational items. This action item deals with the DSO Audit Reports for the Foundation, the Alumni Association and Rattler Boosters. Chair Perry acknowledged taking the opportunity before VP Givens present his report to thank Trustee Dortch for a fine work done; dealing with the Boosters. Trustee Dortch brought that in for a good landing and the work for quite a while. We all know the reports and corrective action plans were sent to all Board members.

Vice Chair Perry recognized that VP Givens proceed his report.

VP Givens started with good morning to Vice Chair Perry and the Board. The University requirements calls for all of the Direct Service Organization to have annual audits and management letters. We are covering today the audit reports for fiscal year ending in June 30, 2017. We have received the reports for all three (3) DSO's for that period; just a brief overview of what we had in the audit reports. The Foundation and the Alumni Association both had unmodified opinions; however, the Boosters received a disclaimer opinion on the financial statements due to inadequate records being provided for an audit. As far as the report on internal control or any efficiencies for internal reporting over financial reporting the Foundation had no deficiencies. The Alumni Association and the Boosters both received findings related to the financial reporting and as far as compliance none of these DSO's received non-compliance findings and all three (3) received management letter comments; just a brief overview of the management letter comments that were received in the current status of the corrective actions. The Foundation had two (2) findings; one related inadequate separation of duties related to certain functions that were performed that has been since corrected, and then the second finding related to methodology used to allocate endowment activity. The corrective action plan submitted by the Foundation indicated that this issue was being researched and that they were trying to purchase some software that would fix the issue.

Vice Chair Perry asked VP Givens if he had a timeline as to when they think they would have this accomplished.

VP Givens shared we do not have a timeline. What we do is follow up with the Foundation why they're doing the research to fix the problem and what are they going to do in meantime so that they will not have the finding for this next year. Vice Chair Perry shared thank you that VP Givens may continue.

VP Givens proceeded with the Alumni Association received one finding related to the reconciliation of their bank statements; the reconciliations were not being done timely. They haven't caught the reconciliation up-to-date; they are now keeping them up-to-date so that has been corrected. The Boosters received a number of findings the most important ones related to the inadequate records that maintained had a to do a lot with the situation that happened with the former executive director and office manager left their records were not provided so there were no continuity when the new executive took over. So the auditors would not provide records for the audit purposes. The major findings had to do with the inadequate records that were kept so that the Auditors didn't have the records they needed to actually perform the audit. One of the main issues they had when that happens is that it's hard to determine whether or not they have complete transactions. They were able to get Bank Statements that provided all the Bank activity but would not include other issues related to receivables and that relates to the second major issue they had was the receivable records which primarily relate to the membership dues. The auditors were not able to determine whether not the amounts actually deposited in the Bank during the year related to collection the prior year receivables or whether they were current year revenues; or whether or not they related to membership dues or maybe should be deferred. So those were two (2) major issues that were found. There were other issues pertaining to the separation of duties and inadequate documentations supporting deposits, receipts, disbursements and it didn't maintain some liability insurance that it should have maintained. There were quite a few findings related to this and because of the situation the Boosters were in most of the year, we decided we would take a look and see where they stood as far as maintaining the records for 2017-18. That project is in process we have looked at it, we feel like the records are there that can be audited for the 2017-2018 year so that we will not face this situation for the current year. We will be working with the Rattler Boosters and the Boosters Audit Committee as well to be sure that they are following up on these issues. At the end of the year everything should be in must better shape.

Trustee Mills, yesterday in the DSO Committee Meeting, Trustee Dortch talked with us about how in terms of new organization they have been putting a lot of the controls in place; first we kind of gotten the Rattler Boosters with a clean slate which is great. Trustee Dortch made the recommendation that we go in there perhaps by May 1, just to make sure those controls are in place. Particularly, he's concern about mostly things like liability insurance should be easy. Those should be done when you start but our organizational structure like segregation of duties, and business controls are how we deal with disbursements, deposits, and particular cash in many places that we kind of validate those controls by May 1, so we can get a great fresh start.

Vice Chair Perry, shared that his conversation with VP Givens Tuesday, November 28, 2018, Vice Chair Perry recommended that maybe a Workshop would be in order for the newly constituted Boosters Club so they can be given a template of how to do certain things.

Trustee Dortch, commented that he thinks that the other good thing is that one of the thing that the DSO did and we sent to every DSO Committee; because of the history of when they were created there have been several generation of leaderships they did not know the true guidelines from this Board to be a DSO and including they tie into the requirement of them having compliance with the President. If we remember our Chairman of the Board appointed representatives to each DSO Committee to bring us in compliance and the other thing we did was made it mandatory according to what the requirements are to be a DSO all funds had to go to the Foundation. They could not hold separate accounts outside of the Foundation and now with Dr. Friday-Stroud we have had conversations, they're going to hold everybody accountable setting up systems. Dr. Robinson had meetings between different Departments that cuts the DSO Committees and the AD's with the Foundation. Trustee Dortch shared that he think that the good thing is we don't want to elderly under

cautious, the Workshops and all, and Tommy Mitchell and the group which we brought them in under Athletics but now to help them at least coordinate together; so with all of that he thinks that we are going to see a positive result with the new Leadership, with the a new Board, and again as we say we make sure that everybody is in compliance including the Foundation with the requirement to be a DSO.

Vice Chair Perry, shared thank you and if there were any other comments.

VP Givens continued by sharing that's the completion of his report.

Adjourned by Chair Craig Reed.

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Audit & Compliance Committee Meeting**

**Date: Tuesday, February 20, 2018**

**Time: 10:00 AM**

**Committee Minutes**

**Members Present:** Trustee Craig Reed, Chair  
Trustee Harold Mills, Trustee Belvin Perry, Jr.,  
Trustee Robert Woody

Linda Barge-Miles, Special Assistant to the President/Board of Trustees Liaison, called the roll. A quorum was established.

**Action Items**

Trustee Craig Reed, Chair, called the meeting to order stated the Committee has three (3) Action Items. The first is approval of the November 29, 2017 Minutes, which were posted for review. A motion was made by Trustee Harold Mills, and second by Trustee Robert Woody that the November 29, 2017 Minutes be approved. Motion carried with no discussion nor disapprovals.

The second action is approval of the Performance Based Funding Data Integrity Audit. The report was sent to all Board Members for review. VP Givens was asked to give an overview of the report.

VP Givens shared that every year DAC is required to audit the process for performance based funding data submitted to the Board of Governors (BOGs). The objective is to evaluate the processes and controls in place to support the integrity of the information that is submitted to the BOGs for the performance funding calculations. This audit covered data reported as of October 31, 2017. The report concluded that the processes and controls were adequate, appropriate, and effective to provide reasonable assurance that the Performance Based Funding Data is accurate and complete. We noted that improvement could be made in four (4) areas and they are as follows:

- 1) User access privileges and reviews;
- 2) Inadequate separation of duties regarding application and graduation of students;
- 3) Inadequate controls for degree audits and approval of exceptions to the curriculum; and
- 4) Updates to the Academic advisement module were not made.

Corrective actions for separation of duties and controls for degree audits were implemented prior to the release of the report and validation of that information will be done in the next coming months. The report is required to be approved prior to submission to the BOGs. Chair Reed asked for questions.

In response to inquiry of Trustee Mills, VP Givens indicated that the first three (3) items are all repeat items from the prior audit. The corrective action for two of the findings have been implemented. The third repeat finding relates to user access privileges and reviews has a due date to implement

corrective actions of about June 30. To correct this finding is a real intensive process and it involves the collaboration of the IT and the Departments granting the access. Implementation is in process.

Chair Reed inquired what is being done to address the weaknesses in the short term while the long-term correction is being implemented. Chair Reed is seeking assurance that, in lieu of not having the technology in place, that the University is managing the controls.

VP Givens indicated that, from the audit perspective, assurance is provided by expanding test size which provides assurance that data is correct. VP Givens asked VP Ronald Henry to speak through an IT perspective.

VP Ronald Henry shared that there is actually not an IT fix for this particular audit finding. It's a process that we must go through where we build metrics of all User access. This has been completed in HR and now Campus Solutions is underway. The process involves building the metrics to look at users' access, sending this to the Director over the area, to review the access from the perspective of the business processes that the users go through on a daily basis. It's a huge lift which is why it's believed to be a repeat finding. VP Henry shared the anticipated completion date is now June 2018. In response to Chair Reed's inquiry VP Henry indicated the full initial cycle would be completed by June 2018.

Chair Reed asked if there were any other comments on this item. There were no comments and Chair Reed requested a motion. Trustee Robert Woody moved that the Performance Based Funding Integrity Audit be approved. Trustee Mills second. No discussion, no disapproval. The motion carried.

Chair Reed shared the third (3) action item is to accept the DSO Audit Report for the FAMU Foundation, Alumni Association, and Rattler Boosters. The report was sent to all Board members for review. Chair Reed then asked VP Givens to give an overview of the report.

VP Givens, shared that the University Regulations and Florida laws require that Direct Support Organizations provide for an annual audit and management letter. The University Regulations require that this report be submitted to the President and to the Audit Committee for review and approval. All three (3) DSOs completed the external audit for the June 30, 2017 year. The Foundation and the Alumni Association received unqualified opinions on the financial statements. The Rattler Boosters received a disclaimer of opinion resulting from the records not being adequate for the auditors to perform the procedures they considered necessary in the circumstances. There were deficiencies reported in internal control over financial reporting for both the Alumni Association and the Boosters. There were no deficiencies reported for the Foundation. Although there were no noncompliance items noted in any of the reports, management letters provided some additional findings for all three (3) of the DSOs. The Foundation finding related primarily to separation of duties; the Alumni Association finding related to bank reconciliations not being prepared timely; and the Boosters findings noted an inadequate separation of duties in addition to the inadequate records.

Trustee Mills asked VP Givens to describe the action plans and who is responsible for them. VP Givens shared that all the DSOs have their own audit committee which is the first line of defense to address and following up on the findings. DAC has been working directly with the Rattler Boosters Organization to assess the condition of the records for the current year. DAC has a project in place

that is ongoing right now to evaluate whether the Rattler Boosters are addressing these issues. DAC will follow up with the Alumni Association with their findings as well.

Trustee Mills asked if there are existing action plans in place. It is understood of following up with people but are there existing action plans in place.

In response to Trustee Mill's question, VP Givens indicated each DSO is required to provide an action plan to address the findings. VP Givens shared that the action plans may not have been sent out but will be provided.

Trustee Perry asked if both the Rattler Boosters and the Alumni Association had formulated action plans to address deficiencies noted in audit or, if they are in the process of formulating those plans. VP Givens indicated the action plans were developed.

Trustee Woody shared if that's the case Trustee Woody said he doesn't feel comfortable in voting until all the information is provided to the Board. Trustee Perry also shared a concern that the University needs to be assured the issues are being corrected.

Chair Reed inquired of to describe the process of what happens with the audit reports. VP Givens shared that the audit reports are approved by the Audit Committee. The Audit committee can take further action as it deems necessary by requesting any additional information it would like to review. After approval by the audit Committee, the reports are filed with Auditor General Office, the University and the BOGs by March 31, 2018.

Chair Reed indicated the Audit Committee needs to get the action items that correspond with the audit reports before taking any necessary further actions on these items. This should be done as soon possible to meet the time line with the Auditor General and the BOG. Chair Reed asked if this was acceptable to everyone.

Trustee Mills shared that he is not sure if the organizations are taking these audits as serious as they should be. We tend to brush over the accountability portion particularly for those who are responsible for repeat offenses. Trustee Mills shared he is not convinced that the seriousness of this has been internalized. At some point we need to start putting repeat offenders on some sort of performance plan.

Chair Reed concurred with the concerns expressed by the others, and stated that he has had discussions with both VP Givens and President Robinson. It is believed that implementation of a compliance program will help support this area. Chair Reed agreed the sense of urgency in which we should satisfy the audit findings needs to increase this across the University. This has been discussed with the President as well. Chair Reed asked if there were any other questions or comments on this item.

Chair Reed recognized VP Givens to proceed with presenting the additional Informational Items for the Committee. VP Givens reported that we have had several external audits that have been completed or are in process. The University financial audit was released on January 30, and gave the University an unmodified opinion with no material weaknesses in internal control over financial reporting and no instances of noncompliance. We had an exit conference related to the Federal

Awards Audit. There were potential findings related to late determination of students who did not officially withdraw (the determination was made from one to 11 days late); and late reporting of certain enrollment changes. The total amount of dollar amount for these was about \$1,700. Since the material was prepared, the Preliminary and Tentative Findings have been received and included both of those findings. The University will prepare its formal corrective action plan and submit the plan to the Auditor General.

In response to inquiry from Trustee Grable, VP Givens responded that unofficial withdrawals were the students who basically just stop attending class. The issue in question revolves around determining a date to determine how much of the federal money is earned by the University, which depends on how much of the semester the students attend. In the questioned instances, the University's interpretation of the date to be used was different from the Auditor General. Trustee Grable agreed with VP Givens and further indicated that some reporting responsibilities related to faculty members.

Chair Reed inquired whether there is a process to ensure that we do not have late findings. Nigel Edwards responded that we do have a process in place. The findings for the students that were not identified within 30 days was corrected based on the additional information submitted to the auditors. Nigel continued by sharing in the finding that there are two (2) students in which the funds were not returned in a timely manner and we will prepare the corrective action plan to address that finding, and he thinks the total amount was \$1,700. Nigel indicated the funds comes from the students and it must be paid back if the students do not attend through the 60% mark of the term or a passing grade. The return of Title IV funds means that that student has not earned their funds and the school is required to return a portion, if not all, of those funds to the Department of Education. Everything was done except the automated process did not pick up those students. It is to be returned in a required time line and if it's not returned that is what has to be addressed.

Trustee Grable asked how many students go through the withdrawal process. Nigel Edwards indicated that less than one half of one percent and only a couple of hundred students go through this process.

In response to Trustee Washington's request for clarification on the process, Nigel Edwards said that the Department advances the money to the student but then FAMU is responsible for returning funds if the student does not complete the term. The University has to confirm that the student attends class before any money is disbursed. Typically attendance is taken throughout the first two weeks of the term. The University has an attendance policy where students are required to attend all their classes. They are only allowed to miss one class per academic credit. It is up to the Instructor to decide if they want to take attendance throughout the entire term, but at the end of the term when the final grade is turned in, the instructors indicate the date of the last related academic activity. This is the date used in the calculation to determine whether or not the student has earned their funds and whether monies have to be returned to the Department.

Chair Reed asked VP Givens to proceed. VP Givens indicated that the Auditor General will perform an Operational Audit on the University, which is required by law every three (3) years. They have scheduled one that will cover the 2017 calendar year. They anticipate starting in April and have not determined the scope other than prior audit findings will be followed up.



The next item relates to a letter the University received from the Joint Legislative Audit Committee requesting an update to the status and corrective actions taken regarding two (2) findings that have been reported in three (3) successive operational audits conducted by the Auditor General. The response is due by March 12, 2018 and relate to findings for Textbook Affordability and the Athletic Department operating at a deficit. The Textbook Affordability was corrected as of the fall 2017 Term, per DAC testing of that Term. We will continue to test those each semester to make sure we remain in compliance. The Athletic Department issue continues and corrective actions are in process.

The University received the letter because it's because they are repeat findings. The Joint Legislative Audit Committee will evaluate the University's response and could take a number of actions which could include requiring that the University appear before the Joint Legislative Audit Committee to make a presentation. They could ask the (BOGs) to step in and provide monitoring for the items or withhold funds.

In response to Chair Reed's request for clarification, VP Givens responded that corrective actions for Textbook Affordability should take care of the problem; however, the Athletic Deficit is ongoing. The University has addressed the issues extensively and has taken a number of actions to address the issues. It is something that's continuing to be addressed, and recently an oversight committee was appointed to provide ongoing monitoring as well as evaluating how the University is controlling the Athletics expenses and how additional revenues could be generated.

Part of the corrective action plan put in place a couple years ago included monthly meetings with the BOGs representatives, President, Board of Trustees Chair, Athletic Director, and Chief Financial Officer.

The University received the final report on the forensics audit of the Rattler Boosters. The findings in the final report were the same as were presented to the Audit Committee at its November 2017 meeting, and related to bad debts, account receivables, tax contribution letters that were sent to a number of people who may not have made contributions to the Boosters, and game day parking.

Chair Reed intervene by asking VP Givens that maybe before going into that as it relates to the forensics audit the Rattler Boosters received a final finding; so the question is now what's the actions and maybe VP Givens could give the Committee an update on the actions.

The actions taken for the bad debts, the account receivables regularities was obtained from the auditors and turned over to the Police Department for further investigation. We also received the information related to the tax contribution letters to follow up on those to see if indeed it did happen and, if so, to possibly notify those individuals not to rely on the letter. The game day parking irregularities were noted, but the Boosters Organization no longer handles the game day parking so that finding goes away. Also, in the last meeting, the Audit Committee indicated that they wanted to hire a firm to evaluate the controls and the processes at the Boosters and make recommendations for improvement going forward. We contacted the firm who did the forensics audit and discussed a scope and a fee quote of \$75,000. VP Givens shared that he did want to bring this back to the Audit Committee for further consideration.

In response to inquiry from Trustee Woody, VP Givens responded the information was turned over to the Police Department in December 2016.

Discussion continued regarding hiring an external firm to help give guidance around understanding what went wrong, corrective actions to be taken, and a plan moving forward. We received a quotation from an external firm, but we should be able to find a firm that can do that same work for a cost that's more competitive. Chair Reed shared that he requested to look at other firms to provide the same level of services based on the scope of work that we discussed before. If the Committee is comfortable with that, it is recommended that VP Givens seek other firms that can do this same scope of work and come back to this Committee for further discussion on moving forward relative to those particular items. Trustee Mills agreed with Chair Reed.

The next item presented related to the Bright Futures audit conducted by the Auditor General every two (2) years. It covered the year ending June 2017, and there were no findings. This is the first time that the University has had no findings in this particular audit. Improvement in that area is noted.

The next item is the report on the status of prior audit findings. In November 2017, we had 31 findings that were open and, as of February 18, 2018, we had 27 findings open. Progress has been made on open findings and it should be noted that new findings were added during the time period. Of the 27 open findings, two (2) are partially corrected, three (3) have not been corrected, and 22 findings where validation of the corrective actions is in process.

Discussion regarding the status of the 22 findings not validated was held. VP Givens clarified that the 22 include some where corrective action have been implemented, but corrective actions have not been validated. There are some of the 22 in which the due date for implementation of the corrective action is not due. Trustee Mills shared that his understanding is that we have five (5) people where the corrective actions have not been implemented, and we have a bit of a bottle neck within our auditing to get to the 22. VP Givens responded that there are some where the corrective actions may have been implemented and not validated, but some where the due date for implementation of corrective actions has not passed yet. VP Givens doesn't have that breakdown, but there are a number of findings where corrective actions have been implemented and we have not validated whether the corrective actions have been implemented. It is necessary to give people some time to implement corrective actions when they provide that due date to us. Chair Reed expressed the wording is misleading because it implies that corrective actions are in place. Chair Reed does not think you can categorize a corrective action that hasn't been implemented in the same bucket as one that's waiting to be validated. The goal is to report where the University is at risk and that we are taking swift actions and getting compliance to those respective measures and understanding that once we made a commitment on specific date to meeting the deadline. This Committee wants to hold ourselves accountable to these specific items because they are very significant and maybe in the presentation of this data doesn't represent the situation accurately. VP Givens responded that he will revise the format to show the ones not validated. The high risk findings are validated first and then the lower risk. Trustee Mills responded that there needs to be a sense of urgency on this. We have a good feel of what resources DAC have. The question is if we need more resources then let's put an action plan in place for that but right now we see no action plan at all. We want to stop talking about these and take care of it. Tell us what you need to get things done. VP Givens shared he will get back to the Committee on that.

Next, VP Givens provided an update on the NCAA Investigation. The report was received in 2015 and corrective actions plan have been put in place. These findings are included in the findings we noted above. In November 2015, the penalties imposed by the NCAA included a four (4) year probation, and a financial penalty to be applied to the financial-related cost, including adding compliance staff associated with assuring that the Institution is in compliance with the requirements of student athletics medical documentation. The NCAA also required that the University hire an independent agency to conduct a review of the Athletics Compliance programs. The reviews are being conducted annually and two reports have been issued - one for 2016 and one for 2017. The penalties also require that the Athletic Director and Compliance Officials attend Regional Rules Seminars and this has been done. It was required that the University develop and implement an educational program. The Program has been developed and implemented. The NCAA requires that we submit a preliminary report that sets a schedule for establishing compliance and educational program and then file annual reports indicating progress made. These reports have been filed. Also, it require that the University inform the Athletes about the status and the nature of violations and this has been done.

VP Givens reported that the Chief Compliance and Ethics Officer (CCEO), Rica Calhoun, has been hired with a starting date of March 1, 2018. Ms. Calhoun was the General Counsel and Ethics Officer at Western Illinois University. Ms. Calhoun brings extensive compliance experience to the University and we are looking forward to having her on board.

VP Givens reported on the BOGs Survey regarding Enterprise Risk Management. The BOG Audit Committee received a report on Enterprise Risk Management within the SUS, including the results of the Enterprise Risk Management Survey. The results of the survey disclosed SUS that all SUS Universities used traditional risk management, communicated risks to senior management, and had a Board-Level Committee responsible for risk management. Less than 100% of Universities had an Enterprise-Level Risk Inventory, utilized management-Level Risk Committees, had an ERM governing document, or risk appetite being communicated by the BOT. The BOG appears to be interested in establishing some type of monitoring of the University's risk management. We will recommend possible steps to strengthen the risk management process as well as recommend a strategy to implement the management program.

Chair Reed responded to VP Givens that final comment regarding the NCAA update was related to the actions taken against November 2015 NCAA violations. VP Givens shared there is an issue reported from our Consultants that they identified that there is a critical need for the University to fill vacancies within the Athletics Compliance staff and that the current staff is operating at a very minimum in terms of the number of personnel in order to keep up with the daily operations of the Athletics Compliance Department. There has been some turnover in the compliance area and right now the University is in the process of hiring staff and restructuring the compliance roles and duties to provide the compliance oversight. VP Givens announced that his report is completed.

Chair Reed asked for any other comments. There were none. Chair Reed adjourned the meeting.

Adjourned by Chair Craig Reed.



# Audit Committee Meeting

PRESENTED BY

**Richard Givens**

**Wednesday, June 6, 2018**

Florida Agricultural and Mechanical University



# STATUS OF PRIOR AUDIT FINDINGS

A summary of the status of open audit findings as of May 30, 2018, is shown below:

Executive Owner	Total Number of Open Findings	Partially Corrected Findings	Uncorrected Findings	Corrective Actions to be Validated *	Number of Findings with Corrective Actions Not Due
Wanda Ford	5	2	3		
John Eason	20		1	9	10
William Hudson	1				1
Totals	26	2	4	9	11

\* Corrective actions have been implemented and validation is in process. The 9 findings for Athletics relate to the cash collection process, which was re-assigned to the Controller's Office effective May 1, 2018 and the collection process is being re-designed. The Controller's Office, Athletics Department, and Audit & Compliance are working in collaboration to design and implement the new procedures.





# REPORT ON STATUS OF MAJOR PROJECTS

## REVIEW RATTLER BOOSTER FINANCIAL RECORDS:

As a result of the issues in the June 30, 2017 audit, we reviewed the status of the financial records and internal controls as of March 31, 2018. The objectives of the project were as follows:

- Determine if Rattler Boosters Inc. 2017-18 internal controls have been implemented and are effective, and if accounting records have been established for external auditors to conduct a financial audit of the Rattler Boosters for 2017-18; and
- Determine compliance with BOT Regulation 2005-18 (University Athletics Booster Policy).

Our review disclosed that:

- Supporting documentation for money collected and disbursed was being maintained in an auditable form;
- Money collected was being deposited in the Foundation and the Athletic Director was approving disbursements as required by BOT regulation 2005-18;
- Membership records were also maintained.

However, we noted the following areas for improvements:

- The Boosters had only one employee, which makes a separation of duties not practical; however, compensating controls for collections had not been implemented.





# REPORT ON STATUS OF MAJOR PROJECTS

## REVIEW RATTLER BOOSTER FINANCIAL RECORDS: (Continuation)

- Written policies and procedures covering the Boosters financial operations had not been developed; and
- A general ledger accounting system to record and summarize financial activity had not been implemented.

Corrective actions for all findings is expected to be implemented in June 2018. The Division is working in collaboration with the Boosters management to monitor implementation of the corrective actions.





# REPORT ON STATUS OF MAJOR PROJECTS

## UPDATE – ATHLETICS REVIEW

- Our reviews regarding athletics are in process and are focusing on the following:
- Reasons for untimely payment of bills and responsible employees;
- Reasons for goods/services being authorized and received prior to issuance of a requisition and purchase order and responsible employees;
- Determining if P-Card purchases were adequately documented and University P-card procedures were followed for timely reconciling P-card transactions. In instances where purchases were not documented or where reconciliations were not timely, to determine if appropriate disciplinary actions were taken;
- Reviewing expenses to determine whether an adequate pre-audit of purchase of services is done, e.g., determine whether invoices for services document the type service, date service performed, number of hours worked, number of individuals working, and hourly rates charged for the service;
- Determining that athletics staff has received current fiscal training.

In addition to the above, the Division is working in collaboration with the Controller's office and Athletics Department to implement a new process for ticket office sales. This project is in process with a goal to ensure that internal controls are in place to ensure that collections from sales are adequately safeguarded, recorded, and reported.







# REPORT ON STATUS OF MAJOR PROJECTS

## UPDATE - ENTERPRISE RISK MANAGEMENT

### *Background*

The BOG surveyed universities in September 2017 to determine the status of Enterprise Risk Management (ERM) in the SUS. ERM continues to be an area of interest for the BOG.

Enterprise Risk Management (ERM) can be defined as:

- Inclusion of risks from all sources (financial, operational, strategic, and compliance) and exploitation of the “natural hedges” and “portfolio effects” from treating these risks in the collective.

Coordination of risk management strategies that span:

- o Risk assessment (identification, analysis, measurement, and prioritization);
- o Risk mitigation (control processes);
- o Risk financing (internal funding and external transfer such as insurance and hedging);





# UPDATE ENTERPRISE RISK MANAGEMENT

- Risk monitoring (internal and external reporting and feedback into risk assessment, continuing the loop)
- o Focus on the impact to the university's overall financial and strategic objectives
  - o Recognition of the upside, as well as the downside, nature of risk.

## ***University's Enterprise Risk Management Current Status:***

We have a project in progress to assess the status of the University's risk management process and propose a possible approach to implementation of ERM. The objective of this engagement is to provide recommendations covering the following areas of an ERM Program:

1. Program Characteristics;
2. Roles and Responsibilities;
3. Structure;
4. Training;
5. Timeline for Implementation.





# REPORT ON STATUS OF MAJOR PROJECTS

ERM processes will be researched to identify what best practices could be implemented to provide coverage of high risk areas.

The University has taken a traditional approach to risk management. Risk management has been more narrowly focused in terms of scope of risks, types of risk management strategies, and the impact and nature of risks.

- Specific risks are managed by organizational units within the University
  - Strategic – BOT, President, Leadership Team;
  - Operational – Academic Affairs, Research, University Advancement, Financial Services, Human Resources, ITS, Public Safety, Environmental Health & Safety, Facilities Planning & Construction;
  - Compliance – General Counsel, Audit & Compliance, Research, HR, Controller;
  - Finance – Financial Services, Risk Management.





# REPORT ON STATUS OF MAJOR PROJECTS

To move forward, the following are some of the questions that need to be answered:

- Which conceptual model of ERM will be used and what adaptations will be necessary to meet the University's needs?
- How will it be rolled out within the University, e.g. by organizational unit or key functions?
- How deep is senior management's support?
- What tools and metrics should be employed?
- Will ERM be used as a management information tool or as a performance driver?
- How should ERM be communicated to stakeholders?

## UPDATE - OPERATIONAL AUDIT:

- The Auditor General (Legislative Auditor) is required to perform an operational audit of the University every three years. In April 2018, the Auditor General started an operational audit that covers the period from January 1, 2017 through December 31, 2017;
- The scope of the audit includes travel by the BOT and senior management employees;
- The audit is in process and is expected to be completed in the fall 2018. Further updates will be provided on the progress of the audit.





## REPORT ON STATUS OF MAJOR PROJECTS

- Questions?





**“At FAMU, Great Things Are Happening Every Day.”**

---

**established 1887**



**STATUS OF PRIOR AUDIT FINDINGS**

A detailed report of the open findings as of May 30, 2018, was provided separately. Eleven findings have been corrected since the last report. A summary of the status of open audit findings as of May 30, 2018, is shown below.

Executive Owner	Total Number of Open Findings	Partially Corrected Findings	Uncorrected Findings	Corrective Actions to be Validated *	Number of Findings with Corrective Actions Not Due
Wanda Ford	5	2	3		
John Eason	20		1	9	10
William Hudson	1				1
<b>Totals</b>	<b>26</b>	<b>2</b>	<b>4</b>	<b>9</b>	<b>11</b>

\*Corrective actions have been implemented and validation is in process. The 9 findings for Athletics relate to the cash collection process, which was re-assigned to the Controller’s Office effective May 1, 2018 and the collection process is being re-designed. The Controller’s Office, Athletics Department, and Audit & Compliance are working in collaboration to design and implement the new procedures.

**REVIEW RATTLER BOOSTER FINANCIAL RECORDS**

As a result of inadequate and incomplete financial records and internal control deficiencies, the Rattler Boosters, Inc. received a disclaimer of opinion on the audit of its financial statements for the year ended June 30, 2017. As a result of the issues in the June 30, 2017 audit, we reviewed the status of the financial records and internal controls as of March 31, 2018. The objectives of the project were as follows:

- Determine if Rattler Boosters Inc. 2017-18 internal controls have been implemented and are effective, and if accounting records have been established for external auditors to conduct a financial audit of the Rattler Boosters for 2017-18; and
- Determine compliance with BOT regulation 2005-18 (University Athletics Booster Policy)

Our review disclosed that:

- Supporting documentation for money collected and disbursed was being maintained in an auditable form;
- Money collected was being deposited in the Foundation and the Athletic Director was approving disbursements as required by BOT regulation 2005-18;
- Membership records were also maintained.

However, we noted the following areas for improvements:

- The Boosters had only one employee, which makes a separation of duties not practical; however, compensating controls for collections had not been implemented;
- Written policies and procedures covering the Boosters financial operations had not been developed; and
- A general ledger accounting system to record and summarize financial activity had not been implemented.

Corrective actions for all findings is expected to be implemented in June 2018. The Division is working in collaboration with the Boosters management to monitor implementation of the corrective actions.

## UPDATE – ATHLETICS REVIEW

Since the Athletic Department continues to experience expenses in excess of revenues, the BOG has requested involvement of the Division to identify causes of system breakdowns and recommend improvements to controls. Our reviews are in process and are focusing on the following:

- Reasons for untimely payment of bills and responsible employees;
- Reasons for goods/services being authorized and received prior to issuance of a requisition and purchase order and responsible employees;
- Determining if P-Card purchases were adequately documented and University P-card procedures were followed for timely reconciling P-card transactions. In instances where purchases were not documented or where reconciliations were not timely, to determine if appropriate disciplinary actions were taken;
- Reviewing expenses to determine whether an adequate pre-audit of purchase of services is done, e.g., determine whether invoices for services document the type service, date service performed, number of hours worked, number of individuals working, and hourly rates charged for the service;
- Determining that athletics staff has received current fiscal training.

In addition to the above, the Division is working in collaboration with the Controller's office and Athletics Department to implement a new process for ticket office sales. This project is in process with a goal to ensure that internal controls are in place to ensure that collections from sales are adequately safeguarded, recorded, and reported.

## UPDATE - ENTERPRISE RISK MANAGEMENT

### ***Background***

The BOG surveyed universities in September 2017 to determine the status of Enterprise Risk Management (ERM) in the SUS. The results of the survey were presented to the BOG audit committee in January 2018 and ERM continues to be an area of interest for the BOG.

Enterprise Risk Management (ERM) can be defined as:

- Inclusion of risks from all sources (financial, operational, strategic, and compliance) and exploitation of the "natural hedges" and "portfolio effects" from treating these risks in the collective
- Coordination of risk management strategies that span:
  - Risk assessment (identification, analysis, measurement, and prioritization)
  - Risk mitigation (control processes)
  - Risk financing (internal funding and external transfer such as insurance and hedging)
  - Risk monitoring (internal and external reporting and feedback into risk assessment, continuing the loop)
  - Focus on the impact to the university's overall financial and strategic objectives
  - Recognition of the upside, as well as the downside, nature of risk



### ***University's Enterprise Risk Management Current Status***

We have a project in progress to assess the status of the University's risk management process and propose a possible approach to implementation of ERM. The objective of this engagement is to provide recommendations covering the following areas of an ERM Program:

1. Program Characteristics
2. Roles and Responsibilities
3. Structure
4. Training
5. Timeline for Implementation

ERM processes will be researched to identify what best practices could be implemented to provide coverage of high risk areas.

The University has taken a traditional approach to risk management. Risk management has been more narrowly focused in terms of scope of risks, types of risk management strategies, and the impact and nature of risks. The University has addressed property/liability risks through insurance coverage. Other risks, such as safety, have been addressed through emergency management plans, laboratory safety programs and monitoring, training, etc. However, there is not a coordinated management and reporting for all risks.

Specific risks are managed by organizational units within the University:

- o Strategic – BOT, President, leadership team
- o Operational – Academic Affairs, Research, University Advancement, Financial Services, Human Resources, ITS, Public Safety, Environmental Health & Safety, Facilities Planning & Construction
- o Compliance – General Counsel, Audit & Compliance, Research, HR, controller
- o Finance – Financial Services, Risk Management


To move forward, the following are some of the questions that need to be answered:

- Which conceptual model of ERM will be used and what adaptations will be necessary to meet the University's needs?
- How will it be rolled out within the University, e.g. by organizational unit or key functions?
- How deep is senior management's support?
- What tools and metrics should be employed?
- Will ERM be used as a management information tool or as a performance driver?
- How should ERM be communicated to stakeholders?

### **UPDATE - OPERATIONAL AUDIT**

The Auditor General (Legislative Auditor) is required to perform an operational audit of the University every three years. The last report was issued in March 2017 and covered the period from April 2015 through March 2016. In April 2018, the Auditor General started an operational audit that covers the period from January 1, 2017 through December 31, 2017. The scope of the audit includes travel by the BOT and senior management employees. The audit is in process and is expected to be completed in the fall 2018. Further updates will be provided on the progress of the audit.

FLORIDA AGRICULTURAL MECHANICAL UNIVERSITY



## Compliance and Ethics Program Overview

PRESENTED BY  
Rica Calhoun, Chief Compliance and Ethics Officer  
June 6, 2018  
Florida Agricultural and Mechanical University

---

---

---


---

---

---


---

---



### Road Map

- Why Compliance and Ethics?
- Audit vs Compliance
- The 7 elements
- Progress



---

---

---

---

---

---

---

---



## WHY COMPLIANCE AND ETHICS?

---

---

---

---

---

---

---

---

### Why is a Compliance and Ethics Program Important?

- Highly regulated industry
- Decentralized structure
- The Price of Non-Compliance and Unethical Behavior
- University Culture

---

---

---

---

---

---

---

---

### Audit vs. Compliance

Audit	Compliance
<ul style="list-style-type: none"><li>• Overview<ul style="list-style-type: none"><li>- "Provides risk-based, objective, and reliable assurance..."</li></ul></li><li>• Focus<ul style="list-style-type: none"><li>- Audits</li></ul></li><li>• Focus<ul style="list-style-type: none"><li>- Periodic<ul style="list-style-type: none"><li>• monitors and assesses internal controls to determine efficiency and effectiveness.</li></ul></li></ul></li></ul>	<ul style="list-style-type: none"><li>• Overview<ul style="list-style-type: none"><li>- "...empowers all members of the University community to engage consistently in ethical decision-making and focus on compliance with state and federal law, regulation, and university policy."</li></ul></li><li>• Focus<ul style="list-style-type: none"><li>- Continual<ul style="list-style-type: none"><li>• Works with compliance elements throughout the university to ensure adherence to policies and procedures, as well as applicable law and regulation. Assists in the development of policies and procedures.</li></ul></li></ul></li></ul>

---

---

---

---

---

---

---

---



### THE PLAN

---

---

---

---

---

---

---

---

## Program Plan

- **Basis**
  - Florida Board of Governors (4.003)
  - Federal Sentencing Guidelines Manual, Chapter 8
  - Florida A&M's Compliance and Ethics Charter
- **Seven Elements**
  - Standards and Procedures to govern program
  - Oversight and Structure
  - Appropriate screening
  - Training
  - Monitoring
  - Appropriate Response and Enforcement
  - Incentives and Disciplinary Measures

---

---

---

---

---

---

---

---

## Standards and Procedures

- University Code of Conduct ([University Regulation 1.019](#))
- Code of Ethics for Public Officers and Employees ([Florida Statute, Part III, Chapter 112](#))
- University Compliance and Ethics Charter

---

---

---

---

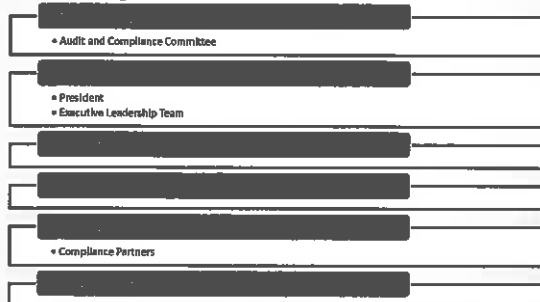
---

---

---

---

## Oversight and Structure



---

---

---

---

---

---

---

---

### Appropriate Screening

**Expectation**

- Exclude personnel from substantial authority who have engaged in illegal activities or other conduct inconsistent with University expectations regarding compliance and ethics

**FAMU Processes**

- Background checks and employment verification
- Collaborating with appropriate offices to ensure consistency with federal and state law and University policy.

---

---

---

---

---

---

---

---

### Communication and Training

**Target Groups**

- Board of Trustees
- High Level Personnel
- New Employees
- Faculty
- Staff
- Students

**Training Methods/Platforms**

- New Employee Orientation
- Online platform for mandatory training
- Periodic face to face training on various compliance and ethics issues
- Track trainings provided by compliance partners

**Outreach Methods**

- Lunch and Learns
- Constituency presentations
- Marketing
- Surveys
- Promotional Materials

---

---

---

---

---

---

---

---

### Monitoring

- Internal and External Monitoring
  - Internal Audit
  - External Review
    - 5 year increments (beginning 2020)
- Partnerships
  - Compliance Partners
- Assessment
  - Surveys
  - Annual Report

---

---

---

---

---

---

---

---

### Appropriate Response and Enforcement

- **Responsible Parties**
  - Adherence to Program Plan
  - Accountability
- **Code of Conduct Policy and Procedure Revisions**
  - Retaliation
  - Clarify expectations
- **Reporting**
  - Compliance and Ethics Hotline
    - 1-866-445-4YOU
    - Webpage
  - Directly with:
    - Chief Compliance and Ethics Officer
    - Immediate Supervisor
    - Ombudsman

---

---

---

---

---

---

---

---

### Incentives and Disciplinary Measures

- **Accountability**
  - Increases morale
  - Clarifies expectations
    - Performance metrics
  - Cultural impact
    - High level enforcement
    - Recognizing and rewarding excellence

---

---

---

---

---

---

---

---



**PROGRESS**

---

---

---

---

---

---

---

---

### Completion of Action Items and Areas of Focus

- Board of Governors
- Compliance Partner Meetings
- Program Plan Review
- Initial Survey
- Enterprise Compliance Committee
  - Existing committee coordination
- Athletics
- Data Privacy
  - General Data Protection Regulation
  - Breach protocols
- Training
- Policy Review

---

---

---

---

---

---

---

---



**"At FAMU, Great Things Are Happening Every Day."**

established 1887



---

---

---

---

---

---

---

---

## Program Plan Goals

Big Seven	Goals	Year One	Year Two	Year Three
Standards and Procedures	<p><b>Utilize Structure and Operational Processes to Enforce Compliance and Ethics Program</b></p>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Finalize Operational Manual;</li> <li>Review code of conduct and recommend revisions;</li> <li>Collaborate with the Office of General Counsel and other appropriate offices in their policy review activities.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Update Operational Manual, as needed;</li> <li>Finalize draft of code of conduct based on feedback;</li> <li>The Chief Compliance and Ethics Officer will continue collaborating with the Office of General Counsel and other appropriate offices in policy review activities.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Update Operational Manual, as needed;</li> <li>Enforce Code of Conduct;</li> <li>Continue collaborating with the Office of General Counsel and other appropriate offices in their policy review activities.</li> </ol>
Oversight and Structure	<p><b>Goal: Establish seamless structural transition and Maintain Effective Oversight and Structure</b></p>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Conduct individual meetings with each board member to discuss their role and solicit feedback regarding their concerns for year 1;</li> <li>Participate in weekly meetings with high level personnel to remain current on institutional compliance matters;</li> <li>Hold individual meetings with Compliance Partners to establish year 1 goals;</li> <li>Distribute monthly updates to the Board via email</li> <li>Establish the Enterprise Compliance Committee and working groups within the committee (ie: high risk, workforce, etc.) to establish priorities for year 1.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Conduct individual meetings with each board member to discuss their role and solicit feedback regarding their concerns for year 2;</li> <li>Distribute monthly updates to the Board</li> <li>Continue participating in weekly meetings with high level personnel to remain current on institutional compliance matters;</li> <li>Hold individual meetings with Compliance Partners to establish year 2 goals;</li> <li>Continue work through the Enterprise Compliance Committee and working groups within the committee (i.e.: high risk, workforce, etc.) to establish priorities for year 2;</li> <li>Coordinate with the Division of Audit and Compliance to facilitate the transition of the Chief Compliance and Ethics Officer to report to the President and the Board of Trustees Audit Committee.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>Conduct individual meetings with each board member to discuss their role and solicit feedback regarding their concerns for year 3;</li> <li>Distribute monthly updates to the Board;</li> <li>Participate in weekly meetings with high level personnel to remain current on institutional compliance matters;</li> <li>Hold individual meetings with Compliance Partners to determine year 3 goals;</li> <li>Continue engaging the Enterprise Compliance Committee and working groups within the committee (i.e., high risk, workforce, etc.) to establish risk priorities for year 3.</li> </ol>



## Program Plan Goals

Big Seven	Goals	Year One	Year Two	Year Three
Communication	<p><b>Goal: Promote program elements and increase compliance and ethics visibility</b></p>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Coordinate with university marketing to introduce the University community to the Compliance and Ethics Program.</li> <li>2. Begin a compliance campaign for Corporate Compliance and Ethics Week (annually the first full week of November).</li> <li>3. Expand the Division of Audit and Compliance webpage to increase the visibility of compliance and ethics. The webpage will serve as a comprehensive destination for resources or reporting misconduct.</li> <li>4. Assist the Division of Audit and Compliance in evaluating the effectiveness of the compliance and ethics hotline and developing promotion materials in support of the hotline.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Continue working with university marketing to publicize the University community to the Compliance and Ethics Program;</li> <li>2. Assess satellite campuses communications via site visits and coordination;</li> <li>3. Continue year 2 compliance campaign for Corporate Compliance and Ethics Week (annually the first full week of November);</li> <li>4. Maintain stand-alone website for Compliance and Ethics with a link to DAC. The webpage will serve as a comprehensive destination for resources or reporting misconduct;</li> <li>5. Continue evaluating the effectiveness of the compliance and ethics hotline and developing promotion materials in support of the hotline.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Continue broad based marketing of the Compliance and Ethics Program to the University community;</li> <li>2. Continue compliance campaign for Corporate Compliance and Ethics Week (annually the first full week of November) for year 3;</li> <li>3. Maintain the Compliance and Ethics webpage to increase the visibility of compliance and ethics and to serve as a comprehensive destination for resources or reporting misconduct;</li> <li>4. Continue evaluating the effectiveness of the compliance and ethics hotline and developing promotion materials in support of the hotline;</li> <li>5. Employ additional best practices.</li> </ol>
Training	<p><b>Provide ongoing education to the governing authority and University constituents</b></p>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Collaborate with the Office of the General Counsel to provide compliance and ethics training to the Board of Trustees and President's Leadership Team in fall 2018 and annually thereafter.</li> <li>2. Develop compliance and ethics training for employees of the University in three formats: in-person, electronic/physical copy, and interactive online.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Continue to collaborate with the Office of the General Counsel to provide ethics training to the Board of Trustees and President's Leadership Team annually;</li> <li>2. Provide compliance and ethics training for employees of the University in three formats: in-person, electronic/physical copy, and interactive online.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Continue to collaborate with the Office of the General Counsel to provide ethics training to the Board of Trustees and President's Leadership Team annually;</li> <li>2. Continue to provide compliance and ethics training for employees of the University: full training annually, in multiple formats, in fall and spring, and overview to all new</li> </ol>

## Program Plan Goals

Big Seven	Goals	Year One	Year Two	Year Three
<p>Training (continued)</p>	<p><b>Provide ongoing education to the governing authority and the University community</b></p>	<p>3. Meet with the Office of Human Resources and the Associate Vice President of Student Affairs and Ombudsman to discuss collaborating to develop compliance and ethics training for employees. 4. Develop electronic copies of a brief overview of the compliance and ethics program annually to all employees. New employees will receive such training within 30 days of the commencement of employment. 5. Meet with the Office of General Counsel and University Technology to discuss collaborating to plan and provide broad based annual online training for employees of the University.</p>	<p>3. Finalize overview of compliance and ethics training for employees. 4. Collaborate with the Office of Human Resources to provide electronic copies of the overview to all new employees within 30 days of the commencement: Spring 2019. 5. Provide full ethics training in multiple formats in the fall and spring semesters. 6. Coordinate with the Office of the General Counsel and University Technology to implement mandatory annual online training for employees of the University using a third-party platform. Target for implementation: Fall 2019</p>	<p>employees within 30 days of commencement of employment. 3. Work with the Office of Human Resources to provide electronic copies of the overview to all new employees within 30 days of the commencement of employment. 4. Provide full ethics training in person in the fall and spring semesters. 5. Implement mandatory annual online training for employees of the University using a third-party platform.</p>
<p>Monitoring</p>	<p><b>Engage monitoring practices to maintain a culture of compliance and ethical decision making</b></p>	<p>The Chief Compliance and Ethics Officer will: 1. Based on dotted line reporting, the Chief Compliance and Ethics Officer will establish a system in which Compliance Partners immediately report ethical misconduct or compliance concerns to the Chief Compliance and Ethics Officer for follow up to address issue. 2. The Chief Compliance and Ethics Officer will conduct investigations and compliance reviews as necessary, reporting such findings to the department and executive compliance owner. 3. The Chief Compliance and Ethics Officer will provide resources to Compliance Partners to collaborate in monitoring compliance throughout campus. Resources include</p>	<p>1. Compliance Partners continue to immediately report ethical misconduct or compliance concerns to the Chief Compliance and Ethics Officer for follow up to address issue. The Chief Compliance and Ethics Officer will monitor the process to ensure that communication remains open and gaps are addressed. 2. The Chief Compliance and Ethics Officer will continue to conduct investigations and compliance reviews as necessary, reporting such findings to the department and executive compliance owner and document management action taken.</p>	<p>1. Compliance Partners continue to immediately report ethical misconduct or compliance concerns to the Chief Compliance and Ethics Officer for follow up to address issue. The Chief Compliance and Ethics Officer will monitor the process to ensure that communication remains open and gaps are addressed. 2. The Chief Compliance and Ethics Officer will continue to conduct investigations and compliance reviews as necessary, reporting such findings to the department and executive compliance owner and document management taken.</p>

## Program Plan Goals

Big Seven	Goals	Year One	Year Two	Year Three
<p>Monitoring (continued)</p>	<p><b>Engage monitoring practices to maintain a culture of compliance and ethical decision making</b></p>	<p>compliance calendars for each department, compliance literature, and worksheets to assist Compliance Partners in evaluating their areas.</p> <p>4. The Chief Compliance and Ethics Officer will conduct annual surveys of Compliance Partners to assess compliance progress for year 1. Results of the surveys will be included in the Chief Compliance and Ethics Officer's annual report to the Board.</p> <p>5. The Chief Compliance and Ethics Officer will advocate for the inclusion of items soliciting University community feedback regarding compliance and ethics in existing campus surveys and other measurable instruments (i.e., campus climate surveys). If this is not possible, develop and distribute independent survey instrument to solicit feedback.</p> <p>6. The Chief Compliance and Ethics Officer will draft for review, feedback, and approval investigative procedures to include in the University Code of Conduct for distribution to the University community. The procedures will outline reporting systems, the elements of an investigation, findings, and a non-retaliation provision.</p> <p>7. The Enterprise Compliance Committee will review and brainstorm ways in which to reward ethical behavior and a commitment to compliance.</p> <p>8. The Enterprise Compliance Committee will serve as an additional source of comprehensive monitoring, as Compliance Partners will be able to identify and monitor compliance concerns</p>	<p>3. The Chief Compliance and Ethics Officer will continue to provide resources to Compliance Partners to collaborate in monitoring compliance throughout campus. Resources include compliance calendars for each department, compliance literature, and worksheets to assist Compliance Partners in evaluating their areas.</p> <p>4. The Chief Compliance and Ethics Officer will conduct annual surveys of Compliance Partners to assess compliance progress for year 2. Results of the surveys will be included in the Chief Compliance and Ethics Officer's annual report to the Board.</p> <p>5. If year one goal is successful, submit compliance and ethics items for inclusion in existing campus surveys and other measurable instruments (i.e., campus climate surveys) to solicit feedback. Assess program effectiveness, using the prior year's results as a baseline.</p> <p>6. The Chief Compliance and Ethics Officer will distribute the Code of Conduct to the University community as a reminder.</p> <p>7. The University will adopt appropriate incentives and sanctions to promote trust in the Program.</p> <p>8. The Enterprise Compliance Committee will continue to serve as an additional source of comprehensive monitoring, as Compliance Partners will be able to identify and monitor compliance concerns comprehensively.</p>	<p>3. The Chief Compliance and Ethics Officer will continue to provide resources to Compliance Partners to collaborate in monitoring compliance throughout campus. Resources include compliance calendars for each department, compliance literature, and worksheets to assist Compliance Partners evaluate their areas.</p> <p>4. The Chief Compliance and Ethics Officer will conduct annual surveys of Compliance Partners to assess compliance progress. Results of the surveys will be included in the Chief Compliance and Ethics Officer's annual report to the Board.</p> <p>5. The Chief Compliance and Ethics Officer will conduct survey and assess program effectiveness, using the prior year's results as a baseline.</p> <p>6. The Chief Compliance and Ethics Officer will distribute investigative procedures to the University community as a reminder.</p> <p>7. The Chief Compliance and Ethics Officer will monitor incentives and sanctions adopted by the University.</p> <p>8. The Enterprise Compliance Committee will serve as an additional source of comprehensive monitoring, as Compliance Partners will be able to identify and monitor compliance concerns comprehensively as most compliance issues span multiple departments and disciplines.</p> <p>9. The Chief Compliance and Ethics Officer will continue to assess personnel processes</p>

## Program Plan Goals

	Year One	Year Two	Year Three
Big Seven	Goals		
Monitoring (continued)	Engage monitoring practices to maintain a culture of compliance and ethical decision making	<p>comprehensively as most compliance issues span multiple departments and disciplines.</p> <p>9. The Chief Compliance and Ethics Officer will coordinate with the Office of Human Resources to review existing processes that will assist the University in its responsibility to employ reasonable efforts to exclude personnel from substantial authority who have engaged in illegal activities or other conduct inconsistent with the University compliance and ethics program.</p>	<p>that will assist the University in its responsibility to employ reasonable efforts to exclude personnel from substantial authority who have engaged in illegal activities or other conduct inconsistent with the University compliance and ethics program.</p>
Auditing	Assess program effectiveness	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Utilize assessment model that evaluates the effectiveness of the program. The annual report will review compliance efforts throughout campus, as well as the results of surveying Compliance Partners throughout the University. The report will also identify the goals and progress for each year. This report will be forwarded to the Board of Governors pursuant to 4.003 (7) 8.</li> <li>2. Distribute annual survey and conduct feedback sessions.</li> <li>3. In addition to conducting an internal program effectiveness assessment, solicit such review from the Division of Audit and Compliance.</li> </ol>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Utilize assessment model that evaluates the effectiveness of the program. The annual report will review compliance efforts throughout campus, as well as the results of surveying Compliance Partners throughout the University. The report will also identify the goals and progress for each year. This report will be forwarded to the Board of Governors pursuant to 4.003 (7) 8.</li> <li>2. Distribute annual survey and conduct feedback sessions.</li> <li>3. In addition to conducting an internal program effectiveness assessment, solicit such review from the Division of Audit and Compliance.</li> </ol>

## Program Plan Goals

Big Seven	Goals	Year One	Year Two	Year Three
Response and Enforcement	<p>To establish and use the investigative process and proper incentives and disciplinary measures in enforcement of the program. Continue to improve based on best practices and feedback.</p>	<p>3. In addition to conducting an internal program effectiveness assessment, will solicit such review from the Division of Audit and Compliance.</p>	<p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Collaborate with the appropriate offices to conduct investigations related to relevant complaints. The Vice President of DAC (or designee) serves on the Enterprise Compliance Committee to collaborate as appropriate and provide additional guidance.</li> <li>2. Collaborate with the Vice President of DAC and the General Counsel to develop a triage process in evaluating complaint processing and investigations.</li> <li>3. Meet with the Office of Human Resources to determine best way to integrate compliance pieces into existing processes (ex: job evaluations) and ways to partner.</li> <li>4. Determine incentives and disciplinary measures in enforcement of the program.</li> </ol>	<p>4. Schedule an External review of the program will be conducted pursuant to Board of Governor's Regulation 4.003.</p> <p>The Chief Compliance and Ethics Officer will:</p> <ol style="list-style-type: none"> <li>1. Conduct investigations utilizing the investigation procedure;</li> <li>2. Assess the inclusion of compliance into personnel processes;</li> <li>3. Evaluate the effectiveness of incentives and disciplinary measures in enforcement of the program.</li> </ol>



## **Compliance and Ethics Program Plan**

June 1, 2018

**Contents**

Introduction..... 3

I. Standards and Procedures ..... 3

II. Compliance Structure and Oversight ..... 3

III. Effective Communication and Training..... 4

IV. Monitoring and Auditing ..... 5

    Monitoring ..... 5

    Auditing ..... 6

V. Response and Enforcement ..... 6

    Incentives and Accountability..... 7

Appendix A: Compliance Partners Chart..... 8

Appendix B: Florida A&M University Compliance and Ethics Charter ..... 9

Appendix C: University Code of Conduct..... 15

Appendix D: Florida Board of Governors Regulation 4.003 ..... 18

Appendix E: United States Sentencing Commission 2016 Guidelines Manual: Chapter Eight ..... 21

## Introduction

Florida Agriculture and Mechanical University (University) has established institutional priorities through the 2017-2022 ‘FAMU Rising’ Strategic Plan and the University Mission Statement. The Division of Audit and Compliance is committed to supporting strategic priority five (First-Class Business Infrastructure) by providing an effective compliance and ethics program (program). The program serves a vital function in the internal control system. Effective implementation of the program empowers all members of the University community to engage consistently in ethical decision-making and focus on compliance with state and federal law, regulation, and university policy.

The Compliance and Ethics Program reflects the University’s value-based community culture. As noted in the University Mission Statement, institutional practice and processes must be grounded in the belief that every University community member is accorded with respect. Through the implementation of the Compliance and Ethics Plan, members of the University community will trust the integrity of the process and be confident in their role and responsibilities to compliance and engaging in ethical behavior. This program plan will serve as a living document, meaning that as institutional priorities and best practices change, this program will adapt and improve. Pursuant to this standard and regulatory guidance<sup>1</sup>, the University’s compliance program is comprised of several components.

### I. Standards and Procedures

Standards and procedures are necessary to establish a baseline expectation of behavior. The University has implemented two guiding documents to accomplish this goal: the University Compliance and Ethics Charter and the University Code of Conduct. The Compliance and Ethics Charter establishes the role of the Chief Compliance Officer and the purpose and scope of the compliance program. The University Code of Conduct outlines the responsibility of faculty, staff, student employees, and third parties to engage in ethical decision-making and report compliance concerns. University regulations and Board of Trustees Policies govern specific conduct or action of members of the University community. These regulations and policies are available and searchable online through the University website. Periodic review is necessary to identify additional standards and policies.

### II. Compliance Structure and Oversight

Compliance is the responsibility of every member of the University community. The Compliance and Ethics Charter (Charter) identifies responsible constituencies and their roles:

- **Governing Authority**—The Board of Trustees is responsible for being knowledgeable about and providing appropriate oversight of the compliance program. The Audit and Compliance Committee will provide focused oversight. This duty is accomplished by the periodic review and approval of guiding documents, as well as continued monitoring of program effectiveness.
- **High level personnel**—The University’s Executive Leadership (University President, Vice Presidents, General Counsel, and Director of Athletics) maintains responsibility for supporting the program in their respective functions. The University President, in

---

<sup>1</sup> *United States Sentencing Commission, Guidelines Manual*, §8B2.1. (Nov. 2016); *see also*, State University System Compliance and Ethics Programs, BOG 4.003 (2016).



coordination with the Board of Trustees, designates the Chief Compliance and Ethics Officer. Together, the Board of Trustees and President ensure that the Chief Compliance and Ethics Officer remains independent with the requisite resources to implement an effective program. The Vice Presidents, General Counsel, and Director of Athletics support the program by actively collaborating with the Chief Compliance and Ethics Officer in the promotion and enforcement of program tenets in their respective divisions.

- **Chief Compliance and Ethics Officer**—Tasked with the day-to-day implementation and operation of the compliance and ethics program, which includes, but is not limited to: assisting high-level personnel in identifying and prioritizing compliance risks, creating a management plan for those risks, promoting the program and actively monitoring compliance across the University. The Chief Compliance and Ethics Officer is also responsible for updating this plan, educating members of the University community, and providing consistent progress updates to the Board of Trustees and University President.
- **Compliance Partners**—University employees responsible for compliance in discipline-specific areas across the University. A dotted line reporting structure ensures an open line of communication between each Compliance Partner and the Chief Compliance and Ethics Officer. Compliance Partners are required to immediately report to the Chief Compliance and Ethics Officer instances of non-compliance with federal and state law, regulations, and/or university policy. The Chief Compliance and Ethics Officer will collaborate with Compliance Partners to address emergent compliance and ethics matters. The Chief Compliance and Ethics Officer will coordinate with compliance partners through initial one on one meetings, followed by scheduled meetings of the Enterprise Compliance Committee.
- **Enterprise Compliance Committee**—Comprised of all Compliance Partners throughout the University. The working matrix outlining the division area, compliance partner position, and area of compliance is in Appendix A of this document. The Chief Compliance and Ethics Officer will chair. The committee will establish a schedule of monthly meetings to work through implementation and maintenance of the program. The Enterprise Compliance Committee will meet as whole. The Committee will then decide on smaller related working groups to coordinate with existing well-functioning committees, identify compliance trends, challenges, and opportunities to address issues in a comprehensive way. The smaller working groups may meet more frequently, if needed.
- **Faculty, Staff, Students, and Third Parties**—All members of the University community are considered responsible for reporting misconduct or unethical behavior they observe or reasonably believe to be occurring.

### III. Effective Communication and Training

The cornerstone of effective outreach gives University stakeholders adequate resources and confidence in the program. Compliance and ethics training provides members of the campus community with the tools they need to incorporate ethical decision-making into their everyday routine and demonstrate a consistent commitment to compliance with law, regulation, and policy. Training also educates individuals to identify misconduct and opportunities for better compliance at the University. The Chief Compliance and Ethics Officer will focus on communication and training using various platforms to achieve broad based outreach. The Chief Compliance and Ethics Officer

will coordinate with appropriate University personnel to promote the program, coordinate University responses to institutional compliance and ethics matters, and develop compliance and ethics training for the University community. Board of Trustees compliance and ethics training will continue to be administered annually. New employees will receive such training as part of the onboarding process. Compliance and ethics training will also be provided annually to employees. The Chief Compliance and Ethics Officer will also attend planning workshops and orientations to communicate the importance and scope of compliance and ethics to as many levels of the organization as possible.

#### IV. Monitoring and Auditing

Florida A&M University will take a multifaceted approach to monitoring and auditing the compliance and ethics program.

##### Monitoring

- Compliance Partners will monitor their areas through periodic risk assessment, immediately reporting ethical misconduct or compliance concerns to the Chief Compliance and Ethics Officer. The Chief Compliance and Ethics Officer will coordinate with Compliance Partners on concerns reported to the Division of Audit and Compliance or brought to the Chief Compliance and Ethics Officer's attention.
- The Chief Compliance and Ethics Officer will conduct investigations and compliance reviews as necessary, reporting such findings to the department and executive compliance owner.
- The Chief Compliance and Ethics Officer will provide resources to Compliance Partners to collaborate in monitoring compliance throughout campus. Resources include compliance calendars for each department, compliance literature, and worksheets to assist Compliance Partners in evaluating their areas.
- The Chief Compliance and Ethics Officer will conduct annual surveys of Compliance Partners to assess compliance progress. Results of the surveys will be included in the Chief Compliance and Ethics Officer's annual report to the Board.
- The Chief Compliance and Ethics Officer will also annually survey the University community to evaluate program effectiveness and University perceptions of compliance and ethics.
- Most compliance issues span multiple departments and disciplines. The Enterprise Compliance Committee will serve as an additional source of comprehensive monitoring, as Compliance Partners will be able to identify and monitor compliance concerns comprehensively.
- The Committee will also assess policies and regulations to ensure that they are current and revised appropriately.
- The Chief Compliance and Ethics Officer will collaborate with the Office of Human Resources to review existing processes, such as employment verification and background checks, which will assist the University in its responsibility to employ reasonable efforts to exclude personnel from substantial authority who have engaged in illegal activities or other conduct inconsistent with University expectations regarding compliance and ethics. The University will implement additional practices as appropriate. The Chief Compliance and Ethics Officer will also work with the Office of Human Resources to provide training to search committees regarding this institutional responsibility and their role during the employment process.

## Auditing

An initial external review of the program will be conducted within five years of the effective date of Board of Governors Regulation 4.003 (no later than 2021). Subsequent external reviews will occur at least once every five years thereafter.

The Chief Compliance and Ethics Officer will implement the Compliance and Ethics Program through collaboration with constituencies throughout the University. Program effectiveness will be assessed using several different methods:

- Annual Reports to the Board of Trustees Audit Committee, President, and Vice President of the Division of Audit and Compliance
  - The annual report will review compliance efforts throughout campus, as well as the results of surveying Compliance Partners throughout the University. The report will also identify the goals and progress for each year. (Please see Appendix B for the 3-year plan goals). The annual report will be forwarded to the Board of Governors pursuant to 4.003 (7) 8.
- Campus Climate/Independent Survey
  - The Chief Compliance and Ethics Officer will distribute an initial survey within the first year through focus groups and anonymous survey distribution. The survey will be conducted annually thereafter.
- Internal Program Effectiveness Assessment
  - The Chief Compliance and Ethics Officer will conduct an internal program effectiveness assessment and solicit such review from the Division of Audit and Compliance.
- External Program Effectiveness Review
  - Pursuant to Board of Governors Regulation 4.003, Florida A&M University will solicit an external review of program design and effectiveness in 2020 and at least once every five years thereafter. The results and recommendations from the external review will be submitted to the Board of Trustees for review and approval. A copy will be provided to the Board of Governors.

## V. Response and Enforcement

A timely, consistent, and appropriate response is central to fostering trust and commitment to the plan. Members of the University community and entities conducting business with the University have a responsibility to report concerns about ethical misconduct and compliance to any of the following individuals/Offices (as applicable):

- Immediate supervisor (if one's immediate supervisor is the subject of the report, the second line supervisor)
- Division Vice President
- Chief Compliance Officer
- Division of Audit and Compliance
- Division Compliance Partner (outlined below)
- Office of the University Ombudsman
- Office of the General Counsel

Members of the University community may also submit anonymous reports of misconduct and compliance concerns to the Florida A&M University Compliance and Ethics Hotline, a reporting

system maintained and operated by Navex Global (located [here](#)). The Chief Compliance and Ethics Officer will coordinate with Compliance Partners and the Division of Audit and Compliance, as necessary, to investigate complaints based on the standards outlined by the State University Audit Council. Individuals will not suffer adverse treatment due to reporting a concern or participating in the investigation of any compliance or ethics matter.

### **Incentives and Accountability**

Clear expectations of behavior and accountability at all levels is essential for workforce morale and risk mitigation. The University will apply a combination of incentives and disciplinary measures through the performance evaluation process and internal rewards. Appropriate high-level personnel will enforce accountability within their divisions by responding to findings and coordinating with human resources or student employment/student affairs to implement appropriate disciplinary action. High-level personnel will also collaborate as necessary to employ best practices and explore the implementation of policies and procedures that benefit the institution. The Chief Compliance and Ethics Officer will assess institutional progress by following up with each division and employment function to document the progress and resolution of such matters.

Pursuant to Board of Governors Regulation 4.001, the Chief Compliance and Ethics Officer and/or the Vice President of the Division of Audit and Compliance (or designee) will timely report complaints of waste, fraud, or financial mismanagement to the Board of Governor's Inspector General. All employees and business entities conducting business with the University assist the Division of Audit and Compliance in monitoring the misconduct by reporting incidences observed or of which individuals are made aware.

## Appendix A: Compliance Partners Chart

Executive Area	Employee Title	Area of Compliance
Director of Athletics	Associate Athletic Director for Academics and Compliance Services	Eligibility, Rattler Boosters (direct support organization), reporting
General Counsel	Director, Office of Equal Opportunity Programs and Title IX Coordinator	Title VII, VI, ADA/Rehab Act section 504, ADEA, Title IX, Affirmative Action plan (OFCCP)
President	Vice President for Strategic Planning, Analysis and Institutional Effectiveness (or designee)	Southern Association of Colleges and Schools (SACSCOC) Accreditation
	Vice President, Audit and Compliance	Fraud, waste, abuse, whistleblower
	General Counsel	Law and policy, contracts, ethics, conflict of interest
	Director, Governmental Relations	Legislation, ethics, and disclosure reporting
	VP University Advancement (or designee)	Donations/Endowment
Provost and VP Academic Affairs	Registrar	FERPA
	Assistant VP, International Education/Study Abroad	International travel, study abroad
	Associate Provost, Faculty Affairs, and Faculty Development	Reporting, collective bargaining, training
VP Finance and Administration	Associate Vice President of Human Resources, Chief Human Resources and Diversity Officer	Class/Comp, personnel, recruiting, payroll, employee relations, training and development, reporting
	Director, Environmental Health and Safety	Biohazardous waste, biosafety, blood borne pathogens, workplace safety reporting
	Associate VP Facilities, Planning, Construction, and Safety	Workplace safety, contractor and third-party vendor compliance matters, procurement
	Associate Vice President, Information Technology Services	Data security
	Department of Campus Safety and Security	Clery Act, emergency management
	Director, Office of Procurement Services	Procurement
	Assistant VP and Controller	Consolidated Financial Statements, reporting and disclosures, records management
VP Research	Director, Technology Transfer & Export Control/Coordinator	Export controls; technology transfer
	Director, Research Integrity and Compliance	Intellectual property; misconduct in research, financial status reports, grants
	Executive Director, Title III	Reporting, financial disclosures
VP Student Affairs	Director, Student Health Services	Health insurance, reporting, records
	Undergraduate Admissions	Standards, reporting
	Student Financial Assistance	Federal and state aid, reporting
	Associate VP and Dean of Students	Academic integrity, Title IX, TRIO
VP Student Affairs/President	Associate VP and University Ombudsman	Hazing, SGA, monitoring and training

# Appendix B: Florida A&M University Compliance and Ethics Charter

## UNIVERSITY COMPLIANCE AND ETHICS CHARTER

### **Purpose and Mission**

University Compliance and Ethics (C&E) Office provides oversight and guidance to university-wide ethics and compliance activities, and fosters a culture that embeds these disciplines in all university functions and activities. C&E is designed to promote greater coordination of and consistency among individual University compliance programs, covering a wide variety of requirements related to academics, athletics, human resources, research, health care, information technology, and numerous administrative functions.

The mission of C&E is to support the University's mission and strategic plan by proactively partnering with faculty, staff and management to:

- Ensure compliance risks are identified, prioritized and managed appropriately;
- Establish a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols;
- Provide general compliance training to employees and faculty and guidance to managers;
- Provide an avenue for anonymous reporting of potential non-compliance or unethical behavior; and
- Develop effective policies and procedures to promote compliance and ethical behavior.

### **Reporting Structure and Independence**

In 2005, the Florida Agricultural & Mechanical University Board of Trustees (BOT) approved Resolution 14-05 adopting a university-wide compliance program as the foundation of the internal control and compliance environment. In support of the compliance program, the BOT maintains an internal audit and compliance function that is an integral component of the governance structure. The Division of Audit and Compliance (DAC) provides insight on the mitigation of business risk to assist the BOT and University management in the effective discharge of their responsibilities as they relate to the University policies, processes, programs, information systems, internal controls, and management reporting.

DAC is managed by the Vice President of Audit and Compliance who oversees both the audit and compliance functions. The compliance function of DAC is the University Compliance and Ethics Office. C&E is managed by the Chief Compliance & Ethics Officer. The Chief Compliance & Ethics Officer reports administratively and functionally to the Vice President of Audit and Compliance. Additionally, the Chief Compliance & Ethics Officer has free and unrestricted access to the University President and BOT Audit

#### **Committee.**

The chief compliance and ethics officer and staff shall have organizational independence and objectivity to perform their responsibilities and all activities of the office shall remain free from influence. Therefore, the Chief Compliance & Ethics Officer and staff will not perform or be responsible for any audit duties.

#### **Authority**

The Compliance & Ethics Office has the authority to review or investigate all areas of the university, including schools, colleges, administrative departments, auxiliary enterprises, and support organizations. Reviews and investigations shall not be restricted or limited by management, the president, or the Board of Trustees. Accordingly, C&E is authorized to:

- Have unrestricted and timely access to records, data, personnel, and physical property relevant to performing compliance reviews and investigations, and to allow for appropriate oversight and guidance related to compliance, ethics, and risk mitigation efforts;
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;
- Obtain the essential assistance and cooperation of personnel in areas of the University where reviews and investigations are performed, as well as other specialized services from within or outside the University; and
- Have free and unrestricted access to the University President and Board of Trustees.

Documents and records obtained for the above purposes will be handled in compliance with applicable laws, regulations, and university policies and procedures. As required by law, C&E will comply with public records requests.

The chief compliance and ethics officer will notify the Vice President of Audit and Compliance and request remediation of any unresolved restriction or barrier imposed by any individual on the scope of any inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. If unresolved by the Vice President of Audit and Compliance, the chief compliance and ethics officers will take additional remediation steps as outlined in Florida Board of Governors Regulation 4.003.

#### **Organizational Oversight**

The Board of Trustees will:

- Approve the charter of the Compliance & Ethics Office. The charter will be reviewed at least every three years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. Subsequent changes will be submitted to the Board of Trustees for approval. A copy of the charter and any subsequent changes will be provided to the Board of Governors;

- Approve the annual Program Plan;
- Receive communications from the Chief Compliance and Ethics Officer on the compliance activity's performance relative to its plan and other matters;
- Make appropriate inquiries of management and the Chief Compliance and Ethics Officer to determine whether there is inappropriate scope or resource limitations; and
- Ensure the Compliance & Ethics Office has appropriate staff and resources in which to fulfill its duties and responsibilities.

#### **Duties and Responsibilities**

The duties and responsibilities of the Chief Compliance and Ethics Officer and staff include projects and activities that fulfill the requirements for an effective compliance and ethics program as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. The following elements define the duties and responsibilities of the office:

1. **Compliance**
  - Assisting management with the identification and prioritization of compliance risks;
  - Assisting management with the development of mandatory risk management plans for compliance high risks;
  - Ensuring that compliance high risks are being properly managed by the designated responsible parties;
  - Promoting compliance awareness through effective training and education activities;
  - Providing compliance advisory services to management, faculty, and staff;
  - Evaluating emerging compliance trends in higher education and government and implementing best practices;
  - Performing internal monitoring, investigations, and compliance reviews; and
  - Enforcing and promoting standards through appropriate incentives and disciplinary guidelines, including the revising and developing of policies and procedures.
2. **Ethics**
  - Establishing a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct;
  - Performing internal monitoring, investigations, and ethic reviews; and
  - Promoting ethics awareness through effective training and education activities.
3. **Retaliation**
  - Providing all employees with an opportunity to report issues of potential retaliation for the reporting of wrong doing; and



- **Conducting investigations into claims of retaliation and other applicable state and federal laws relating to retaliation that are not covered by whistleblower protection or the Office of Equal Opportunity Programs.**

**The Chief Compliance and Ethics Officer and staff will:**

- 1. Provide oversight of compliance and ethics activities.**
- 2. Work closely with Internal Audit to assess and prioritize which compliance areas present the greatest risk and need for attention, based on regulatory environment and complexity, overlap with University strategic plans, and consequences of non-compliance.**
- 3. Develop an annual Program plan based on the requirements for an effective program. The Program plan and subsequent changes will be provided to the Board of Trustees for approval. A copy of the approved plan will be provided to the Board of Governors.**
- 4. Provide training to university employees and Board of Trustees' members regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan will specify when and how often this training will occur.**
- 5. Obtain an external review of the Program's design and effectiveness at least once every five years or as deemed necessary as dictated by the circumstances. The review and any recommendations for improvement will be provided to the president and Board of Trustees. The assessment will be approved by the Board of Trustees and a copy provided to the Board of Governors.**
- 6. Identify and provide oversight and coordination of compliance partners responsible for compliance and ethics related activities across campus and provide communication, training, and guidance on the Program and compliance and ethics related matters.**
- 7. Assist the Chief Audit Executive in administering and promoting the Florida Agricultural & Mechanical University Compliance and Ethics Hotline, an anonymous mechanism available for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.**
- 8. Maintain and communicate the university's policy on reporting misconduct and protection from retaliation and ensure the policy articulates the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.**
- 9. Communicate routinely to the president and the Board of Trustees regarding Program activities. Annually report on the effectiveness of the Program. Any Program plan revisions, based on the chief compliance and ethics officer's report,**

shall be approved by the Board of Trustees. A copy of the report and revised plan will be provided to the Board of Governors.

10. Promote and enforce the Program, in consultation with the President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance and ethics will be addressed through appropriate measures, including education or disciplinary action.
11. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices such as inquiries, investigations, or reviews deemed appropriate in accordance with university regulations and policies, state statutes, and/or federal regulations. Submit final reports to appropriate action officials.
12. Make necessary modification to the Program in response to detected non-compliance, unethical behavior, or criminal conduct and take steps to prevent its occurrence.
13. Assist the university in its responsibility to use reasonable efforts to exclude within the university and its affiliated organizations individuals whom it knew or should have known through the exercise of due diligence to have engaged in conduct not consistent with an effective Program.
14. Coordinate or request compliance activity information or assistance as necessary from any university, federal, state, or local government entity.
15. Oversee and coordinate external inquiries into compliance with federal and state laws and take appropriate steps to ensure safe harbor in instances of non-compliance.
16. Maintain a professional staff with sufficient size, knowledge, skills, experience, and professional certifications.
17. Utilize third-party resources as appropriate to supplement the department's efforts.
18. Perform assessments of the program and make appropriate changes and improvements.

Members of the University community having responsibility for a specific area of compliance must ensure the following:

1. Oversight of compliance in their specific functional areas;
2. Adherence to the University's compliance policies;
3. Implementation of corrective action as necessary, arising from compliance reviews and/or investigations;
4. Completion of self-assessments to evaluate their individual compliance efforts against a list of criteria necessary to have an effective compliance program; and
5. Immediate notification to the Chief Compliance and Ethics Officer of any realized or suspected compliance or ethics violations within their functional area.

**Professional Standards**

Compliance and Ethics Office activities will be governed by adherence to the *Florida Code of Ethics*; the *Code of Professional Ethics for Compliance and Ethics Professionals*; and the *U.S. Federal Sentencing Guidelines'* criteria for an effective compliance program. Investigation activities will be governed by adherence to professional standards issued for the State University System.

Richard E. Morris  
Chief Compliance & Ethics Officer

6/8/2017  
Date

Richard E. Morris  
Chief Audit Executive

6/8/2017  
Date

Larry Robinson  
President

6/9/2017  
Date

[Signature]  
Audit Committee Chair

6/27/2017  
Date

## Appendix C: University Code of Conduct

### Regulations of Florida A&M University



#### 1.019 University Code of Conduct

(1) *Applicability.* This Code of Conduct applies to the following members of the University community: a) faculty, staff and students who are paid for working for the University; b) consultants, vendors and contractors and other individuals using University resources or facilities, or receiving funds administered by the University; and c) individuals who perform services for the University as volunteers and who assert an association with the University. Any reference to the University community as provided in this policy shall refer to all of the above persons.

(2) *Preamble.* As members of the Florida Agricultural and Mechanical University (University) community, all faculty, staff, students, members of the Board of Trustees, University officers and affiliates are responsible for sustaining the highest ethical standards of professional conduct and integrity for this institution, and for the broader community in which we function. We share responsibility for this institution and of its enterprises. The values we hold as essential to responsible professional behaviour include: integrity, honesty, respect and fairness in dealing with other people, and loyalty toward the ethical principles espoused by the Florida Code of Ethics for Public Officers and Employees in Chapter 112, Part III, Florida Statutes. Therefore, adherence by officers, faculty, staff, student employees and others acting on behalf of the University to standards set forth in this Code of Conduct is an integral part of the University's goal of attracting quality students, faculty and staff, ensuring the use of hazardous materials.

Members also have an obligation to report any noncompliance of regulations that are observed. We are cognizant of and shall comply with the applicable standards, policies, rules, regulations and state and federal laws that govern and guide our work. This Code of Conduct describes standards to guide us in our daily University activities and provides guidelines for those acting on behalf of the University.

(3) *Compliance with Laws and University Rules and Policies.* All members of the University community will strive to ensure that all activity conducted by, at or on behalf of the Institution is in full compliance with applicable federal, state and local laws, and the official rules and policies of the University. Administrators, supervisors and managers

*Specific Authority: 120.54, 1001.74, FS. Law Implemented 120.54, 1001.74 FS. History—New*

**Regulations of  
Florida A&M University**



are responsible for teaching and monitoring compliance. The acceptance of an agreement, including sponsored project funding, may create a legal obligation on the part of the University to comply with the terms and conditions of the agreement and applicable laws and regulations. Therefore, only individuals who have authority delegated by an appropriate University official are authorized to enter into agreements on behalf of the University.

(4) *Conflict of Interest and Commitment.* Faculty and staff of the University owe their primary professional allegiance to the University and its mission to engage in education, scholarship and research. The University has obligations to parents and students, government, external organizations, and donors to use its resources responsibly and, where required, for designated purposes. Thus, all officers, faculty, principal investigators, staff, student employees and others acting on behalf of the University hold positions of trust, and the University expects them to carry out their responsibilities with the highest level of integrity and ethical behavior. In order to protect the University's mission, members of the University community with private or other professional or financial interests which conflict with applicable State of Florida's, state or federal laws and University rules and policies must disclose them in compliance with the University's conflict of interest/conflict of commitment policies and the Florida Code of Ethics for Public Officers and Employees.

(5) *Confidentiality and Privacy.* The University community shall use confidential information acquired in the course of University affiliation only for official or legal purposes, and not for personal or illegal advantage, during or after such affiliation. It is imperative that each community member complies with all federal laws, state laws, agreements with third parties, and University policies and procedures pertaining to the use, protection and disclosure of such information, and such policies apply even after the community member's relationship with the University ends.

(6) *Protection of Assets.* The University community will strive to preserve, protect and enhance the University's assets by making prudent and effective use of University resources and property and by accurately reporting its financial condition. All funds provided for research must be spent in ways consistent with funding requirements and in compliance with guidelines on allowable costs.

*Specific Authority: 120.54, 1001.74, FS. Law Implemented 120.54, 1001.74 FS. History--New*

**Regulations of  
Florida A&M University**



- (7) *Reporting Suspected Violations.*
- a. **Reporting to management.** The University community should report suspected violations of applicable laws, regulations, government contract and grant requirements of this Code. This reporting should normally be made initially through normal management channels, beginning with one's immediate supervisor. If it is not appropriate to report to the immediate supervisor, e.g., the suspected violation is by the manager, individuals may go to a higher level of management within the college or department.
  - b. **Other Reporting.** Violations may be reported internally to the Office of the Inspector General, or its successor office, or the Office of the General Counsel. In addition, any suspected violations of state and federal laws may also be reported to the Florida whistleblower's Hotline.
  - c. **Confidentiality.** Such reports may be made confidentially, and even anonymously.
  - d. **Cooperation.** All employees are expected to cooperate fully in the investigation of any misconduct.

*Specific Authority: 120.54, 1001.74, FS. Law Implemented 120.54, 1001.74 FS. History—New*

## Appendix D: Florida Board of Governors Regulation 4.003

### 4.003 State University System Compliance and Ethics Programs

- (1) Each board of trustees shall implement a university-wide compliance and ethics program (Program) as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures.
- (2) The Program shall be:
  - (a) Reasonably designed to optimize its effectiveness in preventing or detecting non-compliance, unethical behavior, and criminal conduct, as appropriate to the institution's mission, size, activities, and unique risk profile;
  - (b) Developed consistent with the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes; other applicable codes of ethics; and the Federal Sentencing Guidelines Manual, Chapter 8, Part B, Section 2.1(b); and
  - (c) Implemented within two (2) years of the effective date of this regulation.
- (3) Each board of trustees shall assign responsibility for providing governance oversight of the Program to the committee of the board responsible for audit and compliance. The charter required by Board of Governors Regulation 4.002(2) shall address governance oversight for the Program.
- (4) Each university, in coordination with its board of trustees, shall designate a senior-level administrator as the chief compliance officer. The chief compliance officer is the individual responsible for managing or coordinating the Program. Universities may have multiple compliance officers; however, the highest-ranking compliance officer shall be designated the chief compliance officer. Nothing in this regulation shall be construed to conflict with the General Counsel's responsibility to provide legal advice on ethics laws. The chief compliance officer shall not be the same individual as the chief audit executive with the exception of New College of Florida and Florida Polytechnic University who may, due to fiscal and workload considerations, name the same individual as both chief audit executive and chief compliance officer.
- (5) The chief compliance officer shall report functionally to the board of trustees and administratively to the president. If the university has an established compliance program in which the chief compliance officer reports either administratively or functionally to the chief audit executive, then the university shall have five (5) years from the effective date of this regulation to transition the reporting relationship of the chief compliance officer to report functionally to the board of trustees and administratively to the president.

(6) The office of the chief compliance officer shall be governed by a charter approved by the board of trustees and reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

(7) The Program shall address the following components:

(a) The president and board of trustees shall be knowledgeable about the Program and shall exercise oversight with respect to its implementation and effectiveness. The board of trustees shall approve a Program plan and any subsequent changes. A copy of the approved plan shall be provided to the Board of Governors.

(b) University employees and board of trustees' members shall receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan shall specify when and how often this training shall occur.

(c) At least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The first external review shall be initiated within five (5) years from the effective date of this regulation. The assessment shall be approved by the board of trustees and a copy provided to the Board of Governors.

(d) The Program may designate compliance officers for various program areas throughout the university based on an assessment of risk in any particular program or area. If so designated, the individual shall coordinate and communicate with the chief compliance officer on matters relating to the Program.

(e) The Program shall require the university, in a manner which promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith. If the chief compliance officer determines the reporting process is being abused by an individual, he or she may recommend actions to prevent such abuse.

(f) The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

(g) The chief compliance officer shall:

1. Have the independence and objectivity to perform the responsibilities of the chief compliance officer function;
2. Have adequate resources and appropriate authority;
3. Communicate routinely to the president and board of trustees regarding Program activities;



4. Conduct and report on compliance and ethics activities and inquiries free of actual or perceived impairment to the independence of the chief compliance officer;
5. Have timely access to any records, data, and other information in possession or control of the university, including information reported to the university's hotline/helpline;
6. Coordinate or request compliance activity information or assistance as may be necessary from any university, federal, state, or local government entity;
7. Notify the president, or the administrative supervisor of the chief compliance officer, of any unresolved restriction or barrier imposed by any individual on the scope of any inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. In such circumstances, the chief compliance officer shall request the president remedy the restrictions. If unresolved by the president or if the president is imposing the inappropriate restrictions, the chief compliance officer shall notify the chair of the board of trustees committee charged with governance oversight of the Program. If the matter is not resolved by the board of trustees, the chief compliance officer shall notify the Board of Governors through the Office of Inspector General and Director of Compliance (OIGC);
8. Report at least annually on the effectiveness of the Program. Any Program plan revisions, based on the chief compliance officer's report shall be approved by the board of trustees. A copy of the report and revised plan shall be provided to the Board of Governors;
9. Promote and enforce the Program, in consultation with the president and board of trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance or ethics shall be addressed through appropriate measures, including education or disciplinary action;
10. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices (such as human resources, audit, Title IX, or general counsel) such inquiries, investigations, or reviews as deemed appropriate and in accordance with university regulations and policies; and
11. Submit final reports to appropriate action officials.
  - (h) When non-compliance, unethical behavior, or criminal conduct has been detected, the university shall take reasonable steps to prevent further similar behavior, including making any necessary modifications to the Program.

(8) The university shall use reasonable efforts not to include within the university and its affiliated organizations individuals whom it knew, or should have known (through the exercise of due diligence), to have engaged in conduct not consistent with an effective Program.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16.

## Appendix E: United States Sentencing Commission 2016 Guidelines Manual: Chapter Eight

### EFFECTIVE COMPLIANCE AND ETHICS PROGRAM

#### §8B2.1. Effective Compliance and Ethics Program

- (a) To have an effective compliance and ethics program, for purposes of subsection (f) of §8C2.5 (Culpability Score) and subsection (b)(1) of §8D1.4 (Recommended Conditions of Probation — Organizations), an organization shall—
- (1) exercise due diligence to prevent and detect criminal conduct; and
  - (2) otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

Such compliance and ethics program shall be reasonably designed, implemented, and enforced so that the program is generally effective in preventing and detecting criminal conduct. The failure to prevent or detect the instant offense does not necessarily mean that the program is not generally effective in preventing and detecting criminal conduct.

- (b) Due diligence and the promotion of an organizational culture that encourages ethical conduct and a commitment to compliance with the law within the meaning of subsection (a) minimally require the following:
- (1) The organization shall establish standards and procedures to prevent and detect criminal conduct.
  - (2) (A) The organization's governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program.  
(B) High-level personnel of the organization shall ensure that the organization has an effective compliance and ethics program, as described in this guideline. Specific individual(s) within high-level personnel shall be assigned overall responsibility for the compliance and ethics program.  
(C) Specific individual(s) within the organization shall be delegated day-to-day operational responsibility for the compliance and ethics program. Individual(s) with operational responsibility shall report periodically to high-level personnel and, as appropriate, to the governing authority, or an appropriate subgroup of the governing authority, on the effectiveness of the compliance and ethics program. To carry out such operational responsibility, such individual(s) shall be given adequate resources, appropriate authority, and direct access to the governing authority or an appropriate subgroup of

the governing authority.

- (3) The organization shall use reasonable efforts not to include within the substantial authority personnel of the organization any individual whom the organization knew, or should have known through the exercise of due diligence, has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.
  - (4) (A) The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program, to the individuals referred to in subparagraph (B) by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.  
(B) The individuals referred to in subparagraph (A) are the members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents.
  - (5) The organization shall take reasonable steps—
    - (A) to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct;
    - (B) to evaluate periodically the effectiveness of the organization's compliance and ethics program; and
    - (C) to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.
  - (6) The organization's compliance and ethics program shall be promoted and enforced consistently throughout the organization through (A) appropriate incentives to perform in accordance with the compliance and ethics program; and (B) appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.  
(7) After criminal conduct has been detected, the organization shall take reasonable steps to respond appropriately to the criminal conduct and to prevent further similar criminal conduct, including making any necessary modifications to the organization's compliance and ethics program.
- (c) In implementing subsection (b), the organization shall periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement set forth in subsection (b) to reduce the risk of criminal conduct identified through this process.



## SUS Compliance Program Status Checklist

**Instructions:** For the four area tables below, please complete the Description and Progress Indicator columns for each Regulation Component, which align with Board of Governors Regulation 4.003 (effective November 3, 2016). Then complete the Program Status Summary table immediately below. Please note that the status date for “Good Progress” has passed and this category should not be used.

Return completed checklists to [BOGInspectorGeneral@flbog.edu](mailto:BOGInspectorGeneral@flbog.edu).

For assistance, please contact the Board of Governors Office of Inspector General and Director of Compliance at [joseph.maleszawski@flbog.edu](mailto:joseph.maleszawski@flbog.edu) or 850-245-9247.

Program Status Summary (May 2018)						
Area	Regulation Components	Completed	In Process			Not Begun
		✓	Good Progress ●	Slow Progress ●	Poor Progress ●	N/B
A - University-wide Compliance Program	5	4	0	1	0	0
B - Program Plan	5	4	0	1	0	0
C - BOT Committee	4	4	0	0	0	0
D - Chief Compliance Officer	5	5	0	0	0	0
<b>TOTAL</b>	<b>19</b>	<b>17</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>

**Legend:**

- ✓ Indicates that the university president and board chair assert that the regulation components making up this area are fully implemented in accordance with Board of Governors Regulation 4.003.
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2017.
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2018 (completion of items beyond this date constitute non-compliance with Board of Governors Regulation 4.003).
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by May 3, 2019 (six months beyond the period established in Board of Governors Regulation 4.003).
- N/B Indicates that the university president and board chair acknowledge that the university has not begun implementing the regulation components making up this area. The “N/B” indicator should be used in conjunction with one of the green/amber/red light indicators to communicate anticipated completion periods for items not yet begun.

Area A - University-wide Compliance Program		
<b>A1 - University-wide Compliance Program implemented consistent with Code of Ethics for Public Officers and Employees (Part III, Chapter 112, F.S.) and the Federal Sentencing Guidelines Manual, Chapter 8, Part B [4.003(1) &amp; (2)(b)]</b>	<b>May 2018:</b> These provisions for the Compliance Program have been included in the University Compliance & Ethics Charter, which was approved at the June 8, 2017 Board of Trustees meeting. The CCO has developed the program plan and has begun implementation. The CCO has presented the program plan to the President's Leadership Team. The CCO will present to the program plan for review and approval to the Board of Trustees at the June 7, 2018 meeting.	✓ ● ● ● N/B
<b>A2 - CCO reports to the BOT at least annually on Program effectiveness (copy to BOG) [4.003(7)(g) 8.]</b>	<b>May 2018:</b> The provision for annual reporting was included in the audit charter which was approved at the June 8, 2017 Board of Trustees meeting. The CCO will report on the status of program implementation and program effectiveness to the BOT at its June 7, 2018 meeting.	✓ ● ● ● N/B
<b>A3 - External Program design and effectiveness review every 5-years (copy to BOG) [4.003(7)(c)]</b>	<b>May 2018:</b> This provision was included in the Compliance Charter which was approved by the audit committee at its June 8, 2017 meeting. The expectation has also been included in the program plan. The report will be submitted within the 5-year requirement.	✓ ● ● ● N/B
<b>A4 - Process established for detecting and preventing non-compliance, unethical behavior, or criminal conduct [4.003(7)(h)]</b>	<b>May 2018:</b> The requirement has been included in the Compliance and Ethics Charter. The CCO has established the framework for detecting and preventing non-compliance, unethical behavior, or criminal conduct and implementation has begun.	✓ ● ● ● N/B
<b>A5 - Due diligence steps for not including individuals who have engaged in conduct not consistent with an effective Program [4.003(8)]</b>	<b>May 2018:</b> The University's hiring process for positions of authority includes background checks and an extensive interview process to provide reasonable efforts to not include individuals who have engaged in conduct not consistent with an effective program. This hiring process is outlined in University Regulation 10.105, mandating the verification of educational qualifications and credentials, work experience, background check, fingerprinting and references.	✓ ● ● ● N/B

Area B - Program Plan		
<b>B1 - Compliance and Ethics Program Plan approved by BOT (copy to BOG) [4.003(7)(a)]</b>	<p><b>May 2018:</b> The CCO began employment with the University and developed the program plan and attendant goals. The CCO will present the program to the BOT for review and approval in June 2018.</p>	<p>✓ ● ● ● N/B</p>
<b>B2 - Plan provides for compliance training for university employees and BOT members [4.003(7)(b)]</b>	<p><b>May 2018:</b> The Compliance Charter included these requirements. The CCO has developed the program plan, which provides for compliance training for University employees and BOT members. The University has in place training programs for various compliance topics, which will be further developed.</p>	<p>✓ ● ● ● N/B</p>
<b>B3 - Designated compliance officers (e.g., Title IX, Athletics, Research, etc.) as either direct reports or dotted-line reports (specify which) [4.003(7)(d)]</b>	<p><b>May 2018:</b> Designated compliance officers have dotted-line reporting to the Chief Compliance and Ethics Officer. The CCO has personally met with Compliance Partners to discuss the reporting structure in detail.</p>	<p>✓ ● ● ● N/B</p>
<b>B4 - Reporting mechanism (e.g., Hotline) for potential/actual violations and provides protection for reporting individuals from retaliation [4.003(7)(e) &amp; (f)]</b>	<p><b>May 2018:</b> The University has a hotline administered by a third party. The third-party administrator forwards complaints to the Division of Audit &amp; Compliance for review and handling. Complaints can be made anonymously. Individuals may also submit complaints to the Division of Audit and Compliance, immediate supervisors (second level supervisors can also be a reporting point in the event that the employee cannot report to their immediate supervisor), or the University Ombuds.</p>	<p>✓ ● ● ● N/B</p>
<b>B5 - Promoting and enforcing the Program through incentives and disciplinary measures [4.003(7)(g)9.]</b>	<p><b>May 2018:</b> The requirement for the program to include promotion and enforcement through incentives and disciplinary measures are included in the program plan. Incentives and disciplinary measures include: Awarding compliant and ethical behavior through public recognition based on a nomination process; newsletters; "lunch and learn" events; celebration of Corporate Compliance and Ethics week in November 2018; and, including specific reference to compliant and ethical behavioral expectations in employment performance evaluations. The CCO will collaborate with the Office of Human Resources to educate the University community regarding these standards and the performance evaluation process. The CCO will also work with the President's Leadership Team to keep them apprised of misconduct to ensure appropriate action and accountability is enforced.</p>	<p>✓ ● ● ● N/B</p>

Area C - BOT Committee		
<b>C1 - BOT Committee provides oversight to Compliance and Ethics Program [4.003(3)]</b>	<p><b>May 2018:</b> The Audit &amp; Compliance Committee established a compliance function to which it provides oversight. The approved Compliance Charter provides for Board of Trustees oversight of the compliance function. The Audit Committee's charter will be revised as necessary to conform to provisions of the new regulation.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● N/B</p>
<b>C2 - BOT Audit and Compliance Committee Charter [4.003(3)]</b>	<p><b>May 2018:</b> This provision was included in the Compliance and Ethics Charter approved by the audit committee at its June 2017 meeting.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● N/B</p>
<b>C3 - Routine CCO meetings with BOT Committee - please describe the nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) [4.003(7)(a) &amp; 7(g)(3)]</b>	<p><b>May 2018:</b> The CCO has assumed responsibility from the Chief Audit Executive for CCO meetings with the BOT audit committee. Meetings with the BOT audit committee and the CCO will continue to be held quarterly, beginning June 2018. The meeting topics will include status updates on compliance issues that were reported in audit and investigative reports.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● N/B</p>
<b>C4 - Routine CCO meetings with President - please describe nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) or whether the CCO participates in other regularly held direct reports or leadership meetings [4.003(7)(a) &amp; 7(g)(3)]</b>	<p><b>May 2018:</b> The CCO is scheduled to meet with the President bi-weekly to discuss compliance matters. Additionally, the CCO is member of the senior leadership team and participates in weekly meetings. Updates on compliance activities are included in the reports to the senior leadership team.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● N/B</p>

Area D - Chief Compliance Officer		
<b>D1 - Appointed Chief Compliance Officer (CCO) [4.003(4)]</b>	<p>May 2018: The University President has appointed a Chief Compliance and Ethics Officer.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● ● N/B</p>
<b>D2 - CCO reports functionally to the Board and administratively to the President [4.003(5)]</b>	<p>May 2018: The University elected to initially structure functional and administrative reporting to the Vice President of Audit &amp; Compliance within the existing compliance program pursuant to BOG Regulation Section 4.003. As of June 30, 2018, the reporting structure for the Chief Compliance and Ethics officer will be revised to report functionally to the BOT and administratively to the President.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● ● N/B</p>
<b>D3 - Compliance Office Charter [4.003(6)]</b>	<p>May 2018: The BOT at its June 2017 meeting approved the Compliance Office Charter.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● ● N/B</p>
<b>D4 - CCO independence, objectivity, and access, (provide details of resolution of barriers [4.003(7)(g)5 &amp; (7)(g)7]</b>	<p>May 2018: These provisions were incorporated in required elements of the program as outlined in the Compliance Charter approved by the BOT in its June 2017 meeting. The CCO will notify the appropriate divisional Vice President to request remediation of any unresolved restriction or barrier imposed by any individual on the scope of any inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. If unresolved by the appropriate Vice President, the CCO will notify the President to assist in remediation. If continued barriers remain, the CCO will make the appropriate notifications as outlined in Regulation 4.003(7)(g)7.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● ● N/B</p>
<b>D5- CCO authority and resources (provide details of both staffing and budget) [4.003(7)(g)(2)]</b>	<p>May 2018: The CCO authority, roles, and responsibilities were outlined in the Compliance Charter approved by the BOT at its June 2017 meeting. Resources for the Compliance function are included in the 2017-18 budget for the Division of Audit &amp; Compliance. For 2018-19 year, the Compliance office is staffed by the CCO and a half-time administrative assistant. Budget for training, travel, office equipment, and supplies have been included.</p> <p style="text-align: center;">✓</p>	<p>✓ ● ● ● ● N/B</p>



I certify that all information provided is true and correct to the best of my knowledge.

Certification: Larry Robinson Date 5/21/18  
President

I certify that all information provided is true and correct to the best of my knowledge.

Certification: Phil Turner Date 5/22/18  
Board of Trustees Chair