

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 29, 2022

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 4.003,
State University System Compliance and Ethics Programs

PROPOSED COMMITTEE ACTION

Approve the public notice of intent to amend Board of Governors Regulation 4.003,
State University System Compliance and Ethics Programs.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation
Development Procedure

BACKGROUND INFORMATION

This regulation is designed to set minimum requirements for university compliance and ethics programs based upon the guidelines in the Federal Sentencing Guidelines Manual. The regulation provides for board of trustees oversight of the program; the appointment of a chief compliance officer who reports functionally to the university board of trustees; the development of a program plan; a charter document for the office of the chief compliance officer; independence of the chief compliance officer as well as access to necessary resources, people and information to perform the duties of their position. The chief compliance officer will report at least annually to the board of trustees on program effectiveness and the program shall have an independent external review every five years.

To maintain the applicability and relevance of Board of Governors Regulations, the Office of Inspector General and Director of Compliance recently reviewed the Chapter 4 regulations for possible amendments. A track changes version of the proposed amendments is included in the meeting materials, and a summary description of the proposed amendments is as follows:

- Remove obsolete language related to establishing compliance functions;
- Add a new requirement for quarterly updates to the Board of Governors Audit and Compliance Committee of any chief compliance officer vacancy of more than six months and the efforts to fill such vacancy;
- Add a new requirement for Board of Governors' approval before outsourcing the CCO function;

- Clarify, where applicable, reporting is to be to the Board of Governors Office through the Office of Inspector General and Director of Compliance;
- Clarify the annual reporting of program activities and effectiveness requirement;
- Add a new requirement to notify the Board of Governors Office, through the Office of Inspector General and Director of Compliance, of any issues of significant non-compliance; and
- Duplicate language from regulation 4.001, paragraphs (5) and (6) requiring university boards of trustees to adopt a regulation or regulations related to significant and credible allegations of fraud, waste, mismanagement, misconduct, and other abuses made against the university president, a board of trustees member, or chief compliance officer.

This regulation has been reviewed internally by Board Office staff and externally by appropriate university representatives through the established regulation development process. If the Committee approves the regulation draft, it will be presented to the Board of Governors for review and approval consideration of the notice of intent to amend. It will then be noticed on the Board's website for 30 days and presented to the Board of Governors for final approval consideration at the June 2022 meeting.

Supporting Documentation:

Amended Draft, Regulation 4.003

Facilitators/Presenters:

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