

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

June 30, 2022

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

PROPOSED BOARD ACTION

Approve amendment of 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.

This regulation is being amended to:

- 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 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.

The Board approved the public notice of intent to amend this regulation at the March 30, 2022, meeting. No public comments were received.