

STATE UNIVERSITY SYSTEM OF FLORIDA BOARD OF GOVERNORS COMPLIANCE PROGRAM PLAN

INTRODUCTION

The State University System of Florida (System) Board of Governors (Board) Compliance Program Plan (compliance program) is a structured and organized approach to promote and support a culture of compliance, risk mitigation, and accountability. The Board of Governors' Compliance Program Plan is incorporated into the Office of Inspector General and Director of Compliance (OIGC), which also has audit and investigative responsibilities. The work in each of these areas helps direct the overall compliance program with a focus on the Board of Governors' Office (Board Office).

The United States Sentencing Commission publishes the *Federal Sentencing Guidelines for Organizations* (Guidelines), which recommends that all organizations, including higher education institutions, have a comprehensive compliance program in place. Chapter 8 of the Guidelines lists and defines the elements required for an effective compliance program, which are incorporated in the "Compliance Program Structure" section of this document. The Guidelines continue to serve as the standards upon which compliance and ethics programs in all sectors are developed.

A comprehensive and effective compliance program for the Board Office includes objectives such as:

- Fostering a culture that encourages and supports compliance-based decision-making;
- Enhancing decision-making by raising awareness of requirements and expectations;
- Reducing risks of non-compliance while increasing the likelihood of early detection and correction;
- Addressing concerns through collaboration, cooperation, and communication; and
- Enhancing employee engagement to report actual or perceived violations of law or policy.

COMPLIANCE PROGRAM STRUCTURE

1) Executive Oversight

Primary oversight and direction for the Board's compliance program rests with the Board's Audit and Compliance Committee (AACC). In addition to the Committee's duties and responsibilities enumerated in the *Audit and Compliance Committee Charter*, the Committee's responsibilities related to compliance focus

directly on the Board Office and on the System through Board of Governors Regulation 4.003.

Proactive and engaged leadership by Board members and Board Office management is critical to maintaining a strong culture of compliance conduct. The AACC has designated the Board's Inspector General and Director of Compliance (DoC) to implement and administer the Board office's compliance program.

The DoC serves as the central point for coordination, collaboration, and oversight of activities and initiatives to promote and encourage a culture of compliance behavior. The DoC also serves in an advisory capacity to the chancellor and his leadership team in making compliance management decisions. Included in the DoC's responsibility for the compliance program implementation is providing oversight and monitoring, along with periodic review. The DoC reports functionally to the Board's AACC Chair and administratively to the chancellor.

The DoC is also governed by the *Office of Inspector General and Director of Compliance Charter*, which describes the office's operations for audits, investigations, and compliance. Additionally, it provides for the DoC to have sufficient independence and timely, unrestricted access to the chancellor, Board chair, AACC chair, and Board members to freely discuss policies, findings, recommendations, follow-up, potential issues (e.g., impairments to independence or conflicts of interest), and other matters. As such, the DoC can escalate critical and/or time-sensitive compliance issues as appropriate and necessary.

The DoC will ensure alignment between the *Audit and Compliance Committee Charter*, the *Office of Inspector General and Director of Compliance Charter*, and the *Compliance Program Plan*. These documents will be reviewed at least every three years.

As an opportunity to learn from and contribute to the State University System (System) related to compliance and risk management, the DoC is directed to serve as the Board liaison for: the State University System Compliance and Ethics Consortium (Compliance Consortium), and the State University System Enterprise Risk Management Consortium (ERM Consortium). The Compliance Consortium is composed of compliance directors and representatives from each System institution. Its mission is to provide an avenue for System institutions to discuss the development and improvement of compliance and ethics programs, new federal and state regulations, best practices, and issues campuses may be facing. The ERM Consortium is composed of university representatives whose mission is to enhance risk awareness, facilitate collaboration between System ERM professionals, identify and address trending risks, develop System-wide best practices, and support strategic goals.

2) Standards of Conduct/Policies and Procedures

The Board Office has designated a separate Ethics Officer (EO), who also serves as the Board's general counsel. The DoC will coordinate with the EO on activities that promote and encourage ethical behavior and compliance with laws, rules, regulations, policies, and procedures.

The Board Office's internal operating policies and procedures include guidance on appropriate employee conduct and behavior, which serves as the foundation of the compliance program. All employees are expected to perform their duties and responsibilities with integrity and accountability in compliance with the Code of Ethics for Public Officers and Employees (Part III of Chapter 112, Florida Statutes).

3) Education and Training

Each year, the DoC will identify training opportunities for Board Office staff based on the OIGC's annual risk assessment. Training topics will be evaluated for their relevance to Board Office staff and will be documented and assessed for effectiveness. Regarding the statutorily required annual Code of Ethics training, OIGC staff will work with the Board Office's Ethics Officer to facilitate the training and report to leadership and the Board of Governors on the event's effectiveness through the DoC's annual report or other means, as appropriate.

4) Compliance Reviews and Issues Monitoring

OIGC staff monitor evolving risks from the Board Office level to the System level, and to the National level through meetings with Board Office leadership, university councils (for audit, compliance, and enterprise risk management), and professional organization training events.

OIGC staff conduct compliance reviews of statutes, Board of Governors regulations, policies, and procedures to evaluate Board Office as well as related System compliance. Identifying areas for review will be included in the OIGC's annual work plan and scaled for available staff resources. The annual work plan is presented to the Board through the AACC annually for their review and approval. Completed audits or compliance reviews are generally provided as written reports and distributed to appropriate parties.

To achieve sufficient monitoring of issues or concerns and to perform meaningful compliance reviews, OIGC staff shall have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out the office's duties and responsibilities. This shall include freedom from any interference with audits, investigations, or compliance activities.

5) Enforcement and Discipline

An effective compliance program is one that incentivizes employees to engage in conduct in accordance with laws, regulations, rules, and policies. Conversely, it also applies appropriate disciplinary measures when employees engage in non-compliant conduct. The Board Office's internal operating policies and procedures describe what is required of employees as well as disciplinary measures for non-compliance.

6) Effective Lines of Communication and Reporting

Open lines of communication are critical to early detection and identification of issues. Board Office and System employees are responsible for complying with laws, regulations, rules, policies and procedures, and standards of conduct.

Should they have a concern or any issues of possible compliance violations or misconduct, employees are encouraged to share them with their supervisor or other appropriate officials. Employees of either the Board Office or a System institution may report concerns in person or by contacting the OIGC by email, phone, or the "[General Complaint Form](#)" accessible via the "How to File a Complaint" section of the OIGC webpage.

7) Response and Reporting Results

As described in the *Office of Inspector General and Director of Compliance Charter*, and in accordance with its internal procedures, the OIGC's implementation of its investigative responsibility is to deter, detect, and investigate fraud, waste, mismanagement, misconduct, and other abuses.

For complaints concerning the System, the OIGC strives to promote accountability, efficiency, and effectiveness, and to detect fraud and abuse within state universities. Upon receipt of any significant and credible allegations, OIGC staff are governed by the *Office of Inspector General and Director of Compliance Charter* and Board of Governors Regulation 4.001, *University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement*. The former describes the process for conducting a preliminary inquiry and making a determination for any possible Board action through the OIGC. The latter describes the process for any OIGC role that may be required in evaluating and/or handling the matter.

Reporting results of reviews or investigations is critical to fostering an environment of integrity, trust, and accountability. Corrective actions as a result of an investigation can aid in the prevention of similar future issues.

8) Program Design and Effectiveness Review

Internal and external assessments of a compliance program's design and effectiveness are a critical management tool for program improvement. The DoC,

in coordination with the chancellor and the AACC chair, will oversee the compliance program evaluation process.

The DoC will report annually to the Board through the AACC on the compliance program's effectiveness. This information will be included in the *Office of Inspector General and Director of Compliance Annual Report*, which is due by September 30th each year. Any changes to the compliance program or the Office of Inspector General and Director of Compliance Annual Work Plan will be presented to the Board through the AACC for review and approval consideration.

The compliance program will undergo an annual assessment of the program's design and effectiveness. This assessment will include an external review at least once every five years. Review results and recommendations for improvement will be reported to the Board and the chancellor.

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