FAU
BOARD OF TRUSTEES
Florida Atlantic University

Item: <u>AC: I-2</u>

AUDIT AND COMPLIANCE COMMITTEE
Tuesday, January 29, 2019

SUBJECT: **COMPLIANCE UPDATE**

PROPOSED COMMITTEE ACTION

Information only.

BACKGROUND INFORMATION

Effective November 3, 2016, the Florida Board of Governors implemented BOG Regulation 4.003, which required each state university board of trustees to "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." The regulation required implementation of each university's program and all required regulation components within two years.   On October 2, 2018, this board approved FAU's Compliance and Ethics Program Plan, which was the final component needed on behalf of FAU to complete the Program elements required by the BOG Regulation.   FAU is now in full compliance with all required BOG Regulation 4.003 compliance components.   An external compliance program design and effectiveness review is required for all university compliance programs every five years.

IMPLEMENTATION PLAN/DATE

Information only.

FISCAL IMPLICATIONS

Information only.

Supporting Documentation: SUS Compliance Program Status Checklist, November 2018

Presented by: Elizabeth Rubin, Chief Compliance &   Phone: 561-297-3007
                        Ethics Officer

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

SUS Compliance Program Status Checklist, November 2018

University Name:	Florida Atlantic University	**Prepared by:**	Elizabeth Rubin, Chief Compliance & Ethics Officer

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 use the "description" column to explain any elements not completed and provide the anticipated completion date. Regulation component A3 is not required until November 2021. If your university has begun or completed this component, please provide us with a description of the review process.

Return completed checklists by **Friday, November 30, 2018** to BOGInspectorGeneral@flbog.edu.

For assistance, please contact the Board of Governors Office of Inspector General and Director of Compliance at Julie.Leftheris@flbog.edu or 850-245-9247.

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

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

Regulation Component	Description	Progress Indicator
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) & (2)(b)]	The FAU BOT has approved and implemented its Compliance and Ethics Program (CEP) consistent with the Code of Ethics for Public Officers and Employees and the Federal Sentencing Guidelines. The CEP includes the formation of a University-Wide Compliance and Ethics Committee, with representatives from all areas of the University.	✔
A2 – CCO reports to the BOT at least annually on Program effectiveness (copy to BOG) [4.003(7)(g) 8.]	The CCO participates in quarterly BOT meetings.	✔
A3 – External Program design and effectiveness review every 5-years (copy to BOG) [4.003(7)(c)]	An external review will be completed within 5 years.	✔
A4 – Process established for detecting and preventing non-compliance, unethical behavior, or criminal conduct [4.003(7)(h)]	In addition to reviews and investigations conducted by various areas as well as audits conducted by the OIG, FAU distributes annual stewardship documents where each operational area certifies that they are in compliance with their responsibilities and duties. Additionally, FAU has Silent Owls and other programs with FAUPD (e.g., See Something, Say Something). The Office of Compliance centrally manages or participates in processes that raise non-compliance, unethical behavior or criminal conduct through public website reporting, working groups and other avenues.	✔
A5 – Due diligence steps for not including individuals who have engaged in conduct not consistent with an effective Program [4.003(8)]	FAU conducts background and financial checks to screen for individuals that have engaged in conduct inconsistent with its CEP. The CCO and HR consult at appropriate intervals.	✔

Area B – Program Plan		
Regulation Component	Description	Progress Indicator
B1 – Compliance and Ethics Program Plan approved by BOT (copy to BOG) [4.003(7)(a)]	The FAU BOT has approved and implemented its CEP consistent with the Code of Ethics for Public Officers and Employees and the Federal Sentencing Guidelines.	✔
B2 – Plan provides for compliance training for university employees and BOT members [4.003(7)(b)]	FAU provides compliance training to high risk areas and has developed a home-grown compliance and ethics training that has been launched for new employees and for the BOT.	✔
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)]	The Executive Director of the Office of Equity, Inclusion and Compliance (EIC) is FAU's Title IX Coordinator and reports directly to the CCO. FAU's ADA Coordinator reports through the Executive Director of EIC to the CCO. In addition to FAU's Title IX Coordinator, FAU has five (5) Deputy Title IX Coordinators covering all areas of the University, including faculty, staff, athletics, and students. Effective December 2018, the Associate Athletics Director for Compliance will report directly to the CCO. Other areas of the university have a dotted line relationship (e.g., covered components, research, etc.).	✔
B4 – Reporting mechanism (e.g., Hotline) for potential/actual violations and provides protection for reporting individuals from retaliation [4.003(7)(e) & (f)]	The FAU community is able to report potential/actual violations through the OIG website and reporting individuals are provided protection from retaliation. Further, the Office of Compliance and EIC both have public websites where the FAU community may report potential/actual violations. The Dean of Students and FAUPD also provide additional avenues for reporting.	✔
B5 – Promoting and enforcing the Program through incentives and disciplinary measures [4.003(7)(g)9.]	Through a close working relationship with the Office of Human Resources and General Counsel, the Office of Compliance has been able to promote and enforce incentives and disciplinary measures.	✔

Area C – BOT Committee		
Regulation Component	Description	Progress Indicator
C1 – BOT Committee provides oversight to Compliance and Ethics Program [4.003(3)]	The Audit and Compliance Committee provides oversight to the Compliance & Ethics Program.	✓
C2 – BOT Audit and Compliance Committee Charter [4.003(3)]	BOT Audit and Compliance Committee Charter approved and adopted on May 16, 2017.	✓
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) & 7(g)(3)]	The CCO meets quarterly with the BOT Committee on Audit and Compliance matters and agenda items. The CCO confers with the Chair of the BOT Audit and Compliance Committee prior to each meeting and as needed otherwise.	✓
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) & 7(g)(3)]	The CCO has routine meetings to discuss compliance updates with the President quarterly and as needed otherwise. The CCO also meets with the VP, Administrative Affairs on a monthly basis regarding issues/updates and those matters are passed on, escalated or communicated to the President as appropriate. While the CCO does not participate in the President's regularly held direct report meetings, the CCO is an active participant in various leadership meetings throughout the University.	✓

Area D – Chief Compliance Officer		
Regulation Component	Description	Progress Indicator
D1 – Appointed Chief Compliance Officer (CCO) [4.003(4)]	FAU appointed its first Chief Compliance Officer in 2015.	✓
D2 – CCO reports functionally to the Board and administratively to the President [4.003(5)]	The CCO reports functionally to the Board and had full unimpeded access to BOT members. The CCO meets administratively with the President on a quarterly basis and with the VP, Administrative Affairs on a monthly basis.	✓
D3 – Compliance Office Charter [4.003(6)]	The Compliance Office Charter was approved by the BOT on February 20, 2018.	✓
D4 – CCO independence, objectivity, and access, (provide details of resolution of barriers [4.003(7)(g)5 & (7)(g)7]	The CCO has independent access to all operating units and BOT members and provides objective updates to the President on a quarterly basis.	✓
D5- CCO authority and resources (provide details of both staffing and budget) [4.003(7)(g)(2)]	The CCO is currently a 1-person office. The Executive Director for the Office of Equity, Inclusion and Compliance (EIC) and the Associate Athletics Director for Compliance both report directly to the CCO. There is budget for the CCO salary and the Compliance Office's operating budget is paid for by the Office of the President. The EIC Office and the Associate Athletics Director for Compliance are separately budgeted and funded. The EIC Office and the Office of Administrative Affairs both provide administrative support to the CCO.	✓

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

Certification: _____ Date _11/27/18_
President

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

Certification: _____ Date _11/27/18_
Board of Trustees Chair