



Item: \_\_\_\_\_ AC: A-1

**Audit & Compliance Committee**  
**Tuesday, February 20, 2018**

**SUBJECT: OFFICE OF COMPLIANCE COMMITTEE CHARTER**

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**PROPOSED BOARD ACTION**

Recommend approval and adoption of the Office of Compliance Charter to the Board of Trustees.

**BACKGROUND INFORMATION**

In May 2017, the Audit and Compliance Committee adopted a charter to address, among other responsibilities, governance oversight responsibilities over a university compliance and ethics program (Program) and explain the duties and responsibilities of the Chief Audit Executive and Chief Compliance Officer. Under Board of Governors (BOG) Regulation 4.003, the Program should be reasonably designed to prevent or detect non-compliance, unethical behavior and criminal conduct, as appropriate to FAU's mission, size, activities and unique risk profile. The Program should also be developed consistent with the Code of Ethics for Public Officers and Employees, the Federal Sentencing Guidelines Manual, Chapter 8 and implemented by November 2018. Further, the Program shall be governed by a charter approved by the Board of Trustees and reviewed at least every three (3) years for consistency with BOG Regulation 4.003 and applicable university regulations, professional standards and best practices.

The charter acts as a blueprint to guide the Compliance Office and the Chief Compliance Officer in achieving her goals and fulfilling its Program responsibilities to the Board of Trustees, management and all stakeholders.

**IMPLEMENTATION PLAN/DATE**

The charter will become effective immediately upon Board of Trustees approval.

**FISCAL IMPLICATIONS**

Not Applicable

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**Presented by:** Morgan Kim, Chief Compliance Officer

**Phone:** 561-297-3006

**Florida Atlantic University Compliance Office Charter**

## **Purpose**

The purpose of the Florida Atlantic University Compliance Officer Charter (Charter) is to:

- Identify the authority, mission, value, scope, and responsibilities of the Compliance and Ethics Office (Compliance Office) at Florida Atlantic University (FAU or University);
- Ensure that the Compliance Office adheres to a code of ethics, maintains organizational independence and has unrestricted access to University records and personnel; and
- Provide for a periodic review of and changes to the Charter, as necessary and appropriate.

A separate charter governs the duties and responsibilities of the Audit and Compliance Committee of the FAU Board of Trustees.

## **Authority**

Florida Board of Governors (BOG) Regulation 4.003, State University System Compliance and Ethics Programs, requires each board of trustees to implement a university-wide compliance and ethics program that promotes ethical conduct and maximizes compliance with applicable laws, rules, regulations, and policies. The BOG Regulation 4.003 also requires FAU to designate a chief compliance officer, who shall be governed by a Charter approved by the board of trustees.

## **Mission and Vision**

The mission of FAU's compliance and ethics program is to assist the university in achieving its financial, operational and strategic goals (as set forth in FAU's Strategic Plan for the Race to Excellence, 2015-2025) while promoting an organizational culture that encourages compliance with all institutional policies as well as federal and state laws and regulations.

FAU's Compliance Office provides an organizational structure and range of services that:

- Support the University's mission, vision and values;
- Promote a culture of compliance and ethical behavior;
- Encourage a commitment to compliance with laws, rules, regulations, and policies;
- Reduce the risk of non-compliance; and
- Add value to and improve FAU's operations.

## **Scope of Work**

The scope of work for the Compliance Office is to:

- Encourage and promote ethical behavior, a culture of integrity, and a commitment to compliance;
- Communicate information about compliance-related laws, rules, regulations, and policies;
- Respond to employees inquiring about compliance and ethics-related matters and assist employees with understanding University policies and regulations pertaining to compliance;
- Conduct ongoing oversight of compliance with laws, rules, regulations, and policies;
- Administer and coordinate a compliance and ethics training program;
- Identify and evaluate risks to the University and ensure that those risks are being properly managed by the appropriate University components;
- Chair a compliance committee to collaborate with and provide proactive guidance for University employees responsible for compliance functions;
- Provide University stakeholders with a reporting mechanism to bring forward good-faith concerns of wrongdoing without fear of retaliation;

- Handle or oversee compliance-related investigations or reviews; and
- Review and advise management on compliance-related issues.

### **Responsibilities**

The responsibilities of the Compliance Office are to:

- Develop and direct the University's compliance function;
- Provide leadership, oversight, and expert advice to ensure appropriate development, interpretation, and implementation of the University's policies and regulations pertaining to compliance;
- Establish, review, or revise policies and procedures to encourage ethical conduct and compliance with laws and regulations;
- Engage in monitoring activities or risk assessments to prevent and detect misconduct or violations of institutional policies or applicable laws and regulations;
- Develop communication to promote compliance with FAU's policies and procedures;
- Develop or implement compliance training or awareness programs;
- Develop or provide compliance and ethics training to the FAU Board of Trustees, the President and the Executive Leadership Team, and employees to assist the University community members with understanding compliance issues and infusing an ethical framework into the fabric of the University;
- Establish and maintain a mechanism for individuals to report potential violations of University policies, laws, or regulations without fear of retaliation;
- Ensure that managers or supervisors responsible for compliance functions within the University, (such as athletics, the designated covered components (for purposes of the HIPAA regulations), environmental health and safety, finance, procurement, financial aid, and research) coordinate and communicate program matters of substantial import with the Chief Compliance Officer;
- Oversee the processing of internal complaints and refer concerns to an appropriate University office for review and disposition (such as General Counsel, Internal Audit or Human Resources);
- Respond to detected offenses, assist the University in developing corrective action plans, and report findings to appropriate administration officials;
- Bring all compliance-related matters of substantial import and all credible evidence of misconduct, including criminal conduct, to the attention of the President and the Chair of the Audit and Compliance Committee of FAU's Board of Trustees, as well as the Board of Governors' Inspector General, as applicable;
- Prepare an annual report for approval by the President, Chair of the Audit and Compliance Committee, and the FAU Board of Trustees regarding activities, accomplishments and the effectiveness of the compliance and ethics program, and provide a copy of the approved annual report to the Board of Governors;
- Ensure that an initial external review of the compliance and ethics program is conducted to determine its effectiveness no later than November 2021 and that a subsequent external review is conducted at least once in each successive five-year period; and
- Perform other activities consistent with this Charter, as deemed necessary by the President or Chair of the Audit and Compliance Committee of the FAU Board of Trustees.

FAU's Compliance and Ethics Program creates a structural foundation to prevent and detect violations of law and assist FAU in encouraging ethical conduct and full compliance with all applicable laws and regulations. The Compliance Office is led by FAU's Chief Compliance Officer and involves oversight from the Board of Trustees as well as the President. For more information, visit [www.fau.edu/compliance/](http://www.fau.edu/compliance/)

### **Professional Standards**

FAU's Compliance and Ethics Program shall be implemented consistent with the Code of Ethics for Public Officers and Employees codified in the Florida Statutes at Title X, Chapter 112, Part III, the Federal Sentencing Guidelines, and Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs.

The Chief Compliance Officer shall also follow the Code of Ethics of any relevant professional organization to which he or she may belong.

### **Independence and Reporting**

To ensure the impartial and unbiased judgment essential to the proper conduct of the compliance function, the Chief Compliance Officer is organizationally independent of the employees and managers who seek the advice and assistance of the Compliance Office. The Chief Compliance Officer reports functionally to the Chair of the Audit and Compliance Committee of the FAU Board of Trustees and administratively to the President.

### **Access**

The Chief Compliance Officer shall have full, free and unrestricted access to all University information, documents, records, and personnel necessary to carry out the duties and responsibilities of the Compliance Office.

### **Periodic Assessment**

The Chief Compliance Officer shall review the Charter at least once every three years for consistency with applicable Board of Governors and FAU regulations and policies, professional standards, and best practices. The Chief Compliance Officer shall make revisions to the Charter as appropriate.

### **Prepared By**

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C. Morgan Kim, Chief Compliance Officer

Date

### **Reviewed By**

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President John Kelly, Ph.D.

Date

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Shaun Davis, Chair, Audit and Compliance Committee

Date

**Approved By**

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Anthony Barbar, Chair, Board of Trustees

Date