

**Florida State University
Board of Trustees
Audit and Compliance Committee
Meeting Agenda
October 26, 2021**

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Audit and Compliance Committee Meeting

September 23, 2021
2:30PM

Florida State University
Augustus B. Turnbull Conference Center
Room 215
Tallahassee, Florida

Trustee Members Present: Max Alvarez, Jim Henderson, and Craig Mateer.

1. Call to Order and Welcome

Trustee Max Alvarez, Chairperson, called the meeting to order at 2:30 pm.

2. Approval of Minutes for the June 17, 2021, Committee Meeting

Audit and Compliance Committee minutes were approved for the meeting held June 17, 2021.

3. Office of Compliance and Ethics

a. Updates since June 18, 2021, Board of Trustees Meeting

i. CAMS Project

Ms. Blank explained that the project is well into the final development stages for this project with a “go-live” date scheduled for mid-January 2022. She further explained that the remainder of the fall semester will involve building trainings on how to use the system. She explained that the OCE is making policy updates, educating users about the types of disclosures that are necessary, finalizing the workflows for the approvals of the disclosures and assessments, and perfecting the review and approval systems based on the policies put into place. Ms. Blank further explained that the OCE is testing the system and it is proven to be very user friendly. So far, the OCE has received very positive feedback from testers. Ms. Blank also explained that the system will be used to provide annual training to users and will require the users to acknowledge they have reviewed the training before it allows them to complete their disclosure update.

ii. HB 7017, Foreign Influence

Ms. Blank explained that at the June 17, 2021, A&C Committee Meeting Governor DeSantis had just signed the bill requiring three major components: (1) enhanced screening of foreign university researchers; (2) reporting of foreign contracts and grants; and (3) additional scrutiny of foreign travel by university employees and the prohibition of certain foreign agreements. Ms. Blank further explained there were fewer than 15 days to respond to the new law with an effective date of July 1, 2021. Since July 1, 2021, the OCE has completed enhanced screening of all new foreign hires in research or research supporting positions. Ms. Blank explained that, in November, she would like to bring the Committee a more detailed look at what that involves. Ms. Blank feels that this will continue to be a hot topic for the Legislature, so it would be useful for the Committee to have a more detailed look at the requirements.

As follow-up, Mr. McCall made the Committee aware of OIGS Report AR 21-06 that also addresses foreign influence and conflict of interest matters.

iii. Form 1 Filing

Ms. Blank explained that the Office of Compliance and Ethics has completed another successful year of Form 1 filings being submitted timely to the Commission on Ethics.

b. Renewal of Office of Compliance and Ethics Charter (for Committee Recommendation to be on the BOT Consent Calendar)

Ms. Blank explained that BOG Regulation 4.003 is the regulation that creates the Office of Compliance and Ethics at each university. She further explained that each office is governed by a Charter and that the Charter must be approved by the BOT and reviewed at least every three years. Ms. Blank explained that the last review was in 2018 and asked that the Committee recommend the renewal of the Charter to be placed on the BOT Consent Calendar. Trustee Alvarez made the motion to approve, Trustee Henderson seconded the motion, and the motion passed unanimously.

c. Presentation of 2020-2021 Annual Report and 2021-2022 Work Plan

Ms. Blank presented to the Committee the Office of Compliance and Ethics 2020-2021 Annual Report, as well as its 2021-2022 Work Plan.

4. Office of Inspector General Services

a. Office of Inspector General Services 2021-2022 Audit Plan (for Committee Recommendation to be on the BOT Consent Calendar)

Mr. McCall presented to the Committee the Office of Inspector General Services 2021-2022 Audit Plan. Mr. McCall requested and by vote the Committee recommend the audit plan be placed on the BOT Consent Calendar. Trustee Alvarez made the motion to approve, Trustee Henderson seconded the motion, and the motion passed unanimously.

b. Revision to FSU Regulation 2.025 (for Committee Recommendation to be on the BOT Consent Calendar)

Mr. McCall explained the proposed revision to FSU Regulation 2.025. He explained that the proposed revision would state that if any DSO cannot find an audit and compliance member, the DSO Board may request the A&C Committee to appoint a qualified member. Mr. McCall requested and by vote the Committee recommend the proposed revision to be placed on the BOT Consent Calendar. Trustee Alvarez made the motion to approve, Trustee Henderson seconded the motion, and the motion passed unanimously.

c. Proposed BOT Regulation Review 2.027 to Implement BOG Regulation 3.003 – Fraud Prevention (for Committee feedback, Presentation to full BOT at the BOT meeting)

Mr. McCall explained the proposed review of BOT Regulation 2.027 to implement BOG Regulation 3.003 – Fraud Prevention. Mr. McCall further explained that the proposed draft should address everything that the BOG has requested. Mr. McCall explained that FSU has a zero tolerance for fraud and the drafted regulation would provide an anti-fraud framework. Mr. McCall explained that the drafted regulation would also provide a process to protect those that report fraud. Mr. McCall further explained that the regulation would require an annual evaluation of how the University is doing. Mr. McCall requested feedback from the Committee and plans to present the proposed draft to the full Board at the November 2021, BOT meeting. Trustee Henderson asked whether the proposed draft would be reviewed by others. Mr. McCall stated he would be sending the draft to the Inspector General of the Board of Governors for review and comment.

d. Recent Audits Released or in Progress

i. Cares – Institutional Portion

Mr. McCall explained that the audit of the Cares Act – Institutional Portion has been completed. Mr. McCall also explained the results of the audit.

ii. Results of Presentation of the Joint College of Engineering Audit to the Joint Management Council

Mr. McCall explained that the audit of the Joint College of Engineering has been completed. Mr. McCall also explained the results of the audit.

e. Listing of Audits Issued, In Progress, and Status

Mr. McCall explained OIGS' audits issued, in progress, and the status.

5. Adjournment

Trustee Alvarez adjourned the meeting at 3:26pm.



POLICY 1-3 BOARD ETHICS & CONFLICT OF INTEREST

Responsible Executive: University Board of Trustees
Approving Official: University Board of Trustees
Effective Date: [ADD DATE]
Revision History: New Adopted January 24, 2003 as President’s Policy; Conflict of Interest Policy adopted May 1, 2013 as President’s Policy; Policies Combined, Revised and Moved to Board Policy [ADD DATE]

I. INTRODUCTION

The Florida State University Board of Trustees is the governing board for ~~The~~ Florida State University; as such it is obligated to serve the public trust. As a member of the Board, each Trustee agrees to keep the welfare of the University at all times paramount, putting aside any and all personal, parochial, and business conflicts of interests thereby assuring that a Trustee’s independence of judgment is not compromised, that the public’s and the University’s confidence and respect in the integrity of the Board are preserved, and that ~~The~~ Florida State University’s public mission is protected and well served.

Florida State University is subject to Part III, Chapter 112, Florida Statutes, Code of Ethics for Public Officers and Employers (“Florida Ethics Code”) on several legal grounds. The Florida Ethics Code as it relates to standards of conduct applies to university boards of trustees as a state university is considered an “agency” under section 112.312, Florida Statutes, and its trustees are public officers. Further, the Florida Ethics Code financial disclosure requirements apply to university boards of trustees as provided in section 112.3144, Florida Statutes. The Florida Board of Governors has reiterated the applicability of the Florida Ethics Code in Florida Board of Governors Regulation 1.001(2)(a). Finally, the Florida State University Board of Trustees has through its own action, expanded upon the minimum requirements of the Florida Ethics Code by prohibiting the university from conducting any business with the relative of a trustee, rather than just a business where a family members holds in excess of 5% interest, as is provided in the Florida Code of Ethics.

Trustees shall be governed by the requirements of the Florida Code of Ethics in Sections 112.311-112.3261, Florida Statutes. Particular adherence is required to the requirements in Section 112.313, Florida Statutes, as it relates to: solicitation or acceptance of gifts; doing business with one’s agency; unauthorized compensation; salary and expense; misuse of public position; conflicting employment or contractual relationship; and disclosure or use of certain information. It is the purpose of this policy to supplement and implement these statutory requirements. Hence, if there is a conflict between any provision of this policy and the Code, the Code shall control.

II. POLICY

It is the policy of the Florida State University that the Florida Ethics Code, as expanded herein, shall apply to members of the Florida State University Board of Trustees.

Conflicts of Interest

Trustees shall use proper channels when dealing with conflicts of interest, use of official authority, hiring of employees, in handling grievances/complaints of students, staff, faculty or citizens, and handling special interest groups. The Board of Trustees has the legal authority to give direction to only one employee – the President of The Florida State University. Unless specifically referred by the President, Trustees should not intervene in relations with other administrators, faculty, staff or students. Complaints made to any Trustee should be referred directly to the President.

At the beginning of each Board of Trustees meeting, the Chair shall read a statement reminding Board members of the requirements of this policy and Florida law, and urging Trustees to disclose any actual or perceived conflict of interest.

A Trustee has a conflict of interest whenever the Trustee, a Trustee's family member or a business associated with a Trustee or a Trustee's family member has an existing or potential private (e.g., financial or personal) interest in a matter pending before the Board of Trustees or the University. Any potential conflicts of interest or uncertainty regarding a conflict shall be brought to the immediate attention of the Chief Compliance and Ethics Officer ~~Chairman of the Board of Trustees.~~ Trustees shall cooperate with all reasonable University requests for disclosure of financial or business interests so that potential conflicts of interest can be identified, and shall timely complete any ethics trainings required by the University.

- (1) Family Member includes: spouse, parents, siblings, aunts/uncles, children, domestic partner, and any person residing in a Trustee's household.
- (2) Business Associated with a Trustee means an organization, corporation, partnership, joint venture, proprietorship or other entity or associate(s) with respect to which either the Trustee or a member of the Trustee's family:
 - (a) Receives compensation or has any contractual right to future income (excluding compensation from the University), or any governmental source, investment or savings income, retirement or insurance benefits, rents or alimony, or non-financial consideration and benefits;
 - (b) Serves as an officer, director, partner, or employee; or
 - (c) Holds a foreseeable financial interest, which may result from a Trustee's official authority as a member of the Board of Trustees.

Other Issues

- (1) A Trustee shall not use the authority, title, influence, or prestige of his or her position to solicit business for others or otherwise obtain a private financial, social, or political benefit, which in any manner would be inconsistent with the interest and mission of the University, nor shall a Trustee disclose confidential information gained by reason of the Trustee's position for personal gain, benefit or to secure special privileges or exemption for him or herself or others.
- (2) Except for the hiring of the President, no Trustee shall attempt to influence the hiring decision of any other University employees.
- (3) Complaints and issues received directly from students, staff, faculty, or citizens should be referred directly to the President.
- (4) A Trustee's first and foremost obligation when confronted with issues supported by special groups (including but not limited to unions, economic groups, geographical areas, racial groups and political parties) is to represent and act only in the best interests of the University.



FLORIDA STATE UNIVERSITY

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

Article IX, Section 7 Florida Constitution; BOG Regulation 1.001; Section 1001.71, Florida Statutes; Part III, Chapter 112, Florida Statutes, the Code of Ethics for Public Officers and Employers

This Policy should be reviewed and, as appropriate, revised by the Board of Trustees every seven years.

/s/ Name of Approving Official

[Proof of approval retained in file]