



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

MEETING AGENDA

Thursday, September 12, 2024

1:45 – 3:00 pm

Augustus B. Turnbull Conference Center
555 W Pensacola St, Tallahassee, FL 32306
Room 201

The agenda will be followed in subsequent order and items may be heard earlier than the scheduled time.

I. Call to Order and Welcome

Trustee Maximo Alvarez, Chair

II. Approval of Minutes

June 20, 2024, Meeting Minutes

III. Office of Compliance and Ethics

Action Items for Consideration of Recommendation to the Board of Trustees

Mr. Robert Large, Chief Compliance & Ethics Officer

- a. **Action Item I: Request for Approval:** Office of Compliance and Ethics Charter revision
- b. **Action Item II: Request for Approval:** Acceptance of Office of Compliance and Ethics 2024-2025 Annual Report and Work Plan

IV. Office of Compliance and Ethics Informational Items and Updates

Mr. Robert Large, Chief Compliance & Ethics Officer

- Staffing update
- Foreign gifts and contracts reporting
- International travel reporting
- Commission on Ethics Form 1 filing update
- External review update

V. Office of Audit and Advisory Services

Action Items for Consideration of Recommendation to the Board of Trustees

Mr. Undra Baldwin, Chief Audit Officer

- a. **Action Item I: Request for Approval:** Office of Audit and Advisory Services (OAAS) Post-Tenure Review Audit Results

VI. Office of Audit and Advisory Services Informational Items and Updates

Mr. Undra Baldwin, Chief Audit Officer

- a. Status Update
- b. Board of Governors (BOG) Regulation 4.002.(8) – Annual Report

VII. Open Forum for Trustees

Trustee Maximo Alvarez, Chair

VIII. Adjournment

Trustee Maximo Alvarez, Chair



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

MEETING MINUTES

June 20, 2024



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

MEETING MINUTES (DRAFT)

Thursday, June 20, 2024

10:00 am

Zoom Meeting

Committee Members in Attendance: Trustee Maximo Alvarez (Chair), Board Vice Chair Bob Sasser¹

Committee Members Absent: Trustee Jim Henderson.

Committee Staff: Undra Baldwin, Chief Audit Officer and Robert Large, Chief Compliance & Ethics Officer.

Others in Attendance: Trustee Bridgett Birmingham, Trustee Jackson Boisvert, Trustee Vivian de las Cuevas-Diaz, Trustee Jorge Gonzalez, Trustee Justin Roth, Trustee John Thiel, Trustee Drew Weatherford, President McCullough, University Vice Presidents, and other staff.

I. Call to Order and Welcome

Trustee Maximo Alvarez, Chair

As previous committee meetings concluded early, Chair Alvarez called the meeting to order at 9:53 am.

II. Approval of Minutes

January 31, 2024, Meeting Minutes

Trustee Sasser moved to approve the committee meeting minutes from February 23, 2023. Chair Alvarez seconded the motion, and the minutes were approved unanimously.

¹ Board Vice Chair Sasser served as an ex-officio voting member of the committee due to Trustee Henderson's absence and as he was presiding as Chair during Chair Collins's absence.

III. Office of Compliance and Ethics

Mr. Robert Large, Chief Compliance & Ethics Officer

Mr. Robert Large was recognized to present the informational items for the Office of Compliance and Ethics

a. General Operational Update

Mr. Large discussed informational updates, as there were no action items.

- **Compliance Initiatives** – Significant federally required mandate with a summer deadline. The office has been providing support to the subject matter areas that are responsible for compliance obligations.
- **Title IX** - Final rule issued in April with an 8/1/24 compliance deadline. Procedural changes and other modifications have been identified to update policies and procedures with the understanding that this is impacted by ongoing litigation. An update is anticipated sometime in July. FSU anticipates we will be prepared for the 8/1 deadline.
- **Final Rule of US DOE** – related to certification requirements for academic programs that lead to state licensure. 7/1/24 effective date. Office of Distance Learning actively spearheading to ensure materials are updated to comply.
- **Initiative** - Conflict of Interest reporting process (internal to FSU). Conflict administration management systems have been created and continue to evolve. Working with Dr. Kistner regarding conflict-of-interest related issues, to ensure we remain compliant with state law as well as our Federal Grant Program.
- **Form 1** – On-Line Filing System at State Ethics Commission – seems to be working well.

b. Staffing Update

- State expert on governmental ethics in Florida (start date 7/8/2024)
- Program Coordinator – to provide an infrastructure of support for foreign researcher screenings and other compliance educational programs.
- Interviewing for third position, hoping to fill by Fall.

These three positions will help the department focus on the high-priority compliance needs.

There were no action items and no questions.

IV. Office of Audit and Advisory Services

Action Items for Consideration of Recommendation to the Board of Trustees

Mr. Undra Baldwin, Chief Audit Officer

Chair Alvarez recognized Mr. Baldwin to present items for the Office of Audit and Advisory Services.

Mr. Baldwin advised that all requests have been approved by their respective boards.

a. **Action Items I-IV: Request for Approval:** New External Auditors

Action Item I: FSU Foundation and Alumni Association is requesting approval for a joint 5-year contract and the Real Estate Foundation is requesting approval for a 2-year contract with Crowe LLP

- Mr. Baldwin explained that the FSU Foundation and Alumni Association seek approval for a joint 5-year contract. The Real Estate Foundation is seeking approval for a 2-year contract with Crowe LLP totaling \$1,015K and \$34.5K.

Action Item II: FSU Student Investment Fund is requesting approval for a 5-year contract renewal with Lanigan & Associates, PC

- Mr. Baldwin stated that the FSU Student Investment Fund is seeking approval for a 5-year contract renewal with Lanigan & Associates, PC totaling \$50K.

Action Item III: FSU Panama City Collegiate School is requesting approval for a 5-year contract with James Moore & Co, PL.

- Mr. Baldwin clarified that the FSU Panama City Collegiate School is seeking approval for a 5-year contract with James Moore & Co, PL totaling \$112.5K.

Mr. Baldwin explained that FSU Panama City Collegiate School had previously submitted a request for a new external auditor in Sept. 2023 to the A&C Committee. However, the selected firm (BKHM) would not agree to the University's terms and conditions, so the Collegiate School had to select another audit firm.

Action Item IV: The FSU Schools is requesting approval for a 1-year contract with James Moore & Co, PL.

- Mr. Baldwin explained that the FSU Schools is seeking approval for a 1-year contract with James Moore & Co, PL totaling \$27K.

Mr. Baldwin requested approval from the Board of Trustees, on behalf of the DSOs and Component Units for Action Items I-IV and requested that these items be included as consent items on the full Board's Agenda.

Trustee Bob Sasser moved to approve Action Items I-IV. Chair Max Alvarez seconded the motion, and Action Items I-IV were approved unanimously by all present at the meeting.

b. Action Item V: OAAS FY2024-2025 Audit Plans

Mr. Baldwin discussed the risk factors that were used to develop the FY 2024-2025 Audit Plan. He also reviewed the audits which had been selected for the FY2024-2025 Operational and IT Audit Plans.

Mr. Baldwin requested approval for Action Item V and requested that this item be included as a consent item on the full Board's Agenda.

Trustee Bob Sasser moved to approve the OAAS FY 2024-2025 Audit Plans. Chair Max Alvarez seconded the motion, and it was approved unanimously by all present at the meeting.

V. Informational Items

a. FY 2023-2024 Operational Audits Status Update

- As of June 20, 2024, OAAS has completed 5 operational audits and 2 are in progress. The Post-Tenure Faculty Review will be issued by June 30, 2024, to comply with the BOG Regulation and the Campus Recreation audit will be carried over to FY 2024-2025.

b. FY 2023-2024 IT Audits Status Update

- As of June 20, 2024, OAAS has completed 1 IT audit. Mr. Baldwin shared that he expected to finalize 4 of the 5 audits listed as in progress by June 30, 2024. The Research Computing Data Security audit will be carried over to FY 2024-2025.

c. New Staff

- Mr. Baldwin shared that the department has hired a new Sr. Auditor, 2 Staff Auditors, and an Administrative Specialist. Mr. Baldwin further explained that his goal is for OAAS to not only be the best audit department among Power 5 Universities but also among Fortune 500 companies. The newly created Staff Auditor positions will help us achieve this goal as they will provide more tiers and opportunities for staff as these positions did not exist prior to his arrival.

VI. Open Forum for Trustees

Trustee Maximo Alvarez, Chair

Chair Alvarez opened the floor for any additional items to be discussed.

Trustee Sasser asked Mr. Baldwin whether he felt that he had enough staffing for the FY 2024-2025 Audit Plans, and asked if the Board can do anything if there is a need to add more staff. Mr. Baldwin responded that he is pretty confident that the FY2024-2025 Audit Plans can be completed with the current staffing.

VII. Adjournment

Trustee Maximo Alvarez, Chair

Chair Alvarez adjourned the meeting at 10:23 am.

DRAFT



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

Office of Compliance and Ethics

ACTION ITEM I



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

ACTION ITEM I
September 12, 2024

SUBJECT: Approval of Office of Compliance and Ethics Charter Revision

PROPOSED COMMITTEE ACTION

Reapproval of the Office of Compliance and Ethics program charter.

AUTHORITY FOR BOARD OF TRUSTEES ACTION

BOG Regulation 4.003(6)

BACKGROUND INFORMATION

Pursuant to BOG regulation 4.003, the Office of Compliance and Ethics Charter must be reviewed at least every three (3) years for consistency with applicable BOG regulations, professional standards, and best practices.

A copy of the approved charter, including any revisions, must be provided to the Board of Governors office.

No substantive changes are proposed for this charter review.

ADDITIONAL COMMITTEE CONSIDERATIONS

No additional committee considerations

Supporting Documentation Included: Office of Compliance and Ethics Charter

Submitted by: Robert Large, Chief Compliance and Ethics Officer



UNIVERSITY COMPLIANCE AND ETHICS CHARTER

PURPOSE AND MISSION

FSU's Office of Compliance and Ethics (Office) provides oversight and guidance to all areas of the institution in the areas of compliance and ethics. The Office provides centralized and coordinated oversight through the ongoing development of effective policies and procedures, education, training, monitoring, communication, and response to reported issues, as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. These guidelines and regulation set forth the requirements of an effective compliance and ethics program that maximizes compliance with laws, regulations, rules, and policies and promotes ethical conduct.

The mission of the Office is to support and promote a culture of compliance, ethics, and accountability through its institutional compliance and ethics program (Program).

REPORTING STRUCTURE AND INDEPENDENCE

The Office, led by the Chief Compliance and Ethics Officer (CCEO), reports administratively to the University President and functionally to the university Board of Trustees and the Audit and Compliance Committee of the Board of Trustees. Hiring and retention of the CCEO shall be coordinated with the Board of Trustees. The CCEO and the Office shall have full independence and objectivity to perform their responsibilities as described herein. All activities of the Office shall remain free from actual or perceived influence or impairment.

AUTHORITY

Authority is granted to the CCEO and the Office for full and unrestricted access to all university and direct support organization records, physical properties, activities, information systems, and personnel relevant to any issue or function under review. All employees shall assist the CCEO and the Office in fulfilling the requirements of their jobs.

DUTIES AND RESPONSIBILITIES

The following elements define the duties and responsibilities of the Office:

1. Oversight of compliance and ethics and related activities
2. Development of effective lines of communication
3. Providing effective training and education
4. Revising and developing policies and procedures
5. Performing internal monitoring, investigations, and compliance reviews
6. Responding promptly to detected problems and undertaking corrective action
7. Enforcing and promoting standards through appropriate incentives and disciplinary guidelines
8. Measuring Program effectiveness
9. Oversight and coordination of external inquiries into compliance with federal and state laws and take appropriate steps to ensure safe harbor

The CCEO and staff will:

1. Develop a Program plan based on the requirements for an effective program. The Program plan and subsequent changes shall be provided to the Board of Trustees for approval. A copy of the approved plan shall be provided to the Board of Governors.
2. Provide training to university employees and members of the Board of Trustees regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures.
3. Obtain an external review of the Program's design and effectiveness at least once every five (5) years. The review and any recommendations for improvement will be provided to the President and the Board of Trustees. The assessment will be approved by the Board of Trustees and a copy provided to the Board of Governors.
4. Identify and provide oversight and coordination of compliance officers and partners responsible for compliance and ethics related activities across campus and provide communication, training, and guidance on the Program and compliance and ethics related matters.
5. Administer and promote a compliance and ethics hotline, an anonymous mechanism available for reporting of potential or actual misconduct and violations of university policy, regulations, or law, and work to ensure that no individual faces retaliation for a good faith report.
6. Maintain and communicate the university's policy on reporting misconduct and protection from retaliation and ensure the policy articulates the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
7. Communicate routinely to the University President and the Board of Trustees regarding Program activities. Annually report on the effectiveness of the Program. A copy of the report shall be provided to the Board of Governors.
8. Promote and enforce the Program, in consultation with the University President and the Board of Trustees, consistently through appropriate incentive and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance and ethics will be addressed through appropriate measures, including education or disciplinary action.
9. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices such inquiries, investigations, or reviews deemed appropriate in accordance with university regulations, policies, or procedures, and/or state or federal rules, laws, or regulations. Submit final reports to appropriate action officials at the conclusion of inquiries, investigations, or reviews conducted by the Office.
10. Make necessary modification to the Program in response to detected non-compliance, unethical behavior, or criminal conduct and takes steps to prevent occurrence.
11. Assist the university in its responsibility to use reasonable efforts to exclude within the university and its affiliated organizations individual whom it knew or should have known through the exercise of due diligence to have engaged in conduct not consistent with an effective Program.
12. Coordinate or request compliance activity information or assistance as necessary from any university, federal, state, or local government entity. Oversee and coordinate external inquiries into compliance with federal and state laws and take appropriate steps to ensure safe harbor in instances of non-compliance.



PROFESSIONAL STANDARDS

The Office adheres to the Florida Code of Ethics and the Code of Professional Ethics for Compliance and Ethics Professionals.

ASSESSMENT OF CHARTER

This charter will be reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. Subsequent changes will be submitted to the Board of Trustees for approval. A copy of the charter and any subsequent changes will be provided to the Board of Governors.

History: Approved June 8, 2018; Reapproved September 24, 2021.

The University Compliance and Ethics Charter is hereby reapproved on September 13, 2024.

University President

Date

Chairman, Board of Trustees

Date

Chairman, Audit and Compliance Committee

Date



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

Office of Compliance and Ethics

ACTION ITEM II



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

ACTION ITEM II
September 12, 2024

SUBJECT: Acceptance and Approval of Office of Compliance and Ethics Annual Report and 2024-2025 Work Plan

PROPOSED COMMITTEE ACTION

Acceptance and approval of the OCE Annual Report and 2025 Work Plan

AUTHORITY FOR BOARD OF TRUSTEES ACTION

BOG Regulation 4.003(7)(g)8.

BACKGROUND INFORMATION

Pursuant to BOG regulation 4.003, the Office of Compliance and Ethics Charter must report annually on the activities and effectiveness of the compliance and ethics program. Additionally, the practice of the FSU OCE is to provide an accompanying work plan for expected activities for the upcoming year.

ADDITIONAL COMMITTEE CONSIDERATIONS

No additional committee considerations

Supporting Documentation Included: Office of Compliance and Ethics Annual Report and 2024-2025 Work Plan

Submitted by: Robert Large, Chief Compliance and Ethics Officer

**Office of Compliance and Ethics
Annual Report and 2024-2025 Work Plan**
September 13, 2024

A message from the Chief Compliance and Ethics Officer:

As I near completion of my first year in the role of Chief Compliance and Ethics Officer, I am pleased to present you with an update of the activities of the Office of Compliance and Ethics (OCE) over the last year and programmatic plans for the 2024-2025 year.

The past year has been characterized by growth and change. Within the last two months, we have added three full-time positions to the OCE, substantially enhancing our bandwidth to help campus partners accomplish mission-critical business activities and provide compliance and ethics oversight. These new personnel are:

1. *Caroline Klancke, JD, Associate Compliance Officer and Director of Ethics and Integrity Programs* – Ms. Klancke joins the OCE from the Florida Ethics Institute, a government ethics nonprofit organization she founded. She also has served as General Counsel and Deputy Executive Director of the Florida Commission on Ethics.
2. *Edna Gasque, FCCM, CCEP, Associate Compliance Officer and Director of International Affairs Compliance* – Ms. Gasque joins the OCE from FAMU, where she served as a program manager in their Office of Compliance and Ethics.
3. *Rachel Neale, Compliance Program Coordinator* – Ms. Neale is a recent FSU master's graduate and recently completed a Fulbright program in Bulgaria. She will provide administrative support for our international and research compliance activities.

Additionally, Dena Shrum has been promoted to the position of Compliance Systems Specialist. Ms. Shrum will continue to support our conflicts of interest reporting system as well as provide support in new areas of compliance reporting and monitoring. I am grateful for the administration's commitment of resources to the OCE's continued growth.

Over the past year, the OCE has been substantially involved in addressing new legislative requirements related to foreign influence and has taken a leadership role in the university's implementation of these requirements. Additionally, I have consulted with multiple offices regarding various compliance obligations and program implementation, including the areas of Title IX, distance learning, research compliance, privacy, healthcare, and campus safety. We continue to fine-tune FSU's new online conflict of interest reporting system and look forward to working to further streamline compliance reporting and monitoring obligations using emerging software technology.

I hope you find the enclosed Annual Report informative as to the achievements of the OCE during the past year and the goals we have set for the upcoming year. The report is organized by the seven elements of effective compliance and ethics programs laid out in Chapter 8 of the Federal Sentencing Guidelines. The OCE's Work Plan for the 2024-2025 fiscal year is embedded within the report. As always, feel free to contact me if you have any questions about this report or the activities of the OCE.



Robert Large, Chief Compliance and Ethics Officer

Introduction: The Federal Sentencing Guidelines

Since 1991, The United States Department of Justice (DOJ) has utilized the Business Organizations section of the United States Sentencing Guidelines Manual to analyze the criminal liability of business organizations. If an entity can demonstrate it has a well-developed compliance and ethics program and that criminal conduct occurred in spite of that program, the entity can receive credit against a criminal sentence. But the guidelines have a much greater use than just sentencing bad-acting businesses. Known as Chapter 8, the guidelines have been used by hundreds of organizations to develop their compliance plans and determine the reach of their chief compliance officers, and the DOJ's revisions and commentary on Chapter 8 since its inception have recognized the guidelines' broadening application. The Florida Board of Governors used Chapter 8 as the basis for BOG Regulation 4.003, and it provides the framework used for the 5-year effectiveness reviews of each SUS institution's compliance program. For those reasons, this Annual Report is organized to reflect FSU's progress in each of the seven elements described by Chapter 8.¹

Element One: Executive Oversight

Via the establishment of the Office of Compliance and Ethics and the designation of the Chief Compliance and Ethics Officer as a direct report to the University President and the Chair of the Board of Trustees, FSU has signaled strong support for the OCE and its efforts. The OCE Charter is required to be reviewed and re-approved every three years. Edits to the Board of Trustees Audit and Compliance Committee Charter approved in June 2018 provide oversight for the OCE, with the Chief Compliance and Ethics Officer reporting quarterly to the Committee and yearly to the full Board of Trustees, or upon request. The Charter was reviewed re-approved in September 2021, and is up for review and reapproval in 2024.

2024-2025 WORK PLAN ITEMS:

- Assess compliance-related reporting structures and management functions to ensure compliance personnel can act independently as required under particular circumstances and develop plans for managing or mitigating conflicts.
- Reengage Compliance Alliance and Compliance Partners with regularly scheduled meetings and updates.
- Develop sub-working groups within the Compliance Partners who can work together more routinely on emerging issues that may cross over various compliance areas.
- Reengage with Compliance Partners to continue development and approval of a university-wide compliance matrix, with Compliance Partners having ownership for implementation of risk mitigation activities in the compliance areas.²
- Engage with the university's enterprise risk management working group to provide oversight and support as needed in the development of the university's risk management process.
- Work with the Office of the Provost on creating a Student Ombudsperson Office, consolidating functions housed in different offices.
- Work with key administrators on compliance issues related to FSU Health initiative.

¹ These seven elements are also described in the Office's Program Plan, approved September 2018.

² Work on the compliance matrix began several years ago but was paused due to pandemic-related challenges and change in personnel.

Element Two: Written Standards of Conduct and Policies and Procedures

Policy review and improvement is a continual process at FSU. This year, the OCE took a primary role in drafting internal protocols for hiring of foreign researchers, in conjunction with the Division of Research. This work will continue as we work as an institution to streamline the foreign researcher screening process and other foreign influence-related matters.

In addition, a more comprehensive Code of Ethics for employees is also being considered, as the current Code of Ethics addresses a very narrow set of circumstances.

2024-2025 WORK PLAN ITEMS:

- Complete review, revision, and creation of ethics-centered policies (carry-forward from 2022-2023 Work Plan).
- Review university-wide policies for organization and consistency and to ensure policies appropriately address compliance and ethics issues (carry-forward from 2022-2023 Work Plan).

Element Three: Effective Lines of Communication

The Chief Compliance and Ethics Officer maintains regular meetings with the Chief Audit Executive and the Associate Vice President for Human Resources/Chief of Staff for the Vice President of Finance and Administration (monthly), and the Associate Athletics Director for Compliance (monthly). In addition, the CCEO has scheduled meetings with the Title IX Coordinator and Clery Coordinator on an as-needed basis. The OCE regularly receives and responds to inquiries and requests for assistance on a variety of issues from departments and offices across the institution, indicating that awareness of the OCE is growing. The OCE benefits from strong professional relationships with the President and Cabinet.

This past year, the OCE began more targeted efforts to communicate broadly with campus on emerging issues, particularly in the area of foreign influence and foreign researcher screenings. The OCE believes that our work toward developing a strong ethical culture is better served by seeking to partner with, and not just police, our campus stakeholders. We will get better mileage out of proactive communication and outreach in achieving this goal.

2024-2025 WORK PLAN ITEMS:

- Establish regular meetings and circulate informational memos/newsletters to keep campus partners informed of activity of the OCE.
- Implement a more sophisticated website presence with helpful resources and links to policies and procedures.
- Develop a periodic newsletter for the campus community on general compliance and ethics topics, utilizing regular communication to foster more awareness of university policies and procedures in the context of the university's mission and values.

Element Four: Education and Training

The continual task of training a large group of administrators, faculty, and staff is one of the heaviest lifts of a compliance office. The OCE has provided targeted guidance and training to specific offices and personnel regarding compliance obligations and has continued to maintain the university’s general HIPAA privacy and security training module. In addition, the OCE has worked directly with several faculty and administrators on foreign researcher screenings and restrictions related to foreign countries of concern, in response to recent legislation and BOG regulations.

The OCE needs to take the education and training components of its work to the next level by working with compliance partners to identify gaps in training offerings and tracking of completion. In addition, the OCE needs to provide innovative guidance on tracking the efficacy of training and measuring its impact on compliance rates and other trends in employee behavior.

2024-2025 WORK PLAN ITEMS:

- Work with the Office of Human Resources to inventory campus training offerings and ensure adequate systems for tracking, administering, and enforcing training and education requirements.
- Promote an “education month” for faculty and staff to draw attention to key training requirements, in conjunction with compliance partners with oversight of training programs.
- Create or procure a general ethics training module (carry over from 2022-2023 Work Plan).
- Revise and administer CAMS reviewer training to reflect the evolution of the program.
- Improve and promote Office of Compliance and Ethics website (see Element Three).

Element Five: Audits and Evaluation Techniques to Monitor Compliance; Establishment of Reporting Processes and Procedures for Complaints

The OCE is often part of the management response to reports of the Office of Audit and Advisory Services (OAAS), working to implement recommendations and address follow-up concerns resulting from internal audits or investigations. In addition to independent audits conducted by the OAAS, the OCE plays a role in monitoring compliance with university programs in other, more informal ways, or in the context of formal investigations of reports of unethical conduct.

The Chief Compliance and Ethics Officer has an EthicsPoint license and access to the EthicsPoint site to review complaints that arrive via the online portal. Regular meetings with the Chief Audit Executive and the Associate Vice President for Human Resources (see Element Three) assist with workload issues and identification of the correct office to conduct investigatory activities and respond to complaints.

2024-2025 WORK PLAN ITEMS:

- Create a Standard Operating Procedure (SOP) for OCE review/investigation of reports of unethical conduct, describing the interplay between OCE’s work and that of Human Resources and the OAAS.

- Create and implement assessment tool(s) to identify areas of risk and measure improvements when noncompliance is discovered and needs to be remedied, in conjunction with the enterprise risk management working group.

Element Six: Appropriate Disciplinary Mechanisms and Incentives for Good Conduct

Although the OCE is not responsible for handing down discipline, best practices indicate that creating incentives for good conduct can be just as important as deterring poor conduct via discipline. Trainings have emphasized the importance of compliance and ethics at all levels of the institution. Individually tailored trainings identify the specific contributions of the participating group to the university's mission and discuss the risks associated with noncompliance. When discipline is recommended as an outcome of an investigation, the OCE works with the departmental supervisor and the Office of Human Resources to ensure that discipline is consistent and proportional.

2024-2025 WORK PLAN ITEMS:

- Continue to utilize training opportunities to highlight the importance of ethical conduct.
- Work with the Office of Human Resources to proactively identify trends in disciplinary actions and establish targeted training or other efforts to address any hotspots.

Element Seven: Investigation and Remediation of Systemic Problems

As described in last year's Annual Report and mentioned here in Element Four, the implementation of CAMS has made important improvements to FSU's outside activity and conflict of interest disclosure processes. Substantively, the use of SmartForms to guide outside activity disclosures has generated better information about proposed activities, allowing us to make informed decisions about conflicts of interest and conflicts of commitment. Procedurally, our move from a paper-based system to an online one makes tracking, approval, and analysis of information easier and more reliable.

As referenced above, we have identified a few critical areas of improvement for the CAMS system to ensure we are collecting necessary information from faculty and staff and have the tools for reviewers to make judgments regarding conflicts of commitment. The Office of Faculty Development and Advancement will be a tremendous partner in this effort. For research-related conflicts, discussions have begun to enhance the review process to allow for pre-approval committee review of a research-related conflict of interest or conflict of commitment.

The OCE, in conjunction with the Office of General Counsel, is jointly responsible for responding to reports of potential noncompliance with BOG Regulation 9.016. The two offices have also provided proactive legal and practical guidance to several offices and departments around campus regarding compliance with this requirement.

2024-2025 WORK PLAN ITEMS:

- Continue to enhance and streamline processes required by section 1010.35, Florida Statutes, related to screening of foreign workers, reporting of foreign gifts and contracts pursuant to federal

and state statutes and agency requirements, and international travel pursuant to section 1010.36, Florida Statutes.

FSU Compliance and Ethics Program Plan

(Reference only)

FSU COMPLIANCE AND ETHICS PROGRAM

INTRODUCTION

Higher Education is one of the most highly regulated industries in the country. At the federal level alone, there are over 200 laws regulating some aspect of our operations. Regulatory activity is directed at issues including accessibility programs, services, and activities; accreditation; alcohol and drug prevention; athletics; campus safety and security; college cost and affordability; conflicts of interest; disability accommodation; distance learning; export control; financial management; hazardous waste and environmental concerns; human subjects protocols; IT security; lending; privacy, and records management. As a public entity, we also face regulation from the state Legislature, the Board of Governors, and city and county governing boards, to say nothing of the standards we set for ourselves via internal regulations and policies. Regulatory compliance is a major university challenge and a source of financial, legal, and reputational risk.

Florida State University's (FSU or University) mission, vision, and values set forth the ethical principles under which all members of the University community are expected to conduct themselves. They also form the basis, along with the State of Florida Code of Conduct and Ethics, the Federal Sentencing Guidelines and Board of Governors Regulation 4.003 (SUS Compliance and Ethics Programs), for the development of the University's Compliance and Ethics Program (the Program).

- **Mission** - Florida State University preserves, expands, and disseminates knowledge in the sciences, technology, arts, humanities, and professions, while embracing a philosophy of learning strongly rooted in the traditions of the liberal arts. The university is dedicated to excellence in teaching, research, creative endeavors, and service. The university strives to instill the strength, skill, and character essential for lifelong learning, personal responsibility, and sustained achievement within a community that fosters free inquiry and embraces diversity.

- **Vision** - Florida State University will be among the nation's most entrepreneurial and innovative universities, transforming the lives of our students and shaping the future of our state and society through exceptional teaching, research, creative activity, and service. We will amplify these efforts through our distinctive climate—one that places a premium on interdisciplinary inquiry and draws from the rich intellectual and personal diversity of our students, faculty, staff, and alumni. These three forces—entrepreneurship, interdisciplinarity, and diversity—deepen FSU's impact and result in a powerful return to our students and the people of Florida for their continued support and trust.

- **Core Values**

- Transformative Daring**: We support thoughtful risk-taking that leads to successes that improve our world dramatically. And when we face challenges, we confront them with resilience, curiosity, and renewed desire to overcome hurdles to our goals.

- Inspired Excellence**: We achieve the highest levels of success by drawing strength and understanding from the talents of those around us and from our interactions with them.

- Dynamic Inclusiveness**: We believe the benefits of a richly varied community arise not only from the diversity of people it includes, but more importantly from intentional efforts to create a strong sense of belonging that encourages deep and high-quality connections.

—Responsible Stewardship: We transform the resources we are given and the public’s trust in us into powerful impact that better the lives of those around us, near and far.

—Engaged Community: We uphold the traditions and history that create a small-college culture within a large university. This makes FSU a welcoming place where people discover others like themselves—while also connecting to and learning from classmates and colleagues of vastly different backgrounds and experiences.

A comprehensive compliance and ethics program promotes an organizational culture that encourages ethical conduct, a commitment to compliance with the laws and regulations, and detection of criminal conduct. Chapter 8 of the Federal Sentencing Guidelines outlines elements for an effective compliance program, including:

- Executive Oversight;
- Standards of Conduct/Policies and Procedures;
- Effective Lines of Communication;
- Education and Training;
- Audit and Monitoring;
- Enforcement and Discipline; and
- Response and Prevention.

Experts in the field of compliance and ethics suggest a culture of compliance and ethics can be distilled from the following three simple questions:

- Is it legal?
- Do these actions comply with university policy?
- Do these actions seem fair, honest, and ethical?

The benefits of a comprehensive Compliance and Ethics Program are significant, including a campus environment which is open, honest, and accountable. Additionally, a comprehensive Compliance and Ethics Program:

- Fosters a culture which encourages and supports ethical decision-making and does not tolerate illegal or unethical behavior;
- Addresses problems through collaboration, cooperation, and communication;
- Reduces risks of non-compliance while increasing the likelihood of early detection and correction;
- Enhances decision-making at all levels by raising awareness of requirements/expectations;
- Enhances employee engagement to report actual or perceived violations of law or policy; and

- Protects FSU's reputation by reducing the likelihood that damaging or negative events will happen and minimizing the consequences of such events if they do.

The consequences of non-compliance are similarly significant and can include:

- Loss of accreditation;
- Loss of federal funding, including student financial aid;
- Fines and penalties;
- Federal and/or State monitoring activities;
- Litigation; and/or
- Reputational risk and negative press.

FSU's mission, vision, and values speak to a level of employee engagement which extends beyond mere compliance with laws, rules and policies. FSU's commitment, supported by the Program, is to the highest standards of integrity, accountability, and ethical conduct.

Our challenge is not only to make compliance but ethical behavior relevant to each employee. The Program, along with policies to be developed through the Office of Compliance and Ethics, will establish the tone for ethical decision-making and accountability in all University operations and will reinforce FSU's commitment to doing the right thing. The Office of Compliance and Ethics' motto, "Integrity and Excellence Always, In All Ways," reflects the University's overarching commitment to the highest standards of education, while consistently also maintaining the highest standards of ethics. The Program elements detailed below, informed by the Federal Sentencing Guidelines, outline strategies to help ensure Integrity, accountability, and ethical conduct become embedded in all elements of our day-to-day operations.

COMPLIANCE AND ETHICS PROGRAM STRUCTURE

1) Executive Oversight

Primary oversight and direction for the Program rests with the Board of Trustees Audit and Compliance Committee. The Committee's primary focus is to provide assurances to the Board of Trustees regarding University risk management, control, and governance processes, thereby assisting the Board of Trustees in fulfilling its statutory, fiduciary, and oversight responsibilities. The Committee or its staff (which includes the Chief Compliance and Ethics Officer and the Chief Audit Officer) will regularly report to the Board on Committee activities and issues with respect to matters related to audit, compliance, and related concerns such as potential fraud or conflicts of interest. With specific regard to the Office of Compliance and Ethics, the Committee is responsible for review of the Program and any revisions, the effectiveness of the University's compliance efforts at all levels, and the controls and policies that govern the University's compliance obligations.

The University has hired a Chief Compliance and Ethics Officer (CCEO), who is responsible for the implementation and administration of the Program. The CCEO serves as the central point for coordination, collaboration, and oversight of activities and initiatives to promote and encourage a culture of compliance and ethical behavior. The CCEO also serves as a resource to the President's

leadership team and to departmental compliance partners in making compliance management decisions. The CCEO is responsible for the implementation of the Program, providing oversight and monitoring of its implementation, and periodic review, and serves as the chief ethics officer for the University. The CCEO is a direct report to the President and the Chair of the Board of Trustees and, as such, can escalate critical and/or time-sensitive compliance issues as appropriate and necessary.

The University's Compliance Alliance (the Alliance) shall be established to advise the President on significant compliance and ethics issues and to provide leadership and oversight in the implementation and continuous improvement of the Program. The Alliance is key to ensuring the University's compliance activities and programs are reasonably designed, implemented, and enforced. The Alliance's focus includes: promoting excellence in all University compliance, ethics and risk activities; providing leadership to ensure integrity and compliance with legal, regulatory, policy and ethics responsibilities; providing leadership and oversight to reduce and mitigate University risks; and overseeing the policy development and review process. In recognition of the importance of the University's compliance obligations and its dedication to compliance at all levels, the Alliance will be comprised of the President's Cabinet (or their designees, as appropriate). Those individuals are:

- Provost and Executive Vice President for Academic Affairs
- University Counsel
- Vice President for Finance and Administration
- Vice President for Student Affairs
- Vice President of University Advancement
- Vice President for Faculty Development and Advancement
- Vice President for Research
- Vice President and Director of Intercollegiate Athletics
- Assistant Vice President for University Communications
- Associate Vice President for University Relations
- Chief Legislative Affairs Officer
- Chief of Staff

In addition to the Alliance, the Office of Compliance and Ethics will be aided by the Compliance Partners Committee, a group of subject matter experts from across campus who will meet regularly to discuss emerging compliance issues and address areas of potential non-compliance. The Compliance Partners Committee members shall include:*

- Chief Compliance and Ethics Officer (Chair)
- Chief Audit Officer
- Associate Vice President for Human Resources

- Director, Research Compliance Programs
- Senior Associate Athletics Director for Governance and Compliance
- Director, Information Security and Privacy
- Director, University Health Services
- Director, Environmental Health and Safety
- Director, Title IX Office
- Lieutenant for Professional Standards and Compliance, FSUPD
- International Travel, Safety, and Risk Officer (Position in development)
- Director, Office of Distance Learning
- Assistant Vice President for Enrollment Management
- Assistant Vice President and SACS Liaison
- Associate Vice President for Student Affairs
- Faculty Representative

***The CCEO shall have flexibility to make changes to the Compliance Partnership Committee, as needed, to ensure that campus partners are adequately represented and the best possible information is being communicated. Listed members may attend or identify designees. The Audit and Compliance Committee will be notified timely of any material changes to the membership.**

Additional compliance experts in individual departments provide leadership in addressing compliance issues within their scope of responsibility. The CCEO will work closely with these experts, either directly or as part of the Compliance Partnership Committee, to identify and implement efficient methods of communication, enforcement, and monitoring with regard to compliance matters.

At this time, the establishment of the Alliance and the Compliance Partnership Committee provides an effective framework for the Office of Compliance and Ethics to operate within the University, giving proper support, input, and oversight. During the Program's first year, the CCEO will work closely with members of the Alliance and the Compliance Partnership Committee to accomplish the Program's objectives. After the first year, the CCEO will provide feedback and recommendations on the need for direct or indirect reporting relationships.

Although compliance is a responsibility of each member of the FSU community, proactive engaged leadership by members of the Board of Trustees and University administration is critical to maintaining a strong culture of compliance and ethical conduct. The structure for Executive Oversight of the Program as outlined in this Plan provides a solid foundation for success.

Strategic Resources related to Element 1, Executive Oversight: BOG Regulation 4.003, BOT Audit and Compliance Committee Charter, Presidential Delegations of Authority, Bylaws of the Compliance Partnership Committee, Compliance**

**Officer Charter, Chief Compliance Officer Position Description, Compliance
Accountability Matrix****

****in development**

2) Standards of Conduct/Policies and Procedures

The University's Code of Conduct and Ethics (the Code) is the foundation of the Program. The Code sets forth the expectation all employees perform their duties and responsibilities with integrity and accountability to the highest ethical standards. It also serves as a guide for employees to support day-to-day decision making, and can be used as a benchmark against which performance, both individual and organizational, can be evaluated.

In addition to the Code, other policies and procedures provide evidence to confirm an effective compliance and ethics program. This is the case for regulations and policies which are required to meet compliance and/or regulatory requirements, and to promote or enhance risk reduction and mitigation efforts.

Regular review of University regulations, policies and procedures is suggested as a best practice. A review of the FSU policy library indicates that many policies are in need of revision, and FSU's methods of distribution of policies and policy revision are in need of improvement. With the adoption of this Program, the CCEO, with the support and leadership of the Alliance, will initiate a comprehensive review of University policies and procedures, the policy review process and make recommendations for changes.

**Strategic Resources related to Element 2, Standards of Conduct/Policies and
Procedures: FSU Policy Library, FSU Code of Conduct and Ethics,** Presidential
Delegations of Authority and Organizational Charts**

3) Effective Lines of Communication (Reporting)

Open lines of communication are critical to early detection and identification of issues. Issue identification also points to areas or topics requiring additional monitoring or education. To those ends, employees are encouraged to share concerns and issues with their supervisor or other higher level administrators. Facilitating personal/face-to-face interactions is a priority for FSU as demonstrated by the training and awareness programs available through the Office of Human Resources. Continued support for, and enhancement and expansion of, these programs is critical to ensuring open and effective lines of communication and thus an effective compliance and ethics program.

There are, however, situations when employees are not comfortable sharing a concern with their supervisor. In those cases, employees are encouraged to raise the issue through use of FSU's EthicsPoint Hotline. The Hotline allows employees and any others to make anonymous reports at any time. The CCEO, Chief Audit Officer, and the Associate Vice President for Human Resources share responsibility for oversight of the Hotline, monitoring incoming reports and assigning them as appropriate. The CCEO plans to utilize existing relationships, meeting opportunities, and scheduled trainings to increase awareness of the Hotline and answer questions or comments faculty, staff, and students may have regarding this communications tool, enhancing existing educational and marketing efforts regarding the

Hotline. Research confirms that when a Hotline is available, the detection and identification of issues of concern are enhanced. Continued highlighting and support of the Hotline are required if an effective compliance and ethics program is to become a reality.

Additionally, information regarding specific reporting requirements on issues such as Clery Act, abuse of children/vulnerable persons, Title IX incidents, and discrimination are made available to the campus community through a variety of measures, including face-to-face and online training, targeted e-mails, and a variety of creative marketing approaches. Continued use of these communications tools helps foster an environment of open, honest, and effective communications; in other words, a culture of compliance.

Other initiatives to encourage and facilitate communications across campus are in various stages of planning or development including a compliance e-mail to allow employees and others to submit questions and comments directly to the CCEO (compliance@fsu.edu), a Compliance and Ethics Newsletter, tabling at appropriate University events to promote the Program, and programming for November's Compliance and Ethics Week (November 4-10).

Strategic Resources related to Element 3, Effective Lines of Communication: Duty to Report Requirements, including Form 1 filings, EthicsPoint Hotline

4) Education and Training

Compliance and ethics training is a foundational element of an effective compliance and ethics program. A university's commitment to general and specific compliance education and training programs cannot be overstated. Describing what constitutes "Integrity and Excellence Always, In All Ways" and communicating those expectations to employees and others in the FSU community is a function of our education and training program.

Currently, FSU offers a range of compliance and ethics-related education and training workshops and seminars, which will expand with the growth of the Office of Compliance and Ethics. Those individual programs form a good nucleus for the development of a comprehensive Compliance and Ethics Education and Training Program. In the short term, the CCEO will coordinate with the Office of Human Resources' Training and Organizational Development Section, Environmental Health and Safety, and the Office of Faculty Development and Advancement to develop an inventory of programs falling under the compliance and ethics umbrella. The long-term goal is the development and implementation of an integrated, coordinated program of employee training and development on compliance and ethics issues and topics. The CCEO will also focus specific efforts on the development of education and awareness programs regarding the Program, the FSU Code of Ethics, and Conflicts of Interest-related matters, including outside employment.

Compliance and ethics training is not limited to our employees. More specifically, the CCEO, in collaboration with the Chief of Staff, Chief Audit Officer, and General Counsel, provides training for FSU's Board of Trustees on compliance and ethics issues, including the Code of Ethics for Public Employees, Conflicts of Interest, and Gifts and Honoraria. The first of these trainings by the new CCEO occurred in May 2018. A regular schedule of BOT training on compliance and ethics issues is critical to our success in implementing the Program, as the tone at the top sets the tone for all.

Strategic Resources related to Element 4, Education and Training: Training and Organizational Development Section, Office of Faculty Development and Advancement, University Communications

5) Audit and Monitoring

Regular, rigorous review of University programs and operations allow issues to be identified early and remedied quickly. The University engages in frequent self-assessment, beginning with the continuous improvement processes required to meet accreditation standards through the Southern Association of Colleges and Schools, to departmental program reviews, to campus culture and satisfaction surveys. Continuous assessment of this nature is critical to ensuring an efficient, effective, and compliant work environment.

Additionally, the Office of Inspector General Services (OIGS) provides independent, objective assurance and consulting activities to improve University operations and promote accountability. Whether through regularly scheduled audits or ad hoc management accountability reviews, OIGS staff serve to assist and coach administrators and employees in areas needing attention. An active, engaged audit function contributes to the overall health of the compliance and ethics culture.

The University also enters into contracts with third parties for the assessment of programs which require greater scrutiny due to the complexity and/or nature of the issue, or when there is no in-house expertise for the initiative. Use of third parties for such purposes should continue to be embraced as a best business practice.

The Alliance is charged with the responsibility for providing leadership and oversight to assess and mitigate (as appropriate) University risks. The Alliance's review of University risk assessments, internal and external audit reports, and other management reviews will be an integral element to improving University operations and enhancing compliance and accountability across campus.

Strategic Resources related to Element 5, Audit and Monitoring: Internal Audit and Management Consulting Services, Compliance Accountability Matrix, Conflicts of Interest Reporting

6) Enforcement and Discipline

An effective compliance and ethics program is one which provides incentives for employees to engage in conduct in accordance with laws, rules, and policies, and, conversely, applies appropriate disciplinary measures when employees engage in conduct which is non-compliant. The Federal Sentencing Guidelines specifically state that "adequate discipline of individuals responsible for an offense is a necessary component of enforcement" with the form of discipline determined on a case-by-case basis.

The University's preferred approach is to engage programs and processes which incentivize employees to do the right thing. The University has several awards programs that provide opportunity to recognize employee contributions and services consistent with specified criteria. Examples include the Max Carraway Employee of the Year Award, Student Employee of the Year Award, and Prudential Productivity Awards, as well as a variety of awards given at the office and departmental levels. Whether these programs are an appropriate vehicle by which to recognize employees for compliance-related acts and actions is a question the Alliance should explore in consultation with the Office of Human

Resources. Other means by which to incentivize employees should also be explored to support and enhance this element of the Program, with adequate funding for publicity and awards.

With respect to situations in which allegations of non-compliance are substantiated, it is contemplated that the CCEO will review, at least annually, reports of confirmed non-compliance and the University's response to ensure the University's approach to enforcement and discipline is consistent and defensible. This review should also include information regarding instances when employees were found to have known of an act of non-compliance but failed to report.

Strategic Resources related to Element 6, Enforcement and Discipline: Office of the Provost, Office of Human Resources, Policy Library, Code of Conduct and Ethics

7) Response and Prevention

Ensuring reasonable steps are taken to respond to complaints, especially complaints of compliance violations and/or unethical conduct, is critical to fostering an environment of integrity, trust, and accountability. Corrective action also helps prevent similar issues from occurring in the future. Failure to respond creates doubt about the University's commitment to addressing misconduct, which has the effect of reducing employee morale and engagement. The University has multiple processes by which to investigate and address reports of questionable actions or behaviors. However, decentralized departmental decision-making can have University-wide implications which can create substantial institutional risk. To limit such risk, the CCEO will coordinate with those persons responsible for investigations to compile an annual report of such activity for review by the Alliance. The Alliance's oversight helps ensure a cohesive approach to addressing complaints across the campus, which is critical to an effective centralized compliance function.

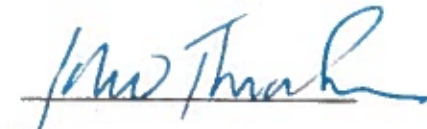
Strategic Resources related to Element 7, Response and Prevention: New and/or changes to education/training and awareness programs, internal investigations, background checks

PROGRAM EVALUATION

A rigorous process of evaluation answers basic questions about a program's effectiveness and is a critical management tool for program improvement. The Alliance will be responsible for overseeing the Program evaluation process and for determining the evaluation cycle (annual, biennial, or other). Metrics available for assessing the Program include: helpline statistics, compliance training statistics, policy attestation rates, investigation reports, risk assessment reports, culture surveys, and timely implementation of important changes or rulings in compliance law.

Additionally, Board of Governors Regulation 4.003 requires the University President and the Board of Trustees to engage "an external review of the Program's design and effectiveness" at least once every five (5) years and make recommendations for improvement. The first such external review will be engaged in FY 2022- 2023, the fifth year of the Program.

Approved at the September 4, 2018 Board of Trustees Meeting


University President

9/18/18
Date


Chairman, Board of Trustees

10/18/18
Date


Chairman, Audit and Compliance Committee

10/18/18
Date