AGENDA

FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Audit and Compliance Committee

Thursday, April 27, 2017 1 p.m. to (estimated) 3:30 p.m.

Marieb Hall Room #402
Florida Gulf Coast University

NOTE: Indicated times within the agenda are approximate and are subject to change. Agenda items may be taken out of order at the call of the Chair and with the concurrence of the Committee.

Committee Members:
Trustee Joseph Fogg III – Chair; Trustee Darleen Cors; Trustee Leo Montgomery; and Trustee Kevin Price

1 p.m. Call to Order, and Roll Call – Chair Joseph Fogg III

1:05 p.m. Opening Remarks – Chair Joseph Fogg III

1:15 p.m. Committee Organizational Discussion – Chair Joseph Fogg III

1:45 p.m. Information Items:
- Board of Governors Regulations 4.001, 4.002, 4.003 and 4.004 for Audit and Compliance – Interim Director of Internal Audit William Foster, and Chief Compliance and Ethics Officer Stacey Chados (TAB #1)
- Sample State University System Charters for Audit and Compliance Committees – Chief Compliance and Ethics Officer Stacey Chados, and Interim Director of Internal Audit William Foster (TAB #2)

2:30 p.m. Action Items (Includes Public Comment):
- Charter for the Office of Compliance and Ethics – Chief Compliance and Ethics Officer Stacey Chados (TAB #3)
• Charter for the Office of Internal Audit – Interim Director of Internal Audit William Foster (TAB #4)

3:25 p.m. New Business – Chair Joseph Fogg III

3:30 p.m. Closing Remarks, and Adjournment – Chair Joseph Fogg III

(END)
Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
April 27, 2017

SUBJECT: Board of Governors Regulations for Audit and Compliance

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

The Board of Governors has four Regulations related to audit and compliance, and they are provided as information to the Committee. They are:

- **BOG 4.001** University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement
- **BOG 4.002** State University System Chief Audit Executives
- **BOG 4.003** State University System Compliance and Ethics Programs
- **BOG 4.004** Board of Governors Oversight Enforcement Authority

Supporting Documentation Included: Board of Governors Regulations 4.001, 4.002, 4.003 and 4.004

Prepared by: N/A

Legal Review by: N/A

Submitted by: Interim Director of Internal Audit William Foster, and Chief Compliance and Ethics Officer Stacey Chados
4.001 University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement

(1) The Office of Inspector General and Director of Compliance (OIGC) for the State University System of Florida Board of Governors shall be organized to promote accountability, efficiency, and effectiveness, and to detect fraud and abuse within state universities. The OIGC charter is incorporated herein by this reference.

(2) Each board of trustees shall have a process for university staff, faculty, students, and board of trustees members to report allegations of waste, fraud, or financial mismanagement to the university chief audit executive.

(3) Significant and credible allegations are those that, in the judgment of the chief audit executive, require the attention of those charged with governance and have indicia of reliability. For significant and credible allegations of waste, fraud, or financial mismanagement within the university and its board of trustees’ operational authority, the chief audit executive shall timely provide the OIGC sufficient information to demonstrate that the board of trustees is both willing and able to address the allegation(s). If the information provided by the chief audit executive does not clearly demonstrate that the board of trustees is both willing and able to address the allegation(s), then the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.

(4) Upon the OIGC’s receipt of a complaint, the OIGC will evaluate the nature of the allegation(s) to determine operational authority, proper handling, and disposition. University-related allegations will be handled as described below:

(a) Such allegations will be referred to the university chief audit executive for appropriate action without regard to the final responsible entity at the university. As appropriate, a copy of the referral will be provided to the chief compliance officer and general counsel. For significant and credible allegations of waste, fraud, or financial mismanagement, the chief audit executive shall provide the OIGC with university action and final case disposition information sufficient to demonstrate that the board of trustees was both willing and able to address such allegations.

(b) When case disposition information does not clearly demonstrate that the board of trustees was both willing and able to address significant and credible allegation(s), then the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.

(5) Each board of trustees shall adopt a regulation which requires timely notification to the Board of Governors, through the OIGC, of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made
against the university president or a board of trustees member. Such allegations will be handled as follows:
(a) The chair of the board of trustees (or chair of the board of trustees’ committee responsible for handling audit matters if the allegations involve the board chair), in consultation with the chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry, in accordance with section 10.2.a of the OIGC charter. If it is determined that an investigation is warranted, it shall take one of the following forms:
1. The board of trustees will hire an independent outside firm to conduct the investigation with OIGC guidance and monitoring; or
2. The OIGC will perform the investigation.
(b) At the conclusion of such investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response. The subject’s response and the investigator’s rebuttal to the response, if any, shall be included in the final report presented to the chair of the board of trustees and the Board of Governor’s Audit and Compliance Committee.
(6) The board of trustees’ regulation shall articulate how the university will address any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the chief audit executive or chief compliance officer.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16.
4.002  State University System Chief Audit Executives

(1) Each university shall have an office of chief audit executive as a point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the operations of the university.

(2) Each board of trustees shall establish a committee responsible for addressing audit, financial- and fraud-related compliance, controls, and investigative matters. For purposes of this regulation, this committee will be referred to as the audit and compliance committee. This committee shall have a charter approved by the board of trustees and reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

(3) Each board of trustees shall adopt a charter which defines the duties and responsibilities of the office of chief audit executive. The charter shall be reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors. At a minimum, the charter shall specify that the chief audit executive:

(a) Provide direction for, supervise, and coordinate audits and investigations which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

(b) Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

(c) Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001.

(d) Keep the president and board of trustees informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to university programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions.

(e) Promote, in collaboration with other appropriate university officials, effective coordination between the university and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.

(f) Review and make recommendations, as appropriate, concerning policies and regulations related to the university’s programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
Communicate to the president and the board of trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations.

Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.

Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.

Develop and maintain a quality assurance and improvement program for the office of chief audit executive.

Establish policies which articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

Inform the board of trustees when contracting for specific instances of audit or investigative assistance.

The board of trustees must obtain Board of Governors’ approval before outsourcing the chief audit executive’s entire audit or investigative function.

Each board of trustees shall ensure that the university chief audit executive is organizationally independent and objective to perform the responsibilities of the position. The chief audit executive shall:

(a) Report functionally to the board of trustees and administratively to the president.

(b) Report routinely to the board of trustees on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the president and the board of trustees.

(c) Conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence of the chief audit executive’s office.

(d) Have timely access to any records, data, and other information in possession or control of the university including information reported to the university’s hotline/helpline.

(e) Notify the chair of the board of trustees’ audit committee or the president, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. The chief audit executive shall work with the board of trustees and university management to remedy scope or access limitations. If the university is not able to remedy such limitations, the chief audit executive shall timely notify the Board of Governors, through the OIGC, of any such restriction, barrier, or limitation.
(6) In carrying out the auditing duties and responsibilities set forth in this regulation, each chief audit executive shall review and evaluate controls necessary to enhance and promote the accountability of the university. The chief audit executive shall perform or supervise audits and prepare reports of their findings, recommendations, and opinions. The scope and assignment of the audits shall be determined by the chief audit executive; however, the president and board of trustees may request the chief audit executive direct, perform, or supervise audit engagements.

(a) Audit engagements shall be performed in accordance with the *International Professional Practices Framework*, published by the Institute of Internal Auditors, Inc.; the *Government Auditing Standards*, published by the United States Government Accountability Office; and/or the *Information Systems Auditing Standards* published by ISACA. All audit reports shall describe the extent to which standards were followed.

(b) At the conclusion of each audit engagement, the chief audit executive shall prepare a report to communicate the audit results and action plans to the board of trustees and university management. A copy of the final audit report will be provided to the Board of Governors consistent with Board of Governors Regulation 1.001(6)(g).

(c) The chief audit executive shall monitor the disposition of results communicated to university management and determine whether corrective actions have been effectively implemented or that senior management or the board of trustees, as appropriate, has accepted the risk of not taking corrective action. If, in the chief audit executive’s judgment, senior management or the board of trustees has chosen not to take corrective actions to address substantiated instances of waste, fraud, or financial mismanagement, then the chief audit executive shall timely notify the Board of Governors, through the OIGC.

(d) The chief audit executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the board of trustees for approval. A copy of approved audit plans will be provided to appropriate university management and the Board of Governors.

(e) The chief audit executive must develop and maintain a quality assurance and improvement program in accordance with professional audit standards. This program must include an external assessment conducted at least once every five (5) years. The external assessment report and any related improvement plans shall be presented to the board of trustees, with a copy provided to the Board of Governors.

(7) Each chief audit executive shall initiate, conduct, supervise, or coordinate investigations that fall within the purview of the chief audit executive’s office and be designated by their board of trustees as the employee to review statutory whistle-blower information and coordinate all activities of the university as required by the Florida Whistle-blower’s Act. Investigative assignments shall be performed in
accordance with professional standards issued for the State University System. All final investigative reports shall be submitted to the appropriate action officials, board of trustees, and the Board of Governors if, in the chief audit executive’s judgment, the allegations are determined to be significant and credible. Such reports shall be redacted to protect confidential information and the identity of individuals, when provided for by law.

(8) By September 30th of each year, the chief audit executive shall prepare a report summarizing the activities of the office for the preceding fiscal year. The report shall be provided to the president, board of trustees, and the Board of Governors.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16.
4.003  State University System Compliance and Ethics Programs

(1) Each board of trustees shall 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.

(2) The Program shall be:
   (a) Reasonably designed to optimize its effectiveness in preventing or detecting non-compliance, unethical behavior, and criminal conduct, as appropriate to the institution’s mission, size, activities, and unique risk profile;
   (b) Developed consistent with the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes; other applicable codes of ethics; and the Federal Sentencing Guidelines Manual, Chapter 8, Part B, Section 2.1(b); and
   (c) Implemented within two (2) years of the effective date of this regulation.

(3) Each board of trustees shall assign responsibility for providing governance oversight of the Program to the committee of the board responsible for audit and compliance. The charter required by Board of Governors Regulation 4.002(2) shall address governance oversight for the Program.

(4) Each university, in coordination with its board of trustees, shall designate a senior-level administrator as the chief compliance officer. The chief compliance officer is the individual responsible for managing or coordinating the Program. Universities may have multiple compliance officers; however, the highest ranking compliance officer shall be designated the chief compliance officer. Nothing in this regulation shall be construed to conflict with the General Counsel’s responsibility to provide legal advice on ethics laws. The chief compliance officer shall not be the same individual as the chief audit executive with the exception of New College of Florida and Florida Polytechnic University who may, due to fiscal and workload considerations, name the same individual as both chief audit executive and chief compliance officer.

(5) The chief compliance officer shall report functionally to the board of trustees and administratively to the president. If the university has an established compliance program in which the chief compliance officer reports either administratively or functionally to the chief audit executive, then the university shall have five (5) years from the effective date of this regulation to transition the reporting relationship of the chief compliance officer to report functionally to the board of trustees and administratively to the president.
(6) The office of the chief compliance officer shall be governed by a charter approved by the board of trustees and reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

(7) The Program shall address the following components:
   (a) The president and board of trustees shall be knowledgeable about the Program and shall exercise oversight with respect to its implementation and effectiveness. The board of trustees shall approve a Program plan and any subsequent changes. A copy of the approved plan shall be provided to the Board of Governors.
   (b) University employees and board of trustees’ members shall receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan shall specify when and how often this training shall occur.
   (c) At least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The first external review shall be initiated within five (5) years from the effective date of this regulation. The assessment shall be approved by the board of trustees and a copy provided to the Board of Governors.
   (d) The Program may designate compliance officers for various program areas throughout the university based on an assessment of risk in any particular program or area. If so designated, the individual shall coordinate and communicate with the chief compliance officer on matters relating to the Program.
   (e) The Program shall require the university, in a manner which promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith. If the chief compliance officer determines the reporting process is being abused by an individual, he or she may recommend actions to prevent such abuse.
   (f) The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
   (g) The chief compliance officer shall:
      1. Have the independence and objectivity to perform the responsibilities of the chief compliance officer function;
      2. Have adequate resources and appropriate authority;
      3. Communicate routinely to the president and board of trustees regarding Program activities;
4. Conduct and report on compliance and ethics activities and inquiries free of actual or perceived impairment to the independence of the chief compliance officer;

5. Have timely access to any records, data, and other information in possession or control of the university, including information reported to the university's hotline/helpline;

6. Coordinate or request compliance activity information or assistance as may be necessary from any university, federal, state, or local government entity;

7. Notify the president, or the administrative supervisor of the chief compliance officer, of any unresolved restriction or barrier imposed by any individual on the scope of any inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. In such circumstances, the chief compliance officer shall request the president remedy the restrictions. If unresolved by the president or if the president is imposing the inappropriate restrictions, the chief compliance officer shall notify the chair of the board of trustees committee charged with governance oversight of the Program. If the matter is not resolved by the board of trustees, the chief compliance officer shall notify the Board of Governors through the Office of Inspector General and Director of Compliance (OIGC);

8. Report at least annually on the effectiveness of the Program. Any Program plan revisions, based on the chief compliance officer’s report shall be approved by the board of trustees. A copy of the report and revised plan shall be provided to the Board of Governors;

9. Promote and enforce the Program, in consultation with the president and board of trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance or ethics shall be addressed through appropriate measures, including education or disciplinary action;

10. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices (such as human resources, audit, Title IX, or general counsel) such inquiries, investigations, or reviews as deemed appropriate and in accordance with university regulations and policies; and

11. Submit final reports to appropriate action officials.

(h) When non-compliance, unethical behavior, or criminal conduct has been detected, the university shall take reasonable steps to prevent further similar behavior, including making any necessary modifications to the Program.

(8) The university shall use reasonable efforts not to include within the university and its affiliated organizations individuals whom it knew, or should have known (through the exercise of due diligence), to have engaged in conduct not consistent with an effective Program.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16.
4.004 Board of Governors Oversight Enforcement Authority

(1) The Joint Legislative Auditing Committee (JLAC) of the Florida Legislature has the authority to address state universities that have failed to take full corrective action in response to audit findings included in the two (2) preceding financial or operational audit reports in accordance with section 11.45(7)(j), Florida Statutes. The JLAC may request from a board of trustees a written statement explaining why full corrective action has not been taken or, if the board of trustees intends to take full corrective action, describing the corrective action to be taken and when it will occur. If the JLAC determines that the written statement is not sufficient, it may require the chair of the board of trustees, or the chair’s designee, to appear before the JLAC. If the JLAC determines that the state university has failed to take full corrective action for which there is no justifiable reason or has failed to comply with their requests made pursuant to section 11.45(7)(j), Florida Statutes, the JLAC shall refer the matter to the Board of Governors to proceed in accordance with this regulation.

(2) The Office of Inspector General and Director of Compliance (OIGC) Charter is incorporated herein by this reference.

(3) In addition to OIGC investigative responsibilities outlined in the OIGC charter, the chancellor may determine that allegations of material non-compliance with any law or Board of Governors regulations warrant an investigation. The Board of Governors’ inspector general shall provide direction for, supervise, and coordinate such investigations. When appropriate, matters of alleged non-compliance will be forwarded to the proper university for handling. In addition, the Board of Governors’ inspector general will review all instances referred to the Board of Governors by the JLAC as described in paragraph (1) above.

(4) The Board of Governors’ inspector general shall submit the investigatory findings to the chair of the university’s board of trustees, or the chair’s designee, who shall have twenty (20) working days from the receipt of the draft report to submit a written response to the findings. The university’s response and the inspector general’s rebuttal to the response, if any, shall be included in the final report presented to the Board of Governor’s Audit and Compliance Committee and the chair of the university’s board of trustees or the chair’s designee.

(5) The Board of Governors may require the university board of trustees to document that it has come into compliance with the law or Board of Governors regulation or that it is taking reasonable and diligent steps to come into compliance. If, after being provided the opportunity to demonstrate compliance, the university board of trustees cannot satisfactorily document that it is in compliance or will come into compliance within a reasonable period of time, the Board of Governors may order compliance within a specified timeframe.
(6) If non-compliance is substantiated, and the Board of Governors determines that a university board of trustees is unwilling or unable to comply with any law, Board of Governors regulation, or audit recommendation within the specified timeframe, the Board of Governors may initiate any of the following actions:

(a) Withhold the transfer of state funds, discretionary grant funds, discretionary lottery funds, or any other funds appropriated to the Board of Governors by the Legislature for disbursement to the state university until the university complies with the law or Board of Governors’ regulation.

(b) Declare the state university ineligible for competitive grants disbursed by the Board of Governors until the university complies with the law or Board of Governors’ regulation.

(c) Require monthly or periodic reporting on the situation related to noncompliance until it is remedied.

(d) Report to the Legislature that the state university is unwilling or unable to comply with the law or Board of Governors’ regulation and recommend action to be taken by the Legislature.

(7) Any actions taken by the Board of Governors pursuant to this regulation will be commensurate with, and take into account, the nature and severity of the non-compliance, the criticality of the compliance, and the reason for the university’s failure to come into compliance.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16.
SUBJECT: Sample State University System Charters for Audit and Compliance Committees

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

Board of Governors (BOG) Regulation 4.002(2) indicates, in part: “This committee shall have a charter approved by the board of trustees and reviewed at least every three (3) years.” BOG Regulation 4.003(3) adds: “Each board of trustees shall assign responsibility for providing governance oversight of the [compliance and ethics program] to the committee of the board responsible for audit and compliance.”

Samples of five charters of State University System Audit and Compliance Committees are provided for the Committee’s review and discussion on April 27. Committee input will inform staff on drafting the charter for the FGCU Board of Trustees’ Audit and Compliance Committee, and the draft will be brought to the Committee for action at its next meeting.

Supporting Documentation Included: Sample Audit and Compliance Committee Charters for Florida International University, University of Central Florida, University of North Florida, University of West Florida, and Florida Polytechnic University

Prepared by: N/A

Legal Review by: N/A

Submitted by: Interim Director of Internal Audit William Foster, and Chief Compliance and Ethics Officer Stacey Chados
THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE CHARTER

1. Overall Purpose/Objectives

The Audit and Compliance Committee (“Committee”) is appointed by the Florida International University Board of Trustees (“Board”) to assist it in discharging its oversight responsibilities, including but not limited to, reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process.

The Committee will oversee the financial operations and reporting process for both the University and its direct support organizations (“DSO”). The committee will review: 1) the University’s internal financial controls and processes; 2) the internal audit function; 3) the independent audit process, including the appointment and assessment of the external auditors for the University; and 4) the DSO and University processes for monitoring compliance with applicable laws and regulations, meeting regulatory requirements and promoting ethical conduct.

2. Authority

The Board authorizes the Committee to:

2.1 Perform activities within the capacity of its charter.

2.2 Evaluate the Office of Internal Audit’s role and scope of activities.

2.3 Participate, through the Chair, in the process of the appointment and dismissal of the Chief Audit Executive.

2.4 Engage independent counsel and other advisers as it deems necessary to carry out its duties.

2.5 Have unrestricted access to management, faculty and employees of the University and its DSOs, as well as to all books, records, and facilities thereof.

2.6 Develop and review procedures for the receipt, retention and treatment of complaints received from employees regarding financial or operational matters.

2.7 Review and approve the Office of Internal Audit’s annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General’s Office for an effective, efficient, non-redundant use of audit resources.
2.8 Review and discuss with management and the Office of Internal Audit (1) significant findings and recommendations, including management’s response and timeframe for corrective action; (2) the degree of implementation of past audit recommendations; and (3) any difficulties encountered in the course of the audit activities such as restrictions on the scope of work or access to information.

2.9 Assess the staffing of the Office of Internal Audit, including the annual budget.

2.10 Review and approve modifications to the Office of Internal Audit.

2.11 Review the organizational reporting lines related to the Office of Internal Audit, particularly related to confirming and assuring the continued independence of the Office of Internal Audit and its staff.

2.12 Review the work of the external auditors for the University and DSOs.

2.13 Evaluate the effectiveness of the University’s compliance program by (1) reviewing the results of the program effectiveness evaluation; (2) assessing the staffing of the Office of Compliance & Integrity, including the annual budget; (3) reviewing major modifications to the University’s compliance program; and (4) reviewing compliance-related training topics for the Board.

2.14 Participate, through the Chair, in the process of the appointment and dismissal of the Assistant Vice President, Chief Compliance and Privacy Officer.

2.15 Review and approve the Office of Compliance & Integrity’s annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.

2.16 Review and approve modifications to the Office of Compliance & Integrity.

2.17 Review the organizational reporting lines related to the Office of Compliance & Integrity, particularly related to confirming and assuring the continued independence of the Office of Compliance & Integrity and its staff.

3. Organization

Membership

3.1 The Chair of the Board of Trustees will appoint the chair and members of the Committee.

3.2 The Committee consists of at least five (5) members, all of whom are voting Trustees of the University.

3.3 A majority of Committee members, if not all, shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements.
3.3.1 If possible the Committee will include at least one member who is a "accounting or financial expert"; a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; an understanding of committee functions; experience preparing, auditing, analyzing or evaluating financial statements, or experience actively supervising persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing, auditing or evaluating financial statements; or other relevant experience.

3.4 Members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants.

3.5 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

Meetings

3.6 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

3.7 Meetings shall be held not less than four (4) times per year and shall correspond with the University’s financial reporting cycle.

3.8 The Committee shall maintain written minutes of its meetings, and for the Committee Chair to approve each meeting’s agenda.

3.9 The Committee shall meet with the General Counsel, Chief Audit Executive, and Assistant Vice President, Chief Compliance and Privacy Officer on a regular basis.

3.10 The Committee may request special reports from University or DSO management on topics that may enhance their understanding of their activities and operations.

4. Roles and Responsibilities

The Committee shall:

4.1 Provide the Board with regular updates of Committee activities and make recommendations to the Board for matters within the Committee’s area of responsibility.
4.2 Meet separately with the Office of Internal Audit and Senior Management, separately, in order to discuss any matters the Committee or these individuals believe should be discussed privately. This should be performed at least two (2) times annually, at the conclusion of a regularly scheduled Committee meeting.

4.3 Affirm that the Chief Audit Executive and Assistant Vice President, Chief Compliance and Privacy Officer are ultimately responsible to the Committee and the Board and they should communicate directly with the Committee Chair when deemed prudent and necessary. Said Chief Audit Executive and Assistant Vice President, Chief Compliance and Privacy Officer, in consultation with the General Counsel, will regularly meet and correspond with the Chair of the Committee, advise and keep informed, as needed, both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee, and in further consultation with the Chair, prepare the agenda for meetings of the Committee.

4.4 Have the authority to conduct investigations into any matters within the Committee’s scope of responsibilities as set forth herein. The Committee shall have unrestricted access to the University’s independent auditors and anyone employed by the University, and to all relevant information in order to conduct such investigations. The Committee may retain, at the University’s expense, independent counsel, accountants and other professional consultants to assist with such investigations. The results of any such investigations must be reported to the Board by the Committee Chair.

With regard to each topic listed below, the Committee shall:

**Internal Controls**

4.5 Consider and review the effectiveness of the University’s process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management’s plans and efforts to monitor and control such risks.

4.6 Evaluate the overall effectiveness of the internal control framework and consider whether recommendations made by the internal and external auditors have been implemented by management, including but not limited to the status and adequacy of information systems and security, for purposes of meeting expectations of the U.S. Sentencing Guidelines, personnel systems internal controls, and other relevant matters.

4.7 Understand the internal control systems implemented by management of the University and each DSO for the approval of transactions and the recording and processing of financial data.

**Risk Management**

4.8 Evaluate the overall effectiveness of the risk management process.

4.9 Evaluate the University’s oversight and monitoring of its affiliated organizations, and the University’s insurance coverage and the process used to manage any uninsured...
risks.

Financial Reporting and Disclosures

4.10 Review the adequacy of accounting, management, and financial processes of the University and its DSOs.

4.11 Review the financial reporting process implemented by management of the University and its DSOs.

4.12 Review as applicable for the University and its DSOs: 1) interim financial statements, 2) annual financial statements, 3) the annual report, and 4) the audit report on federal awards that is required under Office of Management and Budget (OMB) Circular A-133.

4.13 Review University and DSO management processes for ensuring the transparency of the financial statements and the completeness and clarity of the disclosures.

4.14 Meet with University management and the external auditors to review the financial statements, the key accounting policies, the reasonableness of significant judgments, and the results of the audit.

Compliance with Laws, Regulations, Policies and Standards

4.15 Review the independence, qualifications, activities, resources, and structure of the compliance function and ensure no unjustified restrictions or limitations are made.

4.16 Review and discuss any significant results of compliance audits; any significant matters of litigation or contingencies that may materially affect the University’s financial statements; and any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.

4.17 Ensure that significant findings and recommendations made by the university compliance officer are received, discussed, and appropriately acted on.

4.18 Review the effectiveness of the system for monitoring compliance with laws and regulations and management’s investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.

4.19 Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.

4.20 Receive information and training regarding specific elements of the University’s compliance program.

4.21 Obtain reports concerning financial fraud resulting in losses in excess of $10,000 or involving a member of senior management.
4.22 Obtain regular updates from the University Compliance Officer regarding compliance matters that may have a material impact on the organization's financial statements or compliance policies.

4.23 Review the University’s monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research, including the results of the University’s monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.

4.24 Review the findings of any examinations or investigations by regulatory bodies.

Working with Auditors

Independent External Audit

4.25 Review the professional qualifications of all external auditors, and when determined by the committee, require such auditor to be hired by and report directly to the Committee.

4.26 Review on an annual basis the performance of all external auditors and make recommendations to the appropriate Board for their appointment, reappointment or termination.

4.27 Ensure that significant findings and recommendations made by the independent auditors for both the University and any DSO, and management's proposed response thereto, are received, discussed and appropriately acted upon.

Internal Audit

4.28 Review the independence, qualifications, activities, resources and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.

4.29 Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the University.

4.30 Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed and appropriately acted on.

4.31 Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.

Complaints and Ethics

4.32 Ensure procedures for the receipt, retention and treatment of complaints concerning financial, internal accounting controls or auditing matters.
4.33 Review the University and DSO conflicts of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

**Reporting Responsibilities**

4.34 Regularly update the Board about Committee activities and make appropriate recommendations.

4.35 Ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the University or its DSOs.

4.36 Receive prior to each meeting a summary of findings from completed internal audits and the status of implementing related recommendations.

**Evaluating Performance**

4.37 Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.

4.38 Assess the achievement of duties specified in the charter and report findings to the board.

4.39 Review the Committee charter, at least every two (2) years, and discuss any required changes with the board.

4.40 Ensure that the charter is approved or reapproved by the Board, after each update.
Attachment A

UCF Audit and Compliance Committee Charter

1. Purpose

The Audit and Compliance Committee ("Committee") is appointed by the University of Central Florida Board of Trustees ("Board") and assists the Board in discharging its oversight responsibilities. The committee oversees the following for the University of Central Florida ("University") and its direct support organizations ("DSO"):

- internal control structure,
- independence and performance of internal and external audits and corrective actions plans,
- integrity of information technology infrastructure and data governance,
- independence and effectiveness of the compliance and ethics program,
- compliance with applicable laws and regulations,
- standards for ethical conduct,
- risk mitigation,
- and internal investigation processes.

2. Membership

The Committee will consist of at least three members of the Board of Trustees.

Members will be independent and objective in the discharge of their responsibilities and free of any financial, family, or other material personal relationship that would impair their independence from management and the University.

The Chair of the Board will appoint the chair, vice chair, and additional members of the Committee. Members will serve on the Committee until their departure from the Board, resignation, or replacement by the Chair of the Board.

3. Experience and Education

Members of the Committee should have professional experience and expertise in at least one of the following fields: post-secondary education, non-profit administration, law, banking, insurance and financial services, finance, accounting, financial reporting, auditing, risk management, or information technology.

As requested, the University and outside resources, as directed by the committee, may provide the Committee with educational resources relating to the Committee in maintaining and enhancing an appropriate level of financial and compliance literacy.

4. Meetings

The Committee will meet as needed to address matters on its agenda, but not less frequently than three times each year.

A majority of the members of the Committee will constitute a quorum for the transaction of business.
Meeting agendas will be prepared jointly by the Committee chair, the chief audit executive, and the chief compliance and ethics officer taking into account recommendations from Committee members. Meeting agendas and appropriate briefing materials will be provided in advance to Committee members.

The Committee will maintain written minutes of its meetings.

The Committee may ask members of management or other individuals to provide pertinent information as necessary. In addition, the Committee may request special reports from University or DSO management on topics that may enhance its understanding of its activities and operations.

In addition to scheduled meetings of the full Committee, the Committee chair will meet with the chief audit executive and chief compliance and ethics officer on a regular basis or as needed.

The Committee is subject to Florida’s Government in the Sunshine Law, as set forth in Chapter 286, Florida Statutes. The Sunshine Law extends to all discussions and deliberations as well as any formal action taken by the Committee.

5. Authority

The Board authorizes the Committee to:

- Perform activities within the scope of its charter.
- Have unrestricted access to management, faculty, and employees of the University and its DSOs, as well as to all their books, records, and facilities.
- Study or investigate any matter related to audit, compliance, or related concerns such as potential fraud or conflicts of interest that the Committee deems appropriate.
- Engage independent counsel and other advisers as it deems necessary to discharge its duties.
- Provide oversight and direction of the internal auditing function, of external auditors, and of engagements with state auditors.
- Provide oversight and direction of the institutional compliance, ethics, and risk program, and be knowledgeable of the program with respect to its implementation and effectiveness.
- Perform other duties as assigned by the Board.

6. Roles and responsibilities

With regard to each topic listed below, the Committee will:
A. Internal Controls and Financial Statements

- Evaluate the overall effectiveness of the internal control framework by reviewing audit reports and open audit issue status updates and investigation memorandum to determine if recommendations made by the internal and external auditors have been implemented by management.

- Make inquiries of management and the external auditors concerning the effectiveness of the University's system of internal controls.

- Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles.

- Review management's written responses to significant findings and recommendations of the auditors, including the timetable to correct weaknesses in the internal control system.

- Review the adequacy of accounting, management, and financial processes of the University and its DSOs.

- Review the financial reporting process implemented by management of the University and its DSOs.

- Review University and DSO management processes for ensuring the transparency of the financial statements and the completeness and clarity of the disclosures.

B. External Audit

- Receive and review audits by the State of Florida Auditor General.

- Receive and review audits of the direct support organizations and component units.

- Review and contract with external auditors for special audits or reviews related to the University's affairs and report the results of any such special projects to the Board.

C. Internal Audit

- Review the independence, qualifications, activities, performance, resources, and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.

- Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the University.

- Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed, and appropriately dispositioned.
• Review the proposed internal audit plan for the coming year or the multi-year plan and ensure that it addresses key areas of risk based on risk assessment procedures performed by Audit in consultation with management and the Committee.

• Obtain reports or notification concerning financial fraud resulting in losses in excess of $10,000 or involving a member of senior management.

D. Data Integrity

• Review the adequacy of the university’s information technology management methodology with regards to internal controls, including applications, systems, and infrastructure.

• Review the adequacy of the university’s data management policies and procedures to ensure data security and data integrity in institutional reporting.

E. Compliance and Ethics Program

• Review and approve the Compliance Program Plan and any subsequent changes.

• Review the independence, qualifications, activities, resources, and structure of the compliance and ethics function and ensure no unjustified restrictions or limitations are made.

• Review the effectiveness of the compliance and ethics program in preventing or detecting noncompliance, unethical behavior, and criminal misconduct and ensure that it has appropriate standing and visibility across the University.

• Ensure that significant findings and recommendations made by the chief compliance and ethics officer are received, discussed, and appropriately dispositioned.

• Ensure that procedures for reporting misconduct, or ethical and criminal violations are well publicized and administered and include a mechanism that allows for anonymity or confidentiality, whereby members of the university community may report or seek guidance without the fear of retaliation.

• Review the effectiveness of the system for monitoring compliance with laws and regulations and management’s investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.

• Review the proposed compliance and ethics work plan for the coming year and ensure that it addresses key areas of risk and includes elements of an effective program as defined by Chapter 8 of the Federal Sentencing Guidelines.

• Obtain regular updates from the chief compliance and ethics officer regarding compliance and ethics matters that may have a material impact on the organization’s financial statements or compliance policies.

• Review the findings of any examinations or investigations by regulatory bodies.
• Review the University and DSO conflict of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

G. Reporting Responsibilities

• Regularly update the Board about its activities and make appropriate recommendations.

• Ensure the Board is aware of matters that may cause significant financial, legal, reputational, or operational impact to the University or its DSOs.

• Receive a summary of findings from completed internal and external audits and the status of implementing related recommendations.

• Receive a summary of findings from completed reports related to the compliance, ethics, or risk programs.

H. Evaluating Performance

• Evaluate the Committee's own performance, both of individual members and collectively, on a periodic basis and communicate the results of this evaluation to the Board.

• Review the Committee's charter annually and update as necessary.

• Ensure that any changes to the charter are discussed with the Board and reapproved.
University of North Florida
Board of Trustees
Audit and Compliance Charter

Role and Purpose

The primary function of the University of North Florida ("the University") Audit and Compliance Committee ("the Committee") is to assist the Board of Trustees ("the Board") in fulfilling its oversight responsibilities for the following activities:

- The integrity of the university’s annual financial statements;
- The system of internal controls and risk assessment;
- The university’s compliance with legal and regulatory requirements;
- The qualifications, independence, and performance of the internal and external audit functions and the compliance and ethics program.

In addition, the Committee and this charter seeks to address the University System of Florida Board of Governors regulations 4.001, 4.002, 4.003, and 4.004 which purposes are to address the University’s compliant processing of waste fraud, or financial mismanagement, Chief Audit Executive responsibilities, the University’s compliance and ethics program, and the Board of Governors oversight enforcement authority.

Authority

The Committee’s authority comes from the Board of Trustees. The Committee has the authority to direct the Office of Internal Auditing (OIA) to conduct an audit, review, and/or a special investigation into any matters within the scope of the Committee’s responsibility. The Committee will inform the Board of such actions and results. Further, the Committee has the authority to direct the compliance and ethics program. The Committee is empowered to:

- Have unrestricted access to all University activities, records, property, and personnel.
- Approve the use of outside accountants, consultants or others retained by the university to assist in conducting audits, reviews, and/or special investigations.
- Review and recommend appropriate budget for the OIA and Compliance Programs as part of the University’s budget approval process.
- Retain, with Board approval, independent counsel, accountants, or others having special competence as necessary to assist in fulfilling its responsibility or assist in the conduct of an investigation.
- Delegate authority to subcommittees.

The Committee will have the resources and authority necessary to discharge its duties and responsibilities.

Membership

Each member shall be free of any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee.

Collectively, members of the Committee should have professional experience and expertise in at least one of the following fields: post-secondary education, education, non-profit administration, investing, finance, accounting, financial reporting, auditing, or information technology. At least one member of the
Committee should have audit, compliance, accounting or related financial expertise. However, the lack of any such member shall not invalidate or otherwise affect the actions taken by the Committee.

- The Audit and Compliance Committee shall be composed of not more than 7 members.
- The Chair of the Board shall appoint each member.
- The Chair of the Board shall also appoint an Audit and Compliance Committee Chair and Vice Chair.
- The term of appointment is in accordance with section 2 of the Board of Trustees bylaws.
- A quorum shall consist of three committee members.

Meetings & Communication

The Committee shall meet at least three times annually, or more frequently as deemed necessary by any Committee member. The Committee may not conduct any meeting with fewer than three members present. Each member shall be entitled to one vote and shall cast that vote on each item submitted. Members shall only abstain from a vote when there is a valid conflict of interest addressed to the Committee. The Committee may invite members of management, representatives of the external auditor or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The minutes of each meeting will be prepared and approved at subsequent meetings.

The Committee is subject to Florida's Government in the Sunshine Law (Sunshine Law) as set forth in Chapter 286, Florida Statutes. The Sunshine Law extends to all discussions and deliberations as well as any formal action taken by the Committee. The law is applicable to any gathering, whether formal or casual, of two or more members of the Committee to discuss some matter on which foreseeable action will be taken.

Responsibilities

The Committee relies on the expertise and knowledge of management, the internal auditors, compliance officer and the independent auditors in carrying out its oversight responsibilities. As such, the Audit and Compliance Committee is accountable to the Board for carrying out the following responsibilities:

Financial Statements
- Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Discuss the annual audited financial statements with management and the external auditors.

Risk and Internal Controls
- Discuss with management the University's major policies with respect to risk assessment and risk management.
- Consider the effectiveness of the University's internal controls environment.
- Understand the scope of internal and external auditors' reviews of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review any disclosures made about significant deficiencies in the design or operation of internal controls or any fraud that involves employees who have a significant role in the University's internal controls.
Internal Audit
- Review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit.
- Annually review the Office of Internal Auditing’s functional and administrative reporting relationships to ensure independence is fostered.
- Annually review, with the Director of Internal Auditing, the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Review and approve the OIA annual report, the annual audit plan as support by the independent risk assessment process, and discuss overall results with the Director of Internal Auditing.
- Receive from the OIA each final internal audit report and progress report on the approved audit plan.
- Review the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of The Institute of Internal Auditors. This may be accomplished through a Quality Assurance and Improvement Program as required by The Institute of Internal Auditors.

External Audit
- Review the external auditors’ proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the overall performance of the external auditors, and make a recommendation to the Board on the appointment or discharge of the external auditors.

Compliance Program
- Review the effectiveness of the system for monitoring compliance with laws, policies and regulations.
- Review the results of investigations resulting from instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Encourage continuous improvement of, and foster adherence to, the University’s policies, procedures, and practices at all levels.

Communication & Reporting
The Committee shall regularly report to the Board about Committee activities and issues that arise with respect to:
- The university’s compliance with legal or regulatory requirements or compliance programs,
- The performance of the university's external auditors, internal audit function, and compliance program.
- Any significant and credible allegations of waste, fraud, or financial mismanagement or repeat audit or compliance issues may need further disclosure to the University System of Florida Board of Governors in pursuance to regulation 4.001.

John A. DeLorey
President

Joy G. Komman
Chair, Board of Trustees

Paul McElroy
Chair, Audit and Compliance Committee

Approved: October 25, 2016
Amended: June 9, 2015
UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

PURPOSE
One standing committee of the UWF Board of Trustees will be known as the Audit and Compliance Committee. This Committee’s primary purpose will be to assist the Board in fulfilling its oversight responsibilities for the following activities:

- The integrity of the University’s annual financial statements;
- The University’s compliance with legal and regulatory requirements;
- Oversight of the University’s internal control structure and management practices; and,
- Oversight and direction of the internal auditing and compliance functions.

Key principles in fulfilling this purpose include:

- Diligent and knowledgeable members regarding financial areas;
- Independent communication with UWF management; and,
- Independent audit and compliance communication and information flow.

The Committee serves as the focal point of communication between the Board of Trustees (BOT), Administration, the Internal Auditing and Compliance (IAC) department, external auditors, and state and federal agency auditors. The liaison to the UWF BOT Executive Committee is the chairman of the Audit and Compliance Committee. This committee shall take all appropriate actions to establish the overall University tone for quality financial reporting, sound business risk practices, ethical behavior, and facilitating a compliant culture.

AUTHORITY
The Committee, in fulfilling its oversight role, has the authority to study or investigate any matter within the Committee’s scope of responsibilities. The Committee will inform the Board of such actions and the results. With the concurrence of the Committee, the Committee Chair may fulfill certain duties and responsibilities of the Committee and report back the results to the Committee and Board.

The Committee will seek any information it requires from employees—all of whom are directed to cooperate with the Committee’s requests—or external parties.

COMPOSITION
The Audit and Compliance Committee will be comprised of at least three, but no more than five, members of the UWF Board of Trustees. The chairman of the Board, recognizing the need for continuity of membership from year to year, shall appoint the members of the Committee.

The members will be free from any financial, family or other material personal relationship that would interfere with the exercise of their independence from management or the institution. All members of the Committee will have a working familiarity with basic finance and accounting practices and at least one member must be a financial expert. Financial literacy is being able to read and understand fundamental financial statements. Financial
UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

expert means a person who has one or more of the following: an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing or auditing financial statements; experience with internal controls; and an understanding of finance and audit committee functions.

MEETINGS
The Audit and Compliance Committee will meet at least four times annually, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

EDUCATION
The University is responsible for providing the Committee with educational resources related to auditing, compliance, risk management, accounting principles and practices, and other information that the Committee may request. The Secretary of the Board, the IAC Associate Vice President, and the General Counsel will assist the Committee in maintaining literacy in the appropriate areas related to the Committee’s function.

RESPONSIBILITIES
The Committee will carry out the following responsibilities:

General
- Adopt a formal written charter that is approved by the full Board of Trustees that specifies scope of responsibility, process, membership, etc. The charter will be reviewed as necessary, but at least every other year.
- Maintain minutes or other records of meetings and activities.
- Report Committee actions to the Board with such recommendations the Committee may deem appropriate.
- Conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- Review and monitor implementation of management’s response to internal and external audit recommendations.
- Oversee the development, implementation, and execution of policies and procedures that promote accountability, compliance, ethical values, and sound control practices. The Office of Internal Auditing and Compliance will be accountable to the Board through the Committee for objectively evaluating risk management, control, and governance processes.
- Perform other governance oversight as assigned by the Board.

Financial Statements/Internal Controls
Management is responsible for the preparation, presentation, and integrity of the
UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

University's financial statements and for the appropriateness of the accounting principles and reporting policies used by the University. The following shall be the principal duties and responsibilities of the Committee regarding financial statements.

- Review annual audited financial statements with management and the independent accountants to determine that the independent auditors are satisfied with the disclosure and content of the financial statements, application of conservative accounting principles, and approve such financial statements.
- Review with the Florida Auditor General the scope and results of the examination of the University’s annual financial statements and any other matters related to the conduct of the audit that should be communicated to the Committee.
- Resolve any differences between management and the Florida Auditor General regarding financial reporting.
- Review with management and General Counsel any legal matters (including pending litigation) that may have a material impact on the University’s financial statements and any material reports or inquiries from regulatory or governmental agencies.
- Consider external auditors’ judgments regarding the quality, consistency, and appropriateness of financial statements.
- Make inquiries of management and external auditors concerning the adequacy of the University’s system of internal controls.
- Require financial management and the independent auditor to discuss with the Committee their qualitative judgments about the appropriateness, not just acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the institution.
- Review, accept, and recommend for Board approval the University’s annual audit of accounts and records/financial statements, and the report on internal controls and compliance.
- Review the programs and policies of the University designed by management to assure compliance with applicable laws and regulations and monitor the results of compliance efforts including those involving environmental health and safety.

Internal Auditing

- Ensure that the internal auditing department has direct and unrestricted access to the chairman and other Committee members.
- Approve the appointment, reassignment, replacement, or dismissal of the Associate Vice President for Internal Auditing and Compliance (IAC).
- Approve and periodically review the internal audit and compliance charter.
- Review the internal audit functions including independence and authority.
- Approve requests for accounting and auditing services through the Chairman of the Committee.
- Review with the IAC Associate Vice President the activities, staffing, and organizational structure of the internal auditing function.
- Review and approve the annual audit plan and any significant changes to the plan.
- Receive and review reports and other work prepared by IAC.
UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

- Receive and review all outside audits of the University or University-related organizations.
- Review all significant findings and recommendations noted by internal auditors or external auditors.
- Meet periodically with appropriate members of the University administration, IAC, and independent auditors to discuss and evaluate the scope and results of audits and the University's accounting procedures and controls.
- Require the IAC Associate Vice President to provide an annual written report on the activities of the office.
- Review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
- Inquire of the IAC Associate Vice President regarding any difficulties encountered in the course of audits, including any restrictions on the scope of audit work or access to required information or any lack of cooperation.
- Annually review staffing levels to ensure the IAC can fulfill its plans and mission and assess the adequacy of audit staff qualifications and training.
- Maintain adequate policies and guidelines for receiving complaints regarding accounting controls and reports of financial fraud. Review significant findings and issues identified as a result of special reviews or whistleblower complaints.

**Compliance**

- Review with the IAC Associate Vice President the activities, staffing, and organizational structure of the compliance function.
- Review and approve the annual University Compliance Plan.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any auditor observations.
- Review the process for communicating the code of conduct to the organization’s personnel and for monitoring compliance therewith.
- Obtain regular updates from management and the General Counsel regarding compliance matters.

**External Audit/Independent Accounts**

Currently, the Florida Office of the Auditor General performs the financial audits of the University. Procurement of external accountants for direct support and other related organizations (affiliated organizations) falls under the oversight of their organizations' Boards of Directors.

For audits required by outside parties (e.g. external granting agencies, NCAA, etc.), the Committee will make recommendations for the selection of external auditors or may
UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

delegate such authority to the IAC Associate Vice President.

**Reporting**
- Regularly report to the UWF Board of Trustees about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal auditing, the external auditors, and the UWF Board of Trustees.
- Review any other reports the organization issues that relate to the Committee’s responsibilities.

**Other Responsibilities**
- Perform other activities related to this charter as requested by the UWF Board of Trustees.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Audit and Compliance Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee’s and individual members’ performance on a regular basis.

**University Staff Liaisons**
- General Counsel or designee
- Associate Vice President for Internal Auditing and Compliance or designee
FLORIDA
POLYTECHNIC
UNIVERSITY

Board of Trustees
Charter
Audit and Compliance Committee

Purpose

The Audit and Compliance Committee ("AACC" or the "Committee") is one of the standing committees of the Board of Trustees. The primary purpose of the AACC is to assist the Board in fulfilling its oversight responsibilities for the following areas:

- Oversight of the University’s internal controls
- Oversight and direction of the internal and external auditing functions ensuring its independence
- Integrity of the University’s annual financial statements
- The performance of the University’s independent audit functions
- Approval of the annual audit plan
- Monitoring and controlling risk exposure
- Monitoring compliance with laws, rules and regulations
- Oversight and direction of the University’s compliance and ethics program ensuring its independence
- Set standards for ethical conduct

The Committee is responsible for taking appropriate actions to establish the overall standards for ethical behavior, sound risk management and sound business practices. The AACC serves as the point of contact between the Board of Trustees, external auditors, and state and federal auditors. The Chair of the AACC serves as the liaison between the Florida Polytechnic University Board of Trustees and the AACC.

Composition

The AACC shall consist of no less than three members of the Board of Trustees. The Chair and the Vice-Chair shall be ex-officio voting members. The AACC Chair and members are appointed and removed by Chair of the Board of Trustees.

AACC members shall be free from any financial, family or other material personal relationship that would impair his or her independence from the management of the University.

Quorum

A majority of AACC members present at a committee meeting constitutes quorum for purposes of committee business.
Authority

To fulfill its oversight role, the AACC has the authority to investigate or study matters within the AACC's scope of responsibility. The Board authorized the Committee to:

- Perform activities within the scope of its charter
- Have unrestricted access to management, faculty, and employees of the University and its DSOs, as well as to all their books, records, and facilities.
- Study or investigate any matter related to audit, compliance, or related concerns such as potential fraud or conflicts of interest that the Committee deems appropriate.
- Engage independent counsel, independent accountants and other advisers as it deems necessary to discharge its duties.
- Provide oversight and direction of the internal auditing function, of external auditors, and of engagements with state auditors.
- Provide oversight and direction of the institutional compliance, ethics, and risk program, and be knowledgeable of the program with respect to its implementation and effectiveness.
- Perform other duties as assigned by the Board.

The AACC shall inform the Board of all actions and the results.

Meetings

The AACC shall meet at least (4) four times annually. The AACC may schedule additional meetings if needed. All meetings are open to the public and all committee members are expected to attend each meeting in person or via conference call. The AACC will invite members of management, auditors, or others to attend meetings and provide pertinent information. The Chair of the Committee shall discuss the meeting agenda with the Vice President and Chief Financial Officer prior to each meeting to finalize the agenda and review the issues to be discussed. Meeting agendas and the supporting materials will be provided in advance and the committee members will be briefed prior to each meeting. Minutes will be prepared for each meeting.

Confidential/Exempt Issues

Issues being addressed by the Audit and Compliance Committee are subject to Chapter 119, Florida Statutes (Public Records). Meetings are confidential and exempt from the public when the discussion involves sensitive issues related to individuals or an on-going investigation related to Sections 112.3187-112.31895, Florida Statutes - “Whistle-blower’s Act”.

Responsibilities and Duties

The AACC has the following responsibilities and duties:

General

- Assisting the Board of Trustees in fulfilling oversight responsibilities in relation to financial reporting, internal control systems, risk management systems, compliance with laws rules and regulations and internal and external audit functions. Its role is to
provide advice and recommendations to the Board within the scope of this Charter.

- Adopt flexible procedures in order to react to changing conditions and provide reasonable assurances to the Board that the scope of audit services and the adequacy of the internal control systems are in compliance with state and federal laws, regulations and requirements.
- Adopt a formal written charter that specifies the scope, responsibilities, processes and practices of the committee. The charter should be reviewed annually.
- Maintain minutes of meetings and activities.
- Report committee actions to the Board that the committee may deem appropriate.
- Direct the Internal Auditor to conduct investigations into any matters within its scope of responsibility and obtaining advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities. Meeting with and seeking any information it requires from employees, officers, directors, or external parties.
- Conduct or authorize investigations into matters within the committee’s scope of responsibilities. The AACC shall be empowered to retain independent accountants, counsel or others to assist it in the conduct of any investigation.
- Perform other governance oversight as assigned by the Board.

Review and monitor implementation of management’s response to internal and external audit recommendations.

Internal Control

Regarding internal controls, the AACC shall:

a. Consider the effectiveness of the University’s internal control systems, including information technology security and control.

b. Understand the scope of internal and external auditors’ review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management’s responses.

c. Review management’s written responses to significant findings and recommendations of the auditors, including the timetable to correct weaknesses in the internal control system.

d. Review the adequacy of accounting, management, and financial processes of the University and its DSOs.

Financial Statements

The AACC shall receive and review Auditor General financial statement audits related to the University and conducted for the purpose of determining whether the University:

a. Presented the basic financial statements in accordance with generally accepted accounting principles;

b. Established and implemented internal controls over financial reporting and
compliance with requirements that could have a direct and material effect on the financial statements; and

c. Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

Receiving and reviewing any disclosure of: i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the System’s ability to record, process, summarize, and report financial data; and ii) any fraud, whether material or not, that involves management or other employees who have a significant role in the System’s internal controls.

The AACC shall follow up, as determined appropriate, on any findings contained in Auditor General financial statement audits of the Board Office and State University System of Florida.

**External Audit**

With regard to external audits, the AACC shall:

a. Receive and review all external auditors' reports of the University, including that the University’s Boards of Trustees and its President take timely and appropriate corrective actions.

b. If the AACC determines that circumstances require special purpose audits beyond that provided by the Auditor General of the State of Florida, then the AACC shall:
   i. Review and approve the selection of external auditors or may delegate such authority to the President.
   ii. Review and approve the audit plan and significant changes to the plan.
   iii. Review all significant findings and recommendations noted by external auditors.

c. Meet periodically with appropriate University staff and independent auditors to discuss and evaluate the scope and results of audits.

**Internal Audit**

With regard to internal audits, the AACC shall:

a. Approve the internal audit charter.

b. Review the independence, qualifications, activities, performance, resources, and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.

c. Review and approve the proposed internal audit plan for the coming year or the multi-year plan and ensure that it addresses key areas of risk based on risk assessment procedures performed by Audit in consultation with management and the Committee.

d. Review the Internal Auditor’s performance of audit activities relative to its plan.

e. Ensure that significant findings and recommendations made by the internal
auditors and management's proposed response are received, discussed, and appropriately resolved.

**Compliance and Ethics Program**

With regard to compliance, the AACC shall:

a. Approve the compliance charter.

b. Review the effectiveness of the University’s efforts to comply with Board of Governors Regulations and any applicable Federal, State and local laws, rules and regulations.

c. Review and approve the Compliance Program Plan and any subsequent changes.

d. Review the independence, qualifications, activities, resources, and structure of the compliance and ethics function and ensure no unjustified restrictions or limitations are made.

e. Review the effectiveness of the compliance and ethics program in preventing or detecting noncompliance, unethical behavior, and criminal misconduct and ensure that it has appropriate standing and visibility across the University.

f. Ensure that significant findings and recommendations made by the chief compliance and ethics officer are received, discussed, and appropriately resolved.

g. Ensure that procedures for reporting misconduct, or ethical and criminal violations are well publicized and administered and include a mechanism that allows for anonymity or confidentiality, whereby members of the university community may report or seek guidance without the fear of retaliation.

h. Review the effectiveness of the system for monitoring compliance with laws and regulations and management’s investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.

i. Review the proposed compliance and ethics work plan for the coming year and ensure that it addresses key areas of risk and includes elements of an effective program as defined by Chapter 8 of the Federal Sentencing Guidelines.

j. Obtain regular updates from the chief compliance and ethics officer regarding compliance and ethics matters that may have a material impact on the organization’s financial statements or compliance policies.

k. Review the findings of any examinations or investigations by regulatory bodies.

l. Review the University and DSO conflict of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

**Investigative Responsibilities**

With regard to investigations, the AACC shall:

a. Ensure a process exists for receiving anonymous complaints and review the nature and disposition of reported matters.

b. Institute and oversee special investigations as needed.
c. Direct the Internal Auditor to conduct, coordinate, or request investigations when the Board determines that the University is unwilling or unable to address credible allegations relating to waste, fraud, or financial mismanagement.

d. When requested by the Office of General Counsel or the University Police, direct the Internal Auditor to assist them in their investigations.

**Reporting Responsibilities**

a. Regularly update the Board about its activities and make appropriate recommendations.

b. Ensure the Board is aware of matters that may cause significant financial, legal, reputational, or operational impact to the University or its DSOs.

c. Receive a summary of findings from completed internal and external audits and the status of implementing related recommendations.

d. Receive a summary of findings from completed reports related to the compliance, ethics, or risk programs.

**Other Responsibilities**

The AACC’s other responsibilities shall include but not be limited to performing activities consistent with this Charter, regulations, rules and governing laws that the Board or AACC determines are necessary or appropriate.

**Evaluating Performance**

a. Evaluate the Committee’s own performance, both of individual members and collectively, on a periodic basis and communicate the results of this evaluation to the Board.

b. Review the Committee’s charter annually and update as necessary.

c. Ensure that any changes to the charter are discussed with the Board and reapproved.

**AACC Chair Responsibilities**

The AACC Chair shall:

a. Preside at all AACC meetings and shall have the authority to call any special or emergency meetings of the Committee. The AACC Chair shall assign members responsibility for specific projects.

b. Approve decisions regarding the appointment, replacement and removal of the Internal Auditor. This responsibility will help ensure the Internal Auditor is independent and possesses the competencies necessary to perform the position duties and responsibilities as outlined in the position description.

c. Provide input to the Board of Trustees on the annual performance evaluation of the Internal Auditor.
d. Accept the Internal Auditor’s determination of no further Board action when, as a result of a Preliminary Inquiry, the Internal Auditor recommends that no further Board action is warranted. In all other situations the Audit Committee shall review the matter at its next meeting.

The AACC Vice-Chair shall perform the duties of the AACC Chair and have the same power and authority in the absence or disability of the AACC Chair.

Adoption of Charter
The Florida Polytechnic University Board of Trustees adopted the Audit and Compliance Committee Charter on March 15, 2017.

History: Adopted September 9, 2015, reviewed and amended March 15, 2017
SUBJECT: Charter for the Office of Compliance and Ethics

PROPOSED COMMITTEE ACTION

Review the Charter, and approve a recommended version for action by the FGCU Board of Trustees

BACKGROUND INFORMATION

This Charter is a formal document that outlines the purpose, authority, mission, scope of work, and responsibilities of a compliance and ethics office; and provides for an appropriate governance structure, access to documents and personnel in order to carry out the duties and responsibilities of the office, and a periodic assessment of the Charter.

Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs, requires that each State University System chief compliance office be governed by a charter approved by the board of trustees and reviewed at least once every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

Upon acceptance of the Charter by the Audit and Compliance Committee as well as the FGCU Board of Trustees, a copy of the Charter will be provided to the Board of Governors, as required.

Supporting Documentation Included: FGCU Office of Compliance and Ethics Charter

Prepared by: Chief Compliance and Ethics Officer Stacey Chados

Legal Review by: Vice President and General Counsel Vee Leonard (March 21, 2017)

Submitted by: Chief Compliance and Ethics Officer Stacey Chados
FGCU COMPLIANCE AND ETHICS OFFICE CHARTER

1.0 PURPOSE
The purpose of this Charter is to:

- Identify the authority, mission, scope, and responsibilities of Florida Gulf Coast University’s (FGCU’s) Compliance and Ethics Office (hereinafter referred to as the Compliance Office);
- Ensure that the Compliance Office adheres to a code of ethics, maintains organizational independence, and has unrestricted access to FGCU records and personnel; and
- Provide for a periodic review of and changes to the Charter, as necessary.

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

2.0 AUTHORITY
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 requires FGCU to designate a chief compliance officer who shall be governed by a charter approved by the board of trustees.

3.0 MISSION
The mission of FGCU’s Compliance Office is to assist FGCU with promoting an organizational culture that encourages ethical conduct and a commitment to compliance.

4.0 SCOPE OF WORK
The scope of work for the Compliance Office is to:

- Encourage and support ethical behavior, a culture of integrity, and a commitment to compliance into all facets of the University;
- Provide University stakeholders with a reporting mechanism to bring forward good-faith concerns of wrongdoing, without fear of retaliation;
- Respond to employee inquiries about compliance and ethics-related matters and assist employees with understanding University policies and regulations, as well as state and federal laws and rules pertaining to compliance and ethics;
- Disseminate and communicate information about compliance and ethics-related laws, rules, regulations, and policies;
- Conduct ongoing oversight of compliance with the laws, rules, regulations, and policies;
- Identify and evaluate risks critical to the University and ensure that the risks are properly managed by the appropriate University component;
- Administer and coordinate a compliance and ethics training program;
FGCU COMPLIANCE AND ETHICS OFFICE CHARTER

- Chair a compliance committee to collaborate with and provide proactive guidance for University employees responsible for compliance functions;
- Chair an investigations working group to triage concerns received through the University’s hotline to ensure consistent and appropriate responses to good-faith concerns; and
- Review and advise management on conflict of interest issues and critical institutional risks.

5.0 RESPONSIBILITIES

The responsibilities of the Compliance Office are to:

- Develop and direct the University’s compliance and ethics function;
- Provide leadership, oversight, and expert advice to ensure appropriate development, interpretation, and implementation of the Code of Ethics For Public Officers and Employees as codified in Florida Statutes, as well as University policies and regulations and state and federal laws and rules pertaining to compliance and ethics;
- Prepare a Program Plan of activities for approval by the President, Chairperson of the Audit and Compliance Committee, and the FGCU Board of Trustees; revise the Plan as necessary;
- Develop and give compliance and ethics training to the FGCU Board of Trustees, the President and Cabinet, and employees to assist University community members with performing their jobs, understanding compliance issues, and infusing an ethical framework into the fabric of the University;
- Ensure that managers responsible for compliance functions within the University, such as equal opportunity, athletics, public safety, sponsored programs, financial aid, environmental health and safety, finance, and procurement, for example, coordinate and communicate program matters of substantial import with the Chief Compliance Officer;
- Oversee the processing of internal reviews received through the Hotline, refer concerns to an appropriate University office for review and disposition (such as General Counsel, Internal Audit, or Institutional Equity and Compliance), and track and follow up through completion of the review;
- Bring all compliance and ethics-related matters of substantial import and all credible evidence of alleged misconduct, including criminal conduct, to the attention of the President and the Chairperson of the Audit and Compliance Committee of the FGCU Board of Trustees, as well as the Board of Governors’ Inspector General, as applicable;
- Prepare an annual report for approval by the President, Chairperson of the Audit and Compliance Committee, and the FGCU 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 to determine its effectiveness is conducted no later than November 2021 and that
FGCU COMPLIANCE AND ETHICS OFFICE CHARTER

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 and/or the Chairperson of the Audit and Compliance Committee of the FGCU Board of Trustees.

6.0 CODE OF ETHICS
FGCU’s Chief Compliance Officer shall abide by the Code of Ethics for Public Officers and Employees codified in the Florida Statutes at Title X, Chapter 112, Part III.

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

7.0 INDEPENDENCE AND REPORTING
To ensure the impartial and unbiased judgment essential to the proper conduct of the compliance and ethics 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 Chairperson of the Audit and Compliance Committee of the FGCU Board of Trustees and administratively to the President.

8.0 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.

9.0 PERIODIC ASSESSMENT
The Chief Compliance Officer shall review the Charter at least once every three years for consistency with applicable Board of Governors and FGCU regulations and policies, professional standards, and best practices; and make revisions to the Charter, as necessary.
Prepared By

Stacey P. Chados, Chief Compliance Officer

Reviewed By

President Wilson G. Bradshaw, Ph.D.

Approved By

J. Dudley Goodlette, Chairperson, Board of Trustees
SUBJECT: Charter for the Office of Internal Audit

PROPOSED COMMITTEE ACTION

Review the updated Charter, and approve a recommended version for action by the FGCU Board of Trustees

BACKGROUND INFORMATION

This updated Charter for FGCU’s Office of Internal Audit is a formal document that outlines the purpose, authority, mission, scope of work, and responsibilities of an internal audit office; and provides for an appropriate governance structure, access to documents and personnel in order to carry out the duties and responsibilities of the office, and periodic assessment of the Charter. The Charter was last approved at the September 8, 2015 meeting of the FGCU Board of Trustees.

Board of Governors Regulation 4.002, State University System Chief Audit Executives, requires that each State University System office of the chief audit executive be governed by a charter approved by the board of trustees and reviewed at least once every three (3) years for consistency with applicable Board of Governors and university regulations, standards, and best practices.

Upon acceptance of the Charter by the FGCU Board of Trustees, a copy of the Charter will be provided to the Board of Governors as required.

Supporting Documentation Included: Updated FGCU Office of Internal Audit Charter

Prepared by: Interim Director of Internal Audit William Foster

Legal Review by: Vice President and General Counsel Vee Leonard (April 20, 2017)

Submitted by: Interim Director of Internal Audit William Foster
Florida Gulf Coast University
Office of Internal Audit
Draft Charter

Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the University's operations. It assists Florida Gulf Coast University (FGCU) in accomplishing its objectives by bringing a systematic, disciplined approach to examine and evaluate the effectiveness of risk management, internal controls, and governance processes.

Organizational Independence Objectivity, and Authority

1. To ensure organizational independence, the Director of Internal Audit shall report functionally to the Board of Trustees and administratively to the President.
2. Report routinely to the Board of Trustees through its Chair of the Audit & Compliance Committee on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the Board of Trustees.
3. Conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence of the Director of Internal Audit’s office.
4. Have timely access to any records, data, and other information in possession or control of the University including information reported to the University’s hotline.
5. Notify the Chair of the Board of Trustees’ Audit & Compliance Committee or the President, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry.

Duties and Responsibilities

1. Provide direction for, supervise, and coordinate audits and investigations which promote economy, efficiency, and effectiveness in the administration of University programs and operations including, but not limited to, auxiliary facilities and services and direct support organizations.
2. Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services and direct support organizations.
3. Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001.
4. Keep the President and the Board of Trustees informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to University programs and operations;
5. Promote in collaboration with other appropriate University officials, effective coordination between the University and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.

6. Review and make recommendations, as appropriate, concerning policies and regulations related to the University’s programs and operations including, but not limited to, auxiliary facilities and services and direct support organizations.

7. Communicate to the President and the Board of Trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations.

8. Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.

9. Coordinate or request audit, financial, and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.

10. Develop and maintain a quality assurance and improvement program for the Office of Internal Audit in accordance with professional auditing standards. The program must include an external assessment conducted at least once every five (5) years. The external assessment report and any related improvement plans shall be presented to the Board of Trustees.

11. Establish policies which articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

12. Inform the Board of Trustees when contracting for specific instances of audit or investigative assistance.

**Reporting Responsibilities**

1. Audit engagements shall be performed in accordance with the International Professional Practices Framework, published by the Institute of Internal Auditors, Inc., the Government Auditing Standards published by the United Stated Government Accountability Office, and/or the Information Systems Auditing Standards published by ISACA.

2. At the conclusion of each audit engagement, the Director of Internal Audit shall prepare a report to communicate the audit results and action plans to the Board of Trustees and University management.

3. The Director of the Office of Internal Audit shall monitor the disposition of results communicated to University management and determine whether corrective actions have been effectively implemented or that senior management or the Board of Trustees, as appropriate, has accepted the risk of not taking corrective action.

4. The Director of Internal Audit shall develop audit plans based on the results of periodic risk assessments. The audit plans shall be submitted to the Board of Trustees for approval.

5. The Director of Internal Audit shall initiate, conduct, supervise, or coordinate investigations that fall within the purview of the of the Office of Internal Audit and be designated by the Board of Trustees as the employee to review statutory whistleblower information and coordinate all activities of the University as required by the Florida Whistle-blower’s Act. Investigative assignments shall be performed in accordance with professional standards issued for the State University System.
final investigative reports shall be submitted to the appropriate action officials and to the Board of Trustees.

6. By September 30th of each year, the Director of the Office of Internal Audit shall prepare a report summarizing the activities of the office for the preceding fiscal year. The report shall be provided to the President, the Board of Trustees, and the Board of Governors.

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William D. Foster             Date
Interim Director of Internal Audit, Florida Gulf Coast University

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Wilson G. Bradshaw, Ph.D.     Date
President, Florida Gulf Coast University

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Joseph Fogg III                Date
Chair, Florida Gulf Coast University Audit & Compliance Committee