AGENDA

FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Audit and Compliance Committee

Monday, May 15, 2017 1 p.m. to (estimated) 2 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

1:10 p.m.  Information Items:
• Audit and Compliance Resources – President Wilson Bradshaw (TAB #1)
• Audit and Compliance Committee’s Responsibilities regarding Florida Gulf Coast University’s Direct Support Organizations (DSOs) – Vice President and General Counsel Vee Leonard, Chief Compliance and Ethics Officer Stacey Chados, and Interim Director of Internal Audit William Foster (TAB #2)
• 2017-2018 Schedule for Audit and Compliance Committee – Vice President and Chief of Staff Susan Evans (TAB #3)

1:30 p.m.  Action Items (Includes Public Comment):
• Minutes of April 27, 2017 – Chair Joseph Fogg III (TAB #4)
• Audit and Compliance Committee Charter – Chief Compliance and Ethics Officer Stacey Chados, and Interim Director of Internal Audit William Foster (TAB #5)
1:50 p.m.  **Old Business** – *Chair Joseph Fogg III*

1:55 p.m.  **New Business** – *Chair Joseph Fogg III*

2 p.m.  **Closing Remarks, and Adjournment** – *Chair Joseph Fogg III*

(END)
SUBJECT: Audit and Compliance Resources

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

During the Audit and Compliance Committee’s April 27, 2017 meeting, Chair Joseph Fogg asked President Wilson Bradshaw at the Committee’s next meeting to provide confirmation that sufficient resources are in place to meet the requirements of the Board of Governors’ regulations related to audit and compliance at the state universities. President Bradshaw will report to the Committee at the May 15 meeting.

Supporting Documentation Included: N/A

Prepared by: Vice President and Chief of Staff Susan Evans

Legal Review by: N/A

Submitted by: Audit and Compliance Committee Chair Joseph Fogg III
Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
May 15, 2017

SUBJECT: Audit and Compliance Committee’s Responsibilities regarding Florida Gulf Coast University’s Direct Support Organizations (DSOs)

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

During the Audit and Compliance Committee’s April 27, 2017 meeting, Chair Joseph Fogg asked for a report at the Committee’s next meeting to identify the Committee’s responsibilities as relate to the University’s Direct Support Organizations (DSOs), which are the FGCU Foundation, and the FGCU Financing Corporation. At the May 15 meeting, the report will be provided by Vice President and General Counsel Vee Leonard, Chief Compliance and Ethics Officer Stacey Chados, and Interim Director of Internal Audit William Foster.

Supporting Documentation Included: N/A

Prepared by: Vice President and Chief of Staff Susan Evans

Legal Review by: N/A

Submitted by: Audit and Compliance Committee Chair Joseph Fogg III
SUBJECT: 2017-2018 Schedule for Audit and Compliance Committee

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

The Audit and Compliance Committee’s proposed schedule for 2017-2018 was developed in view of the meeting schedule of the FGCU Board of Trustees, and key audit and compliance items requiring the Board’s approval based on recommendations by the Committee. At the Committee’s May 15 meeting, the proposed schedule will be presented by Vice President and Chief of Staff Susan Evans.

Supporting Documentation Included: 2017-2018 Schedule for Audit and Compliance Committee

Prepared by: Vice President and Chief of Staff Susan Evans

Legal Review by: N/A

Submitted by: Audit and Compliance Committee Chair Joseph Fogg III
Florida Gulf Coast University Board of Trustees
2017-2018 Schedule for Audit and Compliance Committee

May 15, 2017  
Audit and Compliance Committee Meeting
• To Approve Recommended Items for the FGCU BOT Meeting on June 13, 2017:
  o Audit and Compliance Committee Charter

June 13, 2017  
FGCU Board of Trustees Meeting
• Includes Audit and Compliance Committee’s Recommended Items from May 15, 2017:
  o Audit and Compliance Committee Charter

August 17, 2017  
Audit and Compliance Committee Meeting (VIA CONFERENCE CALL)
• To Approve Recommended Items for the FGCU BOT Meeting on September 12, 2017:
  o Internal Audit Work Plan for 2017-2018 (Bill Foster)
  o Completed Audits (as applicable) (Bill Foster)

September 12, 2017  
FGCU Board of Trustees Meeting
• Includes Audit and Compliance Committee’s Recommended Items from August 17, 2017, including:
  o Internal Audit Work Plan for 2017-2018 (Bill Foster)
  o Completed Audits (as applicable) (Bill Foster)

December 8, 2017  
(1) FGCU Board of Trustees Meeting (Limited Agenda)
(2) Audit and Compliance Committee Meeting (after BOT limited agenda meeting)
• To Approve Recommended Items for the FGCU BOT Meeting on January 9, 2018, including:
  o Compliance Plan (Stacey Chados)
  o Regulation for Code of Conduct (Stacey Chados)
  o Completed Audits (as applicable) (Bill Foster)

January 9, 2018  
FGCU Board of Trustees Meeting
• Includes Audit and Compliance Committee’s Recommended Items from December 8, 2017, including:
  o Compliance Plan (Stacey Chados)
**February 20, 2018**

1. **Audit and Compliance Committee Meeting (before BOT limited agenda meeting)**
   - To Approve Recommended Items for the FGCU BOT Meeting on February 20, 2018, including:
     - Data Integrity Audit (Bill Foster)
     - Completed Audits (as applicable) (Bill Foster)

2. **FGCU Board of Trustees Meeting (Limited Agenda – FGCU Annual Accountability Report)**
   - Includes Audit and Compliance Committee’s Recommended Items from February 20, 2018, including:
     - Data Integrity Audit (Bill Foster)
     - Completed Audits (as applicable) (Bill Foster)

**NOTE:** Board of Governors deadline for the BOT-approved Data Integrity Audit is March 15, 2018.

**April 10, 2018**

FGCU Board of Trustees Meeting

**May 1, 2018**

1. **FGCU Board of Trustees Meeting (Limited Agenda – FGCU Work Plan)**

2. **Audit and Compliance Committee Meeting (IF NEEDED – after BOT limited agenda meeting)**
   - To Approve Recommended Items for the FGCU BOT Meeting on June 12, 2018; including:
     - Any Completed Audits (Bill Foster)

**June 12, 2018**

FGCU Board of Trustees Meeting

- If applicable, includes Audit and Compliance Committee’s Recommended Items from May 1, 2018, including:
  - Completed Audits (as applicable) (Bill Foster)

(END)
ITEM: 4

Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
May 15, 2017

SUBJECT: Minutes of April 27, 2017

PROPOSED COMMITTEE ACTION

Approve minutes

BACKGROUND INFORMATION

The Audit and Compliance Committee met on April 27, 2017. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes of April 27, 2017

Prepared by: Transcription Experts, and Assistant Director of Board Operations
Lauren Schuetz

Legal Review by: N/A

Submitted by: Vice President and Chief of Staff Susan Evans
FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

Thursday, April 27, 2017

MARIEB HALL, ROOM #402
Florida Gulf Coast University

Minutes

Members:
Present: Trustee Joseph Fogg III, Chair; Trustee Leo Montgomery and Trustee Kevin Price.

Not Present: Trustee Darleen Cors (Excused Absence).

Others:
Trustees: Trustee Dudley Goodlette; Trustee Shawn Felton; and Trustee Jalisa White.

Staff: President Wilson Bradshaw; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Chief Compliance and Ethics Officer Stacey Chados; Interim Director of Internal Audit Bill Foster; Assistant Director of Board Operations Lauren Schuetz; Project Manager Danielle O'Brien; Director of Media Relations Lillian Pagan; and Executive Assistant to the Vice President and Chief of Staff Tiffany Reynolds.

Item 1: Welcome and Opening Remarks
Chair Joseph Fogg called to order the first meeting of the reconstituted Audit and Compliance Committee of the FGCU Board of Trustees at 1:00 p.m. Roll call was taken with 3 of 4 members present, thus meeting quorum requirements.

Chair Fogg directed the Committee members to organizational charts for (1) the Office of Compliance and Ethics; and (2) the Office of Internal Audit. He explained who the individuals were in each office and what their responsibilities encompassed. He noted there should be a line and box inserted for “Audit and Compliance Committee” between the existing boxes and lines of “FGCU Board of Trustees” to “Director of Internal Audit” and to “Chief Compliance and Ethics Officer,” in order to make it clear these departments report up through the Committee, and then ultimately to the Board.

Chair Fogg stated he hoped the charters before them would be completed today. He also stated that the charter for this newly formed Committee would need to be drafted, discussed and approved at a later meeting. He said he hoped the Audit and Compliance Committee’s charter would be completed in time to be approved at the FGCU Board of
Trustees meeting on June 13. He stated the next Audit and Compliance Committee meeting is scheduled for May 15 at 1:00 PM.

Item 2: Board of Governors Regulations 4.001, 4.002, 4.003 and 4.004 for Audit and Compliance, and Sample State University System Charters for Audit and Compliance Committees (See Tabs #1-2)

Chair Fogg asked Interim Director of Internal Audit Bill Foster and Chief Compliance and Ethics Officer Stacey Chados to present information regarding these Regulations.

Mr. Foster explained these were Board of Governors (BOG) regulations which reflected increased BOG emphasis on the internal audit and compliance functions. He said the four regulations became effective November 6, 2016, and a total of three FGCU charters were needed to comply with these regulations: One for the Office of Ethics and Compliance, one for the Office of Internal Audit, and one for the Audit and Compliance Committee of the FGCU Board of Trustees.

Chair Fogg said it would be helpful if Mr. Foster would explain who audited the different areas. Mr. Foster responded there were currently four individuals including himself, Viviana Lauke, Jena Valeriotti and former Director of Internal Audit, Carol Slade, who has recently retired but is working in a temporary capacity to meet the demands of the office. He said these were the people who completed audits. He said the new Regulations required them to consider all Direct Support Organizations in their Audit Work Plan and in the audits performed. He added his department was preparing to do a risk assessment process, which included areas of high concern to senior management.

Chair Fogg said he recalled recently seeing a letter from an individual in Tallahassee about an upcoming audit. Vice President and Chief of Staff Susan Evans explained that was for the University’s financial audit, and she had responded to the auditors that Mr. Fogg was the Chair of the Audit and Compliance Committee; as such, he will be invited to participate in audit conferences. Ms. Evans said for the financial audit, Chair Fogg, along with auditors on the team, would have an entrance conference to discuss the scope of the financial audit. Ms. Evans said this conference could be done by phone or in-person.

Chair Fogg asked which individuals would be included at the meeting. Ms. Evans responded in addition to Chair Fogg, the meeting would include Mr. Foster, possibly Ms. Chados, Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera, the FGCU Controller, and a State Auditor. She said that meeting had not yet been scheduled.

Chair Fogg questioned Regulation 4.003, 7C, concerning an external review of the program’s design, and asked for clarification that this was referring to the Compliance program. Ms. Chados responded that was correct, and the first five years were from the date the Regulation went into effect.
Chair Fogg asked who would do this external review. Ms. Chados responded that had not yet been decided, but it could be a peer institution or an outside entity or firm.

Trustee Montgomery asked if Ms. Chados’ role as Chief Compliance and Ethics Officer was new to the University, and the response was affirmative, that the position began in November of 2016. Ms. Chados said much of what she was doing was being driven by the BOG Regulations, including a charter, compliance plan, and training.

Trustee Leo Montgomery asked when these items would be substantially completed. Ms. Chados responded that the items must be completed within two years. Ms. Chados added that the documents for the plans should be done in the next year, after which the program would be fully implemented.

Trustee Montgomery asked if there had ever been a whistleblower program for the University, and the response was affirmative. Ms. Chados added the program was part of the Regulations, and her office was responsible for administering the hotline. She said Mr. Foster’s office was responsible for conducting reviews of fraud, waste, and abuse claims.

Chair Fogg asked Ms. Chados if she was satisfied with the resources available for her needs in order to comply with the new Board of Governors Regulations. She responded that she appreciated the question and that she had the resources to set up the program to administer the hotline, but what she did not have were resources for sufficient staff to conduct compliance-type reviews. She said she planned to work with the compliance liaisons within the University to make sure they were self-monitoring and self-assessing. She added if something was reported, she would refer it to Mr. Foster’s department for a suggested compliance review. Otherwise, she said if the University wanted to expand the staff in the future, it might be beneficial to have compliance specialists to assist with reviews.

Chair Fogg asked that Ms. Chados and President Bradshaw meet to review the resources available to be sure she had what was needed to undertake her responsibilities. Ms. Chados responded that any compliance program, according to the Federal Sentencing Guidelines, has to fit the size of the institution. She said that meant if FGCU wanted to self-assess and self-monitor, it was allowed.

Chair Fogg asked Ms. Chados to explain to the Committee what the Federal Sentencing Guidelines had to do with compliance. She responded that it was an odd situation that best business practices for a compliance and ethics program were embedded in the Federal Sentencing Guidelines. She said that was because similar to any criminal that committed a federal offense, there were sentencing guidelines for (NOTE: Listen to the tape – did she say what kind of “offenses” here?) offenses, which were either required or suggested, for those individuals. Embedded within were the seven elements of an effective ethics and compliance program and these were listed for companies whose employees commit crimes. She said those companies were placed under corporate
integrity agreements, and because of that, the best business practices have ended up in the federal sentencing guidelines. The Board of Governors Regulations mirrored those Federal Sentencing Guidelines.

President Bradshaw stated it might be helpful if Ms. Chados would give the Committee some of the seven elements. Ms. Chados responded the first element called for appropriate policies and procedures, which FGCU has; in addition, there must be a Code of Conduct, which was something she had been working on. She stated the second element said there must be a proper governance structure in which the Chief Compliance Officer reported to a very high-level position, and that had been set up properly at FGCU; and the Officer should have some type of reporting relationship with individuals who conduct compliance activities, and she was in the process of putting this together. She stated another element directed that ethics training should be provided to the entire workforce at the organization, including the FGCU Board of Trustees.

Chair Fogg said Ms. Chados would be preparing the plan, and when it was completed, the Committee would review it. Ms. Chados stated each document required within the BOG regulation needed to be approved by the Audit and Compliance Committee, and the FGCU Board of Trustees, with a copy sent to the Board of Governors.

Chair Fogg asked Mr. Foster to explain his department, and he noted concern for two vacant positions. Mr. Foster said things were busy, but he thought the office would be able to meet its responsibilities to the Board.

Chair Fogg asked if he was actively recruiting for the vacancies. Mr. Foster said at that point, due to his interim director status, recruitment had been put on hold at this time in anticipation of the new President. Mr. Foster also said that the time it would take to get the IT Auditor up to sufficient speed and productivity would be better spent by current staff doing the audits themselves.

President Bradshaw added that one of the vacant positions was the one Mr. Foster had formerly occupied until he was named interim director.

Chair Fogg asked if this was a matter for the President-elect, and the response was affirmative.

Chair Fogg asked if there was any further discussion of this item.

President Bradshaw said Trustee Kevin Price mentioned risk assessment, and he informed the Committee that the process had started. He said Mr. Foster would be meeting individually with the Cabinet members to talk about areas of concern within his or her respective Division. President Bradshaw stated that he would meet with Mr. Foster and Chair Fogg to review these items, and from that, would develop a proposed audit plan for next year.
Trustee Price stated he understood that issues were self-identified, but wondered if there was a mechanism in place to include items that were not self-identified. President Bradshaw confirmed that such a mechanism is in place, including items identified directly by the Internal Auditor, and also through discussions of the President, Internal Auditor, and Chair of the Audit and Compliance Committee.

**Item 3: Charter for the Office of Compliance and Ethics**  
(See Tab #3)

Chair Fogg asked Ms. Chados to present the proposed charter.

Ms. Chados explained that a charter was basically a document that set the governance structure for the program. She said in this case, the Charter for the Office of Compliance and Ethics outlined the purpose, authority, mission, scope of work, and responsibilities of the office. She said it also provided appropriate governance structure, access to documents and personnel, and a periodic assessment. She said the Charter mirrored what was required from the Board of Governors Regulations and also was set up in the format recommended by the Institute of Internal Auditors.

Chair Fogg asked if Ms. Chados had amended the Charter that was included in the agenda packet. Ms. Chados responded that there had been no changes.

Trustee Shawn Felton asked where Ms. Chados’ performance review process appeared in the organizational chart or where provisions were made for her evaluation.

Ms. Chados responded the input of the selection, retention, and appraisal of both the compliance and audit functions would be through the Chair of the Audit and Compliance Committee with input from the FGCU Board of Trustees, as well as the President.

Trustee Montgomery asked if the Charter documents covered the Foundation, Housing, and other ancillary businesses or relationships FGCU had. Ms. Chados responded the Direct Support Organizations (DSO) were not necessarily covered in this document, although portions of the compliance plan under development would incorporate some oversight of those functions.

Trustee Montgomery asked if Mr. Foster had that responsibility, and the response was affirmative. Mr. Foster added that the new BOG regulations now required consideration of DSOs in audit plans.

Trustee Montgomery agreed that the Charter covered all of those organizations.

Chair Fogg asked Vice President and General Counsel Vee Leonard, along with Ms. Chados and Mr. Foster to provide information to the Committee at the next meeting about what specifically FGCU’s responsibilities were for the DSOs.

President Bradshaw pointed out that the legislature had focused on the DSOs at state universities, and some legislation may be forthcoming. He added the Board of
Governors had been discussing the DSOs as related to audit and compliance. He said FGCU had two DSOs whereas some institutions have as many as 20.

Chair Fogg realized he had skipped over a section in the agenda where there were samples of other Audit and Compliance Charters from other universities. He said this was for information purposes, and the Charters included had been approved by the BOG.

Chair Fogg asked for a motion to approve the Charter for the Office of Compliance and Ethics and recommend to the FGCU Board of Trustees it be adopted.

Trustee Montgomery made a motion to approve the Charter for the Office of Compliance and Ethics. Trustee Price seconded the motion. There was no public comment or discussion. The vote was unanimous in favor of the motion.

**Item 4: Charter for the Office of Internal Audit** (See Tab #4)

Chair Fogg called for discussion of the Charter for the Office of Internal Audit.

Mr. Foster directed the Committee to “Organizational Independence, Objectivity and Authority,” Item 1, which he read. He said the Committee would need to insert before the FGCU Board of Trustees, “…to the Chair of the Audit and Compliance Committee of the FGCU Board of Trustees.”

Chair Fogg pointed out that this was an amendment. He asked if there was further discussion. Hearing none, he called for a motion to approve the Charter.

Trustee Price made a motion to approve the Charter for the Office of Internal Audit as amended by Mr. Foster. Trustee Montgomery seconded the motion. There was no public comment or discussion. The vote was unanimous in favor of the motion.

**Item 5: New Business**

There was no new business for discussion.

**Item 6: Closing Remarks and Adjournment**

Chair Fogg reminded the Committee of the May 15 meeting, and adjourned the meeting at 1:36 p.m.

Minutes prepared by Transcription Experts, and reviewed by Lauren Schuetz, FGCU Assistant Director of Board Operations.
Agenda Items:
  A. See Tabs
  B. Handouts
Attachment:
  A. Record of Votes
## Record of Votes
### Audit and Compliance Committee
**DATE: 4/27/2017**

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ITEM: __5___

Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
May 15, 2017

SUBJECT: Audit and Compliance Committee Charter

PROPOSED COMMITTEE ACTION

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

BACKGROUND INFORMATION

This Charter identifies the authority under which the Audit and Compliance Committee (Committee) of the Florida Gulf Coast University Board of Trustees (FGCU) operates, as well as the composition, meeting protocol, and responsibilities of the Committee.

Board of Governors (BOG) Regulations 4.002 (State University System Chief Audit Executives) and 4.003 (State University Compliance and Ethics Programs) require each board of trustees to establish a committee responsible for the governance oversight of the internal and external audit functions, as well as the compliance and ethics program. By BOG Regulation, the committee will be referred to as the Audit and Compliance Committee and have a charter approved by the FGCU Board of Trustees.

Supporting Documentation Included: FGCU Audit and Compliance Committee Charter

Prepared by: Interim Director of Internal Audit William Foster, and Chief Compliance and Ethics Officer Stacey Chados

Legal Review by: Vice President and General Counsel Vee Leonard (May 4, 2017)

Submitted by: Interim Director of Internal Audit William Foster, and Chief Compliance and Ethics Officer Stacey Chados
1.0 PURPOSE

The purpose of this Charter is to identify the authority under which the Audit and Compliance Committee (Committee) of the Florida Gulf Coast University Board of Trustees (FGCU) operates, as well as the composition, meeting protocol, and responsibilities of the Committee.

The Committee is appointed by the Chair of the FGCU Board of Trustees to assist the Board in discharging its oversight responsibilities with respect to:

- The qualifications, independence, and performance of the internal and external audit functions, as well as the compliance and ethics program;
- The integrity of the financial statements for the university, as well as its direct support organizations;
- The system of internal controls and risk assessment; and
- The process for monitoring compliance with applicable laws and regulations, meeting regulatory requirements, and promoting ethical conduct.

Related but separate charters govern the duties and responsibilities of the Office of Internal Audit and the Office of Compliance and Ethics.

2.0 AUTHORITY

The Committee is authorized by:

- Board of Governors (BOG) Regulation 4.002(2), State University System Chief Audit Executives, which requires each board of trustees to establish a committee responsible for addressing audit, fraud, controls, investigative and compliance-related matters. The committee will be referred to as the Audit and Compliance Committee with a charter approved by the board of trustees.

- BOG Regulation 4.003(3), State University Compliance and Ethics Programs, which requires each board of trustees to assign responsibility for providing governance oversight of the compliance and ethics program to the committee of the board responsible for audit and compliance, and that the charter required by BOG Regulation 4.002(2) address such governance oversight.

- The Bylaws for the FGCU Board of Trustees provide for an Audit and Compliance Committee to review and recommend for consideration by the Board, charters, plans, policies, and other documents related to the audit and compliance functions of the university.
The Committee is authorized to:

- Perform activities within the scope of this Charter.
- Engage independent counsel and other consultants/advisors, as necessary.
- Have full, free, and unrestricted access to all University information, documents, records, and personnel, including that of the University's direct support organizations.
- Provide oversight and direction of the internal audit and compliance and ethics programs, and be knowledgeable of the effectiveness of the programs.
- Receive updates on matters of substantial import from external, state, and regulatory auditors, as well as other independent consultants.
- Conduct an internal investigation, or authorize an external investigation, into any substantive matter under the purview of this Charter that the Committee deems appropriate.
- Perform other duties as assigned by the Chair of the FGCU Board of Trustees.

3.0 COMPOSITION

- The Committee shall consist of at least three (3) members of the FGCU Board of Trustees sufficient in financial expertise and ability to enable them to discharge their responsibilities and include at least one member who is a “financial expert.”
- The Chair of the FGCU Board of Trustees shall appoint and remove the Chair and members of the Committee.
- The Chair and members shall serve on the Committee until their resignation or replacement.
- The Chair and members of the Committee shall be independent and objective in the discharge of their responsibilities, and be free of any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgment.
- The Chair of the FGCU Board of Trustees may not serve as the Chair of the Audit and Compliance Committee.

4.0 MEETINGS

- A majority of Committee members present at a Committee meeting constitutes quorum for purposes of conducting Committee business.
- The Committee will meet at least three times a year, with discretion to convene additional meetings, as necessary. Committee meetings may be conducted by telephone conference call or any other technological means. All Committee members are expected to attend each meeting.
FLORIDA GULF COAST UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE CHARTER

- Committee meetings shall be open and noticed to the public in accordance with Article I, Section 24 of the Florida Constitution and the requirements of Chapter 286, Florida Statutes.
- The Committee may invite University employees and external consultants to attend meetings and provide pertinent information, as necessary.
- Meeting agendas will be prepared and provided to Committee members in advance of meetings, along with appropriate briefing materials. Minutes of Committee meetings will be prepared, maintained, and posted.

5.0 RESPONSIBILITIES
The Committee will carry out the following responsibilities:

Financial Statements
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Review with management and the external auditors all matters required to be communicated to the Committee under Government Auditing Standards.
- These items apply to the financial statements of the University, and to those of all direct-support organizations (DSOs) related to the University.

Internal Controls
- Consider the effectiveness of the University and its DSOs’ internal control environment, including information technology security and control.
- 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.

Internal Audit
- Review and recommend approval of the Office of Internal Audit Charter to the FGCU Board of Trustees.
- Provide input to the President in the appointment, replacement, or removal of the Director of Internal Audit.
- Annually review the Office of Internal Audit’s functional and administrative reporting for appropriate independence.
FLORIDA GULF COAST UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE CHARTER

- Annually review, with the Director of Internal Audit, the Audit Work Plan, activities, staffing, and organizational structure of the internal audit function.
- Review the effectiveness of the internal audit function, including conformance with the International Standards for the Professional Practice of Internal Auditing.

External Audit
- Review the external auditors’ proposed audit scope and approach, including coordination of effort with internal audit.

Compliance and Ethics
- Provide input to the President in the appointment, replacement, or removal of the Chief Compliance and Ethics Officer.
- Review and recommend approval of the Compliance and Ethics Office Charter, Program Plan, and annual report to the FGCU Board of Trustees.
- Review the effectiveness of the university’s system to monitor compliance with BOG Regulations, as well as federal, state, and university regulations, and policies.
- Review the findings of any internal or external examination or investigation and ensure the university implements agreed upon recommendations to correct instances of noncompliance.
- Review the independence, qualifications, activities, resources and structure of the University’s compliance and ethics program to ensure there are no unjustified restrictions or limitations.
- Review the effectiveness of the compliance and ethics program to prevent or detect criminal conduct, unethical behavior, or noncompliance. When such conduct is detected, ensure that the University takes reasonable steps to prevent further similar misconduct from reoccurring.
- Ensure that the university has in place and publicizes a mechanism for individuals to report allegations of wrongdoing, and ensure that no individual faces retaliation for reporting a good-faith concern.
- Obtain regular updates from the Chief Compliance and Ethics Officer regarding compliance and ethics matters, and ensure that matters of substantial import are received, discussed, and appropriately resolved.

Reporting
- Provide updates to the FGCU Board of Trustees about Committee activities and make recommendations, as appropriate, for the Board’s consideration and approval.

Approved: September x, 2017
FLORIDA GULF COAST UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE CHARTER

- Ensure the FGCU Board of Trustees is briefed on matters that could cause significant financial, legal, reputational, or operational risk to the University or its direct support organizations.
- Ensure that the University has a regulation that articulates how it will address any significant and credible allegations of wrongdoing made against the Director of Internal Audit or the Chief Compliance and Ethics Officer.
- Ensure that the University adopts a regulation which requires timely notification to the Board of Governors, through the Inspector General, of any significant and credible allegations of wrongdoing made against the President or a member of the FGCU Board of Trustees.

Evaluation
- Review the Committee Charter at least once every three (3) years for consistency with applicable BOG and University regulations, professional standards, and best practices and make amendments to the Charter, as necessary.
- Ensure that revisions to the Charter are approved by the FGCU Board of Trustees.
FLORIDA GULF COAST UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE CHARTER

Prepared By

___________________________________________________________
William D. Foster, Interim Director of Internal Audit
Date

___________________________________________________________
Stacey P. Chados, Chief Compliance and Ethics Officer
Date

Reviewed By

___________________________________________________________
Wilson G. Bradshaw, President
Date

___________________________________________________________
Joseph G. Fogg III, Chair Audit and Compliance Committee
Date

Approved By

___________________________________________________________
J. Dudley Goodlette, Chair FGCU Board of Trustees
Date

Approved: September x, 2017