


BOARD of GOVERNORS
State University System of Florida

603 - Championing a System-wide approach to Compliance and Ethics Programs

June 5, 2018 (11:00 a.m. to 12:00 p.m.)


SCCE's 2018 Higher Education Compliance Conference
Austin, Texas



OUTLINE

- Governance: Florida Higher Education
- Compliance and Ethics Context
- SUS of Florida Compliance Evolution
- Champions
- Challenges and Benefits
- Educating Your Governing Board
- Regulations Development
- Case Studies
- Monitoring Implementation

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GOVERNANCE

Governance is the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

Governance in the public sector:

- Accountability
- Transparency
- Integrity
- Standards Setting
- Ethics
- Risk Management

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FLORIDA HIGHER EDUCATION GOVERNANCE

1905-1965

Board of Control

The original board was statutorily authorized to manage the early university system, which consisted of UF, FSU, and FAMU at the time.

1965-2001

Board of Regents

The Board of Control was refashioned into the Board of Regents, which was also statutorily authorized to manage a much expanded university system.



FLORIDA HIGHER EDUCATION GOVERNANCE (Cont.)

2001-2002

Florida Board of Education, Division of Colleges and Universities

With a goal toward creating a more seamless K-20 system, the short-lived "Super Board" was created in statute to oversee all levels of education.

2003-Present

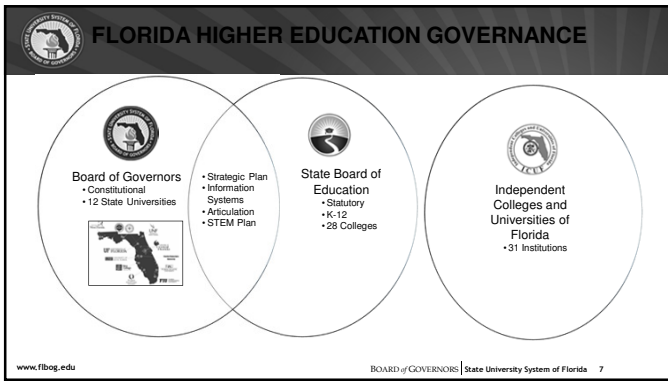
State University System of Florida Board of Governors

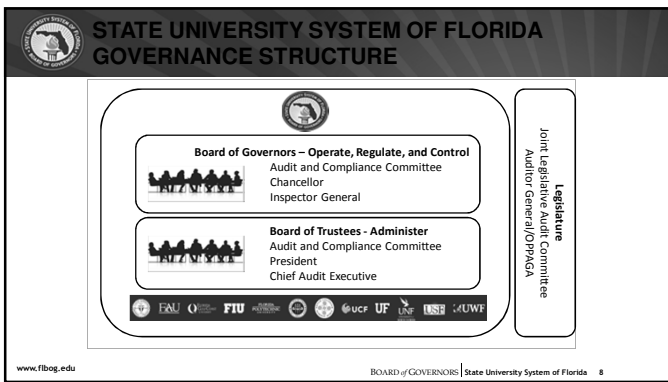
This represents the first time that the governing body was constitutionally authorized to oversee all aspects of the university system and to define the powers and duties of the university boards of trustees.

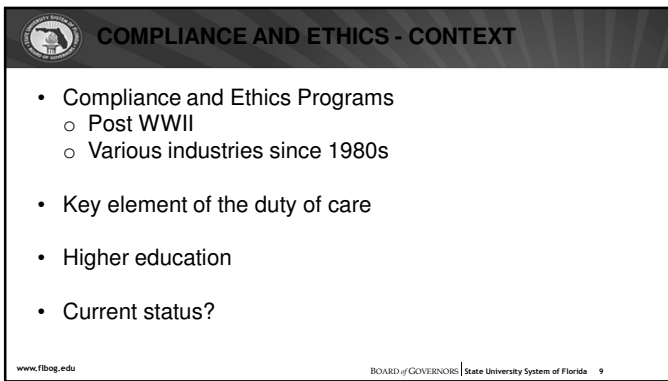


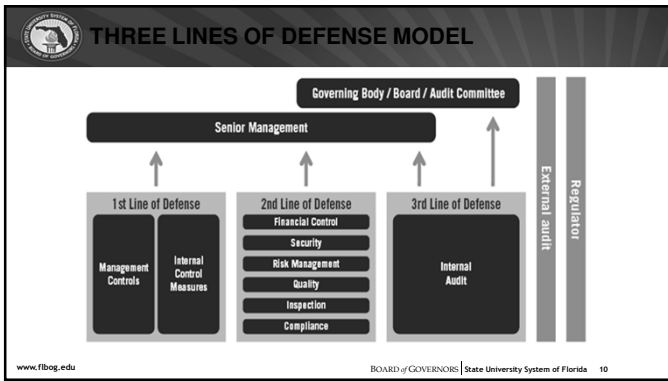
BOARD OF GOVERNORS

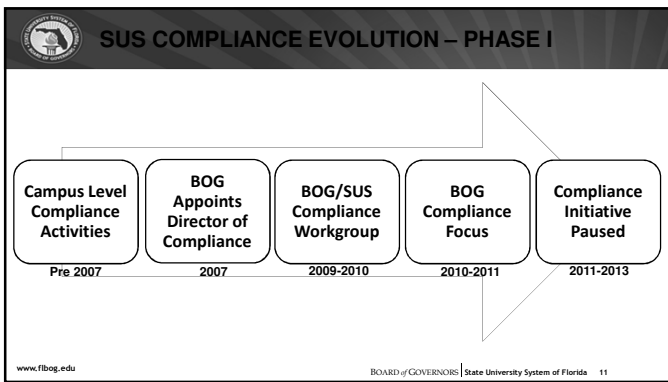
The Board of Governors is authorized in Article IX, Section 7(d), Florida Constitution, to *"operate, regulate, control, and be fully responsible for the management of the whole university system."*









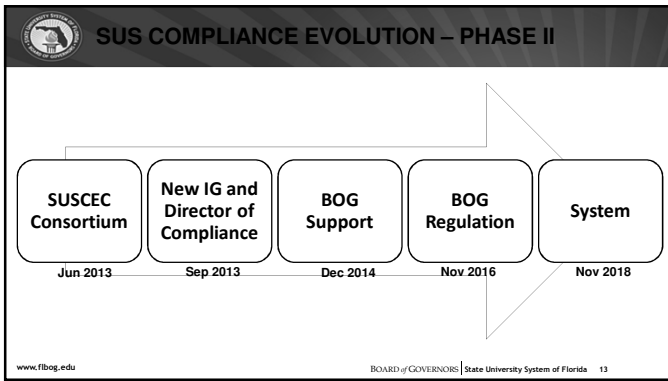


SYN-ER-GY

Noun: synergy

The interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate effects.

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BOARD OF GOVERNORS CHAMPIONS

Alan Levine, Chair
Audit and Compliance Committee

Edward Morton, Vice Chair
Audit and Compliance Committee

Ned C. Lautenbach
AACC Member and BOG Chair

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CHALLENGES

- Education
- Communication
- Coordination
- Unfunded mandate
- Reporting lines
- One size does not fit all
- CAE/CCO synergy



BENEFITS

- Value Benefits – Enhance university community culture
- Legal Benefits – Fulfill legal and regulatory obligations
- Business Benefits – Stronger academic, business, and administrative processes



EDUCATING YOUR GOVERNING BOARD

- BOG AACC presentation
- Survey of compliance practices
- Regulations workshop
- Independent AACC
- BOG-approved regulation
- Monitoring:
 - Baseline
 - 1-year mark
 - Summer 2018



Meet Rhonda Bishop
 Rhonda L. Bishop
 Chief Compliance and Ethics Officer
 University of Central Florida



IMPACT SLIDE

“Higher education is the most regulated industry”

Adam Turteltaub, Vice President Society for Corporate Compliance and Ethics Professionals, 2014, Higher Education Compliance Conference




TOPICS COVERED


- Cost of non-compliance
- Benefits of an institutional program
- Higher education requirements - Federal Sentencing Guidelines
- Elements of an effective program
- Role of chief compliance and ethics officer
- Program development
- Compliance and ethics advisory committee
- SUS Compliance and Ethics Consortium




TWO YEARS OF REGULATION DEVELOPMENT

- Why?
- First draft in 8 days!
- 4 regulations: audit, investigations, and compliance matters
- Need to communicate, educate, and convince
- Many constituents (CAE, CCO, GC, etc.)
- Much concern and consternation across the system
- Many exposure drafts, lots of feedback
- Many meetings, conference calls, e-mails

 REGULATION 4.003 - STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS PROGRAMS	
University-wide Compliance Program	
A1	University-wide Program
A2	CCO annually reports to board of Program effectiveness
A3	External Program design and effectiveness review (Every 5 years)
A4	Processes for detecting and preventing non-compliance, unethical behavior, or criminal conduct
A5	Due diligence steps for not including individuals who have engaged in conduct not consistent with an effective Program
22	

 REGULATION 4.003 - STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS PROGRAMS	
Program Plan	
B1	Compliance and Ethics Program Plan approved by BOT (copy to BOG)
B2	Plan provides for compliance training for university employees and BOT members
B3	Designated compliance officers (e.g., Title IX, Athletics, Research, etc.) as either direct reports or dotted-line reports
B4	Reporting mechanism (e.g., Hotline) for potential/actual violations and provides protection for reporting individuals from retaliation
B5	Promoting and enforcing the Program through incentives and disciplinary measures
23	

 REGULATION 4.003 - STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS PROGRAMS	
Board of Trustee Committee	
C1	BOT Committee provides oversight to Compliance and Ethics Program
C2	BOT Audit and Compliance Committee Charter
C3	Routine CCO meetings with BOT Committee – please describe the nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.)
C4	Routine CCO meetings with President – please describe nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) or whether the CCO participates in other regularly held direct reports or leadership meetings
24	

REGULATION 4.003 - STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS PROGRAMS	
Chief Compliance Officer	
D1	Appointed Chief Compliance Officer (CCO)
D2	CCO reports functionally to the Board and administratively to the President
D3	Compliance Office Charter
D4	CCO independence, objectivity, and access (provide details of resolution of barriers)
D5	CCO authority and resources (provide details of both staffing and budget)

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LARGE INSTITUTIONS

FIU
 55,111 Students

University of
**Central
 Florida**
 64,321 Students

UNIVERSITY OF SOUTH FLORIDA
 1976
 42,861 Students

- Established centralized compliance and ethics programs
- Compliance and Ethics Consortium founding members
- Regulation development collaborators
- Three distinct models:
 - UCF – Central directive, reported to BOT/President
 - FIU – Central directive, reported to General Counsel
 - USF – Central coordinating, reported to audit

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PREEMINENT INSTITUTIONS


**UNIVERSITY of
 FLORIDA**
 52,367 Students

FLORIDA STATE UNIVERSITY
 1851
 41,900 Students


- Older
- Preeminent research institutions
- Decentralized compliance functions
- Wide variety of compliance areas of responsibility

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MID-SIZED INSTITUTIONS




30,809 Students




15,839 Students



14,821 Students



12,979 Students



9,614 Students

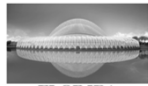
- Mid-sized institutions
- Varying compliance areas of responsibility
- All one-person shops

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SMALLER INSTITUTIONS

New College
THE HONORS COLLEGE of Florida

875 Students



FLORIDA POLYTECHNIC UNIVERSITY
1,300 Students

- Smaller institutions
- New
- Outsourced audit functions
- Combined role of CAE/CCO
- Co-sourcing functions

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MONITORING


Developed monitoring tool:

- Based on BOG Regulation 4.003
- Collaborated with SUS Compliance and Ethics Consortium
- Sent to board of trustees chairs and university presidents
- Resulted in Baseline Survey and Year 1 Survey
- Used by CCOs to educate management and BOT in establishing compliance and ethics program
- Provides status reports to Board of Governors AACC
- Provide future periodic updates

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SUS Compliance Program Status Checklist Summary - Baseline					
Univ.	University-Wide Compliance Program	Program Plan	BOT Committee	Chief Compliance Officer	External 5-Year Program Review
FAMU	● ● N/B N/B	N/B N/B ● ✓ N/B	● ● N/B N/B	● ● ● N/B N/B	-
FAU	● ● ● ●	● ● ● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ✓ ● ●	-
FGCU	● ● ● ● ● ●	● ● ● ● ● ● N/B	● N/B ● ●	✓ ✓ ✓ ✓ ✓ ✓	-
FIU	✓ ✓ ✓ ✓	● ● ● ● ● ●	✓ ● ✓ ✓ ✓ ✓	● ● ✓ ✓ ✓ ✓	-
FL Poly	● ● ● ● ● ●	● ● ● ● ● ●	● ● ● ● ● ●	● ● ● ● ● ●	-
FSU	● N/B ● ●	N/B ● N/B ● N/B	N/B N/B N/B N/B	N/B N/B N/B N/B	-
NCF	● N/B ● ●	● ● ● ● ● ● N/B	● ● N/B N/B	● ● ● ● ● ●	-
UCF	✓ ✓ ✓ ✓	● ● ● ● ● ●	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	-
UF	● ● ● ● ● ●	● ● ● ● ● ●	● ● ● ● ● ●	● ● ● ● ● ●	-
UNF	● ● ● ● ● ●	● ● N/B ● N/B	✓ ✓ ✓ ✓ ✓ ✓	✓ ● ✓ ● ✓ ●	-
USF	✓ ✓ ✓ ✓	● ● ● ● ● ●	✓ ● ✓ ● ● ●	✓ ● ● ● ✓ ●	-
UWF	● ● ● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ● ● ●	● ● ● ● ● ●	- 31

SUS Compliance Program Status Checklist Summary - Year 1					
Univ.	University-Wide Compliance Program	Program Plan	BOT Committee	Chief Compliance Officer	External 5-Year Program Review
FAMU	● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
FAU	● ● ● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ✓	✓ ✓ ● ● ● ●	N/B
FGCU	✓ ✓ ✓ ✓ ● ●	✓ ✓ ✓ ✓ ● ●	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
FIU	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
FL Poly	● ● ● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
FSU	● N/B ● ●	N/B N/B ● ● ● ●	● ● N/B N/B	● ● N/B N/B N/B	N/B
NCF	● ● ● ● ● ●	● ● ● ● ● ● N/B	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
UCF	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
UF	✓ ✓ ✓ ✓	✓ ✓ ● ● ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
UNF	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
USF	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	N/B
UWF	● ● ● ● ● ●	● ● ● ● ● ●	✓ ✓ ✓ ● ● ●	● ● ● ● ● ●	N/B 32



PROGRAM MATURITY

- **Ad Hoc** – Procedures informal, incomplete, and inconsistent
- **Fragmented** – Some compliance controls in place in some areas
- **Defined** – Compliance controls and procedures documented and standardized
- **Mature** – Compliance procedures integral in business processes and periodic effectiveness reviews conducted
- **Optimized** – Regular review and feedback, continuous improvement for process optimization, elements automated and effective

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 **WE ARE THE CHAMPIONS . . . MY FRIENDS . . .**



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 **QUESTIONS AND CONTACT INFORMATION**



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