

UNIVERSITY COMPLIANCE AND ETHICS CHARTER

Purpose and Mission

University Compliance and Ethics (C&E) Office provides oversight and guidance to university-wide ethics and compliance activities, and fosters a culture that embeds these disciplines in all university functions and activities. C&E is designed to promote greater coordination of and consistency among individual University compliance programs, covering a wide variety of requirements related to academics, athletics, human resources, research, health care, information technology, and numerous administrative functions.

The mission of C&E is to support the University's mission and strategic plan by proactively partnering with faculty, staff and management to:

- Ensure compliance risks are identified, prioritized and managed appropriately;
- Establish a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols;
- Provide general compliance training to employees and faculty and guidance to managers;
- Provide an avenue for anonymous reporting of potential non-compliance or unethical behavior
- Develop effective policies and procedures to promote compliance and ethical behavior

Reporting Structure and Independence

In 2005, the Florida Agricultural & Mechanical University Board of Trustees (BOT) approved Resolution 14-05 adopting a university-wide compliance program as the foundation of the internal control and compliance environment. In support of the compliance program, the BOT maintains an internal audit and compliance function that is an integral component of the governance structure. The Division of Audit and Compliance (DAC) provides insight on the mitigation of business risk to assist the BOT and University management in the effective discharge of their responsibilities as they relate to the University policies, processes, programs, information systems, internal controls, and management reporting.

DAC is managed by the Vice President of Audit and Compliance who oversees both the audit and compliance functions. The compliance function of DAC is the University Compliance and Ethics Office. C&E is managed by the Chief Compliance & Ethics Officer. The Chief Compliance & Ethics Officer reports administratively and functionally to the Vice President of Audit and Compliance. Additionally, the Chief Compliance & Ethics Officer has free and unrestricted access to the University President and BOT Audit

Committee.

The chief compliance and ethics officer and staff shall have organizational independence and objectivity to perform their responsibilities and all activities of the office shall remain free from influence. Therefore, the Chief Compliance & Ethics Officer and staff will not perform or be responsible for any audit duties.

Authority

The Compliance & Ethics Office has the authority to review or investigate all areas of the university, including schools, colleges, administrative departments, auxiliary enterprises, and support organizations. Reviews and investigations shall not be restricted or limited by management, the president, or the Board of Trustees. Accordingly, C&E is authorized to:

- Have unrestricted and timely access to records, data, personnel, and physical property relevant to performing compliance reviews and investigations, and to allow for appropriate oversight and guidance related to compliance, ethics, and risk mitigation efforts.
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;
- Obtain the essential assistance and cooperation of personnel in areas of the University where reviews and investigations are performed, as well as other specialized services from within or outside the University; and
- Have free and unrestricted access to the University President and Board of Trustees.

Documents and records obtained for the above purposes will be handled in compliance with applicable laws, regulations, and university policies and procedures. As required by law, C&E will comply with public records requests.

The chief compliance and ethics officer will notify the Vice President of Audit and Compliance and request remediation 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. If unresolved by the Vice President of Audit and Compliance, the chief compliance and ethics officers will take additional remediation steps as outlined in Florida Board of Governors Regulation 4.003.

Organizational Oversight

The Board of Trustees will:

- Approve the charter of the Compliance & Ethics Office. The charter will be reviewed at least every three years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. Subsequent changes will be submitted to the Board of Trustees for approval. A copy of the charter and any subsequent changes will be provided to the Board of Governors;

- Approve the annual Program Plan;
- Receive communications from the Chief Compliance and Ethics Officer on the compliance activity's performance relative to its plan and other matters;
- Make appropriate inquiries of management and the Chief Compliance and Ethics Officer to determine whether there is inappropriate scope or resource limitations; and
- Ensure the Compliance & Ethics Office has appropriate staff and resources in which to fulfill its duties and responsibilities.

Duties and Responsibilities

The duties and responsibilities of the Chief Compliance and Ethics Officer and staff include projects and activities that fulfill the requirements for an effective compliance and ethics program as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. The following elements define the duties and responsibilities of the office:

1. Compliance

- Assisting management with the identification and prioritization of compliance risks;
- Assisting management with the development of mandatory risk management plans for compliance high risks;
- Ensuring that compliance high risks are being properly managed by the designated responsible parties;
- Promoting compliance awareness through effective training and education activities;
- Providing compliance advisory services to management, faculty, and staff;
- Evaluating emerging compliance trends in higher education and government and implementing best practices;
- Performing internal monitoring, investigations, and compliance reviews; and
- Enforcing and promoting standards through appropriate incentives and disciplinary guidelines, including the revising and developing of policies and procedures.

2. Ethics

- Establishing a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct;
- Performing internal monitoring, investigations, and ethic reviews; and
- Promoting ethics awareness through effective training and education activities.

3. Retaliation

- Providing all employees with an opportunity to report issues of potential retaliation for the reporting of wrong doing; and

- Conduct investigations into claims of retaliation and other applicable state and federal laws relating to retaliation that are not covered by whistleblower protection or the Office of Equal Opportunity Programs.

The Chief Compliance and Ethics Officer and staff will:

1. Provide oversight of compliance and ethics activities;
2. Work closely with Internal Audit to assess and prioritize which compliance areas present the greatest risk and need for attention, based on regulatory environment and complexity, overlap with University strategic plans, and consequences of non-compliance;
3. Develop an annual Program plan based on the requirements for an effective program. The Program plan and subsequent changes will be provided to the board of trustees for approval. A copy of the approved plan will be provided to the board of governors.
4. Provide training to university employees and Board of Trustees' members regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan will specify when and how often this training will occur.
5. Obtain an external review of the Program's design and effectiveness at least once every five years or as deemed necessary as dictated by the circumstances. The review and any recommendations for improvement will be provided to the president and Board of Trustees. The assessment will be approved by the Board of Trustees and a copy provided to the Board of Governors.
6. Identify and provide oversight and coordination of compliance partners responsible for compliance and ethics related activities across campus and provide communication, training, and guidance on the Program and compliance and ethics related matters.
7. Assist the Chief Audit Executive in administering and promoting the Florida Agricultural & Mechanical University Compliance and Ethics Hotline, an anonymous mechanism available for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.
8. Maintain and communicate the university's policy on reporting misconduct and protection from retaliation and ensure the policy articulates the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
9. Communicate routinely to the president and the board of trustees regarding Program activities. Annually report on the effectiveness of the Program. Any Program plan revisions, based on the chief compliance and ethics officer's report,

shall be approved by the Board of Trustees. A copy of the report and revised plan will be provided to the Board of Governors.

10. 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 and ethics will be addressed through appropriate measures, including education or disciplinary action.
11. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices such inquiries, investigations, or reviews deemed appropriate in accordance with university regulations and policies, state statutes, and/or federal regulations. Submit final reports to appropriate action officials.
12. Make necessary modification to the Program in response to detected non-compliance, unethical behavior, or criminal conduct and take steps to prevent its occurrence.
13. Assist the university in its responsibility to use reasonable efforts to exclude 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.
14. Coordinate or request compliance activity information or assistance as necessary from any university, federal, state, or local government entity. Oversee and coordinate external inquiries into compliance with federal and state laws and take appropriate steps to ensure safe harbor in instances of non-compliance.
15. Maintain a professional staff with sufficient size, knowledge, skills, experience, and professional certifications
16. Utilize third-party resources as appropriate to supplement the department's efforts
17. Perform assessments of the program and make appropriate changes and improvements

Members of the University community having responsibility for a specific area of compliance must ensure the following:

1. Oversight of compliance in their specific functional areas;
2. Adherence to the University's compliance policies;
3. Implementation of corrective action as necessary, arising from compliance reviews and/or investigations;
4. Completion of self-assessments to evaluate their individual compliance efforts against a list of criteria necessary to have an effective compliance program; and
5. Immediate notification to the Chief Compliance and Ethics Officer of any realized or suspected compliance or ethics violations within their functional area.

Professional Standards

Compliance and Ethics Office activities will be governed by adherence to the *Florida Code of Ethics*; the *Code of Professional Ethics for Compliance and Ethics Professionals*; and the *U.S. Federal Sentencing Guidelines'* criteria for an effective compliance program. Investigation activities will be governed by adherence to professional standards issued for the State University System.

Chief Compliance & Ethics Officer

Date

Chief Audit Executive

Date

President

Date

Audit Committee Chair

Date