



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Audit and Compliance Committee**

**University of Central Florida**  
**Live Oak Center, Ferrell Commons**  
**4000 Central Florida Boulevard**  
**Orlando, Florida 32816**  
**June 21, 2012**  
**11:00 - 11:45 a.m.**

1. **Call to Order** **Governor Ava Parker**
  
2. **Approval of Committee Minutes** **Governor Parker**  
Minutes, *May 12, 2011*
  
3. **Report: Florida A&M University Division of Audit and Compliance Corrective Action Plan** **Dr. Solomon Badger**  
*Chair,*  
*Florida A&M University*  
*Board of Trustees*
  
4. **Consideration: Annual Charters Revisions** **Mr. Derry Harper**  
*Inspector General and*  
*Director of Compliance*  
*Board of Governors*
  - a. **Audit and Compliance Committee, Charter**
  - b. **Office of the Inspector General and Director of Compliance, Charter**

5. **Overview of the Inspector General Function and Report of Activities**

**Mr. Harper**

- a. Investigative Activities
  - i. Preliminary Inquiry Procedures
  - ii. Review of Complaints Received
- b. Work Plan Revisions (Summary & Committee Work Plans)
- c. OIGC Policies & Procedures Manual
- d. OIGC Annual Report, FYE 2011

6. **Concluding Remarks and Adjournment**

**Governor Parker**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
June 21, 2012**

**SUBJECT:** Approval of Minutes of Conference Call held May 12, 2011

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**PROPOSED COMMITTEE ACTION**

Approval of Minutes of conference call held on May 12, 2011.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

Board members will review and approve the Minutes of the conference call held on May 12, 2011.

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**Supporting Documentation Included:** Minutes: May 12, 2011

**Facilitators/Presenters:** Governor Ava Parker

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MINUTES  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
AUDIT AND COMPLIANCE COMMITTEE  
CONFERENCE CALL  
MAY 12, 2011

The chair, Norman D. Tripp, convened the meeting of the Audit and Compliance Committee at 10:07 a.m., by conference call. The following members were present: Patricia Frost, Gus Stavros, and John Temple.

1. Call to Order

Mr. Tripp called the meeting to order.

2. Approval of Minutes

Mr. Temple moved that the Committee approve the Minutes of the Meeting of the Board of Governors Audit and Compliance Committee (Audit Committee) held November 3, 2010, as presented. Mr. Temple moved to approve the minutes; Ms. Frost seconded the motion. The Minutes were approved.

3. Discussion: Annual Audit Plan and Risk Assessment Process

Mr. Harper presented the Fiscal Year 2011-2012 Annual Audit Plan, which was reviewed and approved by the Chancellor with input from senior staff. Approving the Plan and submitting it to the Board Chair for her review is part of the Audit and Compliance Committee's responsibilities.

The audit plan is based on a systematic Risk Assessment process and lists four projects:

- a. Institutes and Centers
- b. Ethics Climate
- c. Tuition Differential/Tuition and Fees Program(s)
- d. Board of Governors Foundation

We recommend the Institutes and Centers program because it has been around for a while. It is allotted 50 hours because we will begin the review during the remainder of 2011.

The Ethics Climate audit is allotted 50 hours and is a review of the Board's infrastructure in compliance with ethics laws applicable to the Board and its staff. We have already spent one to one and a half months on this audit.

The Tuition Differential/Tuition and Fees Program(s) audit is an obvious audit choice and is an important operation by the Board. The processes and procedures have been in place for at least two years.

Finally, the Board Foundation has a financial impact and has significant funds associated with it.

We customized a Risk Assessment process that included a review of the Board's processes and auditable activities. There were 82 auditable activities, which are subject to the traditional audit approach of inquiry, observation, and testing. Additionally, one of the risk factors is management's input. Our Risk Assessment included sending a Risk Assessment Questionnaire to most of the senior staff. We received an 80% return rate. Mr. Harper expressed his appreciation for the senior staff's time devoted to the process, especially since it was administered during the Legislative Session.

With data and information from the Regulation Compliance Review project, responses from the Risk Assessment Questionnaire, and input from the Chancellor and other senior staff, we feel comfortable the projects chosen are those that should be, given our available resources.

Under the Direct Services section of the audit plan, we list non-audit related projects. We are responsible for three areas: investigations, compliance, and audits. The reason we have just over 600 hours allotted for audits is because they are mandated by the *Audit and Compliance Committee Charter* and the Inspector General Act, with which we must abide.

Mr. Harper stated that the audit plan can be changed with input from the Audit Committee; members can direct us to whatever area they believe should be audited first. Also, the Plan is subject to change based on any changes in the allocation of resources.

Mr. Temple asked how many hours were allotted for the Board Foundation and for the Tuition Differential/Tuition and Fees Program. Mr. Harper responded that each has been allotted an estimated 250 hours. Again, that estimate can change once the audit is underway.

Chancellor Brogan underscored the selection of the audits proposed. Specifically, the Board Foundation is timely because it is important for its contributors to be confident that the money is being spent appropriately and wisely. Also, he

explained that we hold a significant amount of money for charitable contributions for scholarships for students who are needy or disabled.

Mr. Stavros asked how the 665 estimated total hours for investigations compared to previous years. Mr. Harper responded that it is consistent. Even minor matters can take a significant amount of time. A preliminary inquiry can be labor intensive despite the fact that it is essentially a review of whether or not a university has adequately addressed an issue.

The Committee was asked to approve the audit plan. Mr. Temple made a motion to do so, and Ms. Frost seconded it. The Committee approved the Plan.

Mr. Tripp asked Mr. Harper about the status of the Ethics Climate audit. Mr. Harper said that would be provided at the Committee's next meeting. Mr. Tripp reminded members that the next meeting is scheduled for June at the University of South Florida.

4. Concluding Remarks and Adjournment

Chancellor Brogan reviewed activities of the recently concluded Legislative session. The meeting of the Audit Committee was adjourned at 10:24 a.m.

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Norman D. Tripp, Chair

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Lori Clark,  
Compliance Analyst

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**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
June 21, 2012**

**SUBJECT:** Report – Florida A&M University Division of Audit and Compliance  
Corrective Action Plan

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**PROPOSED COMMITTEE ACTION**

Information only.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

A representative from Florida A&M University will make a presentation to the Committee on corrective actions taken by the University in response to an investigation of FAMU’s Division of Audit and Compliance.

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**Supporting Documentation Included:** None

**Facilitators/Presenters:** Derry Harper and TBD

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STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
**Audit and Compliance Committee**  
June 21, 2012

**SUBJECT:** *Approval of the Audit and Compliance Committee Charter – Annual Review*

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**PROPOSED BOARD ACTION**

Approve the final draft revision of the *Audit and Compliance Committee Charter*, revised for 2012.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

The Audit and Compliance Committee (“Committee”) will discuss proposed revisions to the draft Charter, which is to be reviewed annually. The primary substantive revision is the insertion of the Preliminary Inquiry procedure as approved by the Audit Committee November 3, 2010, and by the full Board on January 20, 2011. The procedure delegates authority to the Audit and Compliance Committee Chair to make the final determination and accept the Inspector General’s Report of Preliminary Inquiry in those instances where the recommendation is that no further Board action is warranted. In all other circumstances, the Audit and Compliance Committee shall consider the matter at its next meeting.

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**Supporting Documentation Included:** Draft of *Audit and Compliance Committee Charter*

**Facilitators/Presenters:** Mr. Derry Harper

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## STATE UNIVERSITY SYSTEM OF FLORIDA BOARD OF GOVERNORS

### AUDIT AND COMPLIANCE COMMITTEE CHARTER

#### INTRODUCTION:

The State University System of Florida, Board of Governors ("Board"), Audit and Compliance Committee ("Audit Committee") ~~has established an Audit and Compliance Committee ("Audit Committee")~~ to demonstrate the Board's commitment to accountability. The *Audit and Compliance Committee Charter* ("Charter") articulates the powers and duties of the Audit Committee, provides for a systematic and disciplined approach to the evaluation of the Board's operations, and fosters a management environment committed to integrity, efficiency, sound financial controls, and accountability for the State University System.

This Charter establishes clear lines of authority, responsibility and expectations related to the Office of Inspector General and Director of Compliance ("Inspector General"), which shall coordinate activities designed to promote accountability, efficiency and effectiveness in the operations of the Board and activities to support accountable, efficient, and effective practices in the State University System.

The Charter is presented with the following sections: I. Organization, II. Authority, III. Duties and Responsibilities, and IV. Meetings/Reporting Responsibilities, V. Annual Review.

#### I. ORGANIZATION:

The Board is comprised of seventeen members, fourteen of whom are appointed by the Florida Governor and confirmed by the Florida Senate for a term of seven years. The remaining members are the Chair of the Advisory Council of the

Faculty Senate, the Commissioner of Education, and the President of the Florida Student Association.

The Audit Committee serves as the central point for demonstrating the Board's commitment to accountability, financial integrity, and efficiency in the operations of the State University System. The Audit Committee shall be comprised of five to nine members of the Board appointed by the Chair and should include at least one member who is a "financial expert."<sup>1</sup>

The audit committees of the University Boards of Trustees and their respective internal audit executives serve as the central point for demonstrating the university's commitment to accountability, financial integrity, and efficiency in the operations of their respective institutions.

The Board's Audit Committee, the Board's Inspector General, the University Boards of Trustees audit committees and their respective internal audit executives each serve important roles in ensuring that processes are in place to meet the State University System's responsibility for financial accountability, integrity and efficiency.

The Chair of the Audit Committee shall preside at all Audit Committee meetings and have the authority among other things to develop the agenda and assign members responsibility for specific projects. In the absence of the Chair, the Vice Chair will preside at the Audit Committee meeting(s).

The Chancellor for the State University System of Florida, Board of Governors ("Chancellor") is primarily responsible for providing support to the Board in achieving its mission, goals, and objectives. Among other duties, the Chancellor is responsible for the development and implementation of Board policies and the day-to-day operations of the Board Office, including supervision of professional and support staff.

The Inspector General shall provide leadership and coordination of audit and compliance functions for the Board and is generally responsible for promoting activities that ensure accountability, financial integrity, and efficiency as required by law.

To achieve necessary independence and to ensure maximum effectiveness and coordination, the Inspector General has a dual reporting relationship with the Audit Committee and the Chancellor. The Inspector General shall report

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<sup>1</sup> Financial expert is defined as an individual who possesses expertise through education or substantial practical business experience in the function and meaning of financial statements and an understanding of proper oversight and accountability for financial matters.

functionally to the Audit Committee and shall report administratively directly to the Chancellor. To report functionally means the Inspector General shall, among other duties, provide to the Audit Committee:

- the proposed internal risk assessment and audit plan for the Board Office;
- reports on the results of internal audits, [preliminary inquiries](#), and investigations and other matters as requested by the Audit Committee, or as may be required by law, applicable auditing standards or the independent professional judgment of the Inspector General.

To report administratively to the Chancellor shall mean all matters within the Board's office management structure that facilitate day-to-day operations of the internal audit and investigation function such as budgeting, human resources administration, internal communication flows, and administration of Board Office internal policies and procedures.

## **II. AUTHORITY:**

Article IX, Section 7, subsection (d) of the Florida Constitution mandates that the Board operate, regulate, control, and be fully responsible for the management of the State University System of Florida, including but not limited to defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges; ensuring the well-planned coordination and operation of the system; and avoiding wasteful duplication of facilities or programs. The Board's management is subject to the powers of the Legislature to appropriate for the expenditure of funds, and the Board is required to account for such expenditures as provided by law. Under Article IX, Section 7, subsection (c) of the Florida Constitution and Board authorizations, the Board of Trustees of each university in the State University System is responsible for oversight and administration of the university.

The authority of the Audit Committee comprises the specific duties and responsibilities delegated to it by the Board as set forth in this Charter.

## **III. DUTIES AND RESPONSIBILITIES:**

### **A. BOARD OF GOVERNORS**

The Audit Committee's essential functions relative to the operation and management of the Board are to provide oversight of activities related to internal audit, financial controls, compliance and ethics; to review significant accounting and reporting issues and confirm appropriate management responses; to review risk assessment methodologies and risk management policies; to assess the

effectiveness of the internal control system; and to review and confirm appropriate management response to any report of significant audit- or compliance-related findings and recommendations. Specifically, the Audit Committee will:

- review the operational and financial audits conducted by the Auditor General;
- review periodic reports issued by the Inspector General on audits, management reviews, and investigations;
- review corrective action plans implemented by the Chancellor;
- approve the Charter for the Board's Inspector General's Office;
- review and approve risk assessments and internal audit plans prepared by the Inspector General, who shall determine operationally the scope and assignment of the audit;
- direct the Inspector General to perform audits of special programs, functions, or organizational units;
- provide guidance on establishing and maintaining strong working relationships with external auditors and other stakeholders and assist the Board in obtaining adequate funding and resources needed by the Board's Office of Inspector General to fulfill his or her mandated duties.

In those instances when, as a result of a Preliminary Inquiry, the Inspector General recommends no Board action is warranted, the Audit Committee Chair is delegated the authority to ~~make a~~ finally approve that determination. If the Chair does not approve and in all other situations, the Audit Committee shall review the Inspector General's recommendation at its next meeting.

## **B. STATE UNIVERSITY SYSTEM**

The Audit Committee's duties relative to the State University System include:

- acting as a liaison with the University Boards of Trustees audit committee;
- receiving and reviewing university independent audited financial statement reports;
- receiving and reviewing university internal audit reports;
- identifying trends in all such reports and confirming that adverse trends are being addressed by the universities;
- initiating inquiries if the Audit Committee has reasonable cause to believe that a university is not providing for appropriate response to significant audit findings;
- directing the Inspector General to conduct an inquiry or investigation if the Audit Committee has reasonable cause to believe that a University Board of Trustees is unwilling or unable to provide for objective

- investigation of credible allegations of fraud or other substantial financial impropriety; and
- working collaboratively with the universities to develop resources that will support sound audit and financial compliance practices.

#### **IV. MEETINGS/REPORTING RESPONSIBILITIES:**

The Audit Committee shall generally meet face-to-face or by conference call four times a year or as needed. The Audit Committee shall report regularly to the Board about Audit Committee activities and provide an open and effective avenue of communication between the Inspector General, external auditors, and the University Boards of Trustee's audit committees.

#### **V. ANNUAL REVIEW**

The Audit Committee shall confirm annually that the duties and responsibilities outlined in this Charter have been carried out and will review and assess the adequacy of the Charter in achieving the goals and objectives of the Board.

Approved by the State University System of Florida, Board of Governors.

History: Adopted 3-26-09, Reviewed and Amended 6-18-10

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**STATE UNIVERSITY SYSTEM OF FLORIDA**  
**BOARD OF GOVERNORS**  
**Audit and Compliance Committee**  
June 21, 2012

**SUBJECT:** Approval of the *Office of the Inspector General and Director of Compliance Charter - Annual Review*

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**PROPOSED BOARD ACTION**

Approve the final draft revision of the *Office of the Inspector General and Director of Compliance Charter*, revised for 2012.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

The Audit and Compliance Committee (“Committee”) will discuss proposed revisions to the draft Charter, which is to be reviewed annually. The primary substantive revision is the insertion of the Preliminary Inquiry procedure as approved by the Audit Committee November 3, 2010, and by the full Board on January 20, 2011. The procedure delegates authority to the Audit and Compliance Committee Chair to make the final determination and accept the Inspector General’s Report of Preliminary Inquiry in those instances where the recommendation is that no further Board action is warranted. In all other circumstances, the Audit and Compliance Committee shall consider the matter at its next meeting.

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**Supporting Documentation Included:** *Draft of Office of the Inspector General and Director of Compliance Charter*

**Facilitators/Presenters:** Mr. Derry Harper

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**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS**

**THE OFFICE OF THE INSPECTOR GENERAL AND  
DIRECTOR OF COMPLIANCE CHARTER**

**INTRODUCTION:**

This Charter shall establish clear lines of authority, responsibility, and expectations related to the Office of Inspector General and Director of Compliance (“Inspector General”), which shall coordinate activities designed to promote accountability, efficiency, and effectiveness in the operations of the State University System of Florida, Board of Governors (“Board”) and activities to support accountable, efficient, and effective practices throughout the system.

The Charter is presented with the following sections consistent with the *Audit and Compliance Committee Charter*: I. Organization, II. Authority, III. Independence, IV. Professional Standards, V. Scope of Work, VI. Audit Planning, and VII. Annual Review.

**I. ORGANIZATION:**

The Inspector General shall provide leadership and coordination of audit and compliance functions for the Board and is generally responsible for promoting activities that ensure accountability, financial integrity, and efficiency as required by law.

The Audit and Compliance Committee (“Audit Committee”) serves as the central point for demonstrating the Board’s commitment to accountability, financial integrity, and efficiency in the operations of the State University System. The Audit Committee is comprised of five to nine members of the Board appointed by the Chair and should include at least one member who is a “financial expert.”<sup>1</sup>

The Chair of the Audit Committee shall preside at all Audit Committee meetings. In the absence of the Chair, the Vice Chair will preside at the Audit Committee meeting(s). The Chair(or Vice Chair) ~~and~~ havehas the authority among other things to develop the agenda and assign members responsibility for specific projects. In those instances when, as a result of a Preliminary Inquiry, the Inspector General

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<sup>1</sup> Financial Expert is defined as an individual who possesses expertise through education or substantial practical business experience in the function and meaning of financial statements and an understanding of proper oversight and accountability for financial matters.

recommends no Board action is warranted, the Audit Committee Chair is delegated the authority to ~~make a~~ finally approve that determination. If the Chair does not approve and in all other situations, the Audit Committee shall review the Inspector General's recommendation at its next meeting.

The Chancellor for the State University System of Florida, Board of Governors ("Chancellor") is primarily responsible for providing support to the Board in achieving its mission, goals, and objectives. Among other duties, the Chancellor is responsible for the development and implementation of Board policies and the day-to-day operations of the Board Office, including supervision of professional and support staff.

The Board's Audit Committee, its Inspector General, the University Boards of Trustees audit committees and their respective internal audit executives each serve important roles in ensuring that processes are in place to meet the State University System's responsibility for financial accountability, integrity and efficiency.

## **II. AUTHORITY:**

Article IX, Section 7, subsection (d) of the Florida Constitution mandates that the Board operate, regulate, control, and be fully responsible for the management of the State University System of Florida, including but not limited to defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges; ensuring the well-planned coordination and operation of the system; and avoiding wasteful duplication of facilities or programs. The Board's management is subject to the powers of the Legislature to appropriate for the expenditure of funds, and the Board is required to account for such expenditures as provided by law. Under Article IX, Section 7 of the Florida Constitution and Board authorizations, the Board of Trustees of each university in the State University System is responsible for oversight and administration of the university.

The authority of the Audit Committee comprises the specific duties and responsibilities delegated to it by the Board as set forth in the Charter adopted on March 26, 2009.

The Board has established the Office of Inspector General which shall provide leadership and coordination of audit, investigative, and compliance functions for the Board Office and shall generally promote activities within the State University System designed to ensure accountability, financial integrity, and efficiency.

## **III. INDEPENDENCE:**

To achieve the necessary independence, and to ensure effective communication, coordination of activities, and maximum effectiveness, the Inspector General has a dual reporting relationship with the Audit Committee and the Chancellor. The Inspector General shall report functionally to the Audit Committee and shall report administratively directly to the Chancellor. This dual reporting relationship is designed to ensure that the Inspector General is not impaired in any manner from performing his or her mandated duties and responsibilities.

To report functionally to the Audit Committee means the Inspector General shall, among other duties, provide to the Committee:

- the proposed internal risk assessment and audit plan for the Board Office,
- reports on the results of internal audits and investigations, and on other matters as requested by the Committee, or as may be required by law, applicable auditing standards or the independent professional judgment of the Inspector General.

To report administratively to the Chancellor shall mean all matters within the Board's office management structure that facilitate day-to-day operations of the internal audit and investigation function such as budgeting, human resources administration, internal communication flows, and administration of Board Office internal policies and procedures.

All internal audit activities related to the Board Office shall remain free of influence by any other employee of the Board, including matters of audit selection, scope, procedures, frequency, timing, or report content to ensure the continuation of independent and objective actions necessary to render accurate and unbiased conclusions and findings. In addition, no employee of the Board shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation that is authorized by the Board or required by law. However, the Board, the Audit Committee, or the Chancellor may at any time direct the Inspector General to perform an audit of a special program, function, or organizational unit of the Board Office.

#### **IV. PROFESSIONAL STANDARDS:**

The Inspector General shall conduct all of its activities in accordance with the current *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with *Government Auditing Standards*, published by the Comptroller General of the United States, and *the Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. All reports issued by the Inspector General shall include a statement that the audit or investigation was conducted pursuant to the appropriate standards.

Furthermore, the Inspector General and his or her staff shall conduct activities consistent with the Institute of Internal Auditors "Code of Ethics" as well as any and all professional codes of conduct required by applicable law, rule, regulation, or Board's policy.

#### **V. SCOPE OF WORK:**

In adherence with applicable law, the Florida Constitution, and the *Audit and Compliance Committee Charter*, the Inspector General shall perform the following activities as they relate to:

## A. THE BOARD OFFICE

### 1. Internal Audit

- Provide direction for, supervise, and coordinate audits, management reviews, surveys, inspections, and other such activities, relating to the programs and operations of the Board. Audits to be conducted shall be identified through a risk-based assessment and work plan and include financial, performance, compliance, and information systems/ IT audits.
- Conduct, supervise, or coordinate other projects carried out or financed by the Board for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Report periodically to the Board, the Audit Committee, and the Chancellor about fraud, abuses, or deficiencies relating to programs and operations administered or financed by the Board, recommend appropriate corrective actions, and report on the progress made in implementing such corrective action.
- Act as liaison with the Auditor General, federal auditors, and other governmental entities to ensure coordination of external reviews to avoid duplication.
- Review, as appropriate, regulations relating to the programs and operations of the Board and make recommendations concerning their impact.
- Monitor the implementation of the Board's response to any report on the Board issued by the Office of the Auditor General or by the Office of Program Policy Analysis and Government Accountability and no later than six months after the release of the final report provide a written response to the Audit Committee and to the Chancellor on the status of corrective actions taken and confirm a copy of such response is filed with the Legislative Auditing Committee.

### 2. Investigations and Preliminary Inquiries

- Receive and review complaints of alleged violations of policies, regulations, or procedures, and when appropriate initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses.
- Report expeditiously to the Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conduct investigations and other inquiries free of actual or perceived impairment

by any person to the independence of the Inspector General.

- [Report to the Audit Committee Chair results of Preliminary Inquiries with a recommendation for no further Board action or a recommendation for review by the Audit Committee.](#)

- Submit in a timely fashion to the Board, the Audit Committee, and the Chancellor final reports on investigations conducted by the Inspector General, except for investigations conducted pursuant to the Florida Whistle-blower's Act, which shall be conducted and reported pursuant to applicable law.
- Investigate complaints filed by a Board employee pursuant to Florida's "Whistle-blower's Act," which allege violation of federal, state, local law, rule, or regulation or which create and present a substantial and specific danger to the public's health, safety, or welfare or which allege a suspected act of gross mismanagement, malfeasance, or misfeasance.

## **B. THE STATE UNIVERSITY SYSTEM**

- Receive and review university independent audited financial statements and university internal audit reports of their operations in order to identify trends in such reports and confirm that adverse trends are being addressed by the universities.
- As directed by the Audit Committee, initiate inquiries if the Audit Committee has reasonable cause to believe that a university is not providing for appropriate response to significant audit findings.
- As directed by the Audit Committee, be responsible for conducting any audit or other such activity relating to a state university pursuant to the provisions set forth in the Audit Committee's Charter.
- As directed by the Audit Committee, conduct an inquiry or investigation in order for the Audit Committee to determine if there is reasonable cause to believe that a University Board of Trustees is unwilling or unable to provide for objective investigation of credible allegations of fraud or substantial financial impropriety.
- Work collaboratively with the universities to develop resources that will support sound audit and financial compliance practices.

## **C. OTHER ACTIVITIES**

- Prepare an annual report on or before September 30, which summarizes the activities of the Office of the Inspector General during the preceding fiscal year. The annual report shall be provided to the Chancellor, members of the Board, and

other designated entities.

- Provide support to the Board and the Chancellor, as requested, in matters that improve the overall efficiency and/or effectiveness of the Board.
- Ensure that periodic quality assurance reviews by the Florida Auditor General of the Office of the Inspector General are conducted consistent with applicable law and professional standards.
- Represent the Board of Governors on the State University Audit Council.
- On behalf of the Board, act as a liaison with outside agencies and the federal government to promote accountability, integrity, and efficiency in the audit and compliance functions relating to the Board's internal operations.

## **VI. AUDIT PLANNING:**

The Inspector General shall develop long-term and annual Audit Plans relating to the Board Office based on the findings of periodic risk assessments. The Audit Plan shall include the individual audits to be conducted during each year and related resources to be devoted to the respective audits and activities.

The Audit Plan shall be developed based on a review of all Board operational units using a risk-based methodology and assessment. Any significant deviation from the formally approved work schedule shall be communicated to the Audit Committee and to the Chancellor through periodic status reports. The Audit Plan shall take into account available resources and staffing and budget limitations.

The Audit Plan may include special projects supporting Board or system financial controls, integrity and accountability.

The Audit Plan shall be submitted to the Audit Committee of the Board for final approval, with a copy of the approved plan submitted to the Auditor General.

## **VII. ANNUAL REVIEW:**

The Audit Committee shall confirm annually that the duties and responsibilities outlined in this Charter have been carried out and review and assess the adequacy of the Charter in achieving the goals and objectives of the Board.

Approved by the State University System of Florida, Board of Governors.

History: Adopted 6-18-09, Reviewed and Amended 6-18-10

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
June 21, 2012**

**SUBJECT:** Overview of the Inspector General and Report of Activities

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**PROPOSED COMMITTEE ACTION**

Information only.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

The Inspector General and Director of Compliance will provide highlights of the Office's activities in key areas such as the handling of consumer complaints and investigations, the development of an operations manual, the revision of its work plans, and the submission of its Annual Report.

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**Supporting Documentation Included:** Audit and Compliance Committee Work Plan

**Facilitators/Presenters:** Derry Harper

**State University System of Florida Board of Governors  
Audit and Compliance Committee Work Plan  
Dashboard  
July 1, 2012 - June 30, 2013**

**Board Lead:** Ava Parker  
**Additional Board Members:** Joseph Caruncho  
Patricia Frost, Thomas Kuntz, Gus Stavros, and John Temple (VC)

**Lead Staff:** Derry Harper/Lori Clark  
Office of the Inspector General and  
Director of Compliance (OIGC)

Goals and Deliverables	Lead	Planned Completion Date
I. Annual Review of Audit and Compliance Committee Work Plan	Parker	6/21/12
II. Develop and Approve SUS Compliance Program	Temple	TBD
III. Approve Office of the Inspector General and Director of Compliance (OIGC) Policies and Procedures	Stavros/Kuntz	11/7-8/12
IV. Annual Review of OIGC Work Plan	Parker	6/21/12
V. Adopt Procedures for Monitoring University Audit and Compliance Activities	Frost	TBD
VI. Approve Board Office Internal Audit Work Plan	Temple	9/12-13/12
VII. Accept OIGC Annual Report	Parker/Caruncho	11/7-8/12
VIII. Annual Review of AACC and OIGC Charters	Parker	6/21/12