



**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.”¹

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 ~~and have~~ has the authority among other things to develop the agenda and assign members responsibility for specific projects. In addition, when as a result of a Preliminary Inquiry the Inspector General recommends that no further

¹ 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.

Board action is warranted, the Audit Committee Chair is delegated the authority to accept that determination. In all other situations, the Audit Committee shall review the matter 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