



FLORIDA POLYTECHNIC
UNIVERSITY

University Compliance

Compliance and Ethics Program Plan

2024-25 Fiscal Year

Report No: FPU 2025-03

August 2024

Ethical Quote: "Ethical behavior is not a constraint on success, but rather the key to it." — Unknown

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I. Background and Overview

Florida Board of Governors (BOG) Regulations¹ provide that each board of trustees shall implement a university-wide compliance and ethics program (Program) as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures. The BOG Regulation further provides that the Program shall be:

- Reasonably designed to optimize its effectiveness in preventing or detecting noncompliance, unethical behavior, and criminal conduct, as appropriate to the institution's mission, size, activities, and unique risk profile.
- Developed consistent with various codes of ethics² and the Federal Sentencing Guidelines.
- Periodically evaluated for effectiveness.

The Florida Poly Compliance and Ethics Program (Program) was designed with due diligence and the promotion of an organizational culture that encourages ethical conduct and a commitment to compliance, as outlined by the Federal Sentencing Guidelines, for the seven (7) Program components outlined below:

7 Basic Components of an Effective Compliance & Ethics Program

1. Standards, Policies, Procedures
2. Compliance and Ethics Program Administration
3. Conduct Controls for Employees
4. Communication, Education, and Training
5. Monitoring, Auditing, and Reporting System (Hotline)
6. Discipline and Incentives
7. Program Modifications

Each of these seven components required by the Federal Sentencing Guidelines are discussed in greater detail below:

Requirement 1: The organization shall establish standards and procedures to prevent and detect criminal conduct.

Plan Response: The University has adopted the following Regulations and Policies (standards) that effectively communicate management's commitment to prevent and detect criminal conduct:

- *Policy FPU-1.0125P Fraud Prevention and Detection*
- *Regulation FPU-1.015 Allegations of Waste, Fraud, Financial Mismanagement, and Other Abuses*
- *Regulation FPU-6.002 Personnel Code of Conduct and Ethics*
- *Regulation 6.011 Employee Criminal Background Checks*
- *Policy FPU-8.0011P Purchasing of Goods and Services*

¹ Florida Board of Governors Regulation 4.003, implemented November 3, 2016

² Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes and other applicable codes of ethics.

- *Regulation 8.003 Authority to Suspend or Debar Contractors/Vendors*

Periodically, such Policies and Regulations are subjected to Policy review to ensure that they are comprehensive and align with best practices.

University Compliance maintains various reporting mechanisms to report waste, fraud, financial mismanagement and other abuses and the standards outlined above provide that employees are obligated to report known or alleged violations. (See also Requirement 5)

Requirement 2: The organization's governing authority shall be knowledgeable about the Program and exercise reasonable oversight; high-level personnel shall have overall responsibility for the Program and its effectiveness; and the Program shall be afforded adequate resources to carry out operational responsibility of the Program.

Plan Response: The Audit and Compliance Committee (AACC) of Florida Polytechnic University's Board of Trustees is charged with oversight of the Program. This responsibility is outlined in the Charter for the AACC. The Chief Compliance Officer (CCO) is responsible for communicating the details of the Program to the AACC and presenting an annual Program Plan to the AACC for approval. The CCO serves as the liaison to the AACC and provides an update on the Program at each meeting (4 times a year). In addition, the Florida BOG exercises certain oversight of each institution within the State University System (SUS). The CCO has overall responsibility for the Program and has been provided with sufficient resources to carry out operational responsibilities of the Program. Florida Poly's Compliance & Ethics Program obtained its first-ever effectiveness review in June of 2022 and the results were reported to the AACC to facilitate oversight of the Program.

Requirement 3: The organization shall use reasonable efforts to preclude the hiring or employment of personnel that have engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics Program.

Plan Response: Florida Polytechnic University Regulations³ provide for the administration of Level 1 background screening for all employees and volunteers and a Level 2 background screening for employees working in areas of special trust or responsibility. (A Level 1 background screening is limited to statewide criminal history records check through the Florida Department of Law Enforcement while a Level 2 background screening extends beyond that to national criminal history records check through the Federal Bureau of Investigation). Additionally, the Regulation requires that university employees shall immediately notify the university if convicted of a felony or first-degree misdemeanor any time subsequent to becoming employed by the university. The periodic rescreening of employees, as provided for in the University Regulation, serves to further ensure that university employees have not engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics Program.

³ Regulation FPU 6.011, Employee Criminal Background Checks

Controls over this process were recently subjected to an operational audit performed by the Auditor General⁴ with no findings reported.

Requirement 4: The organization shall periodically conduct effective training and otherwise disseminate information in support of the Program.

Plan Response: The University currently provides for the following training relative to the Compliance and Ethics Program:

- At new employee orientation, all new hires are provided with training and a copy of our Employee Handbook from our Human Resources Department. The training and the Employee Handbook include an overview of the Employee Code of Conduct and the University's commitment to the highest degree of ethical standards and conduct. The new employee orientation also includes information relative to compliance with sexual harassment (Title IX Compliance), public records and the Sunshine law, official university travel, time and attendance requirements (Fair Labor Standards Act Compliance), leave policies (FMLA compliance), and discrimination/equal opportunity (Federal EEO compliance).
- New employees are required to complete on-line cyber security awareness training that covers FERPA compliance, the Clery Act, Gramm-Leach-Bliley Act (GLBA compliance), protecting personally identifiable information (PII) and other compliance matters related to information systems and data maintained by the University. In addition, this training is required annually for all employees. Controls over this area were recently reviewed in the most recent operational audit of the university by the Auditor General⁴.
- New employees are required to complete an on-line sexual harassment training program and our Title IX coordinator provides additional training opportunities throughout the year on sexual harassment.
- All new Board of Trustee (BoT) members attend an orientation that is hosted by the President, the General Counsel, the Chief Financial Officer, and the Chief Audit Executive/Chief Compliance Officer. The orientation includes the dissemination of information relative to Florida Sunshine laws, conflicts of interest, and the Board of Trustees ethics policy which incorporates the Code of Ethics for Public Officers and Employees set forth in Part III of Chapter 112, Florida Statutes. Additionally, Florida Poly BoT members are required to attend a BOG orientation session prior to service on the university board.
- The university is currently exploring various learning management systems which should enhance the delivery and tracking of training efforts of other training efforts throughout the institution.

If applicable, training for additional areas with high risk of noncompliance will be developed and conducted by the CCO as provided for in the **Compliance Plan for Key Risks/Compliance Focus Areas** Section of this Program Plan. (Section II)

⁴ Auditor General Report No. 2024-007, issued August 2023

Requirement 5: The organization shall take reasonable steps to ensure that (a) the Program is properly monitored in order to detect criminal conduct (b) evaluate the effectiveness of the Program and (c) publicize a system providing for reporting mechanisms to report or seek guidance on potential or actual criminal conduct.

Plan Response: With regard to each of the elements specified above in Requirement 5:

- (a) As noted in Requirement 3 above, University Regulations³ require that university employees shall immediately notify the university if convicted of a felony or first-degree misdemeanor any time subsequent to becoming employed by the university. The periodic rescreening of employees, as provided for in this University Regulation, serves to further ensure that university employees have not engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics Program.
- (b) BOG Regulations⁵ require that at least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The first ever such effectiveness review was completed in June of 2022. (See also **Section II** and **Section III**)
- (c) The "Compliance and Ethics Hotline" was established to report suspected or actual instances of noncompliance, fraud, waste, or abuse directly to the CCO as outlined below:
 - 1. An on-line reporting form.
 - 2. Telephone
 - 3. Fax
 - 4. Direct mail to P.O. Box.

These mechanisms are publicized on the University website which also has direct links to all University Regulations and Policies that effectively communicate management's commitment to prevent and detect criminal conduct. As provided for in University Policy⁶, retaliation, or otherwise taking adverse action against any member of the University community because that individual reported or filed a complaint alleging a violation, testified or participated in an investigation or proceeding, or opposed discriminatory practices, is strictly prohibited and could result in expulsion or termination.

Requirement 6: The Program shall be promoted through appropriate *incentives* and provide for appropriate *disciplinary measures* for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.

Plan Response: (Incentives): The current "Performance Review Form", used for evaluations is tied to merit/promotional increases, and utilizes the following criteria for evaluation: (1 of 4 criteria applied)

⁵ Board of Governors Regulation 4.003 (7)(c), implemented November 3, 2016

⁶ Policy FPU-1.0125P, Fraud Prevention and Detection

- Shows initiative, uses creative problem solving to reduce barriers, **has integrity and follows State regulations and policies.**

(Disciplinary measures): University Regulations⁷, provide that University personnel who are determined to have violated the Code of Ethics are subject to disciplinary action. Disciplinary actions may include penalties such as: dismissal, suspension, demotion, reduction in salary, forfeiture of salary, restitution, public censure, and/or reprimand; other disciplinary actions as may be deemed appropriate.

Requirement 7: After noncompliance, unethical behavior, or criminal conduct has been detected, the organization shall take further reasonable steps to prevent further occurrences, including Program modifications.

Plan Response: Neither significant unethical behavior or criminal conduct has occurred at the University; however, the University is continually seeking to improve on processes and procedures that ensure compliance with applicable laws, rules, regulations, and laws. To the extent that significant criminal conduct or unethical behavior was ever detected, the Program would be modified to mitigate future occurrences.

II. Compliance Plan for Key Risks/Compliance Focus Areas

This Compliance and Ethics Program Plan has identified seven (7) different areas of focus for the 2023-24 fiscal year. These focus areas were selected on the basis of perceived risk and available resources, and specifically relate to the following areas:

- Textbook Affordability Compliance Monitoring Reviews:
 - Planned scope to include compliance with the State law⁸ requiring the timely posting textbooks and instructional materials for the fall and spring terms.
 - Ongoing monitoring is necessary to ensure that the university has adequately addressed prior monitoring results related to new legislative requirements.
- Follow-up on Sensitive Personal Information of Prospective Students (AG Report No. 2024-007):
 - Planned scope to include a review of applicable retention periods and appropriate purging of any records not serving a public purpose. The university certified, to the BOG, that corrective action for this statutory violation would occur in FYE25.
- Consultative Assistance: Foreign Influence/Foreign Gifts and Contracts:
 - This particular focus area has been of great concern to both the Florida Legislature and to most higher education institutions and thus has been deemed an area of high risk. Additional compliance requirements now required per recent legislative action⁹.

⁷ Regulation FPU-6.002, Personnel Code of Conduct and Ethics

⁸ Section 1004.085(6), Florida Statutes

⁹ Section 288.860, Florida Statutes, and BOG Regulation 9.012

- Consultative Assistance: Fraud Prevention and Detection:
 - Pursuant to BOG Regulation¹⁰, University management is responsible for implementing an appropriate framework to identify potential fraud and mitigate fraud risk.
 - UAC has collaborated with university staff to offer suggestions that modify our existing fraud policy to a University Regulation in conformance with the new BOG Regulation. Additionally, UAC has offered to assist management with training and consultation on implementing an appropriate strategy to address the requirements of the new Regulation and assisting with the formation of a Risk Oversight Committee to address fraud and other risks.
- Training & Communications:
 - The focus for the 2024-25 Program year will be on enhanced communications to all university staff promoting compliance and ethics awareness. A goal of 2 communications through the university is planned for the current Program Plan.
 - The CCO will provide updates to the Audit and Compliance Committee (AACC).
 - Quarterly updates to the AACC on the Compliance Program.
 - Periodic reporting, as applicable, of significant allegations and related UAC dispositions to the AACC.
- General Compliance Activities:
 - Ongoing review of existing regulations and policies with an emphasis towards those aimed at promoting compliance and an evaluation of the effectiveness of university operations and the program.
- Allegations/Investigations:
 - This area includes monitoring of the Compliance & Ethics hotline and performing preliminary investigative efforts and full investigations, as warranted.

III. Program Evaluation

Internal Evaluation: Provided that each of the seven (7) Program components required by the Federal Sentencing Guidelines (FSG) Manual has been addressed by this Program Plan, the Program is deemed to be generally effective. Additionally, this is supported by the self-valuation prepared in the 2020-21 fiscal year to determine Program effectiveness and to identify opportunities for continuous improvement to the Program. Most importantly, this evaluation is further supported by observations of the CCO, from the date of his hiring to present, that support management's commitment in both words and action to "do the right thing" to assure that high standards of ethical practice are exhibited in all University business.

External Evaluation: As noted in **Section I**, Requirement (5)(b) above, BOG Regulations¹¹ require that at least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate.

The SUS Compliance Consortium adopted criteria by which each SUS institution agreed to be evaluated and UAC used this evaluation tool to complete a self-assessment. A team of two CCO's from Florida State

¹⁰ Board of Governors Regulation 3.003, Fraud Prevention and Detection, newly adopted March 23, 2021

¹¹ Board of Governors Regulation 4.003 (7)(c), implemented November 3, 2016

University and New College of Florida were selected and approved by the AACC to perform an independent validation of the self-evaluation and report on the effectiveness of the Compliance and Ethics Plan at Florida Poly. The required external review of the program was completed in June of 2022 and the related written report and recommendations were presented to the AACC and the BOG. The Program review concluded that Florida Poly's Program was Generally Effective (highest rating) for all 16 criteria evaluated.

IV. Summary

This Compliance and Ethics Program Plan provides for the following components:

- A "Plan Response" to address each of the seven program components set forth in the Federal Sentencing Guidelines. Within **Section I**, each of the various Federal Sentencing Guideline requirements are cited within a boxed border and the Program Plan response follows each requirement.
- Key risks and compliance focus areas deemed necessary to administer the plan. Within **Section II**, such risks and areas of focus were selected based on a review of University risks and the intention of delivering both compliance and audit services in an efficient manner, given the limited resources of the University and the dual responsibilities of the CAE/CCO.
- **Section III** explains the Program evaluation requirements and details Program evaluation efforts.

This approach to establishing the Compliance and Ethics Plan for Florida Poly conforms to requirements set forth in both the Federal Sentencing Guidelines and BOG Regulations.

V. Exhibits

A. Compliance & Ethics Program Plan – Estimated Budget

Exhibit A

| Proposed Compliance & Ethics Program Plan Budgeted Hours 2024-25 Fiscal Year | | | |
|---|--|---------------|-------|
| | Focus Area | Planned Hours | Notes |
| 1 | CMR: Textbook Affordability Compliance Monitoring Review (Fall & Spring) | 80 | |
| 2 | CMR: Follow-up to AG Finding: Sensitive Personal Information of Prospective Students | 40 | |
| 3 | Consult: Foreign Influence | 40 | |
| 4 | Consult: Fraud Awareness | 40 | |
| 5 | Training & Communications | 40 | |
| 6 | General Compliance Program | 80 | |
| 7 | Allegations/Investigations | 120 | a |
| | | | |
| | | | |
| | Total Estimated | 440 | b |
| | | | |
| | | | |
| a | Estimate for monitoring of hotline and investigations; however, actual hours in this area could increase or be less, depending on reported hotline allegations and/or investigative reports released by University Compliance. | | |
| b | Hours for the compliance Program Plan in agreement with proposed total resource utilization between audit and compliance (As outlined in UAC's risk assessment and Audit Plan. Aggregate time for compliance and investigative activities – see report FPU-2025-02). | | |
| CMR | Compliance Monitoring Review: UAC intends to release a CMR report in connection with this focus area. | | |