



**BOARD OF REGENTS OF  
THE UNIVERSITY SYSTEM OF GEORGIA**

CHANCELLOR HENRY "HANK" HUCKABY  
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August 23, 2016

Presidents  
University System of Georgia  
*sent via email*

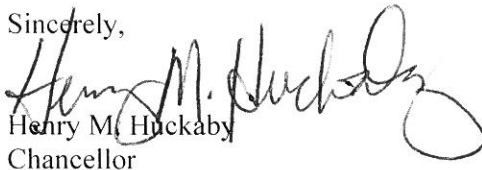
Dear Presidents:

The Board of Regents (BOR) of the University System of Georgia (USG) met on August 10, 2016 in Atlanta, Georgia. During this meeting, a new policy was approved governing programs and activities serving non-student minors. The safety and well-being of these visitors to our campus is of the highest concern. The USG is committed to best practices that will provide a safe and healthy environment for all who participate, volunteer or work in these activities. This new policy will further our efforts to promote the safety and welfare of those who participate in these programs.

During this meeting, the BOR also approved revisions to the Internal Audit Charter and the Compliance and Ethics Charter. The Internal Audit Charter was revised to reflect the responsibility of the USG Chief Audit Officer to provide formal input into the performance evaluations of institutional chief auditors. The Compliance and Ethics Charter was revised to reflect the assignment of the Enterprise Risk Management and Compliance and Ethics functions to the Vice Chancellor of Organizational Effectiveness.

Attached as an exhibit is a document which shows the language of the new policy provision, background information and also guidance on required actions by each institution. The exhibit also provides additional information on the approved revisions to the charters. Please share widely with the appropriate offices on your campus to include the athletic department, academic affairs, student affairs, business affairs, facilities, legal affairs, human resources, and internal audit. Questions about the policy change should be directed to the Office of Organizational Effectiveness and questions about internal auditor performance evaluation should be directed to the Office of Internal Audit & Compliance.

Sincerely,



Henry M. Huckaby  
Chancellor

Enclosure

cc: Dr. Steve Wrigley, Executive Vice Chancellor for Administration  
Dr. Micheal Crafton, Interim Executive Vice Chancellor and Chief Academic Officer  
Sam Burch, Vice Chancellor for Legal Affairs and Secretary to the Board  
Marion Fedrick, Vice Chancellor for Human Resources  
John Fuchko, III, Vice Chancellor for Internal Audit & Compliance / Chief Audit Officer  
Jim James, Vice Chancellor for Facilities  
Dr. Joyce Jones, Vice Chancellor for Student Affairs

*"Creating A More Educated Georgia"*  
[www.usg.edu](http://www.usg.edu)

Presidents

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Page 2

Shelley Nickel, Vice Chancellor of Fiscal Affairs and Planning and Treasurer to the Board

Charlie Sutlive, Vice Chancellor for Communications

Kimberly Ballard-Washington, Associate Vice Chancellor for Legal Affairs

Kenyatta Johnson, Executive Director of Enterprise Risk Management

Wesley Horne, Director of Ethics and Compliance

Institutional Representatives for Youth Programs Initiative

**Exhibit**  
**BOARD OF REGENTS POLICY MANUAL**  
**Revised Policy and Background Information**  
**Meeting of August 10, 2016**

**I. Policy Change: Board Policy 12.9 – Programs Serving Minors**

**A. Background:**

USG institutions offer a variety of athletic camps, science camps, clinics, after-school programs, enrichment classes and activities which bring non-student minors onto campus. These activities are more abundant during the summer when school is not in session. These programs and activities are of great educational value and serve to benefit both the institution and the larger community. These programs and activities provide institutions with the opportunity to challenge, educate and mentor young people and to introduce them to their campus in a positive and meaningful way.

The safety and well-being of these visitors to our campuses is of the highest concern. As many of these visitors are young, a special duty of care and supervision is required. The USG is committed to best practices that will provide a safe and healthy environment for all who participate, volunteer or work in these activities. This policy will require institutions with programs serving minors to implement controls designed to enhance the protection of minors.

**B. Effective Date:**

Institution presidents shall submit a copy of their institutional procedures by January 1, 2017. The new policy will become effective for programs starting on or after May 1, 2017.

**C. Board Policy 12.9 Programs Serving Minors**

University System of Georgia (USG) institutions periodically conduct, sponsor or host programs designed to serve minors who are not enrolled as students, including but not limited to camps, clinics, after school programs and activities. Employees and volunteers associated with these programs who are reasonably anticipated to have direct contact or interaction with minor program participants must be appropriately pre-screened and trained. Institution presidents are responsible for establishing institution-level procedures to implement these requirements consistent with this policy and with any implementing procedures established by the Chancellor or the Chancellor's designee. Institution presidents shall submit a copy of their institutional procedures as directed by January 1, 2017. This policy will become effective for programs starting on or after May 1, 2017.

**D. Implementing Procedures**

The policy approved by the Board of Regents requires each institution to establish procedures to implement the requirements of this policy. Institutions will maintain the

flexibility to tailor its procedures to best suit the needs of their campus. While the new BOR policy directly addresses prescreening and training, institutions should use this opportunity to incorporate best practices in all areas. Accordingly, each campus should include the following threshold requirements in their procedures:

1. **Code of Conduct:** Each institution should develop a Code of Conduct for program staff and volunteers that addresses appropriate behavior and prohibited conduct when interacting with minors. This code should include the general prohibition against being alone with minors.
2. **Program Registration:** Each institution should maintain a registry of authorized programs.
3. **Program Requirements:** Prior to being authorized, programs must have properly considered the following:
  - Training requirements,
  - Proper screening and background checks of staff and volunteers,
  - Supervision ratios,
  - Safety and security planning,
  - Response protocols for injury, illness, participant misconduct, and staff misconduct,
  - Transportation needs,
  - Housing needs,
  - Participation requirement forms,
  - Licensing requirements of state and federal agencies.
4. **Training:** Each institution should develop and maintain a training program that addresses mandatory reporting requirements, responsibilities and expectations, relevant institutional policies, safety and security procedures, and Staff Code of Conduct.
5. **Screening & Background Investigations:** Institutions should conduct background investigations and appropriate screening of all staff and volunteers working in programs for non-student minors in accordance with the USG Human Resource Administrative Practice Manual. Personnel in charge of screening volunteers should be aware of the inherent limitations of background checks and should seek to utilize other screening methods, when possible, to include in-person interviews and reference checks.
6. **Facility Use Agreement / License Agreement:** Institutions licensing, leasing, or allowing the use of institutional facilities by non-USG entities for programs serving non-student minors must include language in a binding written agreement requiring the non-USG entity to comply with institutional policies on background checks, training and minimum insurance requirements. In accordance with Board of Regents Policy 9.10.6.3, the form used for such agreements must be USG-approved.

**E. Review of Institution Policies Due January 1, 2017**

As directed in the policy, institution presidents shall submit a copy of their institutional procedures as directed by January 1, 2017. The institutional procedures should be sent to the John Fuchko, Vice Chancellor for Organizational Effectiveness.

**F. Forms & Helpful Links**

A revised facility use / license agreement, sample youth program forms and helpful links will be provided under separate cover to the institutional representatives for the Programs Serving Minors initiative.

**G. Additional Information**

For additional information, please contact Kenyatta Johnson, Executive Director of Enterprise Risk Management (404) 962-3028 or Wesley Horne, Director of Ethics & Compliance at (404) 962-3034.

**II. Internal Audit Charter Revision**

**A. Background**

The Internal Audit Charter defines the purpose, authority, and responsibility of the University System of Georgia internal audit function. Internal audit professional standards require internal audit functions to maintain a charter outlining the audit function's roles, responsibilities, and authorities. This charter is to be approved by the governing board. The charter was last approved in January 2016. This charter revision reflects that the chief audit officer has the responsibility to provide formal input to the performance evaluations of institutional chief auditors. Institutional chief auditors currently report dually to their respective president and to the USG chief audit officer; however, the chief audit officer's role with respect to performance evaluations is not formally defined and varies among institutions. The proposed change to the charter will ensure a consistent approach across the USG while strengthening the technical audit oversight provided by the USG chief audit officer.

**B. Internal Audit Charter**

The Internal Audit Charter is provided on the following page. The new language is highlighted in yellow.

**III. Compliance and Ethics Charter Revision**

**A. Background**

The Compliance and Ethics Charter defines the purpose, authority, and responsibility of the University System of Georgia compliance and ethics function. The federal standards governing compliance programs states that the "organization's governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program." A charter is a recognized tool to enhance oversight of the compliance and ethics function. The charter was last approved in January 2016. This charter revision reflects the assignment of the enterprise risk management and compliance and ethics functions to the Vice Chancellor for Organizational Effectiveness.

**B. Compliance & Ethics Charter**

The Compliance and Ethics Charter is provided on the following pages. The new language is highlighted in yellow.



## **UNIVERSITY SYSTEM OF GEORGIA (USG)** **INTERNAL AUDIT CHARTER**

### **Introduction**

Internal auditing provides independent and objective assurance and consulting services to the Board of Regents (Board), the Chancellor, and institution leadership in order to add value and improve operations. The internal audit activity helps the University System Office (USO) and USG institutions accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, compliance, and internal control processes.

### **Role of the Internal Audit Function**

USO Internal Audit and the campus internal audit staffs will provide internal audit services for the University System. All institutional chief auditors at institutions having an internal audit function shall have a direct reporting relationship to the President of that institution and to the Chief Audit Officer / Vice Chancellor (CAO). The CAO shall have the authority to direct the institutional internal audit functions to audit specific areas at their institutions as needed to fulfill the system-wide audit plan. The CAO will report all significant audit issues directly to the Chair of the Committee on Internal Audit, Risk, and Compliance (Committee) and to the Chancellor.

### **Organizational Responsibilities**

1. The CAO has the responsibility to develop a System-wide audit plan for approval by the Committee based on a documented risk assessment that encompasses all components of the System. The Committee will approve this plan while the CAO may approve minor changes to the Audit Plan as needed. The CAO will coordinate audit plan implementation with USG institution internal auditors and with the State Department of Audits and Accounts.
2. The CAO is responsible for providing functional coordination and guidance for System-wide audit activities to include:
  - a) Meet with appropriate component officials to review the status of institution audit work and available resources.
  - b) Approve campus internal audit charters.
  - c) Review audit results from all campus-based internal auditors and the State Department of Audits and Accounts.
  - d) Monitor the implementation of audit recommendations system-wide. Chief Business Officers and/or campus audit directors will prepare a report of the implementation status of all audit recommendations, have it approved by the campus President and submit it to the CAO on a periodic basis using the procedures established by the CAO. Implementation status of significant and material audit recommendations will be reported periodically to the Committee.
  - e) Periodically prepare a summary of internal audits and highlight matters of interest for audits conducted at each institution and present such data to the Committee and to the Chancellor.
  - f) Attend meetings of the Committee and Board as required.
  - g) Ensure that all audits conducted by the University System Office have been thoroughly reviewed and discussed with appropriate institutional officials prior to being released to the Chancellor or to the Committee Chair.
  - h) Provide formal input to the performance evaluations of institutional chief auditors in consultation with the respective institutional president.

3. USG internal audit professionals and the USG internal audit function shall comply with the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors (IIA). All USG internal auditors, to include institutional and System Office auditors, shall comply with the IIA Code of Ethics.

**Definition of Audit Engagement Scope**

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of governance, risk management, compliance, internal control and the quality of performance in carrying out assigned responsibilities. The scope will vary by institution or area and may include:

1. Review the effectiveness of governance processes to include the:
  - a) Promotion of ethical behavior within the organization;
  - b) Efficiency of organizational performance management and accountability;
  - c) Communication of risk and control information to appropriate areas of the organization; and,
  - d) Coordination of activities and information among the Board, external and internal auditors, and management.
2. Review the effectiveness of risk management processes to include the:
  - a) Alignment of organizational objectives in support of the USG and institutional missions;
  - b) Identification and assessment of significant risks;
  - c) Alignment of risk responses with the USG's risk appetite; and,
  - d) Capturing and communication of relevant risk information across the USG and its institutions so as to enable staff, management, and the Board to carry out their responsibilities.
3. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
4. Review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the System is in compliance.
5. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
6. Review and appraise the economy and efficiency with which resources are employed.
7. Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
8. Review the status of Information Technology policies and procedures, verifying that required hardware, software and process controls have been implemented and that the controls are functioning properly.
9. Conduct special audits at the request of the Committee Chair, the Chancellor or institution presidents.
10. Investigate reported occurrences of fraud, waste, and abuse and recommend controls to both prevent and detect such occurrences.
11. Analyze and review public private ventures associated with the USG, USG institutions, and cooperative organizations.



12. Provide consulting services at the request of institution management and with the CAO's approval consistent with the IIA standards governing consulting engagements. Consulting engagements undertaken by the OIAC should have the potential to contribute to the improvement of governance, risk management, compliance, and/or internal controls within the USG or within a USG institution.

### **Reporting Procedures**

The President of the institution receiving an internal audit report from the OIAC will respond within 30 days. This response will indicate agreement or disagreement, proposed actions, and the dates for completion for each specific finding and recommendation. If a recommendation is not accepted, the reason should be given. A final written report will be prepared and issued by the CAO.

### **Authorization**

To the extent permitted by law, the OIAC has full access to all activities, records, properties, and personnel within the University System of Georgia. The OIAC is authorized to review and appraise all operations, policies, plans, and procedures. Documents and other materials provided to the OIAC will be handled in the same prudent manner as handled by those employees normally accountable for them.

Approved by the Board of Regents of the University System of Georgia on August 10, 2016:

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Kessel Stelling, Jr.  
Chair of the Board of Regents

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Date

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Don L. Waters  
Chair of the Committee on Internal Audit,  
Risk, and Compliance

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Date

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Henry "Hank" M. Huckaby  
Chancellor

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Date





## **UNIVERSITY SYSTEM OF GEORGIA (USG)** **COMPLIANCE AND ETHICS CHARTER**

### **Introduction**

The Compliance and Ethics Program promotes an organizational culture that encourages ethical conduct and a commitment to compliance with the law. The Compliance and Ethics Program also assists the Board, the Chancellor, and institution leadership prevent and detect criminal conduct by USG employees involving USG institutions through exercising due diligence. Board Policy 7.16 Compliance and Board Policy 8.2.20 University System of Georgia Ethics Policy serve as the primary policy framework for the Compliance and Ethics Program.

### **Role of the Compliance Function**

The USO Compliance and Ethics Program (Compliance) is responsible for directing the University System Office Compliance function which oversees the management of USO-specific compliance risks. Compliance advises the Board, the Chancellor, and System/institution leadership on significant compliance risks and action steps to mitigate significant compliance risks across the USG. The Vice Chancellor for Organizational Effectiveness (VCOE) is responsible for providing system-wide coordination and support to USG institutional compliance functions through the Director of Ethics and Compliance. Finally, Compliance may conduct compliance investigations and reviews across the USG as needed to discharge an effective compliance program.

### **Organizational Responsibilities**

1. The VCOE and Director of Ethics and Compliance are responsible for providing functional coordination and guidance for System-wide compliance activities that include:
  - a) Attend meetings of the Committee and Board as required.
  - b) Oversee the establishment of a USG compliance and ethics function and support the establishment of institutional compliance and ethics functions.
  - c) Periodically report to the Committee on significant compliance and ethics activities.
2. USG compliance and ethics professionals shall implement a compliance and ethics program consistent with the federal government's definition of an Effective Compliance and Ethics Program as outlined in Board Policy 7.16.3. Additionally, compliance and ethics program personnel shall comply with the Code of Ethics for Compliance and Ethics Professionals as adopted by the Society of Corporate Compliance and Ethics.

### **Compliance and Ethics Program Responsibilities**

The compliance and ethics program responsibilities include:

1. Develop and manage a USO compliance and ethics function to manage USO-specific compliance risks;
2. Advise the Board, the Chancellor, and institution management on significant campus or USO compliance risks and provide action steps to mitigate significant compliance risks;
3. Coordinate and support USG institutional compliance functions;

4. Conduct compliance investigations and reviews as needed to discharge an effective compliance and ethics program.
5. Receive reports of alleged employee malfeasance and ensure those reports, in consultation with the USG Chief Audit Officer and Chief Legal Officer, are forwarded to the Attorney General's Office for further investigation.

**Authorization**

To the extent permitted by law, Compliance and Ethics Program personnel have full access to all activities, records, properties, and personnel within the University System of Georgia. Compliance and Ethics Program personnel are authorized to review and appraise all policies, plans, and procedures. Documents and other materials provided to Compliance and Ethics Program personnel will be handled in the same prudent manner as handled by those employees normally accountable for them.

Approved by the Board of Regents of the University System of Georgia on August 10, 2016:

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Kessel Stelling, Jr.  
Chair of the Board of Regents

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Date

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Don L. Waters  
Chair of the Committee on Internal Audit,  
Risk, and Compliance

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Date

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Henry "Hank" M. Huckaby  
Chancellor

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Date