Agenda and Meeting Materials
October 8, 2014

Room 149
Student Resource (SR) Building
Jupiter Campus
Florida Atlantic University
5353 Parkside Drive
Jupiter, Florida 33458
Wednesday, October 8, 2014

7:15 – 8:00 a.m.  Breakfast will be provided

8:00 - 8:30 a.m.  Audit and Compliance Committee  
Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton  
Members: Carter, Huizenga, Kuntz, Lautenbach, Webster

8:30 - 9:45 a.m., or upon Adjournment of Previous Meetings
Budget and Finance Committee  
Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach  
Members: Cavallaro, Colson, Hosseini, Huizenga, Levine, Tripp

9:45 – 10:00 a.m.  Break
10:00 a.m. - Facilities Committee
12:00 p.m. Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Dick Beard
or upon Members: Carter, Doyle, Hosseini, Levine, Link, Morton, Robinson
Adjournment of Previous Meetings

12:00 – 12:45 p.m. Lunch will be provided
12:45 – 3:15 p.m. Facilities Committee (continued)
3:15 – 3:30 p.m. Break
3:30 – 6:00 p.m. Facilities Committee (continued)

Please note that this schedule may change at the Chair’s privilege.
AGENDA
Audit and Compliance Committee
Student Resource (SR) Building, Room 149
Jupiter Campus
Florida Atlantic University
5353 Parkside Drive
Jupiter, Florida 33458
October 8, 2014
8:00 a.m. – 8:30 a.m.

Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton
Members: Carter, Huizenga, Kuntz, Lautenbach, Webster

1. Call to Order and Opening Remarks
   Governor Alan Levine

2. Approval, Committee Meeting Minutes
   Minutes, June 18, 2014
   Governor Levine

3. Update, Florida A&M University Corrective Action Plan
   Mr. Joe Maleszewski
   Inspector General and Director of Compliance,
   Board of Governors

4. Performance-based Funding Data Integrity Certification
   Mr. Maleszewski

5. Updates, Office of Inspector General and Compliance
   Mr. Maleszewski
   a. 2013-2014 Annual Report
   b. Audit Committees Workshop
   c. New Investigator and Audit Specialist

6. Concluding Remarks and Adjournment
   Governor Levine
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
October 8, 2014

SUBJECT: Approval of Minutes of the June 18, 2014, Meeting

PROPOSED COMMITTEE ACTION

Approval of Minutes of the June 18, 2014, meeting.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the Minutes of the meeting held June 18, 2014.

Supporting Documentation Included: Minutes: June 18, 2014

Facilitators/Presenters: Governor Alan Levine
Chair Alan Levine convened the meeting of the Audit and Compliance Committee at 2:47 p.m., at the Grand Ballroom, Fairwinds Alumni Center, University of Central Florida (UCF), in Orlando, Florida. The following members were present: Matthew Carter, Wayne Huizenga, Tom Kuntz, and Ed Morton.

1. **Call to Order**

   Mr. Levine called the meeting to order.

2. **Approval of Minutes**

   Mr. Carter moved that the Committee approve the Minutes of the meeting of the Board of Governors Audit and Compliance Committee (Audit Committee) held March 19, 2014, as presented. Mr. Morton seconded the motion. The Minutes were approved.

3. **Approval of Charters**

   Mr. Levine stated that the Audit and Compliance Committee Charter and Office of Inspector General and Director of Compliance Charter had been revised by Joseph Maleszewski, Inspector General and Director of Compliance. Mr. Maleszewski explained that he had reviewed and benchmarked the charters against the Florida Constitution, Florida Statutes, Board of Governors Regulations, professional standards, the State University Audit Council White Paper, industry literature, and other state agency and university charter documents. The revised documents were then reviewed by the Board’s General Counsel and the Chief Audit Executives at each of our state universities. The final products are more comprehensive and clearer in communicating Audit Committee and Office of Inspector General and Director of Compliance (OIGC) roles and responsibilities.
Mr. Carter moved that the Committee approve the revised *Audit and Compliance Committee Charter* and the *Office of the Inspector General and Director of Compliance Charter*. Mr. Morton seconded the motion. The Charters were approved.


Mr. Maleszewski presented the results of the OIGC annual risk assessment and work plan development efforts. Mr. Maleszewski indicated that the risk analysis was based on input from Board Office and OIGC staff and that the resulting work plan is designed to provide the most effective coverage of Board Office operations and OIGC System responsibilities.

Mr. Maleszewski indicated that the work plan will guide the OIGC activities throughout the year, but will be adjusted to meet management’s and the board’s needs as other priorities are identified.

Mr. Carter moved that the Committee approve the Office of Inspector General and Director of Compliance Work Plan. Mr. Morton seconded the motion. The Work Plan was approved.

5. **Office of Inspector General and Compliance Updates**

Mr. Maleszewski updated the Committee regarding the Florida A&M University Corrective Action Plan. Mr. Maleszewski noted that the university expects all corrective actions to be implemented by September 2014. As a result, a detailed update regarding the status of corrective actions will be presented at the September Audit Committee Meeting.

6. **Concluding Remarks and Adjournment**

The meeting of the Audit Committee was adjourned at 2:57 p.m.

________________________
Alan Levine, Chair

____________________________
Lori Clark, Compliance Analyst
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
October 8, 2014

SUBJECT: Update, Florida A&M University Corrective Action Plan

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Mr. Joseph Maleszewski, will update the Committee on the status of Florida A&M University’s corrective action plan.

Supporting Documentation Included: Florida A&M University Corrective Action Plan 2013

Facilitators/Presenters: Joseph Maleszewski
FAMU Corrective Action Plan 2013  
(as of September 2014)

The Florida A&M University (FAMU) Corrective Action Plan (CAP) 2013 project was developed in January 2013 by board office staff to monitor corrective actions taken in response to the Auditor General, Inspector General, and other reviews and reports. The Plan’s goal is to provide an opportunity for an accountability partnership with the University to ensure transparency and to keep the Board of Governors informed, using high-level tracking and monitoring. The University’s corrective action plans are more comprehensive and granular.

(A) Audit and Compliance Issues

<table>
<thead>
<tr>
<th>FAMU Staff Contact:</th>
<th>Rick Givens, VP of Audit and Compliance</th>
<th>BOT Cmte Chair: Karl White</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOG Staff Contact:</td>
<td>Joseph Maleszewski, Inspector General</td>
<td>BOG Cmte Chair: Alan Levine</td>
</tr>
</tbody>
</table>

### Compliance with Institute of Internal Auditors Standards (IIA)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Update</th>
<th>Progress Indicator</th>
</tr>
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<tbody>
<tr>
<td>(A1) Adopt new Audit Committee and Division of Audit and Compliance (DAC) Charters that conform to IIA Standards.</td>
<td>October 2013: COMPLETED Mr. Givens reported the DAC Charter was updated in accordance with new Standards and was presented for approval by the board of trustees at the October 2, 2013, meeting. May 2013: COMPLETED Both charters have been approved by the university board of trustees.</td>
<td>✅</td>
</tr>
<tr>
<td>(A2) Revise operating procedures manual so that it complies with IIA Standards and take all necessary steps to train staff for implementation.</td>
<td>May 2013: COMPLETED Operating procedures manual adopted and implemented May 2012. It was updated and expanded in February 2013.</td>
<td>✅</td>
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<tr>
<td>(A3) Establish a quality assurance and improvement</td>
<td>October 2013: COMPLETED The QAR final report was issued by Ernst &amp; Young September 17, 2013, with</td>
<td></td>
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</table>
program as required by IIA Standards and conduct a self-assessment following first year of operations in compliance with IIA Standards. Schedule a quality assessment review (QAR) conducted by an external auditing firm one year later.  

<table>
<thead>
<tr>
<th>Program</th>
<th>July 2013:</th>
<th>August 2013:</th>
<th>June 2013:</th>
<th>May 2013:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Self-assessment in progress.</td>
<td>Self-assessment completed and final report provided to the board office. Additionally, Ernst &amp; Young are on-site to conduct the QAR.</td>
<td>Self-assessment in progress.</td>
<td>A quality assurance and improvement program has been adopted, and a self-assessment is in progress for the Division of Audit and Compliance (DAC). An outside audit firm has been hired to assist in this process. Ernst and Young will begin the QAR in July 2013, based upon the Institute of Internal Auditors “red” book standards.</td>
</tr>
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</table>

(A4) Conduct all internal audits and risk assessments in conformance with IIA Standards.  

<table>
<thead>
<tr>
<th>Program</th>
<th>May 2013:</th>
<th>June 2013:</th>
<th>July 2013:</th>
<th>August 2013:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>The Division of Audit and Compliance believes it is now in conformance in practice. The official “conformance with IIA Standards” language cannot be used in final audit reports until the QAR has been successfully completed.</td>
<td>Audits in progress.</td>
<td>Audits in progress.</td>
<td>Four completed internal audit reports submitted to the OIG. Additionally, Mr. Givens reported SACS is requiring his office to obtain external verification of their conformance with professional standards. Ernst &amp; Young has been retained for this purpose, and the verification process is in progress.</td>
</tr>
</tbody>
</table>

The DAC will have completed four internal audits by the end of June 2013, and they have completed six investigations (in accordance with “green” book standards).  

Reporting to Audit Committee and President  

(A5) Ensure that annual performance reports are presented to the Audit Committee and President on the DAC’s effectiveness, staff proficiency and productivity, including results of self-assessment referenced above and results of subsequent QAR.  

<table>
<thead>
<tr>
<th>Program</th>
<th>October 2013:</th>
<th>August 2013:</th>
<th>July 2013:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>COMPLETED</td>
<td>Four completed internal audit reports submitted to the OIG. Additionally, Mr. Givens reported SACS is requiring his office to obtain external verification of their conformance with professional standards. Ernst &amp; Young has been retained for this purpose, and the verification process is in progress.</td>
<td>Copies received of new format. Awaiting audit committee’s August meeting to debut new format.</td>
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<td></td>
<td>The QAR final report was issued September 17, 2013, and issued a “Generally Conforms” rating.</td>
<td>New format was used to report to the audit committee the status and findings of the self-assessment (fieldwork complete; final report pending) and the QAR (in progress and due to be completed by mid-September 2013).</td>
<td>Mr. Givens provided the board office with a copy of the 2013-2014 Risk Assessment and Internal Audit Plan.</td>
</tr>
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</table>

October 2013: | COMPLETED | Mr. Givens indicated that the DAC reports even more regularly than annually: the DAC reports quarterly to the board of trustees. Reports include an overview of DAC projects, audit follow-ups and risk ratings, and brief description of investigations. The final report of the QAR was presented to the board of trustees at its October 2, 2013, meeting. | | |
### June 2013:  
The new format is ready for presentation to and approval by the university’s audit committee. Mr. Givens will send copies of new format to this office.

### May 2013:  
The format to be used in annual performance reporting has been developed but not yet approved by the university board of trustees. Reports are made to the audit committee at each meeting. Copies of audit reports are provided to each board member. Annual performance reports will be presented to the board beginning in 2013-2014.

### September 2014:  
**COMPLETED**  
Annual Audit Plan submitted to the board of trustees at its September 10, 2014, meeting.

### May 2013:  
**COMPLETED**  
The 2013-2014 Annual Audit Plan was approved at the university board of trustees meeting June 6, 2013.

### October 2013:  
**COMPLETED**  
Mr. Givens confirmed he and his staff are continuing to use the simple Excel spreadsheet for time-keeping. Eventually, they will look for a more robust, automated time-keeping system now that they are fully staffed.

### August 2013:  
The DAC has created and begun using, as of July 1, 2013, a simple Excel spreadsheet for each employee to keep his/her time.

### July 2013:  
The DAC continues to search for a simple, easy-to-use time-keeping system as they cannot reach Audit Leverage (the purchased software that was never set-up) for implementation and set-up.

### June 2013:  
Mr. Givens stated his office is considering the free audit program application, IIAMS, developed by the Department of Children and Families.

### May 2013:  
A time-keeping system (time sheets) was implemented in January 2013, but there is no system in which to input the information.

### February 27, 2014:  
**COMPLETED**  
Mr. Givens reported the newly hired IT auditor began January 27, 2014. He is beginning an IT audit now and will participate in the annual risk assessment.

### December 2013:  
Mr. Givens reported the DAC has completed interviews for the IT auditor position and that they plan to make a decision very soon. The chosen candidate will likely begin in early January.

### October 2013:  
The DAC staff IT auditor recently resigned, which will slightly delay the progress they had expected for their IT audits this year. Mr. Givens reported and they will hire a replacement in the near future. A committee has been established to review the applications and interviews will be set up in the near future.

### August 2013:  
FAMU extended the deadline to the EIT staff for submitting responses to the Risk assessment regarding application controls. Givens confirmed he has a new staff member, as of November 2012, who is a Certified Information Systems Auditor. Two internal audits are planned this fiscal year for IT audits.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>July 2013</td>
<td>EIT staff continues to work on responses to the Risk Assessment.</td>
</tr>
<tr>
<td>June 2013</td>
<td>Risk assessment of application controls begun with the EIT staff.</td>
</tr>
<tr>
<td>May 2013</td>
<td>Because this is a high risk area, the DAC has added audits in the IT</td>
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<td></td>
<td>activity to their 2013-2014 Work Plan. Additionally, the DAC added a</td>
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<td>Certified Information Systems Auditor to their staff in fall 2012.</td>
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<td></td>
<td>Investigations</td>
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<td></td>
<td>**(A9) Establish procedures for conducting internal investigations and</td>
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<td>train staff on new procedures. Include a mechanism for centralized</td>
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<td></td>
<td>tracking of complaints.**</td>
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<tr>
<td>August 2014</td>
<td><strong>COMPLETED</strong></td>
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<tr>
<td></td>
<td>Mr. Givens provided an update regarding staff training. As previously</td>
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<tr>
<td></td>
<td>reported, Mr. Givens has implemented a centralized tracking system</td>
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<td></td>
<td>for complaints and implemented internal procedures for conducting</td>
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<td></td>
<td>investigations. The self-assessment reference in the February 27,</td>
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<td></td>
<td>2014, update below is ongoing at this time and is expected to be</td>
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<td></td>
<td>completed by September 30, 2014.</td>
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<tr>
<td>February</td>
<td>Mr. Givens reported that Ernst &amp; Young has completed their work with</td>
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<tr>
<td>27, 2014</td>
<td>the DAC. The DAC peer review confirmed they are conducting</td>
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<td></td>
<td>investigations in compliance with Green Book standards and that their</td>
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<td></td>
<td>materials are up-to-date. Mr. Givens indicated they will conduct a</td>
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<td></td>
<td>self-assessment by the end of this fiscal year.</td>
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<tr>
<td>December</td>
<td>Mr. Givens reported that DAC staff have recently undergone training</td>
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<tr>
<td>2013</td>
<td>for conducting investigations and using the new forms they have</td>
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<td></td>
<td>created. Due to the heavy load for investigations at this time, all</td>
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<td></td>
<td>staff are putting the forms and training to use.</td>
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<tr>
<td>October</td>
<td>Ernst &amp; Young has completed the preliminary report of their review of</td>
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<tr>
<td>2013</td>
<td>the DAC’s conformance with Green Book standards for conducting</td>
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<tr>
<td></td>
<td>investigations. The final report will be released after management’s</td>
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<tr>
<td></td>
<td>response is issued. The DAC is using Global Compliance for intake and</td>
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<td></td>
<td>tracking of complaints. Mr. Givens said they have provided informal</td>
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<td>training for all staff. Mr. Givens indicated that staff training on</td>
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<td></td>
<td>operating procedures will be formalized and evidenced by agendas and</td>
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<td>sign-in sheets which will be submitted to the board office.</td>
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<tr>
<td>August 2013</td>
<td>Mr. Givens reported that SACS is requiring external verification of</td>
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<td></td>
<td>their staff's conformance with professional standards for conducting</td>
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<tr>
<td></td>
<td>investigations. Ernst &amp; Young have been retained for this purpose and</td>
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<tr>
<td></td>
<td>are reviewing the completed investigations. The verification report/</td>
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<td>letter should be issued by mid-September 2013.</td>
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<tr>
<td>July 2013</td>
<td>The six investigations Mr. Givens referred to in May and June 2013 are</td>
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<tr>
<td></td>
<td>nearly complete</td>
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<tr>
<td>June 2013</td>
<td>Investigations in progress.</td>
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</table>

**Investigations**

- **August 2014: COMPLETED**
- **February 27, 2014:**
- **December 2013:**
- **October 2013:**
- **August 2013:**
- **July 2013:**
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2013:</td>
<td>The DAC has designated a new professional staff member as an investigator. Investigations will be conducted in accordance with the AIG Green Book standards. Six investigations have been conducted this year in accordance with the standards. Additionally, the Global Compliance Hotline is being used to intake and track all complaints, regardless of their origin (phone, email, hotline, etc.).</td>
</tr>
<tr>
<td>(A10)</td>
<td>Conduct a self-assessment of DAC’s compliance with the new procedures and report results to Audit Committee and President after the first year of conducting investigations under the new procedures.</td>
</tr>
<tr>
<td>October 2013: <strong>COMPLETED</strong></td>
<td>The self-assessment has been completed and presented to the board of trustees at its August 8, 2013, meeting.</td>
</tr>
<tr>
<td>August 2013:</td>
<td>Mr. Givens stated the self-assessment final report was issued and provided the board office with a copy.</td>
</tr>
<tr>
<td>July 2013:</td>
<td>Self-assessment fieldwork completed at the end of this month. Final report pending.</td>
</tr>
<tr>
<td>May 2013:</td>
<td>The DAC’s self-assessment is in progress. An outside audit firm has been retained to assist.</td>
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</tbody>
</table>
## (B) Finance

**FAMU Contact:** Joseph Bakker, Interim CFO  
**BOT Cmte Chair:** Rufus Montgomery  
**BOG Contact:** Tim Jones, CFO  
**BOG Cmte Chair:** Tom Kuntz

<table>
<thead>
<tr>
<th>Issue</th>
<th>Update</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banking</strong></td>
<td></td>
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</tbody>
</table>
| *(B1)* Reconcile bank accounts by the 20th of each month, and reconciliations need to be reviewed and certified by the FAMU Comptroller and sent electronically to the board office. | **August 2014:** COMPLETED  
The Reconciliations and Quality Assurance section of the Office of Controller is responsible for performing monthly bank reconciliations of all University’s bank accounts, including Operating, Payroll, Student, and Research accounts to External parties relating to bank accounts.  
A review of reconciliations for the past year confirms that reconciliations are being timely performed and reviewed.  
**October 2013:** Copies of the July and August reconciliations have been provided to the board office.  
**August 2013:** Copies of May and June reconciliations have been provided to the board office.  
**June 2013:** Copies of the April reconciliation have been provided to the board office.  
**May 2013:** The reconciliation process began in February 2013. Copies of the March 2013 reconciliation were provided to the board office and future reconciliations will continue to be provided. FAMU’s plan is to reconcile by the 20th of the following month. | ✓ |
| *(B2)* Review accounting regulations and procedures over bank deposits and outstanding checks and provide proposed enhancements to the board office for review. Such review should include consideration of best practices at other SUS institutions. | **August 2014:** COMPLETED  
No change from prior status update.  
**August 2013:** COMPLETED  
Procedures have been completed. Review of best practices at SUS institutions is completed. Revised practices emulate reviewed best practices.  
**June 2013:** Procedues are on track to be completed by the end of June 2013. Best practices from other SUS institutions are ongoing.  
**May 2013:** Reconciliation procedures have been provided. Procedures regarding bank deposits, outstanding checks and proposed enhancements will be provided. Final approval of draft regulations should be completed by the end of June 2013. Best practices from other SUS institutions still need to be gathered. | ✓ |
| **Revenue Collection/Athletic Department** | | |
| *(B3)* Maintain adequate documentation to verify revenues collected for football games and ensure segregation of duties such as between collection, deposits, journal entries, and reconciliations. | **September 2014:** COMPLETED  
We reviewed the Year-to-Date collected revenues for football games to ensure segregation of duties as stated left. We interviewed Mary Adams (Assistant Director of Intercollegiate Athletics) and Michael Smith (Associate Athletics Director) regarding these procedures, which appear to be in place and functioning as intended.  
**October 2013:** Documentation is being maintained and revenue collection procedures ensure segregation of duties between collection, deposits, journal entries, | ✓ |
and reconciliations. The status of reconciliations is included in the status for B4 below.

**September 2013:** July 2013 reconciliation has been provided to the board office. The August 2013 reconciliation is 98% complete and the September 2013 reconciliation is in progress.

**August 2013:** Reconciliation by categories up-to-date; Consolidated reconciliation to be up-to-date by August 30, 2013.

**July 2013:** A consolidated reconciliation through March 2013 is 90% complete; Subsequent months will be reconciled prior to July 31, 2013.

**June 2013:** No change in status.

**May 2013:** Written procedures and formal reconciliations have been implemented and will be conducted monthly. Procedures will be provided to the board office.

<table>
<thead>
<tr>
<th>(B4)</th>
<th>Reconcile revenues recorded on the General Ledger by the Cashier’s office to the revenue journal entries prepared by the Athletics Department.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>September 2014:</strong> <strong>COMPLETED</strong></td>
<td>The Intercollegiate Athletics Program has developed Business Office Internal Policies and Procedures for athletic revenue collections and bank deposits. These include monthly deposit reconciliation procedures.</td>
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<tr>
<td></td>
<td>In addition to procedures, the university provided copies of the 2013-2014 year end reconciliation of receipts with the general ledger by 13 different categories. These reconciliations demonstrate that the receipts reconcile to the general ledger.</td>
</tr>
<tr>
<td></td>
<td>We interviewed Mary Adams (Assistant Director of Intercollegiate Athletics) and Michael Smith (Associate Athletics Director) regarding these procedures, which appear to be in place and functioning as intended.</td>
</tr>
<tr>
<td><strong>October 2013:</strong></td>
<td>August and September 2013 reconciliations have been completed; October 2013 reconciliation is in progress and is on schedule to be completed by November 28, 2013.</td>
</tr>
<tr>
<td><strong>September 2013:</strong></td>
<td>July 2013 reconciliation has been provided to the board office. The August 2013 reconciliation is 98% complete and the September 2013 reconciliation is in progress.</td>
</tr>
<tr>
<td><strong>August 2013:</strong></td>
<td>Reconciliation by categories is up-to-date. Consolidated reconciliation to be up-to-date by August 30, 2013.</td>
</tr>
<tr>
<td><strong>June 2013:</strong></td>
<td>No change in status.</td>
</tr>
<tr>
<td><strong>May 2013:</strong></td>
<td>Written procedures and formal reconciliations have been implemented and will be completed by the 28th of each month. Procedures will be provided to the board office.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(B5)</th>
<th>Review Sodexo concessions contract and determine reason for lack of revenue generation. Take all reasonable steps to increase revenue generation under the contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>August 2014:</strong> <strong>COMPLETED</strong></td>
<td>The University has contracted with a new dining services operator, Metz Culinary Management. The process included two solicitations. The Division of Audit and Compliance performed an Agreed-Upon Procedures review of the second solicitation (Request for Proposal 0031-2013) to inform the Audit Committee of the advertisement, proposal evaluation, and selection processes. The second solicitation resulted in the selection of Metz Culinary Management.</td>
</tr>
</tbody>
</table>

**August 2014:** | **COMPLETED** |
The current contract has been in place since January 2, 2014, and FAMU staff has indicated that this contract is more advantageous to the University.

**May 2013: COMPLETED**  
Contract has been renegotiated retroactively to July 2012. Athletics will receive 25% commission. Contract has been provided to the board office.

**(B6) Prepare report of operating expenses of Athletics Department and cost-saving mechanisms that can be used to reduce deficit in the auxiliary enterprise account for intercollegiate athletics. Present report to the board of trustees and President for consideration. Amend Five-Year Deficit Reduction Plan to implement appropriate cost-saving mechanisms.**

**August 2014: ONGOING**  
The Auditor General’s Operational Audit (Report 2014-108) issued in February 2014 disclosed that the University’s intercollegiate athletic programs continued to experience cash deficits for the 2012-13 fiscal year. Although University personnel prepared a Five-Year Deficit Reduction Plan to eliminate the cash deficits, the Plan did not adequately address eliminating the cash deficit of the intercollegiate athletic programs auxiliary enterprise fund. The Auditor General recommended that the Board of Trustees should continue to monitor its intercollegiate athletic programs and implement an effective deficit reduction plan to ensure that its intercollegiate athletic programs are self-supporting.

As a result of this audit finding the Board of Trustees considered the matter and a revised deficit reduction plan is scheduled to be developed by September 30, 2014. The status of implementation will be presented to the Board of Trustees quarterly.

**August 2013:**  
Deficit plan completed and approved by the board of trustees on August 8, 2013.

**June 2013:**  
The deficit reduction plan was not presented for approval by the board of trustees at the June 2013 meeting. The amended plan is expected to be completed by the end of July 2013.

**May 2013:**  
A deficit reduction plan will be presented for approval by the board of trustees at its June 2013 meeting.

**Travel Reimbursement**

**(B7) Review internal controls relating to travel reimbursement.**

**August 2014: COMPLETED**  
The Auditor General’s Operational Audit (Report 2014-108) issued in February 2014 disclosed, that while they “tested travel expenses to determine whether the travel expenses were in compliance with laws and regulations, and were reasonable, adequately supported, and for a valid University purpose,” they had no travel-related findings.

**October 2013:**  
The Division of Audit and Compliance will complete its management response to the Ernst and Young Report by November 1, 2013. The final report will be issued subsequent to that response.

**September 2013:**  
Draft final report submitted by Ernst and Young. The report is being reviewed by the FAMU Division of Audit and Compliance.

**August 2013:**  
Discussions and meetings have been held with Ernst and Young. Final report to be submitted.

**June 2013:**  
Ernst and Young has completed its review but has not disclosed its findings.

**May 2013:**  
Procedures have been developed. Ernst and Young is currently preparing a review of these procedures and will release findings in June or July 2013.
### Expenditure of Student Fees

| (B8) Establish procedures to ensure that tuition differential fees are expended in accordance with law, board regulations, and plans as presented to the Board of Governors. | **August 2014:** COMPLETED  
The Auditor General’s Operational Audit (Report 2014-108) issued in February 2014 disclosed, that while they “reviewed payments from tuition differential fees collected to determine whether the University assessed and used tuition differential fees in compliance with Section 1009.24(16)(a), Florida Statutes,” they had no tuition differential fee-related findings. | ☑ |
| --- | --- | --- |
|  | **August 2013:** COMPLETED  
Final procedures completed and being implemented. | |
|  | **June 2013:** No change in status. | |
|  | **May 2013:** Draft procedures have been prepared and will be finalized by the end of June 2013. Procedures have been provided to the board office. | |

| (B9) Establish procedures to ensure that projects being financed by the technology fee are monitored and compared to the project budgets. | **August 2013:** COMPLETED  
Final procedures are being implemented. | ☑ |
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<td><strong>June 2013:</strong> No change in status.</td>
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<td><strong>May 2013:</strong> Draft procedures have been prepared and will be finalized by the end of June 2013. Procedures have been provided to the board office.</td>
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### Supplementary Information

**August 2014:**  
The Auditor General’s Financial Audit for the fiscal year ended June 30, 2013, (Report 2014-178) was issued in March 2014. This audit disclosed that the University’s basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards. The audit did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses. The results of Auditor General tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, issued by the Comptroller General of the United States.

This report marks the 7th consecutive Financial Audit with no adverse audit findings for the university. The last Financial Audit with findings was Report No. 2008-016 published in September 2007 and covering through the Fiscal Year End June 30, 2006.
## (C) Academics and Accreditation

**FAMU Contact:** Dr. Rodner Wright, Interim Provost  
**BOT Cmte Chair:** Marjorie Turnbull  
**BOG Contact:** Dr. Jan Ignash, Vice Chancellor  
**BOG Cmte Chair:** Norm Tripp

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<td><strong>Compliance with SACS Standards</strong></td>
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| (C1) Provide SACS with evidence of compliance with the standards identified in SACS letter dated January 15, 2013. | **August 2014:** COMPLETED  
On January 13, 2014, the SACS Commission on Colleges formally informed Interim President Robinson and Chair Badger of their determination to remove FAMU from probation.  
**October 2013:** SACS conducted an on-site visit to FAMU in September 2013 and issued their “Report of the Special Committee.” Final action on the accreditation status of the institution rests with the Commission on Colleges who expects to make a determination at their December 2013 meeting.  
Ernst & Young as well as Accretive Solutions have evaluated FAMU P-card transactions and their reports will be issued in the near future. | ✔ |

### May 2013: Actions taken to-date by FAMU to ensure compliance with Principle 1.1, Integrity:
- Hired a Vice President for Audit and Compliance in June 2012 with 22 years of auditing experience.
- Hired Ernst & Young to perform an audit of eight of the 15 incomplete audits identified in the Sniffen & Spellman report. Subsequently developed and implemented corrective actions to address each of the findings contained in the Ernst & Young report.
- Hired Ernst & Young to conduct an Audit Training Workshop for members of the University board of trustees Audit Committee at the February 2013 board of trustees meeting.
- Developed enhanced procedures governing oversight of the Division of Audit and Compliance by the University board of trustees.
- Updated internal operating procedures to enhance the Division’s ongoing compliance with established best practices and standards of the Institute of Internal Auditors.
- Conducting searches to fill vacant staff positions within the Division.
- Planning to conduct a quality assessment review for the Division of Audit and Compliance.

**Actions taken to-date by FAMU to ensure compliance with C.S. 3.2.8:** The institution has qualified administrative and academic officers with the experience and competence to lead the institution.
- Hired a Vice President for Audit and Compliance.
- Hired a Special Assistant for Anti-Hazing.
- Hired a Director of Judicial Affairs.
- Hired a Music Compliance Officer.
- Hired a Director of Bands.
- Conducting a search for the Chief of Police position.
- Documenting qualifications of all individuals in key leadership positions.

**Actions Taken to Ensure Compliance with C.S. 3.10.3:** The institution exercises appropriate control over its financial resources.
- Enhanced procedures governing group travel.
| Updated: 9/25/2014 |  
|---|---|

- Enhanced procedures governing use of university purchase cards (P-Card).
- Revised the processes governing the issuance of funds to travelers.
- Enhanced the processes governing non-employee travel.
- Enhanced the travel reimbursement process and implemented procedures to address the reconciliation process of group travel funds.
- Implemented an enhanced process for approval of travel by members of the Department of Music and the band.
- Addressing findings in Operational Audit, Ernst & Young Report, FDLE Report.

**Actions Taken to Ensure Compliance with C.S. 3.11.I:** *The institution takes reasonable steps to provide a healthy, safe and secure environment for all members of the campus community.*

- Revised the board of trustees Anti-Hazing Policy.
- Revising Student Code of Conduct.
- Addressing recommendations from the board office Report.
- Implemented enhanced procedures for reporting and investigating hazing allegations.
- Created new positions: Special Assistant for Anti-Hazing (filled), Music Compliance Officer, Director of Judicial Affairs (filled), and the Coordinator of Judicial Affairs.
- Suspended the Marching Band through at least the 2012-13 academic year.
- Launched a new anti-hazing website (StopHazingatFAMU.com).
- Implemented a University Directive requiring that all allegations and criminal activity be immediately brought to the President’s attention.
- Generated immediate electronic posting of the Anti-Hazing Agreement for all students to complete when using the student administration system (iRattler) to register for classes.
- Enhanced the membership intake process for clubs and organizations.
- Implemented a revised organizational structure in the Department of Music.
- Enhanced the criteria for future membership and participation in band and student organizations.

**(C2)** Provide a report to the board of trustees and the board office regarding implementation of academic goals established in FAMU’s revised work plan.

**August 2014: COMPLETED**

On June 17, 2014, President Mangum presented the FAMU 2014-2015 University Work Plan for Board of Governor consideration. The Board of Governors voted to accept these plans as presented.

**September 2013:** In a September 2013 update, FAMU reported the following:

- Preliminary numbers indicate 180 profile admits out of 1,006 first time in college freshmen.
- Two developmental education/counselor positions have been advertised and closed on August 30, 2013.
- The Office of University Retention hired an advisory/counselor in August 2013 to work specifically with profile admits.
- There are 33 full-time advisors. The Office of University Retention has eliminated all part-time advisor positions.
- In August 2013, the responsibility for providing advisement for student-athletes was transferred to the Office of University Retention. Currently there are 3 athletics advisor/counselor positions to assist in the Academic Progress Rate of student-athletes.
- The training and development program for academic advisors will be held in October 2013.
- Fifteen sections of the First Year Experience were offered in summer 2013, and 19 sections were offered in fall 2013.
- A mandatory tutor workshop for all tutors will be held in September 2013.
- A 10-hour tutorial lab requirement for freshmen profile admits was implemented in
In August 2013, the responsibility for providing tutorial services for student-athletes was transferred to the Office of University Retention. The Office of University Retention will hire five tutors and a tutorial lab coordinator to assist in improving the Academic Progress Rate of student-athletes.

- The Black Board system will now be utilized to monitor and track student usage of tutorial services and course passage rates.
- A Black Board Analytics demonstration was provided for faculty during the Faculty Planning Conference in August 2013. Additional Black Board Analytics training sessions were presented by the Instructional Media Center.
- The Academic Success Course curriculum is currently being developed with faculty input. The course will be offered in Spring 2014.
- The Career Development curriculum has been developed with faculty input. Five course sections are currently being offered (Fall 2013).

May 2013: FAMU submitted a status report regarding implementation of academic goals established in FAMU’s revised Work Plan. On that same date, FAMU provided answers to 17 discrete “yes/no” implementation questions raised by the board office’s Academic and Student Affairs.

**Provide to the board office a copy of all university correspondence with the Southern Association of Colleges and Schools (SACS).**

**August 2014: COMPLETED**

On January 13, 2014, the SACS Commission on Colleges formally informed Interim President Robinson and Chair Badger of their determination to remove FAMU from probation.

**October 2013: SACS Commission on Colleges Report of the Special Committee**

was submitted to the board office October 16, 2013. The Special Committee acknowledged the university’s progress and had no recommendations.

**April 2013:** FAMU submitted a First Monitoring Report to SACS on standard F.R. 4.7 (Title IV program responsibilities). A copy of the report was provided to the chancellor’s office.

**Provide a plan to the board of trustees and the board office regarding how the university will address Law School accreditation concerns raised by the American Bar Association.**

**August 2014: COMPLETED**

On June 8, 2014, the American Bar Association formally informed President Mangum and Dean Pernell of the June decision of the Accreditation Committee. The Committee report concluded that the FAMU College of Law remains on the list of law schools approved by the American Bar Association.

**May 2013:** The most recent reporting of passage rates on the Bar examination indicates that FAMU is making progress. Other SACS concerns (ex., faculty research productivity) may need to be further addressed.

**Provide a plan to the board of trustees and the board office regarding how the university will address IT and data management findings in the Auditor General report.**

**August 2014: COMPLETED**

The Auditor General’s Operational Audit (Report 2014-108) issued in February 2014 disclosed, that while they evaluated the following areas, they did not report any related adverse finding.

- Information technology (IT) access privileges and separation of duties;
- IT data loss prevention; and
- IT logical access controls and user authentication

**May 2013:**

**Access Privileges**
The Office of Enterprise Information Technology is working with the various HR and Financial offices to remove access privileges which permitted employees to perform incompatible duties or were not necessary for their responsibilities. Access review
requires detailed analysis of PeopleSoft roles and permissions lists.

FAMU is also developing a PeopleSoft utility which will require all managers to perform an annual review of the access privileges of the employees who directly report to them. Managers will be required to verify that each employee listed is still employed at the university, and that their roles have not changed.

Security Controls
FAMU has evaluated the security controls which have been recommended to be changed, to insure that they will have minimum to moderate impact to the University Community, the implementation will be in two phases. FAMU plans to complete these changes by the end of June 2013 following completion of other concurrent upgrades sharing the same infrastructure.

The security changes taking place will be communicated to the FAMU community through email advisories.
(D) Facilities and Construction

**FAMU Contact:** Joseph Bakker, Assoc. VP. Construction  
**BOT Cmte Chair:** Spurgeon McWilliams

**BOG Contact:** Chris Kinsley, Director of Finance and Facilities  
Ken Ogletree, Board Architect  
**BOG Cmte Chair:** H. Wayne Huizenga, Jr.

### Issue | Update | Status
--- | --- | ---

#### Procurement Process & Contract Negotiations

| (D1) Prohibit the use of design-build contracts until such time as FAMU implements improved procedures relating to the procurement of goods and services contacts for construction projects, including design-build services. | August 2014: COMPLETED  
Currently, FAMU is not utilizing design-build contracts. However, the university has developed and implemented a Project Managers Procedures Manual and Professional Service Guide, which include coverage of design-build services.  
October 2013: At the current time, FAMU is not utilizing design-build contracts. FAMU’s use of design-build contracts is contingent upon satisfying the board office that improved design-build procedures have been implemented to provide proper control and assurance.  
August 2013: No change in status.  
June 2013: No change in status.  
May 2013: No formal action is being contemplated as there are no current or proposed design-build contracts. | ✔

#### Monitoring Construction Projects

| (D2) Enhance procedures for monitoring construction payment requests, insurance requirements for design professionals, and for verifying contractor and subcontractor licensure status. | August 2014: COMPLETED  
The enhanced procedure for monitoring construction payment requests, insurance requirements for design professionals and for verifying contractor and subcontractor licensure status have been developed and implemented.  
Staffing for the Department of Facilities Planning and Construction has been supplemented; a Project Manager vacancy is currently in the process of being filled; and a Technician who recently attained his degree is being promoted to a position of greater responsibility. The Director position is filled with an interim appointment with significant relevant experience and the university expects to find a permanent department leader within the year.  
To ensure the consistent use and application of updated procedures, the Department of Facilities Planning and Construction has implemented a peer review process for project management. They have also held routine meetings to evaluate the effectiveness of the project monitoring procedures and checklists and to consistently enhance these processes.  
External reviews of construction projects by the Division of Audit and Compliance are ongoing and will review relevant information to either confirm processes are working as intended or to identify areas for improvement.  
These corrective actions, in combination, are designed to enhance the Department of Facilities Planning and Construction’s capacity, knowledge, skills and proficiency to plan, deliver and maintain facilities in support of the university. | ✔

UPDATED: 9/25/2014
August 2013: COMPLETED
Reports completed and new procedures being implemented. Two new staff added to construction management team.

June 2013: The drafts of the Procedures Manuals have been completed. At its June 2013 meeting, the board of trustees authorized the President to approve the manuals subject to final review by a registered Architect/Engineer and the General Counsel’s Office. The reviews are expected to be completed by June 30, 2013. Mandatory training will immediately follow approval of the manuals.

May 2013: Alinea Capital Partners, LLC is still under contract by FAMU. The most recent reports have been provided to the board office. However, while board staff has communicated with both Alinea Capital Partners, LLC and FAMU, a comprehensive approach to correction of this item is still being developed. A key issue is that while procedures are in place, current staffing levels do not allow for full implementation of necessary procedures. FAMU appears to be working on addressing these human resource issues. Draft reports (legal review to be done) of (a) the Project Manager’s Manual; and (b) the Service Guide for Design and Construction Professionals have been provided to staff. The final draft of the Design Standards for Consultants will be available the week of May 20, 2013. These will be presented to the board of trustees in June 2013 with the recommendation that the President implement these reports.
(E) Hazing and Student Code of Conduct

FAMU Contact:  Dr. William Hudson, VP for Student Affairs
Bryan Smith, Special Assistant to the President

BOT Cmte Chair:  Torey Alston

BOG Contact:  Dr. Jan Ignash, Vice Chancellor
BOG Cmte Chair:  Norm Tripp

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<td>(E1) Implement the anti-hazing program to ensure:</td>
<td>August 2014: COMPLETED</td>
<td>✓</td>
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<td>(i) communication of anti-hazing policy to students and staff once per semester, and execution of anti-hazing agreements by students;</td>
<td>Mr. Bryan F. Smith is the special assistant to the president for anti-hazing and has served in this capacity since February 2013. Mr. Smith works with a compliance officer for the music department whose duties will include enforcing academic requirements for students to participate in the marching band. Under Mr. Smith’s leadership, FAMU has implemented an anti-hazing program which includes:</td>
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<td>(ii) continuation of anti-hazing prevention week events and anti-hazing website;</td>
<td>(i) communication of anti-hazing policy to students and staff once per semester, and execution of anti-hazing agreements by students;</td>
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<td>(iii) completion of re-certification of all student organizations, including review of new intake procedures for members;</td>
<td>(ii) continuation of anti-hazing prevention week events and anti-hazing website;</td>
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<td>(iv) continuation of anti-hazing instruction in the freshman studies course;</td>
<td>(iii) completion of re-certification of all student organizations, including review of new intake procedures for members;</td>
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<td>(v) updating of the handbook and published anti-hazing policies to incorporate new procedures;</td>
<td>(iv) continuation of anti-hazing instruction in the freshman studies course;</td>
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<td>(vi) implementation of System Anti-Hazing Best Practices, as appropriate; and</td>
<td>(v) updating of the handbook and published anti-hazing policies to incorporate new procedures;</td>
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<td>(vii) Maintenance of 24/7 hazing reporting hotline.</td>
<td>(vi) implementation of System Anti-Hazing Best Practices, as appropriate; and</td>
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<td>(vii) Maintenance of 24/7 hazing reporting hotline.</td>
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An assessment of current data demonstrates that allegations of hazing increased in the first year that FAMU implemented new anti-hazing initiatives. Mr. Smith believes this reflects the increased educational and promotional aspects of the initiatives by increasing the university community’s awareness of the new reporting mechanisms. In the second year, FAMU had a decrease in the number of alleged hazing incidents. Mr. Smith believes this decrease reflects that the university community received the educational and informative aspects of FAMU’s hazing prevention model and that there was also a deterrent effect with the implementation of new anti-hazing policies, which discouraged some incidences of hazing.

According to Mr. Smith, FAMU is in the process of developing improved assessment tools to better assess the effectiveness of FAMU’s anti-hazing initiatives. Mr. Smith indicated that FAMU will conduct new student surveys concerning attitudes about hazing and hazing prevention and correlate survey data to prior surveys conducted on campus.

December 2013: Bryan Smith reported that all subparts for this item have been completed. He will provide us with evidence for each.

October 2013: SACS conducted an on-site visit to FAMU in September 2013 and issued their “Report of the Special Committee.” This report concluded, regarding FAMU’s implementation of an anti-hazing program, that the institution has taken reasonable steps to provide a healthy, safe, and secure environment. The report also concluded that:

“The institution’s ‘zero tolerance’ policy seems to be understood by students and staff members. Evidence of enforcement is found in band eligibility data, workshop participation receipts, student organization bylaws, and by the recent suspensions of two student organizations for hazing. Processes developed for reporting, investigating, and addressing allegations of hazing
involve appropriate offices and administrators and seem to be implemented as described. The institution would benefit from making processes more systematic and better able to track all complaints from notification to resolution.”

Final action on the accreditation status of the institution rests with the Commission on Colleges who expects to make a determination at their December 2013 meeting.

FAMU’s systematic tracking of all complaints from notification to resolution is performed using the Maxient System which is currently in operation (http://www.maxient.com). This system provides a Conduct Manager that receives incident reports via the website, tracks and manages all behavioral issues, and provides timely analytics to meet the needs of the institution. All actions are electronically tracked and regular status reports are available to the campus community. The SACS team was on campus in late September and the company’s training program for campus staff occurred September 25 – October 1, 2013, so the team was unable to observe the Maxient System in operation.

May 2013: FAMU has communicated the anti-hazing policy to students and to the music department faculty, ROTC cadre, the university Deans, as well as all Clubs and Organizations Advisors.

FAMU has participated in the anti-hazing prevention week and will continue to do so during the fall of 2013 and subsequent years.

The Office of Student Activities continues to re-certify student organizations during the designated re-certification periods. The Office of Student Activities has implemented new intake procedures, and procedures were introduced to organizations prior to intake periods.

The university will continue the anti-hazing instruction in the First Year Experience course.

University handbooks have been updated and published to include anti-hazing policies and new procedures.

The SUS Council of Student Affairs Campus Environment Matrix: Hazing Prevention Best Practices has been updated. FAMU is in compliance with all 16 SUS campus environment variables. The updated matrix will be provided during the Board of Governors meeting.

FAMU has a "24/7 hazing reporting hotline" via its online anti-hazing website, its Campus Safety telephone number, and FAMU’s collaboration with Big Bend Crime Stoppers. This collaboration was introduced to the campus community during the Black History month convocation. The telephone number and website were provided to constituents as an avenue to anonymously provide information. The caller is entitled to a reward if the information leads to a conviction.

(E2) Implement an operational plan for the Office of Judicial Affairs and Department of Public Safety to ensure:
   (i) timely referral of all alleged conduct violations to Judicial Affairs by the Department of Public Safety

August 2014: COMPLETED

Mr. Bryan Smith demonstrated the Maxient Tracking system and walked us through the process flowchart demonstrating the process and communications for reported allegations of hazing. This process demonstrates a coordinated effort between various offices including the Special Assistant to the President (Anti-hazing); Office of Student Affairs; Office of Judicial Affairs; FAMU Police Department; affiliated departments (i.e., Athletics, Music, etc.); and outside entities. The tracking system and associated procedures have ensured the timely communication of hazing allegations to the appropriate parties to ensure timely investigation or follow-up.
| (E3) Present an annual update on the Anti-Hazing Program to the FAMU board of trustees and Board of Governors Academic and Student Affairs Committee. | August 2014: COMPLETED  
University staff has annually provided an update on the Anti-Hazing Program to the FAMU Board of Trustees. The last update was provided on June 4, 2014, during the Student Affairs update and included a historical review of hazing allegations by area, type and status as well as summarizing current anti-hazing initiatives and activities which include:  
- Continuing the positive reporting of the university’s anti-hazing initiatives through multiple media interviews and at anti-hazing symposiums.  
- Continuing the educational components of the anti-hazing mission by speaking to the local school district; facilitating an anti-hazing seminar to rising juniors and graduating seniors at FAMU’s Developmental Research School; continuing with presentations at the FAMU new employee orientations; and providing anti-hazing information for the clubs/organizations intake workshops.  
- Noting a decrease in reported allegations of hazing during the Spring 2014 Semester compared to the Spring 2013 Semester.  
- Disseminating a campus-wide flyer requesting research-based articles pertaining to hazing and bullying to be used in the soon-to-be published “FAMU Journal on Anti-hazing & Bullying” (five articles were received). This peer review journal, which will be web-based and in print form, will be used as a platform to provide research and data on the topics of hazing and bullying. FAMU students, FAMU faculty and researchers from around the country will be encouraged to contribute to this publication.  
Planned anti-hazing initiatives and activities include:  
- Facilitation of anti-hazing presentations for all new students attending Freshman |
Orientations held during the summer months. Presentations will also be held during the fall semester for freshmen who did not attend summer orientation, as well as, for transfer students who are new to FAMU;

- Facilitation of anti-hazing presentations to all Marching 100 members during the pre-season drills and practices;
- Coordination with the university Pan-Hellenic council and the Greek life coordinator so that more robust training on anti-hazing strategies will be conducted with Greek letter organizations;
- Participation in the Office of Student Activities’ Clubs and Organizations’ campus safety series;
- The hosting of National Hazing Prevention Week September 22 - 26, 2014. FAMU will be hosting week-long activities during the National Hazing Prevention Week:
  - Monday: Pledge Day and Banner Hanging Competition;
  - Tuesday: Service Day at local schools;
  - Wednesday: Anti-Hazing Forum;
  - Thursday: "Go Greek" Symposium; and
  - Friday: Alcohol Awareness
- The hosting of an anti-hazing symposium on campus on October 2, 2014.

**December 2013:** Bryan Smith reported that an update was provided to the university’s board of trustees, and the next update will be in April 2014. He will provide us with a copy of the minutes from the past meeting.

**May 2013:** Completed at FAMU board of trustees meeting April 10-11, 2013.

### Student Conduct Code

| (E4) Revise the Student Conduct Code to allow for university disciplinary action concurrent with or subsequent to other criminal or civil proceedings. | **August 2014:** COMPLETED
The Student Code of Conduct is included in the University’s Student Handbook also known as "The Fang." Many sections of this document were revised in mid-2013 to, among other things, address the need to allow for university disciplinary action concurrent with or subsequent to other criminal or civil proceedings.

In addition, revisions to FAMU Regulation 2.012 Student Code of Conduct were presented to the Board of Trustees for their consideration during the June 4, 2014, Board Meeting.

**December 2013:** Bryan Smith confirmed this item is complete. The new Student Conduct Code is available online, and he will provide us with a link.

**June 2013:** Revised Student Code of Conduct approved at June 6, 2013, board of trustees meeting.

**May 2013:** Student Code of Conduct will reflect this language - anticipated by June 2013. |
SUBJECT: Update, Performance Funding Data Integrity Certification Process

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Mr. Maleszewski will provide committee members with an update on the implementation of the Performance-based Funding Data Integrity Certification process.

Supporting Documentation Included: None

Facilitators/Presenters: Joe Maleszewski
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
October 8, 2014

SUBJECT: Updates, Office of Inspector General and Director of Compliance Activities

PROPOSED COMMITTEE ACTION

Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Mr. Maleszewski will provide Committee members with updates on various activities in the Office of Inspector General and Director of Compliance, as time permits.

Supporting Documentation Included: None

Facilitators/Presenters: Joe Maleszewski
AGENDA
Budget and Finance Committee
Student Resource (SR) Building, Room 149
Jupiter Campus
Florida Atlantic University
5353 Parkside Drive
Jupiter, Florida 33458
October 8, 2014
8:30 a.m. - 9:45 a.m.

Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach
Members: Cavallaro, Colson, Hosseini, Huizenga, Levine, Tripp

1. Call to Order and Opening Remarks
   Governor Tom Kuntz

2. Performance Based Funding Model
   Board Staff

3. Concluding Remarks and Adjournment
   Governor Kuntz
SUBJECT: Performance Based Funding Model

PROPOSED COMMITTEE ACTION

For Discussion

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Board adopted a performance funding model in January 2014 based on 10 metrics. The Legislature and Governor supported the Board’s model and appropriated $200 million to be allocated pursuant to the model and Legislative proviso.

The Board has been clear that the model will be reviewed annually to determine if any changes need to be made to the model. After receiving input and suggestions from universities and Board members over the summer, all suggestions have been reviewed and evaluated.

The attached document encompasses all proposed comments. Staff has categorized the comments into three areas; potential changes, changes still under evaluation, and changes not considered.

Supporting Documentation Included: Performance Based Funding Changes

Facilitators/Presenters: Governor Kuntz, Board Staff
Recommended Changes:

- Metric 1 (Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further) - Include graduates in the military and federal government and graduates employed outside of Florida.
  - Adjustment 1: Data is now available from the Department of Economic Opportunity and Florida Education and Training Placement Information Program (FETPIP) to include military & federal government graduates and graduates employed outside Florida.
  - Adjustment 2: Exclude graduates who do not have valid social security numbers if they are not found in the enrollment data.
  - Benchmarks will be adjusted to reflect the new system average.

- Metric 3 (Average Cost per Undergraduate Degree to Institution) - Modify the benchmark to account for increased costs as additional funds are received.
  - Adjustment: Adjust the benchmark based on the new system average after reviewing 2013-14 expenditure data.

- Metric 6 (Bachelor Degrees in Strategic Emphasis) (Includes STEM) - Modify the definition to reflect the inclusion of other degrees in Areas of Strategic Emphasis as approved by the Board of Governors November 2013.
  - Adjustment: In November 2013, the Board approved a new list of strategic emphasis programs. This change aligns the PBF metric to the new categories for degrees awarded in Programs of Strategic Emphasis. The revised list includes:
    - 113 disciplines within STEM, 46 disciplines within Health, 34 disciplines within Education, 24 disciplines within Global Competitiveness, and 10 disciplines identified in the GAP Analysis (i.e. finance, accounting, banking, human resources).
    - STEM and Health programs comprise 34% of the total bachelor degree programs.
    - The Board is not considering changing the 2025 goal for this metric in the System Strategic Plan, so the benchmark does not need to be adjusted.

- Metric 7 (University Access Rate) - Exclude non-US students since they are not eligible for Pell Grants.
  - Adjustment: Non-US students shall be removed from both the numerator and denominator because they typically are not eligible for Pell grants.
    - Note: A small percentage of non-US students do receive a Pell grant but these are for special circumstances as detailed by the US Dept of Education – for more information see: https://studentaid.ed.gov/eligibility/non-us-citizens.

- Metric 8a (Graduate Degrees in Strategic Emphasis) (Includes STEM) - Modify the definition and benchmarks to reflect the inclusion of other degrees in Areas of Strategic Emphasis as approved by the Board of Governors November 2013.
  - Adjustment: In November 2013, the Board approved a new list of strategic emphasis programs. This change aligns the PBF metric to the new categories for degrees awarded in Programs of Strategic Emphasis. The revised list includes:
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113 disciplines within STEM, 46 disciplines within Health, 34 disciplines within Education, and 24 disciplines within Global Competitiveness.

- The Board is considering changing the 2025 goal for this metric in the System Strategic Plan, so the benchmark does need to be adjusted.

- Metric 9 (National Ranking) (NCF Board Choice) - Add Fiske Guide to the methodology for awarding performance points for the National Ranking metric. The methodology for 2014-15 performance funds used a list of 12 ranking systems that were developed for the pre-eminence legislation.

Changes Under Continuing Evaluation:

- Metric 2 (Median Wages of Undergraduates)
  - Include salaries of graduates in the military and federal government and graduates employed outside of Florida.

- Metric 3 (Average Cost per Undergraduate Degree to Institution)
  - Consider the average cost per undergraduate degree to the student. Rely on the work done by the Cost-per-Degree workgroup in the spring of 2013.

- Metric 4 (Six-year Graduation Rate)
  - Consider including students who transfer to another institution and graduate.
  - Consider looking at a university’s peer graduation rates.

- Metrics 6 & 8 (Bachelor/Graduate Degrees in Strategic Emphasis)
  - Consider having a metric that only focuses on STEM degrees.

- Metric 7 (University Access Rate)
  - Consider shifting the focus to ‘% of graduates with a Pell Grant.’

- Metrics 9 & 10 (BOG, BOT Choice)
  - Consider weighting the mission differentiation metric, to provide a focus on a university mission.
  - Review benchmarks for choice metrics.

- General Comments
  - Consider weighting some of the metrics.
  - Consider including more than just the fall FTIC, but also the summer and spring FTIC.
  - In terms of institutional and system performance, consider a metric measuring critical topics of the day such as student debt.
Explanations of Suggested Changes that are Not Under Consideration:

- **Metric 1 (% of Bachelor’s Graduates Employed/Continuing Ed)**
  - Consider changing the time horizon to 2 or 3 years after graduation instead of the current 1 year.
    - **Comment:** This metric focuses on the immediate impact of graduation for Bachelor Graduates in terms of job placement and continuing education. Extending the time horizon would potentially include Graduate and Professional graduates and other external factors.

- **Metric 2 (Median Wages of Undergraduates)**
  - Consider looking at wages 2 years or more after graduation, since many students take a ‘gap’ year after graduating.
    - **Comment:** This metric focuses on the immediate impact Bachelor Graduates in the job market. Extending the time frame would potentially include graduates who achieve additional certifications or graduate/professional programs as well as other external factors that would increase earnings.
  - Exclude non-resident aliens from this metric as it is expected that they will return to their country after graduation.
    - **Comment:** Only graduates employed above the minimum wage in the United States are included.

- **Metric 3 (Average Cost per Undergraduate Degree to Institution)**
  - Calculate to include undergraduate and graduate degrees and modify the calculation to be total expenditures divided by total degrees awarded.
    - **Comment:** The current metric focuses on the cost to the institution for undergraduate students.

- **Metric 4 (Six-year Graduation Rates)**
  - A state university’s mission is to serve part-time students who may take up to 8 or so years to graduate while working full or part time. Thus, an institution should not be penalized under a performance funding model.
    - **Comment:** The Board of Governors has had a consistent focus on graduating FTIC student’s in 6 years or less as evidenced by the Strategic Plan. The use of 6 years is a national standard defined in the 1990 Student Right to Know Act.

- **Metric 7 (University Access Rate)**
  - Consider revising the benchmark for the university access metric to recognize those institutions who serve more Pell Grant students (i.e. make the benchmark more stringent).
    - **Comment:** Benchmarks are in line with the amended draft Board of Governors Strategic Plan to be approved November 2014 which has a goal of each institution having at least 30% Pell recipients enrolled.
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- Replace this metric with a metric that measures average student debt and percentage of students graduating without debt. Student debt is a major concern in higher education affecting both access and outcomes post-graduation.
  - **Comment:** While student debt is a concern and timely topic, this metric is designed to incentivize the universities to provide a minimum level of access to low-income students, which is important for the state and system. This metric is aligned with the amended draft Board of Governors Strategic Plan to be approved November 2014 which has a goal of each system institution having at least 30% Pell recipients enrolled.

- Metric 8 (NCF only, Freshmen in Top 10% of Class)
  - NCF enrolls many students from high school programs that do not rank their graduating class. For the Fall 2014 NCF entering class, only 57% of the enrolled students have class rank information. A more reliable measure of academic quality would be SAT Score currently reported as a key performance indicator in the University Work Plan.
    - **Comment:** Students who do not have a class rank are not included in the calculation and therefore do not disadvantage New College’s performance on this metric. In addition, NCF has chosen this as an institution specific goal in its annual Work Plan.

- General Comments
  - Consider exploring a different methodology for the distribution of funds so that a university that earns more points gets a larger distribution than a university that gets fewer points.
    - **Comment:** The current methodology has been established to ensure that an institution is not disproportionally rewarded due to the number of student enrollments or financial support.
  - The current set of metrics is a “one size fits all” approach. Historically, the Board of Governors has encouraged mission differentiation. This formula would point the universities to a state norm. Adjustments to focus on the individual work plan goals of each school would better inform the Board as to how well each university is fulfilling its mission, and how it compares to its peers. Wherever possible, each university should be asked to demonstrate its added value.
    - **Comment:** Two choice metrics in the model, one chosen by the Board of Governors and one chosen by the university boards of trustees, provide a means of rewarding universities for different missions and goals. The model also provides points for improving year over year for each institution as well as points for meeting excellence on system goals. Improving, regardless of how a university compares to the excellence goals, is rewarded on the same scale as excellence.
  - Consider benchmarking institutions against peer schools.
Comment: At this time there is not a place in the model for benchmarking against peer institutions. For now the benchmarks are for system goals, such as those in the strategic plan, and State priorities. The improvement component of the model does give institutions the ability to benchmark against their own performance last year and be rewarded for making progress.
AGENDA
Facilities Committee – Workshop
Student Resource (SR) Building, Room 149
Jupiter Campus
Florida Atlantic University
5353 Parkside Drive
Jupiter, FL 33458
October 8, 2014
10:00 a.m. - 6:00 p.m.

Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Dick Beard
Members: Carter, Doyle, Hosseini, Levine, Link, Morton, Robinson

1. Call to Order and Opening Remarks Governor H. Wayne Huizenga, Jr.
10:00 a.m. – 10:15 a.m.

2. Presentations of Selected High Priority Fixed Capital Outlay Projects

   a. University of South Florida
      Dr. Judy Genshaft
      10:15 a.m. – 11:00 a.m.
      President, USF
      • Morsani College of Medicine
      • St. Petersburg, College of Business
      • Heart Health Institute
      • FIO Research Vessel

   b. University of Florida
      Dr. Bernie Machen
      11:00 a.m. – 11:30 a.m.
      President, UF
      • Nuclear Science Building Renovation/Addition
      • Norman Hall Remodel
      • IFAS Academic Building
      • P.K. Yonge Lab School
      • Joint Use Library Storage Facility
c. New College  
11:30 a.m. – 12:00 p.m.  
Dr. Donal O'Shea  
President, NCF  
- Land Acquisition  
- Heiser Natural Science Addition

3. Lunch  
12:00 p.m. – 12:45 p.m.

4. University Presentations Continued

d. Florida A&M University  
12:45 p.m. – 1:15 p.m.  
Dr. Elmira Mangum  
President, FAMU  
Dr. William Hudson, Jr.  
Vice President, Student Affairs, FAMU  
Dr. Maurice Edington  
Dean, College of Science and Technology, FAMU  
- Student Affairs Building  
- Pharmacy Building  
- Dyson Building Renovation

e. University of West Florida  
1:15 p.m. – 1:45 p.m.  
Dr. Martha Saunders  
Provost, UWF  
Dr. Mike Huggins  
Dean, College of Science, Engineering, and Health, UWF  
Dr. Susan Stephenson  
Chief Financial Officer, UWF  
- Building 58

f. Florida International University  
1:45 p.m. – 2:15 p.m.  
Dr. Mark B. Rosenberg  
President, FIU  
- Strategic Land Acquisition  
- Satellite Chiller Plant Expansion  
- SIPA Project

g. University of North Florida  
2:15 p.m. – 2:45 p.m.  
Mr. John Delaney  
President, UNF  
- Land Acquisition  
- Skinner Jones Hall South  
- Schultz Hall Renovation

h. University of Central Florida  
2:45 p.m. – 3:15 p.m.  
Dr. John Hitt  
President, UCF  
- Interdisciplinary Research and Incubator Facility  
- Partnership IV  
- Downtown Presence  
- Renovation Projects
5. **Break**
   3:15 p.m. – 3:30 p.m.

   i. **Florida Gulf Coast University**
      3:30 p.m. – 4:15 p.m.
      Dr. Ron Toll
      Provost, FGCU
      Mr. Steve Mageira
      Chief Financial Officer, FGCU
      - South Access Road
      - Central Energy Plant Expansion
      - Academic Building 9

   j. **Florida Polytechnic University**
      4:15 p.m. – 4:45 p.m.
      Dr. Randy Avent
      President, FPU
      Dr. Ghazi Darkazalli
      Executive Vice President and Provost, FPU
      Dr. Bertha Alexander
      Assistant Vice President, FPU
      Mr. David Calhoun
      Assistant Facilities Director
      - Applied Research Center

   k. **Florida State University**
      4:45 p.m. – 5:15 p.m.
      Dr. Garnett Stokes
      Interim President, FSU
      - EOAS Replacement/Expansion
      - STEM Teaching Lab Building
      - Interdisciplinary Research and Commercialization Building

   l. **Florida Atlantic University**
      5:15 p.m. – 5:30 p.m.
      Dr. John Kelly
      President, FAU
      - Jupiter Research Building Renovation/Addition
      - College of Science and Engineering Renovations

6. **Discussion of all Projects**

7. **Concluding Remarks and Adjournment**