

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
AUDIT AND COMPLIANCE COMMITTEE MEETING
FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 30, 2017

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and its Committees are accessible at <http://www.flbog.edu/>.*

Chair Wendy Link convened the meeting of the Audit and Compliance Committee on March 30, 2017, at 10:48 a.m., at the H. Manning Efferson Student Union Building on the campus of Florida A&M University in Tallahassee, Florida. The following Audit and Compliance Committee members were present: Patricia Frost (by phone), Darlene Jordan, Alan Levine, Ed Morton, and Fernando Valverde (by phone). The following members of the Board were also present: Richard Beard, Jacob Hebert, Sydney Kitson, Tom Kuntz, Pamela Stewart (by phone) Norman Tripp, and Gary Tyson.

1. Call to Order

Ms. Link called the meeting to order.

2. Approval of Minutes

Mr. Valverde motioned that the Committee approve the minutes of the Audit and Compliance Committee meeting held January 26, 2017, as presented. Ms. Frost seconded the motion. The minutes were approved.

3. Performance-based Funding Data Integrity Audit Results and Certifications Summary

The Audit and Compliance Committee meeting was briefly paused upon the arrival of Senator Joe Negron. He made a short presentation to the Board of Governors and thanked members for their service. The Committee meeting resumed after the Senator's presentation.

Mr. Joe Maleszewski, the Board of Governors Inspector General and Director of Compliance, provided Committee members with a summary of the results of each state

university's internal audit and certification of their Performance-based Funding Data Integrity processes. Eleven universities currently participate in this audit and certification process (Florida Polytechnic University is not yet eligible to participate). He emphasized that data integrity is key to ensuring that we have the best possible information on which to base important performance-based funding decisions. The three elements of data integrity assurance are: audits, certifications, and corrective action plans.

Mr. Maleszewski stated that, overall, the audits concluded that the controls and processes at the universities are adequate for the purposes of decision-making. These controls and processes are important in ensuring the completeness, accuracy, and timeliness of data submissions to the Board of Governors. The audits provided a reasonable basis of support for university presidents and boards of trustees chairs' data integrity certifications.

Six of the audit reports contained audit findings. These findings are similar to findings from past years and are related to: timeliness of data submissions, system access controls, the need for enhanced policies and procedures, and internal control enhancements. None of these audit findings were judged to be material enough to alter the overall conclusion that the university controls and processes were adequate to ensure the completeness of the data for Board of Governors decision-making purposes. The six universities who had audit findings implemented corrective action plans and two of the six have already completed those corrective actions.

Mr. Maleszewski reported that his office received data integrity certifications from all 11 university presidents and board chairs. Four certifications were slightly altered to recognize that all data submissions were not timely submitted. All the certifications and representations that were necessary were included.

4. SUS Compliance Program Status Summary

Mr. Maleszewski provided a brief summary to the Committee regarding the activities of the SUS Compliance and Ethics Consortium. The Consortium held its annual in-person meeting in December 2016 to discuss issues such as how to implement Board of Governors Regulation 4.003, which requires each university to implement an effective Compliance and Ethics Program by November 2018.

One of the outcomes of that meeting was the development of a Compliance and Ethics Program Status Checklist that each university can use to monitor the status of the implementation of their program. The Consortium focused on 19 elements contained within Regulation 4.003.

Mr. Maleszewski stated that the University of Central Florida (UCF) has one of the more mature compliance and ethics programs in the system with 16 of the 19 elements completed. Florida International University (FIU) and the University of South Florida (USF) fall right behind UCF with 11 out of the 19 elements completed. The remainder of the universities have some progress to make, and all are committed to meeting the targeted deadlines.

In the January 2018 meeting, Mr. Maleszewski will provide another status report to the Committee.

5. Report of Investigation related to FGCU

Mr. Maleszewski presented the Committee with a description of a Whistle-blower investigation recently completed by his office. The allegations were levied against some of Florida Gulf Coast University's (FGCU) Board of Trustees members. There were eight allegations related to retaliation; harassment; and violations of laws, university policies, and Board of Governors regulations. The Inspector General also addressed five ancillary issues that arose during the investigation.

As reflected in the final report, one of the allegations was referred, two allegations were sustained, and five allegations were not sustained. Mr. Maleszewski noted that there was nothing to indicate that the FGCU presidential search process was not valid. He suggested that Chair Kuntz request that FGCU provide a written plan of corrective action to address the 12 recommendations contained in the report.

On behalf of the committee, Chair Link asked for a motion to direct FGCU's Board of Trustees to immediately correct the improper election of the Faculty Board member as the Vice Chair and for the Board of Trustees Chair to relinquish his position as Chair of the Board of Trustees Audit Committee. Governor Levine made the motion, it was seconded by Governor Frost, and approved by the Committee.

It was also recommended that university staff work with members of the Board of Governors to address continuing concerns with its strategic plan.

Finally, Chair Link asked that the Committee meet prior to the June meeting to establish clear expectations of trustees and education that extends beyond our existing orientation for new trustees; as well as establishing a Board of Governors process to address significant issues that may arise with Trustees (or Board of Governors members) related to compliance with laws, regulations, policies, and established expectations.

6. Concluding Remarks and Adjournment

Ms. Link asked Board members if anyone had any questions or comments. Hearing none, the Audit Committee was adjourned at 11:44 a.m.

Wendy Link, Chair

Lori Clark, Compliance and Audit Specialist