

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 31, 2019

SUBJECT: SUS Capital Projects Certifications

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Inspector General Leftheris will provide Committee members with a summary of the results of system university responses to Chair Lautenbach's request for each board of trustees chair and president to have conducted a review of their university's funding sources for all university capital projects approved by their board of trustees since July 1, 2008 to date.

As part of the certification process, each university president, chief financial officer, and general counsel certified to the their respective board of trustees and to the Board of Governors that the funding sources for all university capital projects approved by their respective board of trustees since July 1, 2008, were legally available for the projects as authorized in chapter 1013, Florida Statutes, or as otherwise authorized in the General Appropriations Act.

Each university identified the number of projects adding more than 10,000 gross square feet of space or exceeding \$2 million in cost. All universities certified that based on a review of university records, such as project budgets and expenditures, education plant surveys, project programs, and project funding sources that each project was constructed with funds from legally available and authorized sources.

There were two exceptions reported: first Pursuant to Section 1013.74(6), Florida Statutes, Florida Polytechnic University is authorized to expend reserves of carryforward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects through the 2022-23 fiscal year.

Second, the University of South Florida identified the Patel Center for Global Solutions,

approved by the USF Board of Trustees in 2006. USF's review identified that the \$21.7 million dollar project was primarily funded using private funds; however, carryforward funds in the amount of \$6.4 million were inappropriately applied to the project.

USF Board of Trustees Chair Brian Lamb appointed Nancy Watkins, Chair of the USF Audit and Compliance Committee, to oversee the review of the use of carryforward funds in the construction of the Patel Center. The university's chief audit executive is currently conducting an investigation into this misuse of funds. Inspector General Leftheris will report the investigation's results to the Audit and Compliance Committee when that report is completed.

Supporting Documentation Included: SUS Capital Projects Certifications

Facilitators/Presenters: Ms. Julie Leftheris