



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

Audit and Compliance Committee
Turnbull Conference Center, Room 208
Florida State University
Tallahassee, Florida
March 19, 2014
2:00 p.m. - 2:45 p.m.

or

Upon Adjournment of Previous Meetings

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** **Governor Levine**
Minutes, November 20, 2013

3. **Discussion, Performance Funding Data Integrity** **Governor Levine**

4. **Updates, Office of Inspector General and Compliance** **Mr. Joe Maleszewski**
a. AACC and OIGC Charters Revisions *Inspector General and*
b. University Audit Reports *Director of Compliance,*
c. Florida A&M University Corrective Action Plan *Board of Governors*

5. **Concluding Remarks and Adjournment** **Governor Levine**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 19, 2014

SUBJECT: Approval of Minutes of the November 20, 2013, Meeting

PROPOSED COMMITTEE ACTION

Approval of Minutes of the November 20, 2013, 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 November 20, 2013.

Supporting Documentation Included: Minutes: November 20, 2013

Facilitators/Presenters: Governor Alan Levine

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
AUDIT AND COMPLIANCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
NOVEMBER 20, 2013

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Chair Alan Levine convened the meeting of the Audit and Compliance Committee at 12:10 p.m., at the Graham Center Ballroom, Florida International University (FIU), in Miami, Florida. The following members were present: Matthew Carter, Ned Lautenbach, Ed Morton, and Elizabeth Webster.

1. Call to Order

Mr. Levine called the meeting to order.

2. Approval of Minutes

Mr. Lautenbach moved that the Committee approve the Minutes of the meetings of the Board of Governors Audit and Compliance Committee (Audit Committee) held March 27, 2013, and June 10, 2013, as presented. Mr. Morton seconded the motion. The Minutes were approved.

3. Update: Florida A&M University Corrective Action Plan

Mr. Levine said he had spoken to the audit committee chair, Karl White, of Florida A&M University's Board of Trustees and with the Vice President for Audit and Compliance, Rick Givens. They provided him with a detailed report of the university's progress on the corrective actions taken on the items related to the Division of Audit and Compliance. He said he was impressed with their progress in operating in accordance with professional auditing standards. Mr. Givens reported to Mr. Levine that eight of the 10 corrective actions have been fully implemented. Additionally, he reported four audits have been completed during the current calendar year.

Mr. Levine encouraged Mr. Givens and Mr. White to continue the good work and help ensure that the culture of corrective action permeates the university to enhance its transparency and accountability.

Mr. Levine asked the Board of Governors Inspector General, Joseph Maleszewski, to provide the committee with an update on this topic.

Mr. Maleszewski provided a high-level description of the Florida A&M University Corrective Action Plan Project developed as a result of the Auditor General's February 2013 Operational Audit and his office's report on FAMU's anti-hazing program as well as other related reviews and reports.

The Corrective Action Plan (CAP) tracking document was compiled from the findings of prior audits and other reports. Board staff has worked with university staff to track the university's progress in corrective actions.

Mr. Maleszewski summarized the status of the items contained in the board staff's tracking document:

- There are a total of 30 corrective actions being tracked in five areas (Audit and Compliance, Finance, Academics and Accreditation, Facilities and Hazing, and Student Code of Conduct).
- Fourteen of the 30 corrective actions have been completed, and 16 have a progress indicator of "Green" indicating "good progress" within the expected timeframes.
- Remaining corrective actions are expected to be completed by September 2014.

4. Updates: Office of the Inspector General and Director of Compliance

Mr. Maleszewski provided the committee with a brief update of the activities of his office. In addition to the release, at the end of September, of his office's Annual Report for the 2013 fiscal year, he described to the committee his involvement with the State University Audit Council, which is an organization composed of system university chief audit executives.

Mr. Maleszewski explained that he has reviewed each university's annual audit plans and internal audit reports. University chief audit executives and their staff have produced about 80 internal audit reports this past year covering a wide variety of administrative, operational and financial controls. They have a solid structure in place for conducting audits as well as for following up on any findings.

As a result of Mr. Maleszewski's review of university internal audit reports and discussions with university chief audit executives, he reported there may be insufficient information technology audit staffing to provide adequate coverage of university technology risks.

Mr. Maleszewski said he has been involved in discussions with the newly created State University System Compliance and Ethics Consortium, which was established this past summer. The Consortium meets quarterly and is in the process of developing their charter.

Mr. Levine thanked Mr. Maleszewski for his report and requested that he review the *Audit and Compliance Committee Charter* and the *Office of the Inspector General and Director of Compliance Charter* as well as the OIGC operations manual for any necessary updates or revisions and to report on the same at the AACC meeting in March 2014.

5. Concluding Remarks and Adjournment

The meeting of the Audit Committee was adjourned at 12:28 p.m.

Alan Levine, Chair

Lori Clark, Compliance Analyst

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 19, 2014**

SUBJECT: Discussion, Performance Funding Data Integrity

PROPOSED COMMITTEE ACTION

Discussion of Performance Funding Data Integrity

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Eugene Kovacs, Assistant Vice Chancellor of Information Resource Management for the State University System of Florida Board of Governors, will describe the data collection and vetting process used by his staff as well as the Institutional Research staff for the purposes of performance funding decisions.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Alan Levine; Eugene Kovacs

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 19, 2014**

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

PROPOSED COMMITTEE ACTION

Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Joe Maleszewski, Inspector General and Director of Compliance, will provide the committee with updates on the status of the revisions of the Audit and Compliance Committee Charter and the Office of the Inspector General and Director of Compliance Charter; the audit reports received from and on behalf of universities; and the Florida A&M University Corrective Action Plan Project.

Supporting Documentation Included: None

Facilitators/Presenters: Joe Maleszewski

