BOARD *of* GOVERNORS
State University System of Florida

Audit Committees Workshop

March 18, 2015

www.flbog.edu

AUDIT AND COMPLIANCE COMMITTEE TWO-YEAR PLAN

1. Charter Documents
   - AACC Charter
   - OIGC Charter
2. PBF – Data Integrity
   - Audits
   - Certifications
   - Corrective Action Plans
3. System Synergy
   - BOT and BOG Collaboration/Teamwork
   - Workshop

- Synergy (Teamwork & Collaboration)
- Alignment (OIGC/CAE/BOT/BOG)
- Educate and Inform
- Debate Issues
- Identify Strengths
- Identify Opportunities
- Return on Investment

Background:

- Governance
- Pulse of the Profession

Discussion Topics:

1. Compliance and Ethics
2. OIGC Roles, Powers and Duties
3. Complaints Against Chief Audit Executives and Staff
4. Audit Coverage, Follow-up, and Escalation
5. Risk Assessment
6. Risk Management
7. Offices of the Chief Audit Executive
8. Fraud
9. Hotlines
10. Whistle-blower's Act
11. Quality Assurance (Time Permitting)
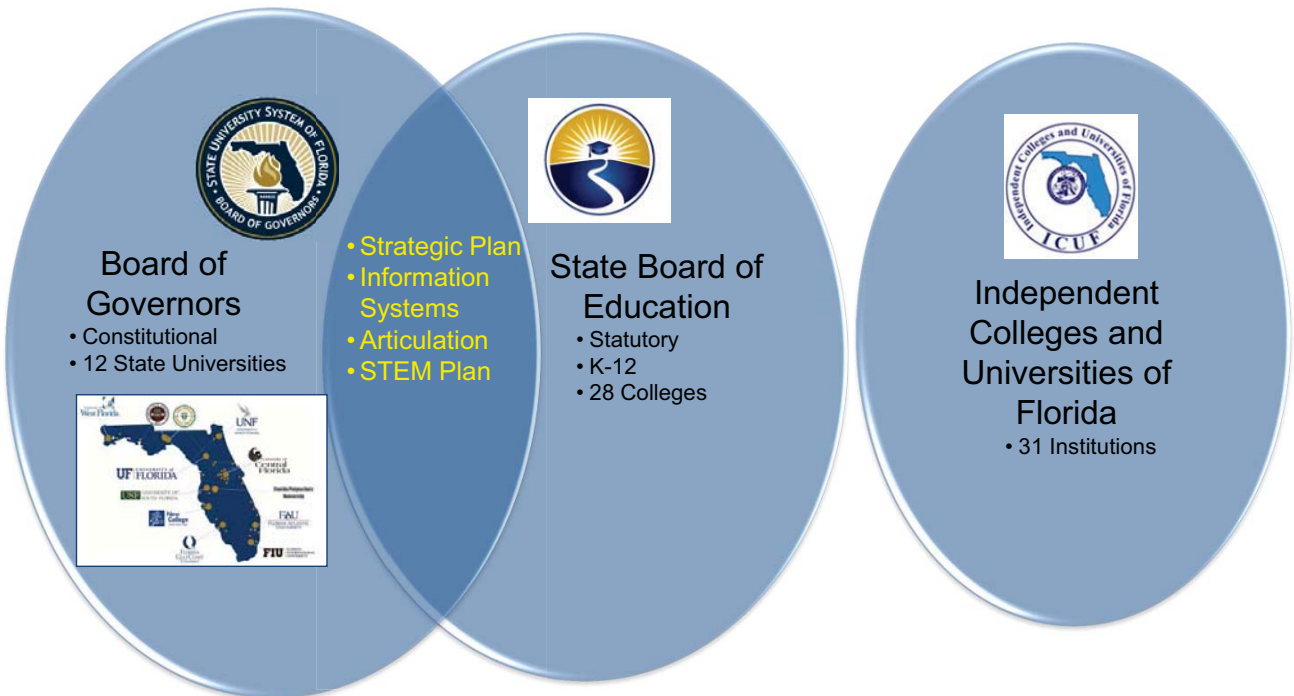12. Shared Services (Time Permitting)

Governance is the combination of processes and structures implemented by the board to <u>inform</u>, <u>direct</u>, <u>manage</u>, and <u>monitor</u> the activities of the organization toward the achievement of its objectives.

Governance in the public sector:

- Accountability
- Transparency
- Integrity
- Standards Setting
- Ethics
- Risk Management

Board of Governors
- Constitutional
- 12 State Universities

- Strategic Plan
- Information Systems
- Articulation
- STEM Plan

State Board of Education
- Statutory
- K-12
- 28 Colleges

Independent Colleges and Universities of Florida
- 31 Institutions

STATE UNIVERSITY SYSTEM OF FLORIDA GOVERNANCE STRUCTURE

Board of Governors – Operate, Regulate, and Control

Audit and Compliance Committee
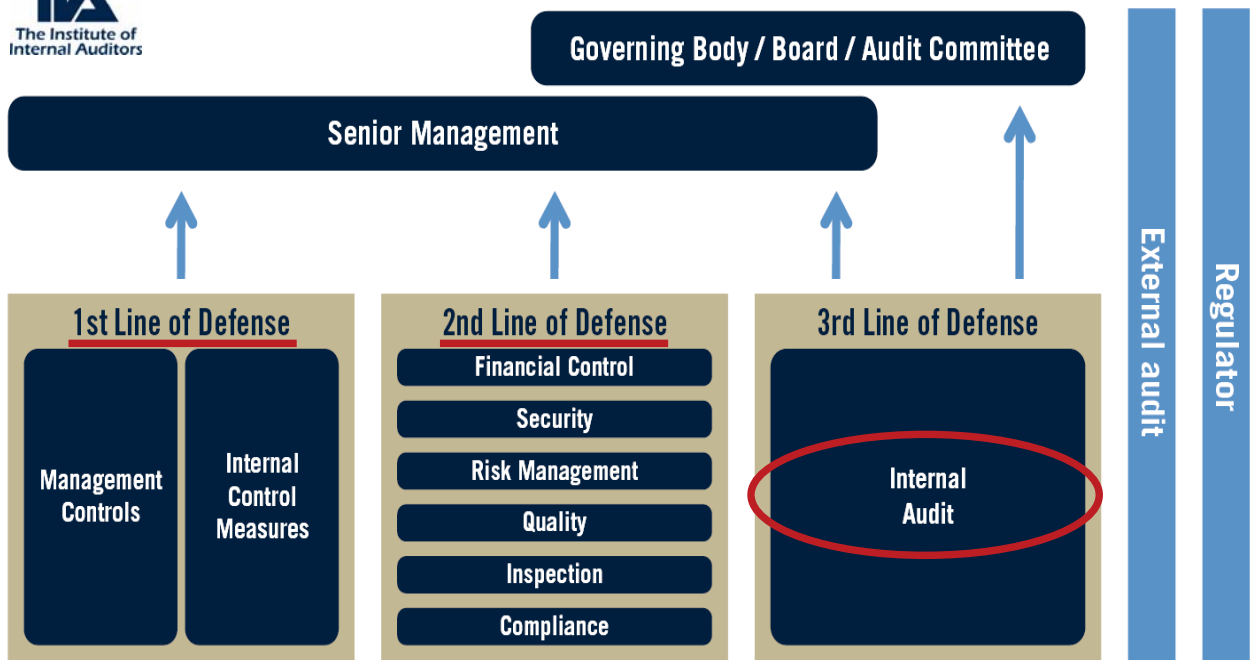Chancellor
Inspector General

Board of Trustees - Administer

Audit Committee
President
Chief Audit Executive

FAU · FLORIDA GULF COAST University · FIU · FLORIDA POLYTECHNIC UNIVERSITY · UCF · UF · UNF · USF · UWF

Legislature
Joint Legislative Audit Committee
Auditor General/OPPAGA

THE THREE LINES OF DEFENSE MODEL

The Institute of Internal Auditors

Governing Body / Board / Audit Committee

Senior Management

External audit

Regulator

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Management Controls / Internal Control Measures	Financial Control / Security / Risk Management / Quality / Inspection / Compliance	Internal Audit

Statement of Principles for Offices of Inspector General

The public expects inspectors general to:
- Hold government officials accountable for efficient, cost-effective government operations
- Prevent, detect, identify, expose and eliminate fraud, waste, corruption, illegal acts and abuse.

This public expectation is best served by inspectors general when they follow the basic principles:

Integrity	*Trust*
Objectivity	*Honesty*
Independence	*Fairness*
Confidentiality	*Forthrightness*
Professionalism	*Public accountability*
Competence	*Respect for others and themselves*
Courage	

Internal auditing is an <u>independent</u>, <u>objective assurance</u> and <u>consulting</u> activity designed to <u>add value</u> and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of <u>risk management</u>, <u>control</u>, and <u>governance</u> processes.
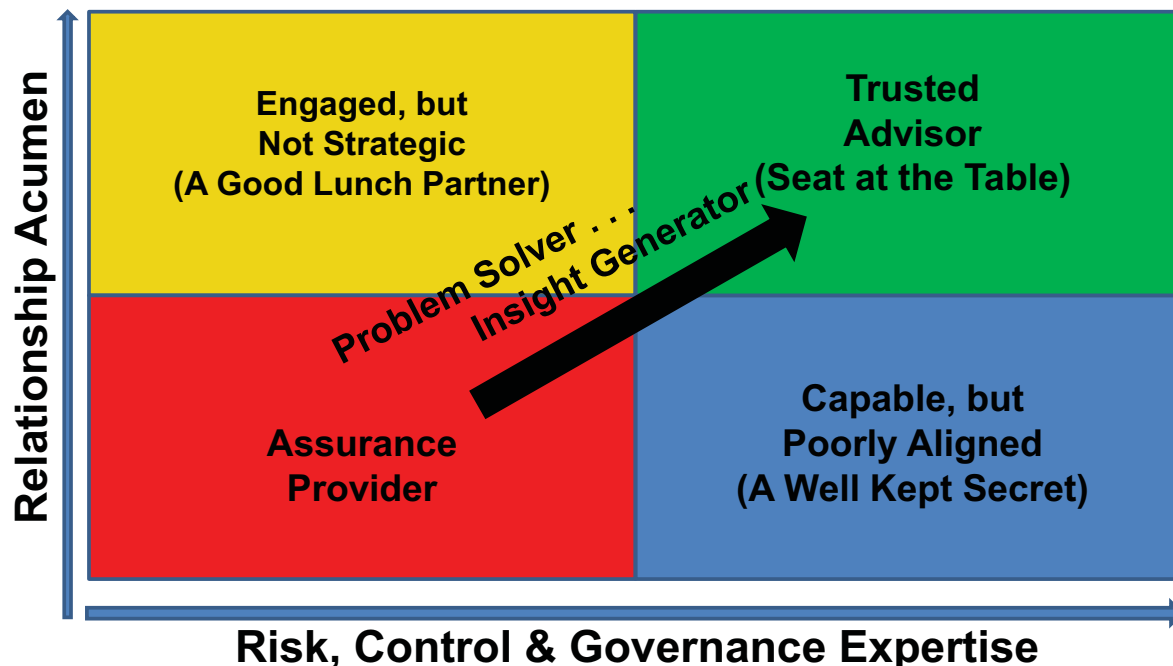
The Institute of
Internal Auditors

Results suggest that alignment of stakeholder expectations, and matching skills and capabilities to these expectations, helps internal audit enhance the value delivered to the organization.

Relationship Acumen

Engaged, but Not Strategic (A Good Lunch Partner)

Trusted Advisor (Seat at the Table)

Problem Solver . . . Insight Generator

Assurance Provider

Capable, but Poorly Aligned (A Well Kept Secret)

Risk, Control & Governance Expertise

"On internal audit, audit committees are still looking for greater value."

2015 Global Audit Committee Survey from KPMG's Audit Committee Institute

"By failing to prepare, you are preparing to fail."

-Benjamin Franklin

CHALLENGE

"There is no more enduring challenge for internal auditors than achieving and maintaining alignment with the expectations of our key stakeholders."

Richard Chambers, President and CEO of the IIA, February 2015

Maturity Model

| Non-Existent | Initial (ad hoc) | Managed | Optimized |

THE THREE LINES OF DEFENSE MODEL
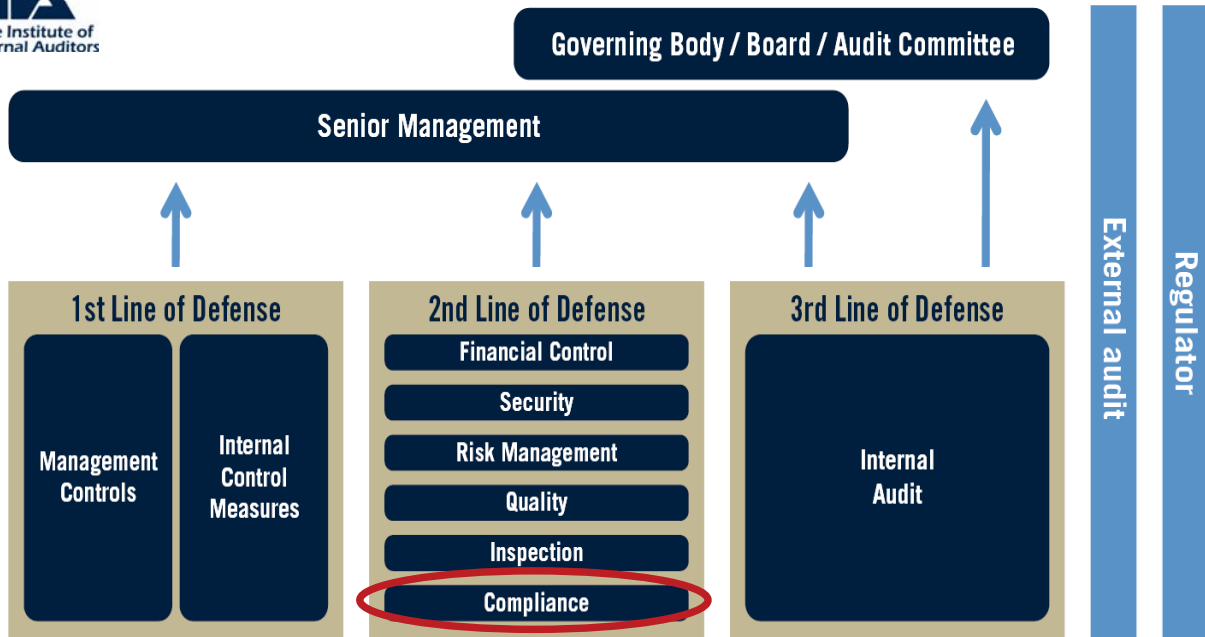
STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS CONSORTIUM

- Established – 2013
- Meetings
- Charter
- First in-person Meeting
- Participation
- AACC Presentation
- Draft Regulation

All SUS Institutions compliance functions

University	Office	Incumbent	Maturity
FAMU	Chief Audit Executive (CAE)	Rick Givens, VP and CAE	?
FAU	Decentralized	--	?
FGCU	General Counsel	Vee Leonard, GC	?
FIU	Chief Compliance Officer (CCO)	Karyn Boston, CCO	?
FPU	--	--	--
FSU	CAE	Sam McCall, CAE	?
NCF	CAE	John Martin, VP Fin. & Admin.	?
UCF	CCO	Rhonda Bishop, CCO	?
UF	Decentralized	--	?
UNF	CCO	Joann Campbell, CCO	?
USF	CAE	Jeff Muir, CCO	?
UWF	CAE	Matt Packard, Compliance Specialist	?

COMPLIANCE AND ETHICS PROGRAM MATURITY MODEL

Non-Existent → Initial (ad hoc) → Managed → Optimized
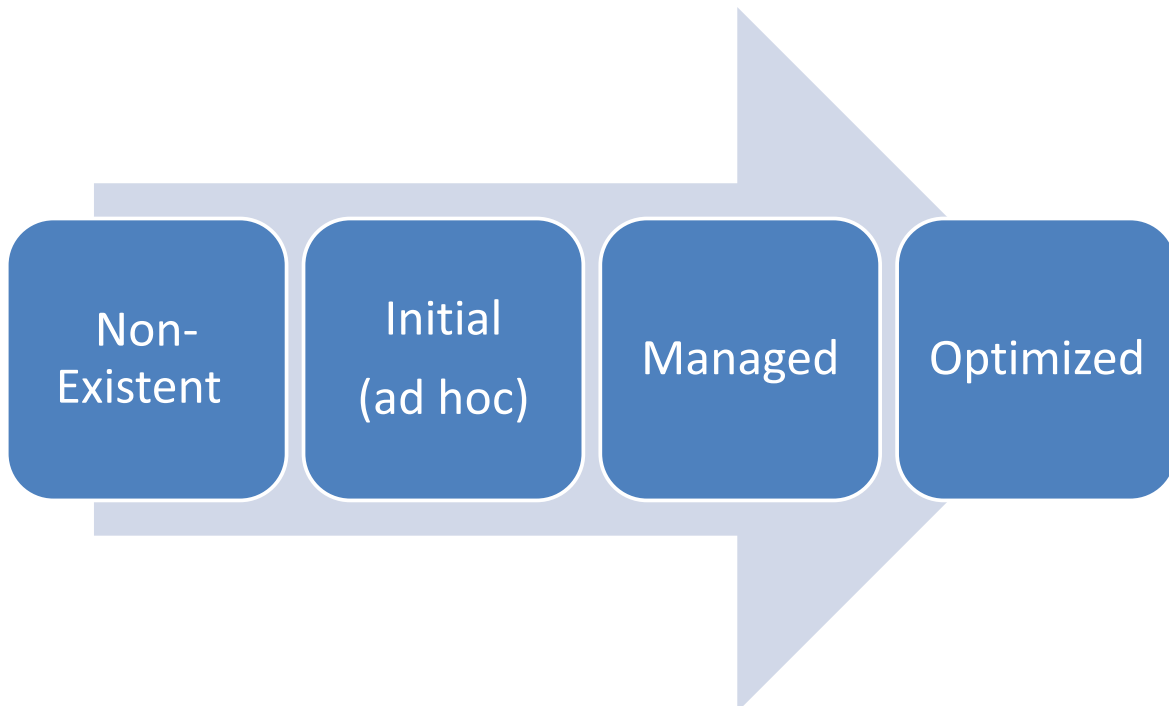
Authority: Board of Governors

- **Require University Compliance and Ethics Programs**
  - o Consistent with U.S. Sentencing Guidelines – 7 Elements
    1. Establish infrastructure
    2. Compliance and ethics oversight
    3. Avoid delegation of authority to unethical individuals
    4. Communicate and educate
    5. Monitor and audit
    6. Consistent enforcement and discipline
    7. Incident response and prevention
  - o Chief Compliance Officer
  - o BOT committee responsible for compliance matters

COMPLIANCE AND ETHICS

Considerations
- Federal Sentencing Guidelines
- Chief Compliance Officer
- Reporting Structure
- Board of Trustees Committee
- SUS Compliance and Ethics Consortium Participation
- Professional Affiliations and Certifications

Discussion

OFFICE OF INSPECTOR GENERAL AND DIRECTOR OF COMPLIANCE

Kristina Marasia (OPS Student Assistant), Melanie Yopp (Investigations and Audit Specialist), Lori Clark (Audit and Compliance Specialist), and Joseph Maleszewski (Inspector General and Director of Compliance)

OFFICE OF INSPECTOR GENERAL AND DIRECTOR OF COMPLIANCE

- Established - 2007
- Using Existing Resources
- Duties:

An Office of Inspector General shall be organized using existing resources and funds to promote accountability, efficiency, and effectiveness and to detect fraud and abuse within state universities.

- s. 20.155(5), F.S.

- Duties included compliance matters

Authority: Section 20.155, Florida Statutes

- **Powers and Duties**

  o **Promote:**
    - Accountability
    - Efficiency
    - Effectiveness

  o **Detect:**
    - Fraud
    - Abuse

  o **Agency Inspector General**

Authority: Section 20.155, Florida Statutes

- **Allegations**
  o Waste
  o Fraud
  o Financial Mismanagement

- **BOG Determinations – Is a BOT "Unwilling or Unable?"**

- **BOT "Unable" – Specific Circumstances**

- **OIGC recommendation to BOG for action**

Considerations

- Role of OIGC
  - Promote Accountability, Efficiency and Effectiveness
  - Detect Fraud and Abuse
- Allegations of Waste, Fraud or Financial Mismanagement
- Circumstances when a BOT is "Unwilling or Unable"

Discussion

"Who investigates complaints against CAE and/or CAE staff?"

CAE Survey Responses

University	CAE	CAE Staff member
FAMU	BOT / AC	
FAU	President / BOT	CAE
FGCU	President	CAE
FIU	General Counsel (GC)	
FSU	President / AC	CAE / GC / BOT AC
NCF	BOT AC	
UCF	GC / OIGC BOG	
UF	President	
UNF	-	
USF	GC (possible referral)	
UWF	President / BOT	CAE

Considerations

- Current Practice
- Independence
- Objectivity
- Type of Complaint

Discussion

CAEs

AUDIT COVERAGE

Auditor General - Financial Statement Audit
FYs 2010-11 through 2012-13

- Financial Statements – Fairly Presented
- Internal Controls
- Noncompliance
- Additional Matter

- IT policies and procedures
- IT access privileges and separation of duties
- IT access – deactivation of employees
- IT logging and monitoring
- IT authentication controls
- IT data loss prevention
- IT logical access controls & user authentication
- IT security incident response
- Board and committee meetings
- Textbook affordability
- Identity theft prevention program (Red Flags Rule)
- Internal audit function (inspector general)
- Fund equity controls
- Investments
- Student receivables
- Florida residency determination and tuition
- Tuition differential fees
- Auxiliary operations contract compliance

- Terminal pay
- Severance pay
- Related-party transactions
- Journal entries
- Direct-support organizations
- Fraud policy and related procedures
- SSN requirements
- Conflicts of interest
- Annual physical inventory of property
- Distance learning fees
- Royalty fees
- Dual enrollment programs
- Construction administration
- Earmarked capital project resources
- Transient student admission
- Cash collection procedures
- Rebate revenues
- Grant administration

AUDIT COVERAGE

## Operational Report Findings (FY 6/30/11- 6/30/14)

Pie chart segments:
- Information Technology 22%
- Administrative Management & Board Policies 14%
- Personnel & Payroll 13%
- Royalties, Tuition & Fees 10%
- Construction Administration & Contract Monitoring 9%
- Procurement of Goods & Services 9%
- Cash Collections/Mgt. & Receivables 7%
- Expenses, Disbursements & P-Cards 7%
- Other 9%

Auditor General - Federal Awards Audits
Student Financial Assistance Findings
35 Total - FYs 2010-11 to 2012-13

FY 2010-11 **FY 2011-12** **FY 2012-13**
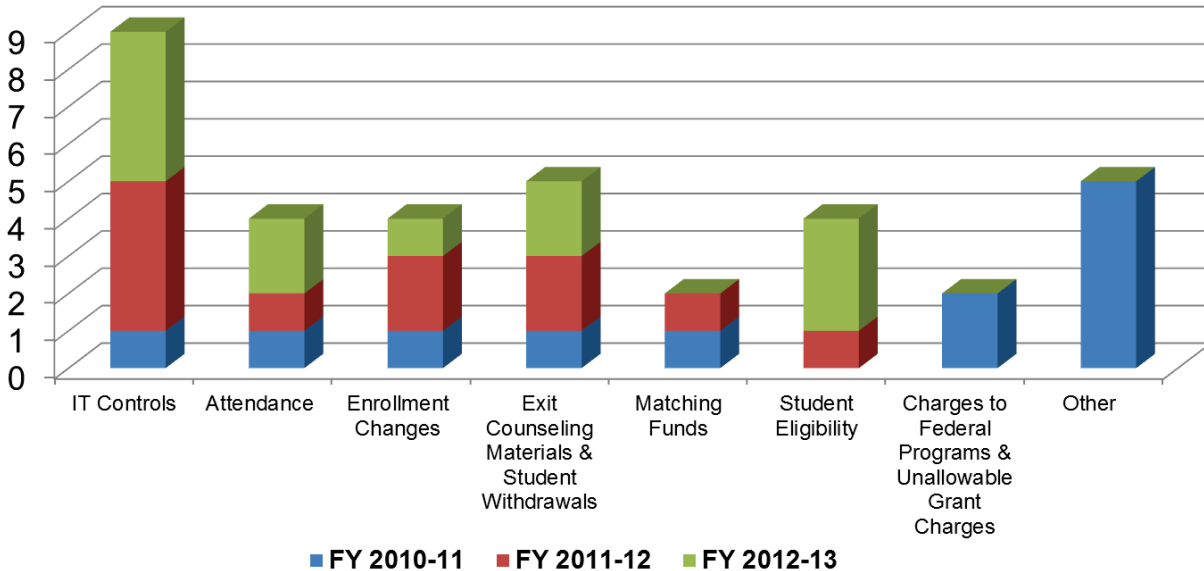
Auditor General - Federal Awards Audits
Research & Development Findings
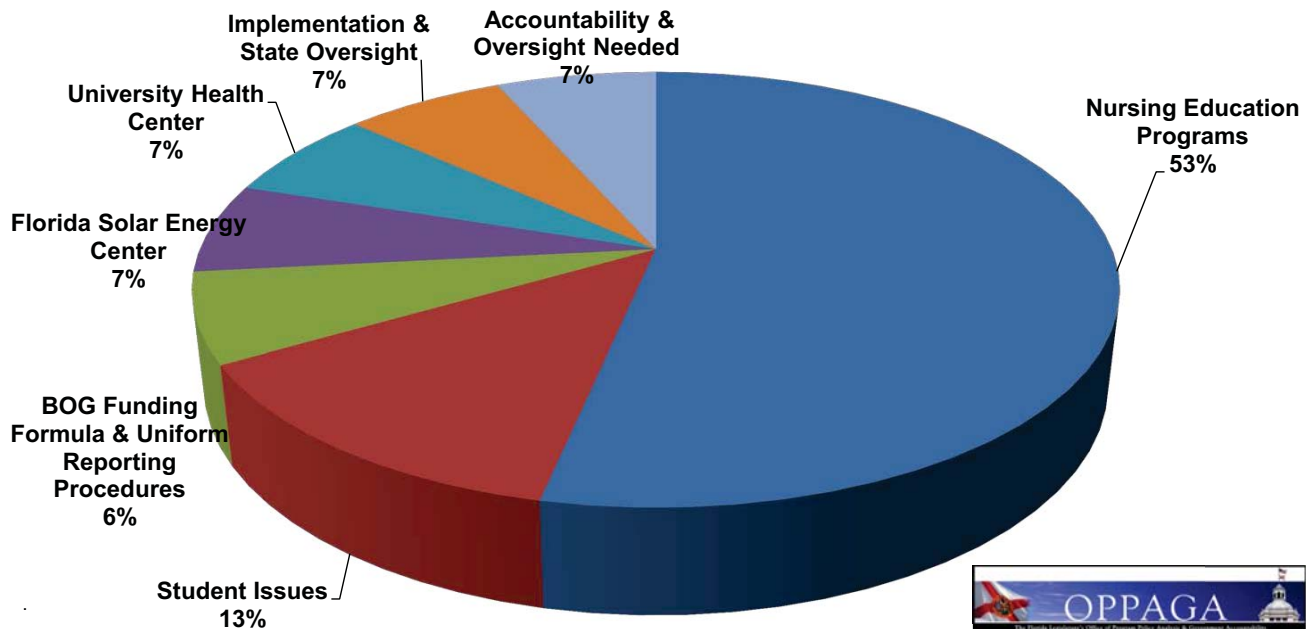### 17 Total - FYs 2010-11 to 2012-13

FY 2010-11 **FY 2011-12** **FY 2012-13**
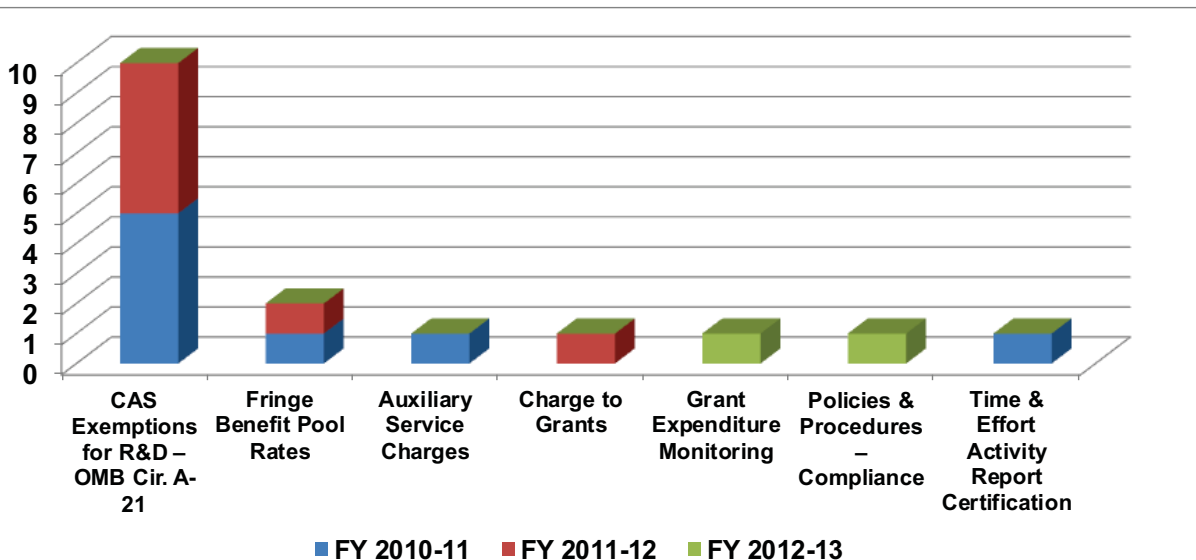
Auditor General - IT Audits of NWRDC

- 4 Audits

- 15 Audit Findings
  - 13 - IT Operations
  - 2 - Cost Allocation Processes

OPPAGA Reports by SUS Category
January 2010 - January 2015

Implementation & State Oversight 7%

Accountability & Oversight Needed 7%

University Health Center 7%

Florida Solar Energy Center 7%

Nursing Education Programs 53%

BOG Funding Formula & Uniform Reporting Procedures 6%

Student Issues 13%

OPPAGA

Support Organizations/Plans - FY 2012-13

- 73 Financial Statement Audits – Fairly Presented

- 3 AUP: Intercollegiate Athletics
  - o Material Weakness - Student Fees $65,000
  - o Exception - Ticket Sales and Student Fees $200,000
  - o Exception - Student Fees $147,000

- 5 of 73 Audits: I/C over Financial Reporting
  - o Intercollegiate Athletics: Material Weakness – Accounts Receivable and Reconciliations
  - o Foundation: Material Weakness – Segregation of Duties; Significant Deficiency – Untimely Reconciliations
  - o Law Center: Material Weakness – Accounting system conversion
  - o Florida Seed Production Foundation: Significant Deficiency – Disbursements
  - o Nursing Faculty Practice: Management Letter – Update billing system codes and properly document patient income

- 1 of 73 Audits: Compliance Issue
  - o Florida Seed Production Foundation: Travel-related compliance issue

University CAEs – Internal Audit Findings by Category CYs 2012 – 2014

■ 2012   ■ 2013   ■ 2014
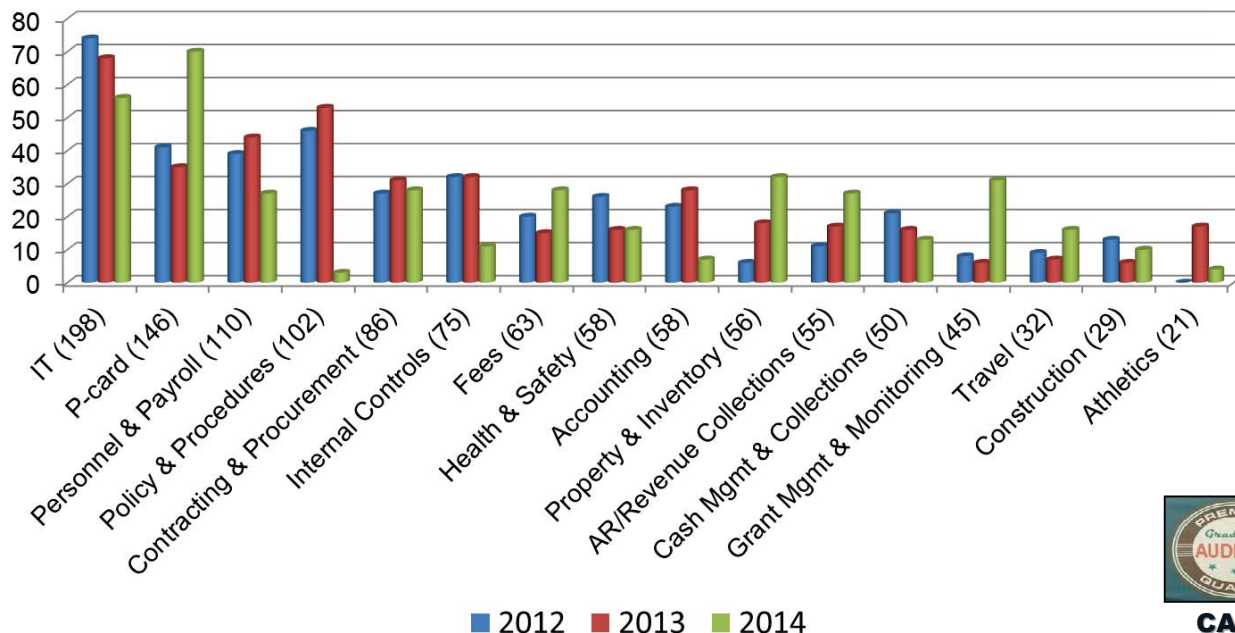
CAEs

RECAP AUDIT COVERAGE

- **University – Financial**
  - Fairly Stated
  - Internal Controls
  - Compliance
- **Federal Awards**
  - Student Financial Assistance
  - Research and Development
- **Support Organizations/Plans – Financial**
  - Fairly Stated
  - Internal Controls
  - Compliance
- **OPPAGA – Nursing**

COMMON/PERSISTENT AUDIT FINDINGS AG AND CAE OPERATIONAL AUDITS

- IT Security – User Authentication
- Textbook Affordability
- Tuition Differential
- Remuneration Administrative Employees
- Severance Payments
- Residency for Tuition Purposes
- DSO – Line of Credit
- P-Card
- Cash Collections
- Contracting and Procurement
- Construction
- Vehicle Fuel Consumption – Vehicle Usage Logs
- IT Disaster Recovery

AUDIT FOLLOW-UP

IIA Performance Standard 2500:

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

- Corrective Action Plans
- Periodic Follow-up
- Escalation of Issues
- Acceptance of Risk

REGULATION DEVELOPMENT – BOARD OVERSIGHT

Authority: Section 1008.322, Florida Statutes

- **Joint Legislative Auditing Committee (JLAC)**
  - o Request written statement
  - o Appear before JLAC
  - o Refer to BOG to proceed under Section 1008.322, F.S.
- **BOG Oversight and Enforcement Authority**
  - o Chancellor authority to investigative noncompliance
  - o Order compliance
  - o Noncompliance
    - ▪ Withhold funds
    - ▪ Declare ineligible for grants
    - ▪ Periodic reporting
    - ▪ Recommend action to Legislature

Considerations

- Audit Trends
- Role of AG/JLAC
- BOG Oversight and Enforcement Authority

Discussion
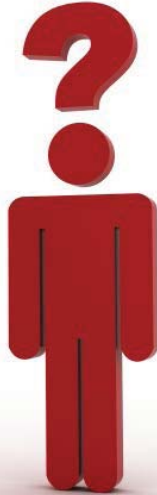
- **External**
- **Financial**
- **Hazards**
- **Human Resources**
- **Operational**
- **Information Technology**
- **Reputational**
- **Strategic**
- **Legal/Regulatory Compliance**

CAEs indicated they:

- Conduct periodic risk assessments
- Solicit stakeholder input (alignment)
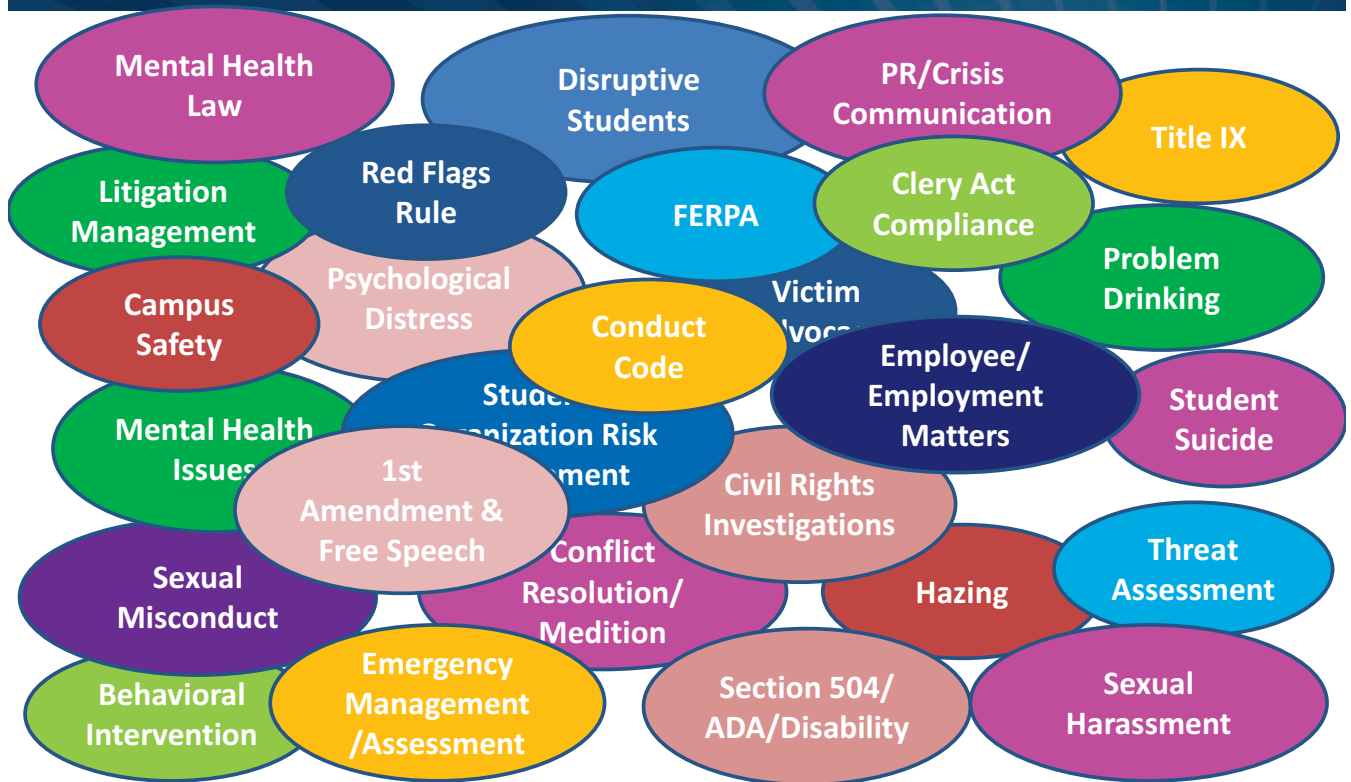- Understand the strategic direction of their university

RISK ASSESSMENT MATURITY MODEL

Non-Existent → Initial (ad hoc) → Managed → Optimized
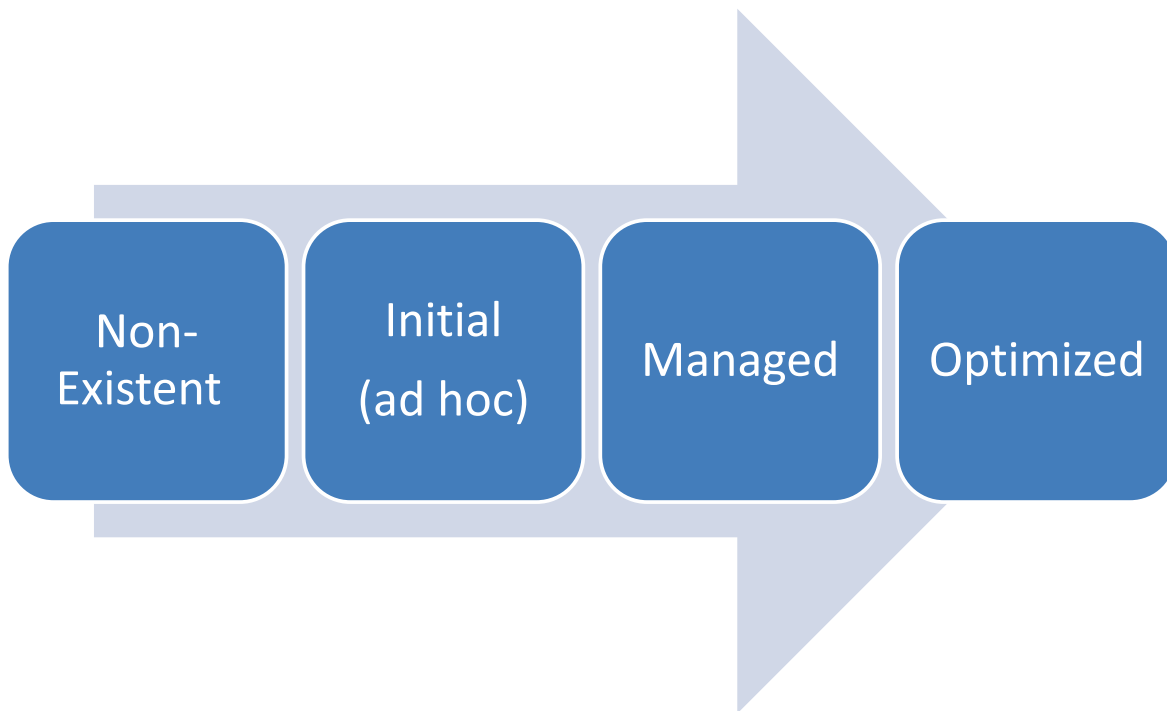
UNIVERSITY RISKS AND AUDIT COVERAGE

AG Operational

University CAE

AG Financial

CPA

OPPAGA

Federal Auditors

Mental Health Law

Disruptive Students

PR/Crisis Communication

Title IX

Litigation Management

Red Flags Rule

FERPA

Clery Act Compliance

Problem Drinking

Campus Safety

Psychological Distress

Conduct Code

Victim Advocacy

Employee/ Employment Matters

Student Suicide

Mental Health Issues

Student Organization Risk Management

1st Amendment & Free Speech

Civil Rights Investigations

Sexual Misconduct

Conflict Resolution/ Medition

Hazing

Threat Assessment

Behavioral Intervention

Emergency Management /Assessment

Section 504/ ADA/Disability

Sexual Harassment

IT RISKS AUDIT COVERAGE

AG Operational

University CAE

AG Financial

Considerations
- Audit Coverage
- Risk Types
- Risk Appetite
- System-wide Risks
- Fraud Risks
- Are there risks we are not auditing?

Discussion

The Institute of Internal Auditors

Governing Body / Board / Audit Committee

Senior Management

1st Line of Defense	2nd Line of Defense	3rd Line of Defense	External audit	Regulator
Management Controls / Internal Control Measures	Financial Control Security Risk Management Quality Inspection Compliance	Internal Audit		

University	Committees								
FAMU	Academic Affairs	Audit & Compliance	Budget & Finance	Student Affairs	Facilities Planning			DSO	
FAU	Academic & Student Affairs	Audit & Finance				Community & Government Relations	Personnel & Compensation	Athletics Subcommittee	Strategic Planning & Development
FGCU	Academic, Student & Faculty Affairs	Audit	Finance & Administration						
FIU	Academic Policy & Student Affairs	Finance & Audit			Governance	External Relations		Athletics	Health Affairs
FPU	Academic & Student Affairs	Audit & Compliance	Finance & Facilities		Governance			Housing	Strategic Planning
FSU	Academic Affairs	Finance, Business & Audit		Student Affairs	Collective Bargaining		Presidential Compensation	Efficiency	
NCF	Academic Affairs	Audit	Finance, Facilities* & Administration	Student Affairs		External Affairs			Strategic Planning
UCF	Educational Programs	Audit, Operations Review, Compliance & Ethics	Finance & Facilities		Nominating & Governance		Compensation & Labor (Ad Hoc)	Advancement	Strategic Planning
UF	Educational Policy & Strategy	Audit & Operations	Finance & Facilities		Governance	External Affairs			
UNF	Academic Affairs	Finance & Audit	Student Life & Facilities					Ad Hoc	
USF	Academics & Campus Environment	Finance & Audit						Research, Innovation, Engagement & Job Creation	Health
UWF	Academic Affairs	Audit & Operations	Finance & Facilities	Student Affairs	Executive				

- Risk Management Programs
- Role of Internal Audit?

2120 – Risk Management

*The internal audit activity **MUST** evaluate the effectiveness and contribute to the improvement of risk management processes.*

RISK MANAGEMENT MATURITY MODEL

| Non-Existent | Initial (ad hoc) | Managed | Optimized |
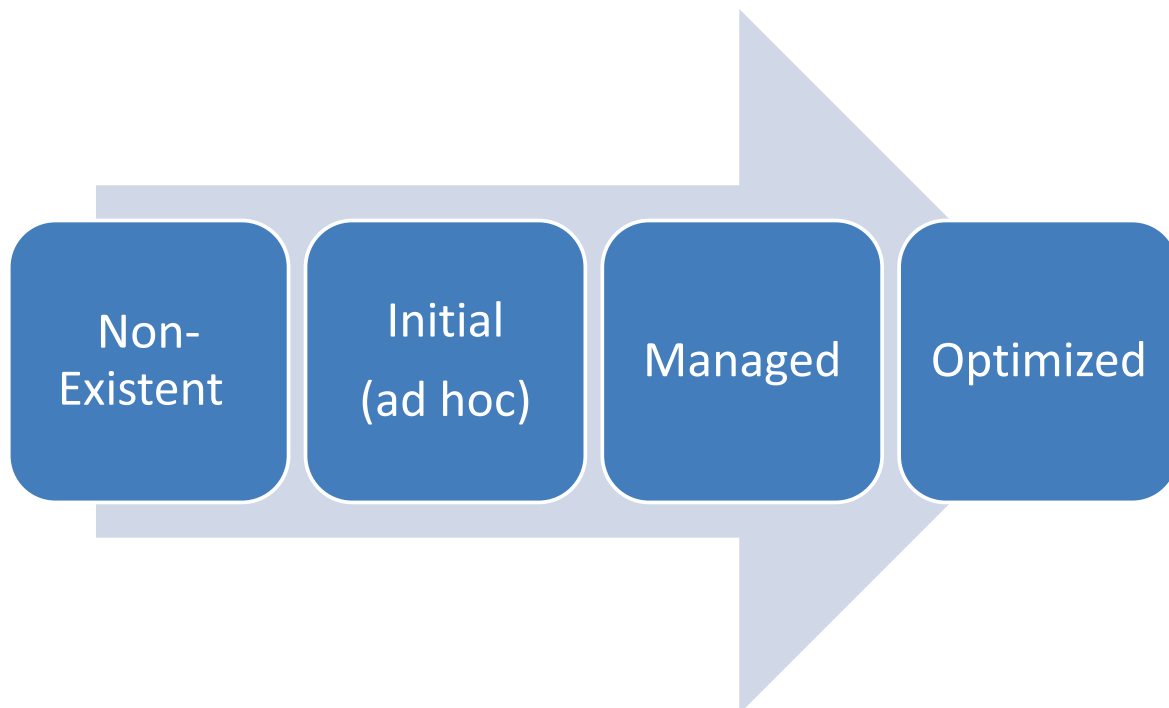
Considerations

- University Risk Management Programs
- Role of Internal Audit
- Board of Trustees Responsibilities
- Risk Appetite

Discussion

compliance
Internal risk Audit objective
independent add value effective improve efficient assurance

Hotline   Investigations

Compliance

| Assurance Provider | Problem Solver | Insight Generator | Trusted Advisor |
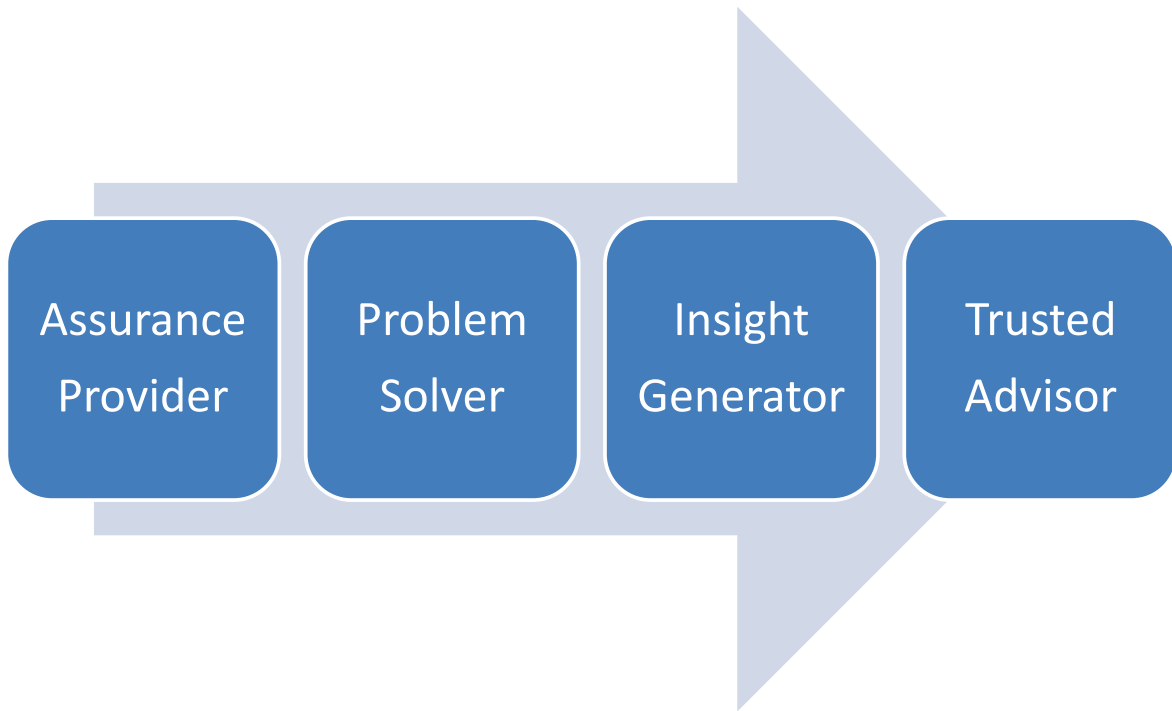
CAE MISSION

- Audit
- Investigations
- Compliance (4 out of 11)
- Whistle-blower's Act
- Special Projects

PROFESSIONAL STANDARDS

- **Audit –**
  - IIA - Red Book
  - GAO - Yellow Book
  - ISACA – IS Audit and Assurance
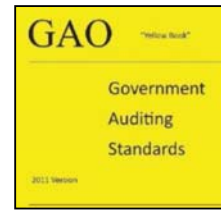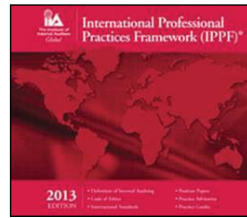
- **Investigations –**
  - Green Book
  - ACFE – Code of Professional Standards

CAE QUALIFICATIONS

- BA or MA in relevant area
- More than 5 years of experience
- Professional Certification – CPA or CIA

Degrees	Certifications	Professional Affiliations
All have BAs: 1 MBA 2 MPAs 2 MSs 1 PhD	8 CPAs 4 CIAs 2 CIGs 2 CGFM 1 each: CCEP, CCSA, CFE, CGAP, CGMA & CISA	ACFE ACUA AGA AHIA AICPA AIG FICPA IIA ISACA SCCE

CAE INDEPENDENCE

- **CAE Appointment and Removal**
- **Qualifications**
- **Reporting Structure**
- **Resources**
- **Management**
  - o Hire staff
  - o Manage budget
  - o Reporting
- **Scope Limitations**

UNIVERSITY CHIEF AUDIT EXECUTIVE SURVEY

Office Resources:

- **System Total:** $8 Million
- **University Average:** $800,000
- **27% Report Insufficient Resources**
- **CAE Priorities for Resources:**
  - o Staffing
  - o Salaries – Retain Staff
  - o Training
  - o Audit Software
  - o Compliance
  - o Hotline

RATIO: AUDIT STAFF TO UNIVERSITY STAFF

Fall Term 2014*

	FAMU	FAU	FGCU	FIU	FSU	NC	UCF	UF	UNF	USF	UWF
Univ.	2,102	4,174	1,472	6,604	9,883	280	6,907	17,924	2,129	10,203	1,958
Audit	9	4	3	11	11	1	8	13	4	13	6

Chart values: FAMU 234, FAU 1,044, FGCU 491, FIU 600, FSU 898, NC 280, UCF 863, UF 1,379, UNF 532, USF 785, UWF 326
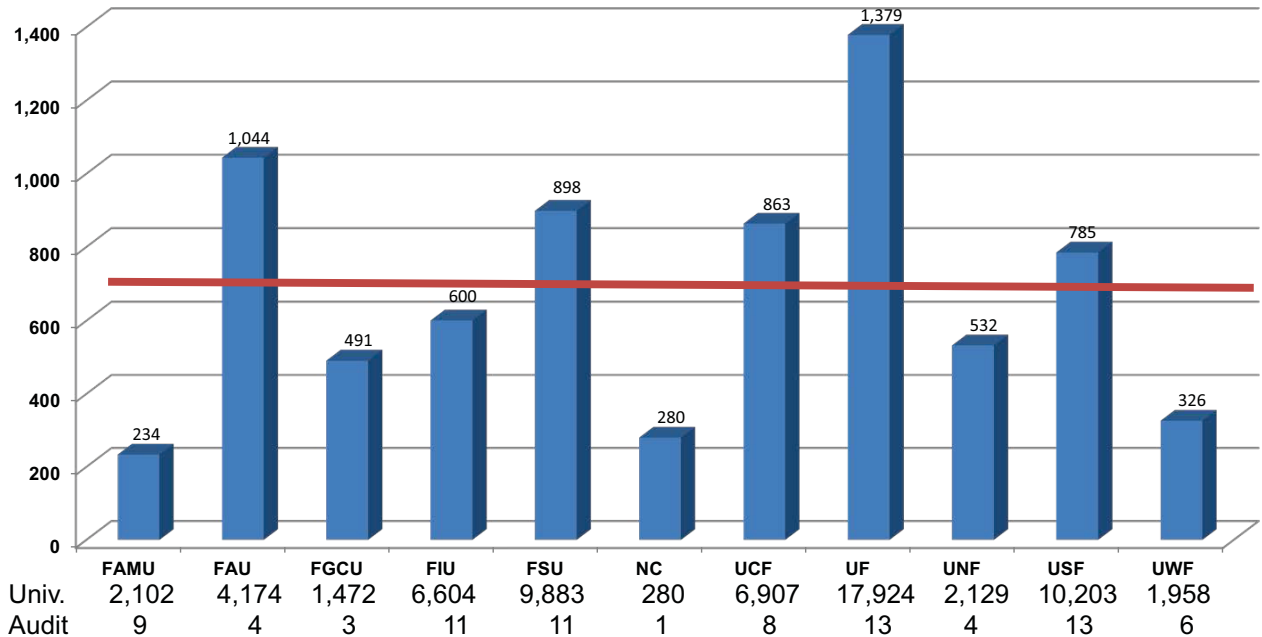
*Does not include FPU.

RATIO: AUDIT TO UNIVERSITY EXPENDITURES

Fiscal Year 2013-2014*

Percent

FAMU	FAU	FGCU	FIU	FSU	NC	UCF	UF	UNF	USF	UWF
0.62	0.12	0.22	0.17	0.23	0.26	0.19	0.14	0.17	0.24	0.28
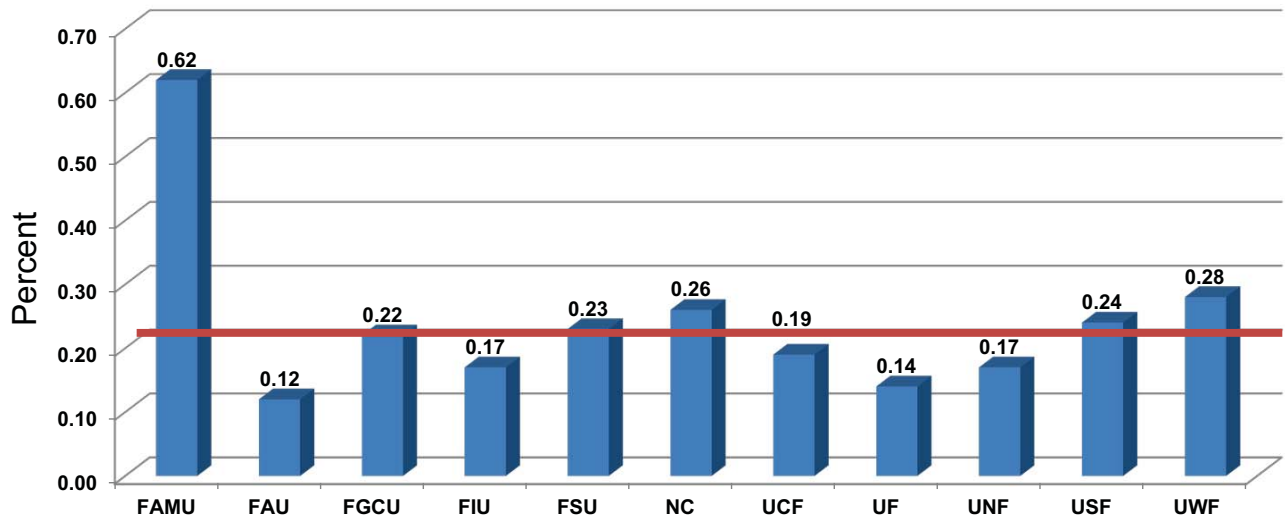
* Does not include FPU.

CAE IT AUDIT STAFF SUMMARY

University	Position	# of FTEs
FAMU	Staff Auditor – IT	1
FIU	Information Systems Audit Manager	1
FSU	Staff Auditor – IT	1
UCF	IT Auditor	Vacancy
UF	Manager – IT Audit	1
UF	Staff Auditor – IT	Vacancy
UNF	Staff Auditor – IT	1
USF	Assistant Director – Audit/IT	1
USF	Senior IT Auditor	2
		Total: 10 IT FTEs

CAE v. ACUA AVERAGE SALARIES

CAE Job Titles	ACUA Job Titles	CAE Salaries	ACUA Salaries	Δ
CAE / IG	CAE	$138,623	$121,868	$16,755
Director of Audit/Investigations	Associate Director	$87,388	$106,682	($19,294)
Audit Manager	Manager/Supervisor	$78,205	$86,653	($8,448)
Senior Auditor/Investigator	Experienced Auditor	$63,838	$67,010	($3,172)
Staff Auditor/Investigator	Entry-Level Auditor	$54,774	$48,436	$6,338
IT Manager	IT Manager	$89,929	$102,247	($12,318)
Senior IT Auditor	Experience IT Auditor	$72,201	$78,117	($5,916)
IT Auditor	Entry Level IT Auditor	$54,750	$53,615	$1,135
Administrative Assistant	Administrative/Clerical	$44,077	$45,193	($1,116)

- Charters – BOT & CAE Office
- Duties and Responsibilities
  - Audits and Investigations
  - Promote economy and efficiency
  - Prevent and detect fraud and abuse
- Professional Standards
  - Office – AIG General Principles and Standards for Offices of Inspectors General
  - Audits – IIA, GAGAS, ISACA
  - Investigations - AIG Quality Standards for Investigations
- Resources
- Provide training & outreach – fraud awareness, risk management, controls
- Continuing professional development
- Annual Report
- Complaints against CAEs and their staff
- State University Audit Council

AUDITS:

- **CAE Qualifications**
- **Independence**
  - Appointment and Removal
  - Reporting – Administratively to President & Functionally to BOT
  - Access to information and people
  - Scope limitations
  - Audit Reports
- **Follow-up on AG and CAE findings and recommendations**
- **Acceptance of Risk**
- **Periodic risk assessments and audit plans**
- **Quality assurance and improvement program**

REGULATION DEVELOPMENT – CHIEF AUDIT EXECUTIVES

Investigations:

- Cooperation with official investigations
- Whistle-blower's Act determination and investigation
- Violations of criminal law – report expeditiously to law enforcement
- Complaint tracking, referral and disposition
- Freedom from interference with investigations
- Investigative reports

CHIEF AUDIT EXECUTIVES

Considerations
- Investment in CAE
- Resourcing – Staffing & Budgets
- Independence
- Prepared (Qualified, Educated, Experienced, Certified)
- IG Equivalent Positions
- Regulation

Discussion
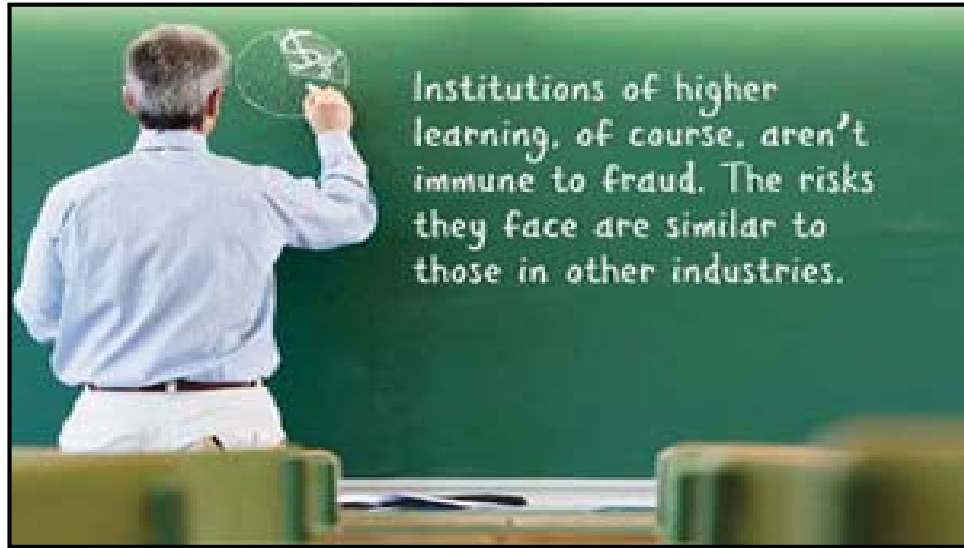
© FUSE/THINKSTOCK

"Most universities often are fraud victims because of their unique control environments. An atmosphere of openness and collegiality, and faculty members who don't want to be controlled, can lead to a lack of segregation of duties and independent oversight."

FRAUD
MATURITY MODEL

Non-Existent → Initial (ad hoc) → Managed → Optimized

2014 GLOBAL FRAUD STUDY
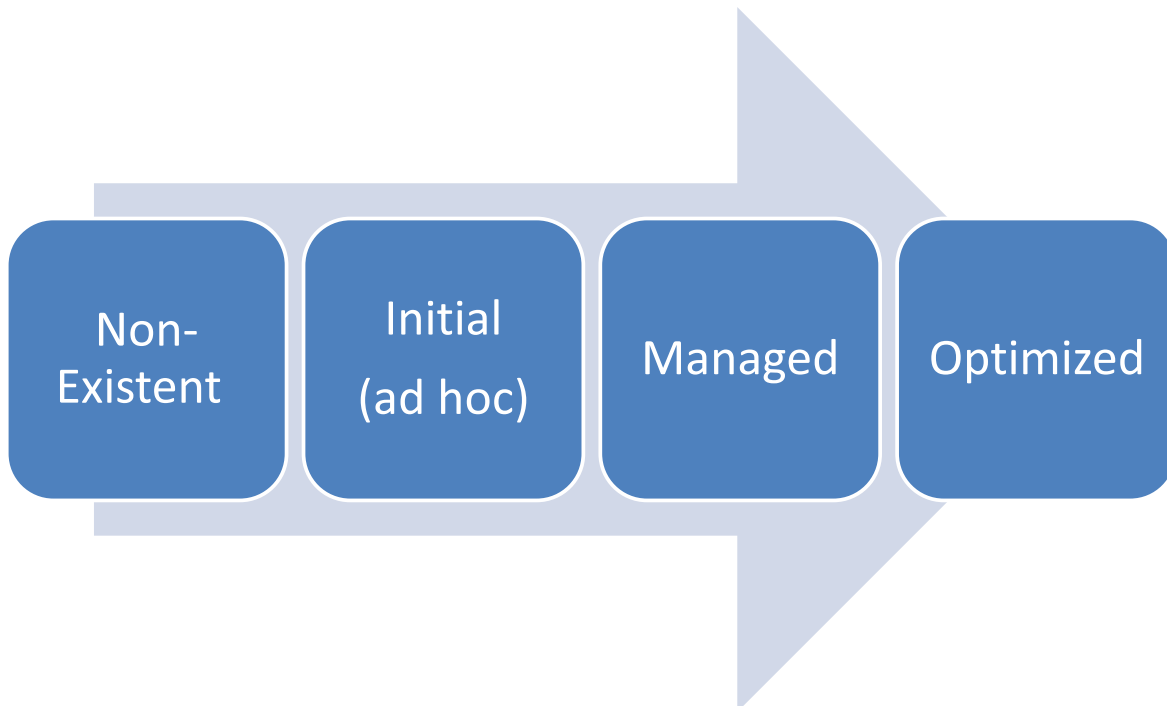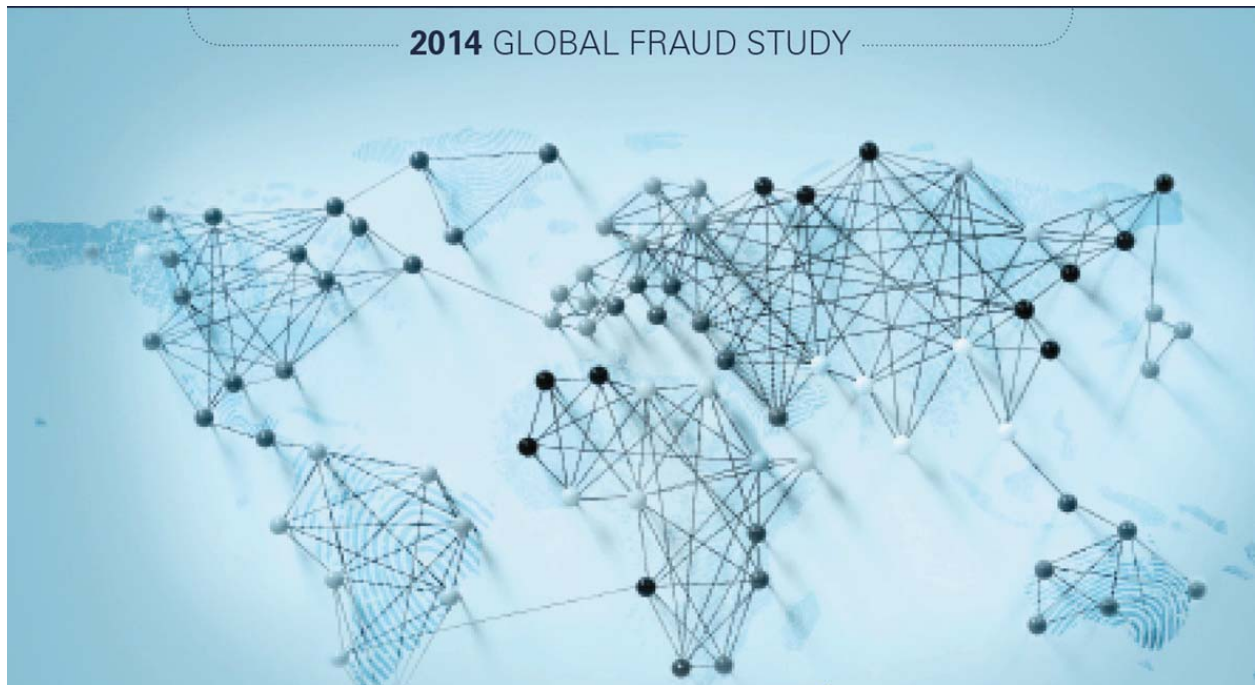
COST OF FRAUD
ACFE 2014

The COST of FRAUD

- 5% of annual revenue to fraud
  - 1,483 cases = over $3 billion in losses
  - Potential $3.7 trillion worldwide loss

- 22% of frauds > $1 million

- Hidden costs:
  - Productivity
  - Reputational damage
  - Related business
  - Investigation and remediation

- 58% of entities had not recovered losses
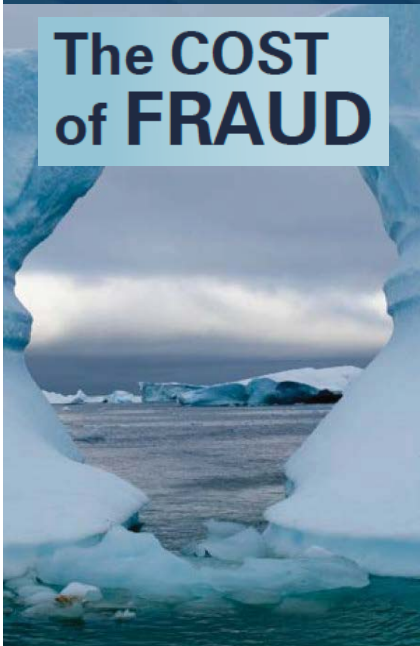
The cost of fraud is the equivalent of a financial iceberg; some of the direct losses are plainly visible, but there is a huge mass of hidden harm that we cannot see.

Three categories of occupational frauds:

1. Asset misappropriations
2. Corruption
3. Financial statement fraud

- Misappropriation – most common = 85% of all fraud

- Most common fraud schemes in education:
  - 36.30% Corruption
  - 33.80% Billing
  - 31.30% Expense Reimbursements
  - 20.00% Skimming
  - 16.30% Cash on Hand
  - 16.30% Payroll

REPORT TO THE NATIONS
ON OCCUPATIONAL **FRAUD** AND **ABUSE**

2014 GLOBAL FRAUD STUDY

COST OF FRAUD

Frauds in Higher Education - six-figure occupational fraud losses:

- Bethany College, WV, > $500,000
  cashier's office employee charged

- Harrisburg Area CC, PA, $228,000
  VP plead guilty used institutional funds
  for personal purchases

- Georgetown, D.C., about $390,000
  administrator embezzled

Education is now one of the top five industries for reported cases of occupational fraud.

Source: Source: Anne Rawland Gabriel, University Business, January 2014 (UB, 2014)

2012 - University Events Director arrested on 8 Counts of Fraudulent Claims
- o Submitted false info regarding per diem and travel expenses

2013 - Former University Student Gets 2 Years in Prison for Identity Theft
- o Redirected financial aid refunds
- o Aggravated ID theft and access device fraud

2014 - Former University Dean & Student Government Association(SGA) Coordinator of Accounting & Budgets
- o Arrested for Stealing money from SGA
- o Admitted to stealing from fees paid for out of town games
- o Three counts grand theft and 11 counts fraudulent claims

Considerations
- Tone at the top
- How much fraud do we have?
- How do you prefer fraud to surface?
- All fraud is committed by those we trust.
- System fraud policy
- University fraud policies
- Fraud risk assessments

"There's none deceived but he that trusts"

- Benjamin Franklin

Discussion

"Organizations with hotlines were much more likely to catch fraud by a tip, which our data shows is the most effective way to detect fraud. These organizations also experienced frauds that were 41% less costly, and they detected frauds 50% more quickly."

Source: ACFE 2014 Report to the Nations

HOTLINE MATURITY MODEL

Non-Existent → Initial (ad hoc) → Managed → Optimized
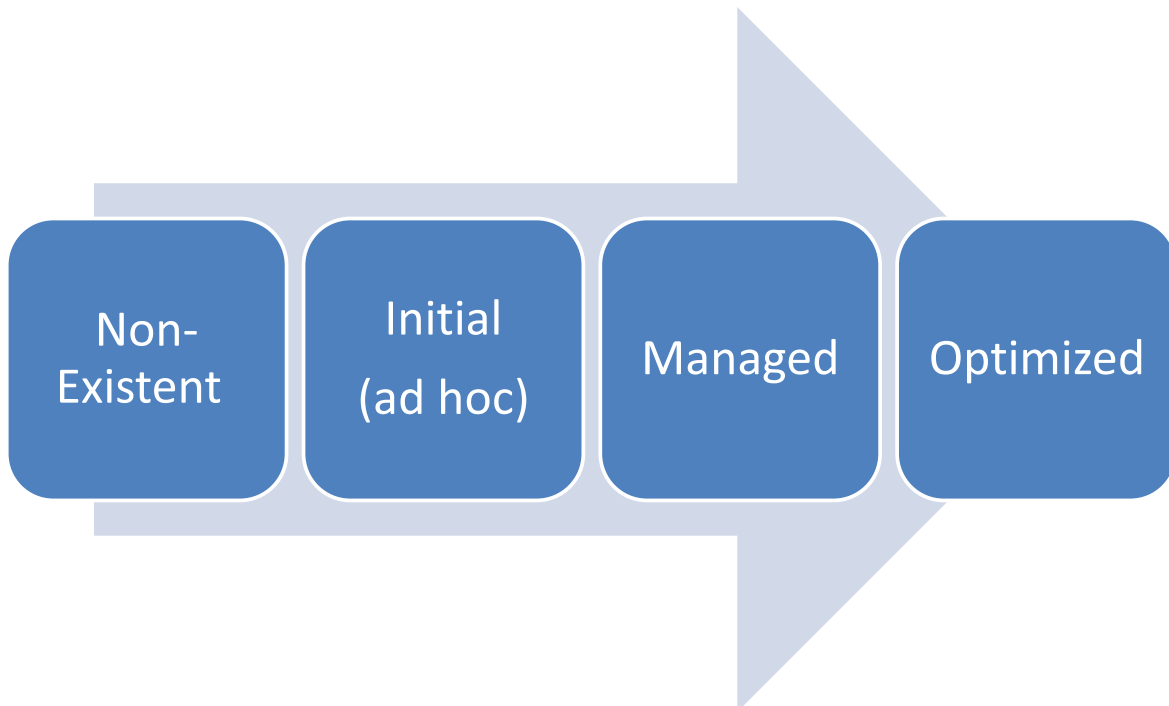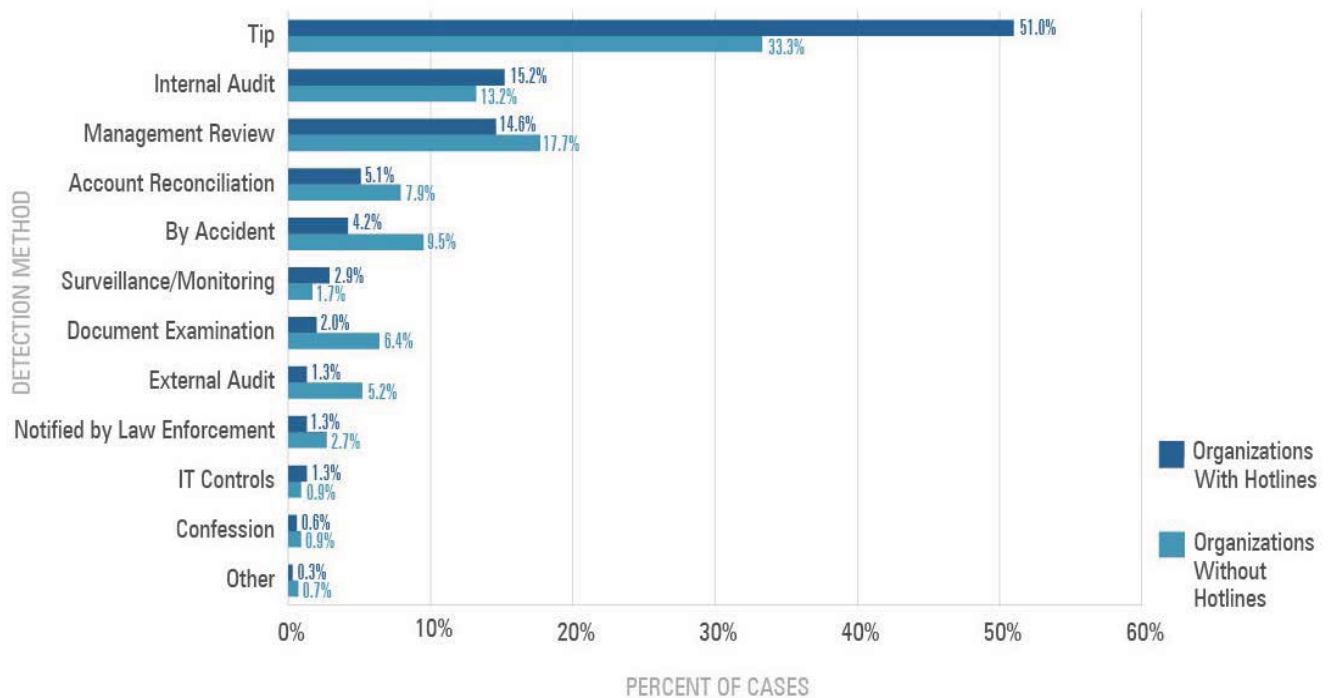
COMPLAINT HOTLINE AND TRACKING SYSTEM

- 7 Universities (58%) have hotlines
- 5 use EthicsPoint (Navex)
- 1 uses The Network
- 1 in-house web-based system

- **All track complaint dispositions:**
  - o 9 use in-house systems
  - o 2 use off-the-shelf systems (Navex and TeamMate)

- Student Complaints
- OIGC Complaints
- University Complaints
- Ethics Complaints
- Florida Commission on Human Relations
- CFO Get Lean Hotline
- Whistle-blower's Hotline
- USDOE – Office of Civil Rights
- USDOE – OIG

http://www.flbog.edu/contact/complaint/

HOTLINES

Considerations
- Governors CIG WB Hotline
- OIGC Complaints Page
- Management of Hotlines

Discussion

Sections 112.3187-112.31895 , F.S. - "Whistle-blower's Act"

NATURE OF INFORMATION DISCLOSED

"Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public's health, safety or welfare"

"Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor."

Subsection 112.3187(5)(a), F.S.

- Appoint IG for purposes of Whistle-blower's Act – make determinations and conduct the investigations
- Protection for WB
- Confidentiality
  - WB Identity,
  - Active Investigative Information
- Investigative Timeframes
  - Determinations (20 days)
  - Investigations (60 days)
- Governors CIG – WB Hotline
- WB Response – 20 days
- Referral to LE if Criminal

- All Chief Audit Executives
- 6 Universities General Counsels
- 2 University Presidents

Considerations

- BOT Appointment of IG for purposes of WB Act
- Determinations and Investigations
- Placement/Independence
- Timeframes
- Confidentiality

Discussion

IIA Attribute Standard 1300 – QAIP

- Internal Assessments
  - Ongoing
  - Periodic self-assessments
- External Assessments (every 5 years)
- Management Action Plan
- Reporting – Senior Management & Board
- Use of "Conforms with the ISPPIA"
- Disclosure of Nonconformance

- External QAR
  - 10 of the 11 have had a QAR within the required 5 years
  - All 11 received a Generally Conform (GC) finding
  - Opportunities for improvement

- Internal QAR

CAEs conducting joint investigations with university, local, state and/or federal law enforcement agencies:

- 64% (7) universities do
- 36% (4) universities do not

FAMU

FGCU

FSU

UCF

UF

UNF

USF & NCF

Considerations

- Quality Assurance and Improvement Program (QAIP)
- Internal Quality Assessment
- External Quality Assurance Review – Every 5 Years
- Self-Assessment with External Validation
- LE Partner Accreditation

Discussion

CAE SHARED SERVICES

1. **Education and Training**

2. **SUS Staff Expertise**
   a. IT Audits
   b. Quality Assessment Reviews

3. **Information Sharing**
   a. Reports and Findings
   b. Audit Expertise
   c. Audit Plans and Risk Assessments

4. **Resources**
   a. Third-party Hotline
   b. System-wide Audit Management Software
   c. Electronic Work Papers

Considerations

- Training and Development
- Quality Assessment Reviews
- Information Sharing
- ACUA Resources
- CAE Collaboration via SUAC
- Software
  - Audit Management
  - Working Papers
  - Computers Assisted Audit Techniques

Discussion

Background:
- Governance
- Pulse of the Profession

Discussion Topics:
1. Compliance and Ethics
2. OIGC Roles, Powers and Duties
3. Complaints Against Chief Audit Executives and Staff
4. Audit Coverage, Follow-up, and Escalation
5. Risk Assessment
6. Risk Management
7. Offices of the Chief Audit Executive
8. Fraud
9. Hotlines
10. Whistle-blower's Act
11. Quality Assurance (Time Permitting)
12. Shared Services (Time Permitting)

BOARD *of* GOVERNORS
State University System of Florida

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Rev. 2014

BOARD *of* GOVERNORS
State University System of Florida

Audit and Compliance Committee Meeting

March 18, 2015

www.flbog.edu

AUDIT AND COMPLIANCE COMMITTEE TWO-YEAR PLAN

1. Charter Documents
   - AACC Charter
   - OIGC Charter
2. PBF – Data Integrity
   - Audits
   - Certifications
   - Corrective Action Plans
3. System Synergy
   - BOT & BOG Collaboration/Teamwork
   - Workshop

Audit Committees Workshop

- Held this morning
- Participants
- Collaboration
- Regulations
  - Compliance and Ethics
  - OIGC
  - Offices of Chief Audit Executive
  - Board Oversight and Enforcement Authority

1. Charter Documents
   - AACC Charter
   - OIGC Charter

2. **PBF – Data Integrity**
   - **Audits**
   - **Certifications**
   - **Corrective Action Plans**

3. System Synergy
   - BOT & BOG Collaboration/Teamwork
   - Workshop

- Audit Requirement

- Provides assurance that university data submitted for PBF decision-making is reliable, accurate, and complete

- Audit Guidance:

  o Due - March 2015

  o Minimum Audit Requirements

  o Institute of Internal Auditors - ISPPIA

  o Audit Scope

Minimum Objectives:

- Data Administrator

- Processes

- Documentation, Policies, and Procedures

- System Access Controls

- Testing of Data Accuracy

- Data Administrator's Certification

- Data Consistency

- Timely Submissions

PERFORMANCE BASED FUNDING DATA INTEGRITY – BACKGROUND

Corrective Action Plans

- Due – 30 days
- Board of Governor Approval

Certification

- 11 representations
- Executed by University President and BOT Chair
- Audit – Basis for Certification

AUDIT RESULTS

- ## 10 of 11 – Submitted Audits

- ## All 10 Concluded:

  - Controls Adequate
  - Basis of Certification

- ## Corrective Action Plans (CAP)

  - 8 Universities Developed CAP
  - 3 Universities Completed CAP

UNIV.	CONCLUSIONS	OBSERVED ISSUES	ACTION PLAN	CERTIFICATION
FAMU	• Controls Adequate • Basis for Certification	• Policies and Procedures • Documentation of Awarded Degrees in iRattler • Access Controls • Timeliness of Submissions	Completion Date: June 2015	Modified Representations: 8. Timely Sub. 9. Certification
FAU	• Controls Adequate • Basis for Certification	N/A	N/A	Unmodified Certification
FGCU	• Controls Adequate • Basis for Certification	• Timely Submissions • Access Controls	Completed: December 2014	Unmodified Certification
FIU	• Controls Adequate • Basis for Certification	• Policies and Procedures • Timeliness of Submissions • Access Controls • Reporting – multiple admission dates	Completion Date: August 2015	Unmodified Certification
FPU	N/A	N/A	N/A	N/A
FSU	• Controls Adequate • Basis for Certification	• Timeliness of Submissions • Policies and Procedures	Completion Date: July 2015	Modified Representation: 8. Timely Sub.
NCF	• Controls Adequate • Basis for Certification	• Timeliness of Submissions • Access Controls	Completed: February 2015	Unmodified Certification
UCF	• Controls Adequate • Basis for Certification	N/A	N/A	Unmodified Certification
UF	• Controls Adequate • Basis for Certification	• Policies and Procedures • Access Controls • Legacy Systems Modernization Effort and Master Data Management	Completion Date: May 2015	Unmodified Certification
UNF	--	Report expected 3/17/15	--	Unmodified Certification
USF	• Controls Adequate • Basis for Certification	• Data Administrator Position Description • Password Standards • Server Security • Data Submission Errors • Enhance Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey	Completed: February 2015	Unmodified Certification
UWF	• Controls Adequate • Basis for Certification	• Policies and Procedures	Completion Date: March 2015	Unmodified Certification

CERTIFICATIONS

- Data Integrity Certifications
  - 9 Universities submitted "Unmodified"
  - 2 Universities submitted "Modified"
    - Timeliness of Data Submissions
    - Data Administrator Certification

- Impact of "Modified" representations

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Academic Program Pre-proposal Recognition System (APPRiSe)

Dr. Julie Alexander, Florida College System
Dr. Jan Ignash, Florida Board of Governors

March 18, 2015

1

Challenge

- Public colleges and universities need a systematic way to share early plans for future academic degree programs.

2

Purpose

- The APPRiSe web tool was developed to serve as a method to allow state colleges and universities to share information regarding new bachelor's degrees in order to:
  - Provide notice early in the development process, and
  - Avoid unnecessary duplication of other college and university academic degree programs.

APPRiSe Users

- Each institution will have two users.
  - Users are administrators at each institution who play a major role in program approval.

- Appropriate staff at the Board of Governors and Florida College System will also have access.

THE COMMUNICATION PROCESS

A Place for APPRiSe in the Academic Program Development Process

Florida College System

- Colleges enter a "Prospective Program" 1 Year prior to the Letter of Intent.

State University System

- Universities enter a "Prospective Program" 1 Year prior to a proposal going to the University Board of Trustees.

A prospective program is entered into APPRiSe about 1 year prior to implementation.

60 day comment period.

Comment period closes. Information is archived.

60 Day Comment Period

A Prospective Program is entered into APPRiSe

→

An email is sent to all Users on the Contact List

↓

An email is sent to all Users on the Contact List, noting 10 days are left to comment

←

When the Prospective Program has been posted for 50 days

↓

When the comment period ends for a Prospective Program

→

An email is sent to all Users on the Contact List

Any time a comment is written about a Prospective Program

↓

An email is sent to all users on the Contact List

7

THE APPRiSe WEB TOOL

8

FCS Portal Page

SUS Portal Page

Home Page

Home Page – Add a Prospective Program

Adding a Prospective Program

Home Page – Viewing Prospective Programs

Prospective Program List

Prospective Program List

Prospective Program Detail

Home – Contact List

Contact List

Next Steps

- Pilot Testing of Institutional Users
  - Monday, February 23rd through Friday, March 16th

  - No glitches reported - ready to roll-out

Questions

21

Florida Center for Cybersecurity
at the University of South Florida

Strategic Progress Update
July 2014 – March 2015

Presented to the SUS Board of Governors

By Sri Sridharan, FC² Managing Director and Chief Operating Officer

March 18, 2015

Mission / Goals

1. Position Florida as the national leader in cybersecurity
2. Create thousands of new high-paying jobs in the state's cybersecurity industry
3. Serve as a statewide facilitator for cybersecurity
4. Enhance Florida's cybersecurity workforce, including reintegrating military veterans by utilizing their specialized skills and training
5. Act as a cybersecurity clearinghouse for statewide business and higher education
6. Attract new financial, healthcare, transportation, utility, and defense entities to Florida

* HB 5101: 1004.444, Florida Statutes

Phase I Goals

A. Expanding existing and delivering new online degree, certificate, and professional certification programs, in partnership with Florida businesses to rapidly accelerate workforce development

B. Building a coordinated statewide cybersecurity network

C. Coordinating and capitalizing on university-based talent pool to successfully compete for federal and industry funding for cybersecurity research

D. Promoting cybersecurity education and consumer protection programs for Floridians and Florida companies through public information and workshops

BOG Report – December 2013 (page 13)

Expanding Workforce Development
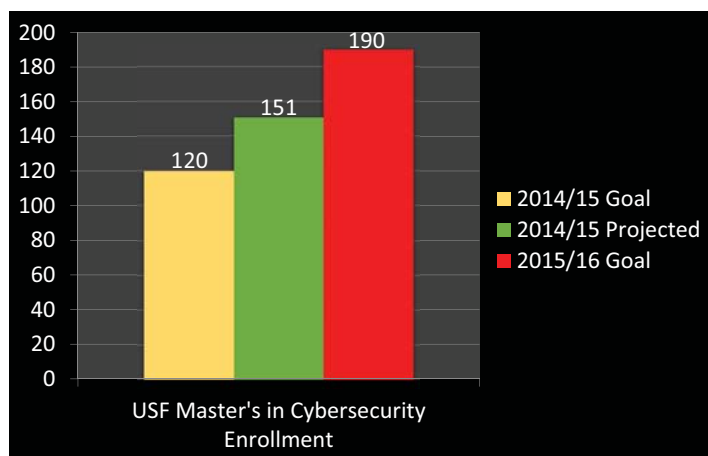
Accomplishes:
- **Mission goals one and three**
- **Phase One goal A**

FC2 staff also
- Worked with USF staff to help the university earn the designation as a National Center for Academic Excellence in Information Assurance/Cybersecurity by the National Security Agency (NSA) and Department of Homeland Security (DHS).

2014-15 Goal listed in BOG Report – December 2013 (page 28)

Building a Statewide Cybersecurity Network

160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0

157,600   166,000   170,000

Computer Systems Design and Technical
Consulting Services Jobs in Florida

■ Dec. 2013 Employment
■ Dec. 2014 Employment
■ Dec. 2015 Goal

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program
Prepared by: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics
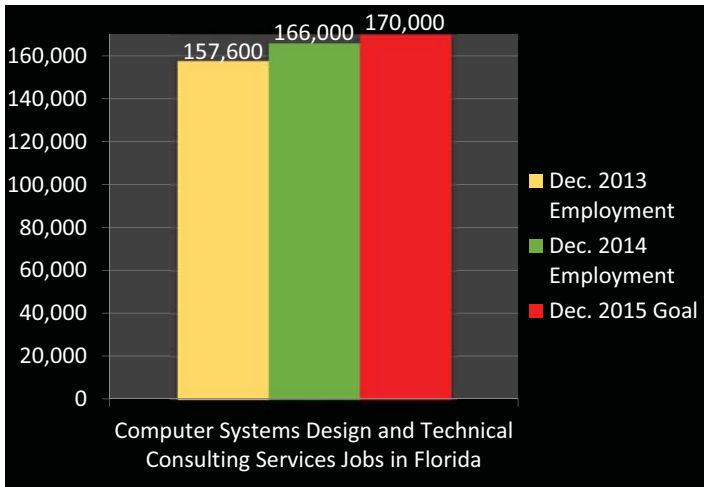*Goal to enhance Florida's Workforce outlined in BOG Report – December 2013 (page 10)*

Accomplishes:
- **Mission goals two, four and six**
- **Phase One goal B**

FC2 staff also:
- Partnered with Raymond James to create a new internship program
- Worked with a Swedish cybersecurity firm to open their first Florida office.
- Worked with industry partners to lay the foundation for the FC[2] Cyber Academy to train returning veterans and others for jobs in the cybersecurity field.

Coordinating Cybersecurity Research

12
10
8
6
4
2
0

3   10   11

SUS Universities Involved in
Collaborative Cybersecurity Research

■ 2014/15 Goal
■ 2014/15 Actual
■ 2015/16 Goal
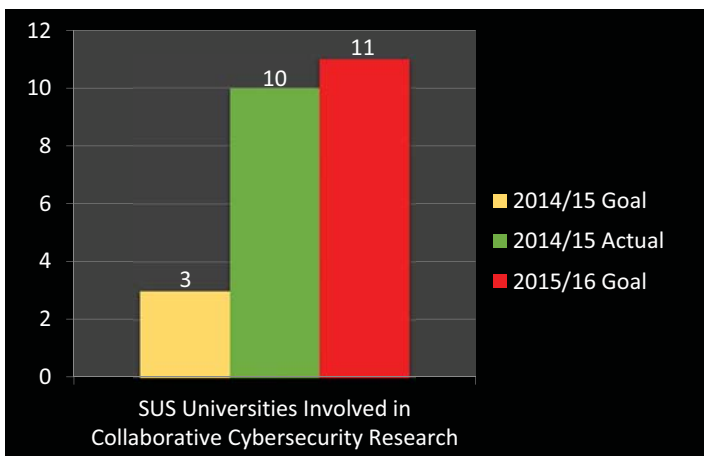
2014-15 Goal listed in BOG Report – December 2013 (page 12)

Accomplishes:
- **Mission goals one and five**
- **Phase One goal C**

FC2 staff also
- Generated more than $530,000 in grants, sponsorships and matching research dollars.
- Awarded $500,000 for 12 seed grants for cybersecurity research to faculty from ten different SUS universities.

Promoting Cybersecurity Outreach

Number of Floridians Participating in FC2 Educational Outreach Programs

- 2014/15 Goal: 1,000
- 2014/15 Actual: 1,642
- 2015/16 Goal: 2,000
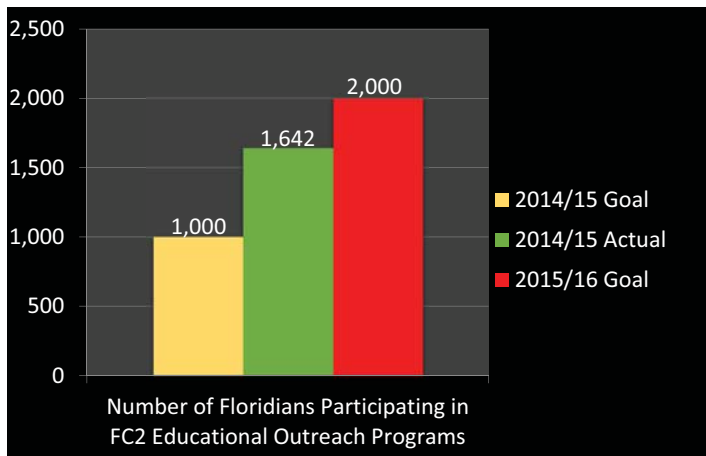
The Center will "offer consumer and corporate education programs"
2014-15 Goal listed in BOG Report – December 2013 (page 10)

Accomplishes:
- **Mission goals one and five**
- **Phase One goal D**

FC2 staff also
- Hosted six community events and conferences with more than 1,500 attendees from more than 20 states and five countries.

Additional Progress

- Space has been built out for FC^2 staff, students and faculty.
- Infrastructure is in place:
  - Service Stack
  - Range Donation
  - Dynamic Analysis Software and Threat Intelligence Feed Donation
  - SUS Shared Portal
- Faculty Hiring
  - 11 new tenured faculty lines
  - Two full-time faculty already hired and on board + 2 offers pending

Board of Advisors Update

FC2 is working with former Vice Admiral Mike McConnell to create a Board of Advisors for the Florida Center for Cybersecurity. Mr. McConnell has agreed to be the Chairman.

Mr. McConnell:

- retired from the Navy in 1996 as a Vice Admiral
- is a Senior Executive Advisor and former Vice Chairman of Booz Allen Hamilton
- is the former Director of National Intelligence
- served from 1992 to 1996 as the Director of the National Security Agency

FLORIDA POLYTECHNIC
UNIVERSITY

Update to the
Select Committee on
Florida Polytechnic University

Randy K. Avent
19 March 2015

RKA20141105

FLORIDA POLY

Statutory Requirements

CRITERIA	ISSUES	COMPLETED	PROGRESS
STEM ACADEMIC PROGRAMS	5	5	🟩
STUDENT ENROLLMENT	4	2	🟨
ADMINISTRATIVE CAPABILITY	2	2	🟩
ACCREDITATION	5	1	🟨
DISCIPLINE SPECIFIC ACCREDITATION	1		🟨
FACILITIES & CONSTRUCTION	3	3	🟩
TOTAL	20	13	🟨

🟥 Not making progress   🟨 Making progress   🟩 Completed

Academics

- **Academic Programs**
  - 54 courses offered, 129 sections (Spring 2015)
  - 51 faculty, 30 additional hires planned

- **Enrollment**
  - Fall 2014:   540 (518/22) students
  - Spring 2015:   553 (522/31) students
  - 200% increase in inquiries for Fall 2015

- **Retention**
  - Fall to Spring persistence was 97.4%

Research

- **Student projects**
  - "Hackathon" competition to build prototypes of student ideas
  - Cyber "Capture-the-Flag" event

- **Funded research**
  - 89 industry partners with 23 interested in research
  - Over $5M in industry funded research

Accreditation

- **INSTITUTIONAL - Application Submitted to SACSSOC - December 2014**
  - Awaiting SACSCOC action

- **DISCIPLINE SPECIFIC - ABET accreditation being developed in parallel**

- **Discipline-specific certifications being pursued**

RKA20141105-5

Summary

- **Making strong progress on completing accreditation**

- **Fall 2014 focus on developing responsive programs and services to achieve mandated student enrollment**

- **Spring 2015 focus on growing and building research infrastructure and capabilities**

- **Established sound financial growth, stability and administrative practices**

RKA20141105-6

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Energy Report Summary

Chris Kinsley, Assistant Vice Chancellor, Finance & Facilities
January 21, 2015

www.flbog.edu

Energy Report Summary

System Total Utility Cost
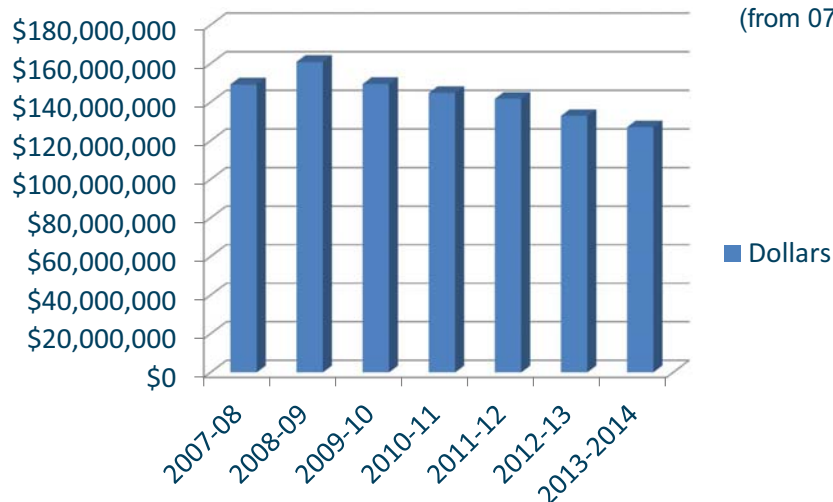
15% DECREASE
(from 07-08)

Campus Gross Square Footage

2007-08
65,592,897 sq. ft.

2014-15
75,788,982 sq. ft.

2007-08		2014-15	
3,942,959	FAMU	3,685,620	FAMU
3,919,409	FAU	5,316,848	FAU
1,101,650	FGCU	1,584,025	FGCU
6,993,228	FIU	8,218,296	FIU
10,750,993	FSU	13,787,288	FSU
470,986	NCF	578,148	NCF
18,361,165	UF	19,734,738	UF
8,562,589	UCF	10,116,480	UCF
3,093,439	UNF	4,342,068	UNF
6,508,146	USF	6,285,658	USF
1,888,333	UWF	2,259,236	UWF
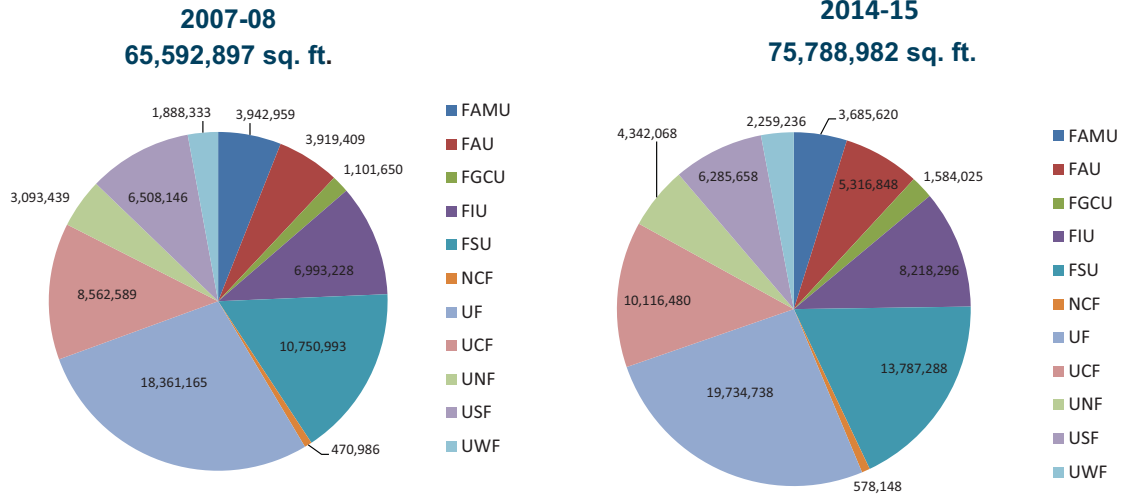
15% INCREASE

Campus Gross Square Footage

15% INCREASE

	UF	FSU	UCF	FIU	USF	FAU	UNF	FAMU	UWF	FGCU	NCF
2007-08	18,361,165	10,750,993	8,562,589	6,993,228	6,508,146	3,919,409	3,093,439	3,942,959	1,888,333	1,101,650	470,986
2013-14	19,734,738	13,787,288	10,116,480	8,218,296	6,285,658	5,316,848	4,342,068	3,685,620	2,259,236	1,584,025	578,148
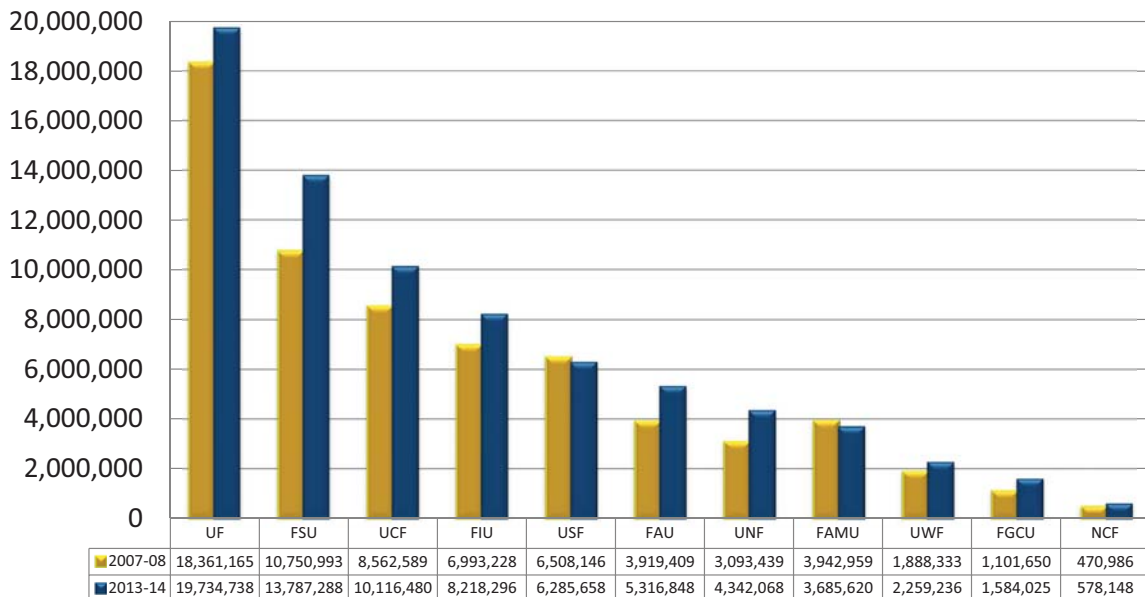
System Total Annual Energy Consumption

kBTU/yr

4% INCREASE

■ kBTU/yr
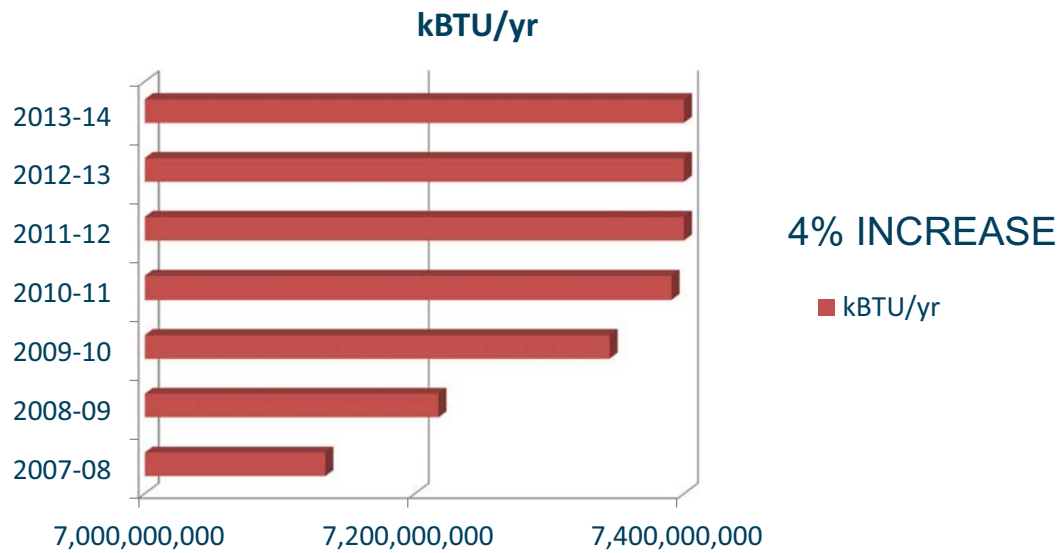
We are becoming more efficient!!

EPI   **kBTU/sqft**

10% DECREASE

■ kBTU/sqft
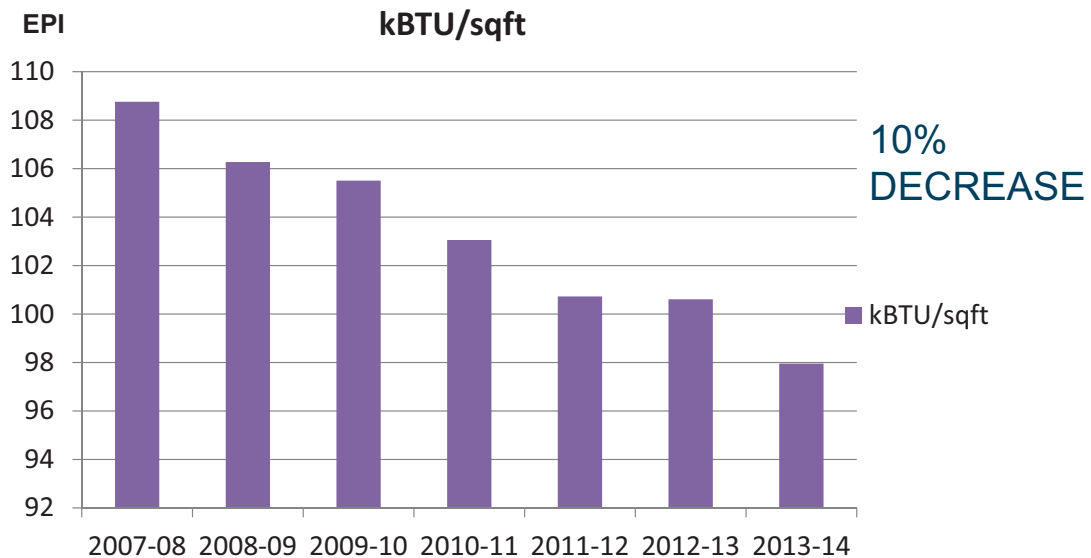
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2014 Completed Major Facilities

Chris Kinsley, Finance and Facilities Assistant Vice Chancellor
January 21, 2015

www.flbog.edu

Florida Gulf Coast University – Eagle Hall, Resident Housing

Square Footage
170,109 GSF 137,724 NSF
Facility Providers
Manhattan Construction HKS Architects Johnson Engineering
Academic Programs Served
Student Residences Advising Suite Classroom
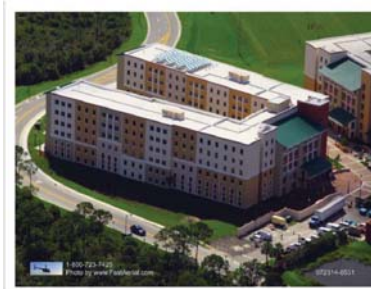
ROI	Project Cost	
• 18 solar panels to reduce energy usage • 100% occupancy in first semester	$30,000,000	Bonds

University of North Florida – Osprey Clubhouse and Pool

Square Footage
22,125 GSF 8,593 NSF
Facility Providers
Baker Barrios Architects, Inc. Ajax Building Corp.
Academic Programs Served
English Language Program Living and Learning Programs

ROI	Project Cost	
• 500 students per day visit the facility to access student services, attend study sessions, and to participate in programmed events and activities	$7,989,639	Auxiliary

Florida State University – Keen Building Envelope Renovation, Mechanical Improvements and Plaza Improvements

Square Footage
80,918 GSF 55,150 NSF
Facility Providers
Hicks Nation Architects Albritton Williams, Inc.
Academic Programs Served
Physics Department

ROI	Project Cost	
• Energy efficient roof and envelope replacement • Low E glazing system/curtain wall and use of reflected light • Use of local materials	$3,170,000	University Funds

Florida State University – Testing and Scanning Center, ODL/ISPA Renovation/Relocation

Square Footage
18,500 GSF **13,455 NSF**
Facility Providers
Lewis+Whitlock **Rippee Construction**
Academic Programs Served
All Academic Programs

ROI	Project Cost	
• LED lighting with motion sensors • Use of energy efficient computer equipment	**$2,058,853**	**University Funds**

Florida State University – Film School Renovation and Digital Studio Expansion University Center

Square Footage
21,129 GSF **14,987 NSF**
Facility Providers
Gilchrist, Ross & Crowe **Mad Dog Construction**
Academic Programs Served
College of Motion Picture **and Recording Arts**
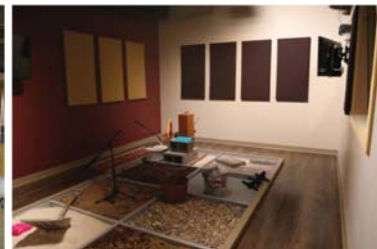
ROI	Project Cost	
• Low flow water fixtures • General room lighting with motion sensors	**$3,055,932**	**University Funds**

Florida State University – Thagard Building Renovation

Square Footage
38,000 GSF
27,595 NSF
Facility Providers
Hicks Nation Architects
Childers Construction
Academic Programs Served
CARE (Center for Academic Retention and Enhancement)

ROI	Project Cost	
• LED lighting with motion sensors
• Energy efficient mechanical systems	$3,350,000	University Funds/
Student Affairs Funding

Florida A&M University – FAMU Village (800 Bed Dormitory)

Square Footage
318,183 GSF
244,722 NSF
Facility Providers
DAG Architects
J. Kokolakis Construction
Academic Programs Served
Student Residences

ROI	Project Cost	
• Housing $422,095 is savings in operating costs from closed dorms
• Increased in overall occupancy rate from 86.7% to 93.75% from 2013 to 2014	$44,000,000
$ 3,000,000
$ 1,200,000
$ 3,998,284.45
$52,198,284.45	Bond Housing
Housing R&R
Technology Fee
Auxiliary TF

University of Florida – 380 Heavener Hall

Square Footage
56,000 GSF
48,902 NSF
Facility Providers
Schenkel & Shultz, Inc.
Ajax Building Corp.
Academic Programs Served
College of Business
(Undergraduate Studies)

ROI	Project Cost	
• 41% predicted energy savings
• Approximately 30% indoor water use reduction and point-of-use water heaters
• 100% reclaimed water use for irrigation
• Approximately 85% of construction waste recycled	$22,650,000	Donor Funds
UF Funds

University of West Florida – Bldg 76 Renovation Completion (Ph3/3)

Square Footage
22,793 GSF
11,280 NSF
Facility Providers
Caldwell and Associates Architects
Morette Company
Academic Programs Served
Accounting and Finance Management and MIS Marketing and Economics MBA

ROI	Project Cost	
• Toilet rooms retrofitted to current accessibility requirements
• New fire sprinkler system installed
• Exterior doors and windows have been replaced with impact-rated openings	$2,986,350	PECO
(13-14 appropriation)

Florida International University – Academic Health Center 5

Square Footage
121,465 GSF 74,642 NSF
Facility Providers
Perkins+Will Skanska USA Building, Inc.
Academic Programs Served
Robert Stempel College of Public Health and Social Work, Arts and Sciences Earth and the Environment

ROI	Project Cost	
• First building at FIU to use chilled beams for its air distribution system • Water reduction by harvesting condensate water from the HVAC units for plumbing fixtures	$38,300,000 $ 7,863,143 $46,163,143	PECO Research Overhead

Florida International University – Management and New Growth Opportunities (MANGO) – Mixed-Use Building

Square Footage
107,912 GSF 72,793 NSF
Facility Providers
HOK Architects Arellano Construction
Academic Programs Served
Business Services College of Business FIU Online

ROI	Project Cost	
• Water efficient • Optimized energy performance and enhanced commissioning • Maximizes both indoor environmental quality and regional priority credits	$36,053,641	Auxiliary

Florida Polytechnic University – Innovation, Science and Technology Building

Square Footage
175,023 GSF
108,640 NSF
Facility Providers
Festina Lente LLC
Skanska USA Building, Inc.
Academic Programs Served
College of Engineering and Innovation and Technology

ROI	Project Cost
• High wind design for systems and building envelope • State of the art fibre-fed Information Technology	$77,105,061 PECO/CYFWD/DONATION

Florida Polytechnic University – Housing Utilities and Integration, Developer Housing

Square Footage
90,000 GSF
64,000 NSF
Facility Providers
PHQ Architects
Summit Contractors (CM)
Academic Programs Served
Housing
Student Affairs

ROI	Project Cost
• Gas hot water for energy conservation • Operable windows for natural ventilation	$1,274,501.25 Florida Poly $12,000,000 Estimated Developer Costs

University of Central Florida – Dr. Phillips Center for the Performing Arts

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Square Footage
252,000 GSF N/A NSF
Facility Providers
Barton Myers Architects HKS Architects Baker Barrios Architects Balfour Beatty Construction PCL
Academic Programs Served
Performing Arts

ROI	Project Cost	
• UCF paid 3% of total project costs	$15,000,000	PECO
	$485,000,000	Bonds
	$500,000,000	

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FLORIDA POLYTECHNIC
U N I V E R S I T Y

Fall 2016
On-campus Student Housing

March 19, 2015

FLORIDA POLY

On-campus Housing Need

- **Additional on-campus demand of 674 beds for Fall 2016 identified by housing study**

- **Lack of housing near campus**

- **Students living on campus perform better academically**

- **Access to high-quality academic support**

Need for Public-Private Partnership

- No access to bonding

- No DSO revenue for construction

- No occupancy history to support other financing methods

- Florida Poly not yet accredited

- Developer assumes all risk

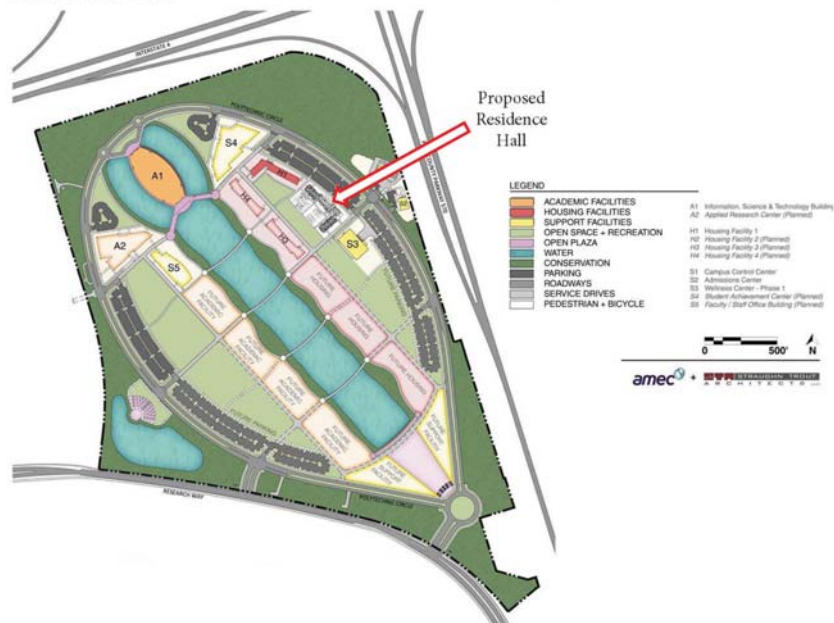- Eliminates financial risk to the university

Procurement Process

- Invitation to Negotiate issued October 30, 2014

- Vestcor Communities selected from five proposals

- Board of Trustees approved February 2, 2015

- Intent to Award issued February 2, 2015

- Submitted to BOG February 2, 2015

- **543 beds**
  - 488 (90%) semi-suite rooms
  - 36 (7%) full-suite rooms
  - 19 Resident Assistant and Resident Director rooms

- **Five-story facility, consistent architecture**

- **Amenities**
  - Swimming pool
  - Volleyball courts
  - 1,500 sf space for Florida Poly exclusive use

Figure 1.3: FUTURE LAND USE MAP

Residence Hall – Front View

FLORIDA POLY

VESTCOR   FLORIDA POLYTECHNIC UNIVERSITY
LAKELAND, FLORIDA   PQH GROUP

Ground Lease Agreement Terms

FLORIDA POLY

- **Florida Poly**
  - No financial responsibility
  - No university guarantees
  - No limit on university development of future on-campus housing

- **Developer**
  - Covers all cost over-runs
  - Pays for temporary housing and transportation if needed
  - Shares cost of parking and chilled water system expansion

- **Payment and performance bonds required from general contractor**

- **University land leased for 39 years**

- **Future option to purchase at predetermined pricing**

Operating Agreement Terms

- **Florida Poly approves annual budget**
  - Rental rates
  - Marketing plan
  - Operating plan

- **Room rental rates are set by contract for Fall 2016**

- **2.25% cap on annual rental rate increases**

- **Third party manager**
  - Must meet Florida Poly performance standards
  - Can be replaced by the university at any time

FLORIDA POLY

Summary

- **Additional on-campus demand of 674 additional beds for Fall 2016**

- **Five-story facility, 543 beds with 90% semi-suite rooms**

- **Public-Private Partnership is only financing option**

- **University land leased for 39 years**

- **Future option to purchase at predetermined pricing**

- **Room rental rates are set by contract for Fall 2016**

- **2.25% cap on annual rental rate increases**

- **August student move in requires construction begin April 2015**

UNIZIN

JOE GLOVER, PROVOST, UNIVERSITY OF FLORIDA

MARCH 2015

UNIZIN

- A consortium of major research universities launched in 2014
- Membership by invitation only
- Its objective: greater control & influence over the digital learning ecosystem
- Governance: board of directors drawn from founding members + CEO
- Organization: a not-for-profit service operation hosted by Internet2

CURRENT MEMBERS

University of Wisconsin, Madison

University of Michigan

Indiana University

Oregon State University
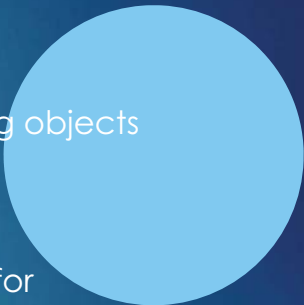
Colorado State University

University of Florida

Ohio State University

Penn State University

University of Minnesota

University of Iowa

PRIMARY GOALS FOR UNIZIN

▶ Acquire a common LMS

▶ Acquire or create a repository for digital learning objects

▶ Acquire/create/develop Learning Analytics

▶ Member institutions may nominate their system for "associate" membership for an annual fee of $100,000 per system. Associate membership does not qualify for Board representation, but they do enjoy the benefits of Unizin "products" and services

POTENTIAL BENEFITS to SUS

- ▶ Access to the Canvas LMS at the Unizin price
- ▶ Access to tools under development, including a Digital Objects Repository and Learning Analytics
- ▶ Membership in a consortium of large public universities that intends to secure its niche in the evolving digital ecosystem
- ▶ The potential for cooperative relationships to "share" digital instruction within and across the consortium

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Status of Committee Priorities

Dr. Nancy McKee, Associate Vice Chancellor
March 19, 2015

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Common, Opt-in Learning Management System

- **Development and Implementation of ITN Process**

    - **Inclusive Evaluation Committee is being established**

    - **Negotiations should be completed in September.**

    - **Goal is to have a Master Agreement with tiered pricing that institutions could opt into.**

Strategic Plan for Online Education

- *Task Force on Strategic Planning for Online Education* has met several times and has established three workgroups - Access, Affordability, and Quality – which have also been meeting.

- Goal is to bring a recommended strategic plan to the Committee in November, 2015.

Metrics for Online Education

- Workgroup on Metrics for Online Education

  - Developing definition of "Online Program"

    - ✓ Developing survey for universities to create an inventory of online programs

  - Initial discussions of other metrics for online education

Program and Course Offerings

- **Shared Programs**

  - **Complete Florida Cost Study recognized the potential to create efficiencies while building high quality courses and program**

  - **Beginning stages of conversation for Complete Florida institutions to develop a shared program**

  - **Charge to *Task Force for Strategic Planning for Online Education* includes outlining strategies for reducing costs and achieving efficiencies, such as joint development of online programs**

Faculty Training

- **Lead institution selected to use a train-the-trainer approach for professional development of staff responsible for training faculty who teach online courses.**

- **Board's Legislative Budget Request ($198,000) being considered by legislative appropriations committees.**

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