

**MINUTES  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
AUDIT AND COMPLIANCE COMMITTEE MEETING  
TALLAHASSEE, FLORIDA  
JANUARY 25, 2022**

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Chair Charles Lydecker convened the meeting of the Audit and Compliance Committee on January 25, 2022, at 2:18 p.m. The following Audit and Compliance Committee members were present: Charles H. Lydecker, Patricia Frost, Ken Jones, and Alan Levine. The following members of the Board were also present: Tim Cerio, Edward Haddock, Nastassia Janvier, Darlene Luccio Jordan, Brian Lamb, Steven Scott, William Self, and Eric Silagy.

**1. Call to Order**

Mr. Lydecker called the meeting to order.

**2. Approval of Minutes**

Mr. Levine motioned that the Committee approve the minutes of the Audit and Compliance Committee meeting held on August 31, 2021, as presented. Ms. Frost seconded the motion. The minutes were approved.

**3. Board Office, Foreign Influence Legislation Implementation**

The Board of Governors' Inspector General and Director of Compliance, Julie Leftheris, discussed the foreign influence legislation from the 2021 Legislative Session, House Bill 7017, which took effect on July 1, 2021. She provided a brief overview of the new legislation and described the implementation activities taken to date. Such activities include the Board of Governors' approval of a new regulation, Regulation 9.012, *Foreign Influence*; universities and Board staff collaboration; the publication of her office's compliance and submission guidance; the development of a submission application for universities to report foreign gifts to the Board of Governors office; and Board of Governors hosting of a panel discussion at the November 2021 Board of Trustees.

Ms. Leftheris explained that Regulation 9.012 requires each university to conduct an operational audit regarding each university's implementation of the foreign researcher and international travel screening requirements no later than July 1, 2025. Additionally, each university must provide an annual report of foreign travel to countries of concern to the Board of Governors by July 31<sup>st</sup> each year.

Ms. Leftheris described her office's responsibility to audit or inspect 5% of the reported gifts and shared that the results are expected to be presented to the committee at a future date.

#### **4. Crowe, LLP, Review of Financial Internal Controls for University DSOs, Update**

Chair Lydecker asked Ms. Leftheris to provide the board with a progress report of the Crowe Firm's review of financial controls for university direct support organizations (DSOs). Ms. Leftheris reported that the University of South Florida's DSO, University Medical Services Association, was the subject of a multi-million-dollar embezzlement in 2020. She described the university's corrective actions status to date in response to the results of the federal investigation and noted that the university's internal audit office has been assigned oversight responsibility for all of the university's DSOs.

Based on this event, former Board of Governors' Chair Syd Kitson directed that a financial review be conducted on all university direct support organizations. The university system under the coordination of Kyle Clark, Vice President of Finance and Administration at Florida State University, hired Crowe, LLP, to conduct the assessment. It is currently ongoing and is required to be completed by June 30<sup>th</sup> of this year. Ms. Leftheris reported that Crowe staff have completed the first group of their testing and issued a summary of observations for the direct support organizations at FIU, FAMU, New College of Florida, FGCU, and FSU. After each university's individual direct support organization and summary reports are finalized, the firm will prepare an overall project summary report for the System.

#### **5. Florida Gulf Coast University Textbook Affordability, Status of Corrective Actions**

Ms. Leftheris reported that Florida Gulf Cost University had received findings related to textbook affordability in the last two operational audit reports issued by the Auditor General's office. Additionally, the University's submission to the Board Office of the *Textbook and Instructional Materials Affordability Annual Report* from September 2021 reflected the university's continued challenges in compliance related to the timely posting of course textbooks and materials.

Florida Gulf Coast University Provost Mark Rieger reported that the data from Fall 2021 and Spring 2022 show that they are now in full compliance with state law (section 1004,085(5), Florida Statutes). Mr. Lydecker congratulated them on their achievement.

#### **6. OIGC Updates**

Ms. Leftheris stated that University Data Integrity Audits and Certifications for Performance Based Funding (PBF) and Preeminence Institutions are due to the OIGC

by March 1<sup>st</sup>. She will provide Committee members with a summary of the results at the March 2022 Board meeting.

Additionally, Ms. Leftheris said the Chapter 4 Board of Governors Regulations are being reviewed and updated to present to the Board in an upcoming meeting for public notice.

## **7. Concluding Remarks and Adjournment**

There were no other comments by Committee members. The Audit and Compliance Committee was adjourned at 2:41 p.m.

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Charles Lydecker, Chair

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Lori Clark, Compliance and Audit Specialist