

September 11, 2025

**Board of Governors
Audit and Compliance Committee**

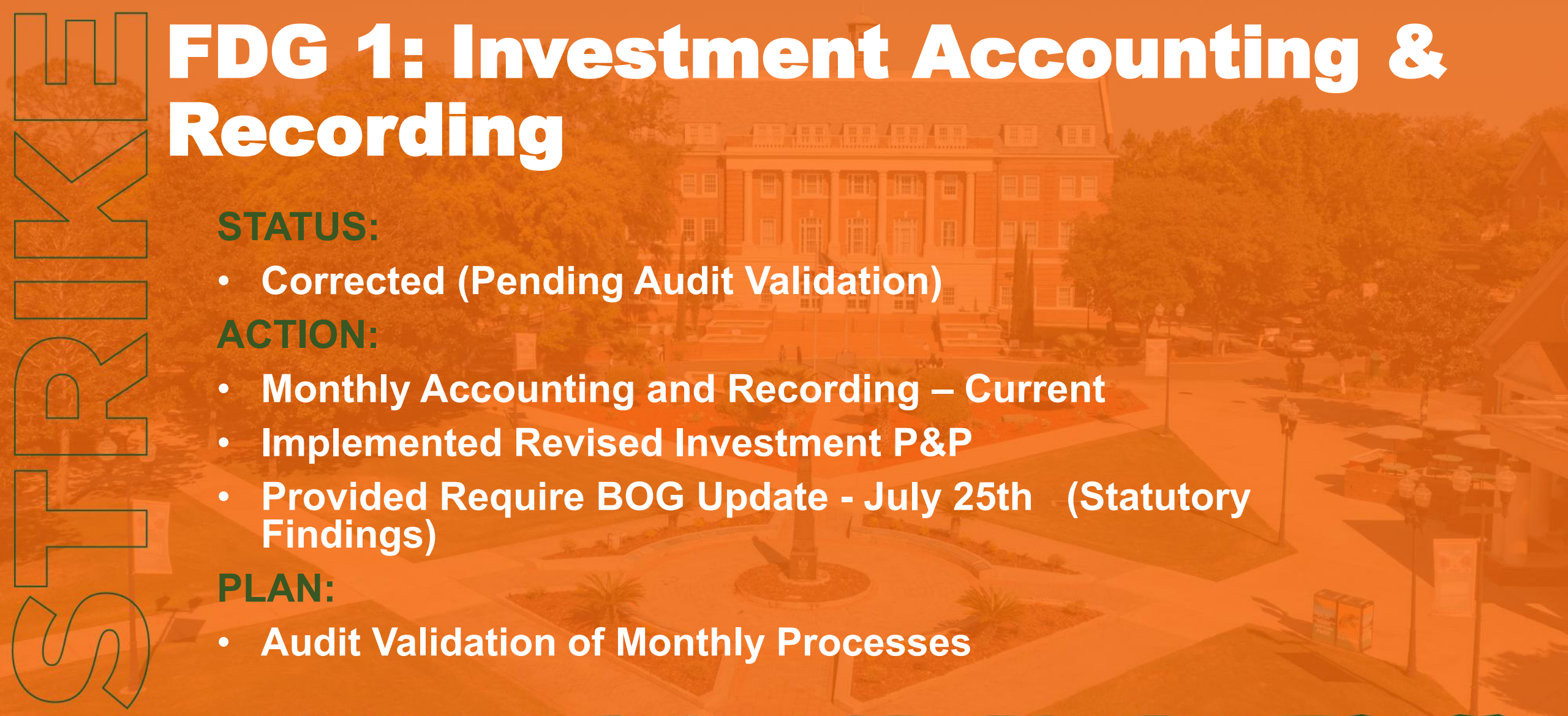
Audit Update



Operational Audit

Auditor General Operational Audit – October 2024

- FINDING 1: Special Purpose Investment Account
- FINDING 2: Bank Account Reconciliations
- FINDING 3: Prompt Vendor Payments
- FINDING 4: Personnel Evaluations



FDG 1: Investment Accounting & Recording

STATUS:

- Corrected (Pending Audit Validation)

ACTION:

- Monthly Accounting and Recording – Current
- Implemented Revised Investment P&P
- Provided Require BOG Update - July 25th (Statutory Findings)

PLAN:

- Audit Validation of Monthly Processes

FDG 2: Bank Acct. Reconciliations

STATUS:

- Prior FY – Reconciliations Complete (August 20th)

ACTION:

- Contracted with Cherry Bekaert
- Instituted Review and Signoff Protocols

PLAN:

- Hire and Train Staff – Reduce/Eliminate Reliance on Accounting Firm

FDG 3: Prompt Vendor Payments

STATUS:

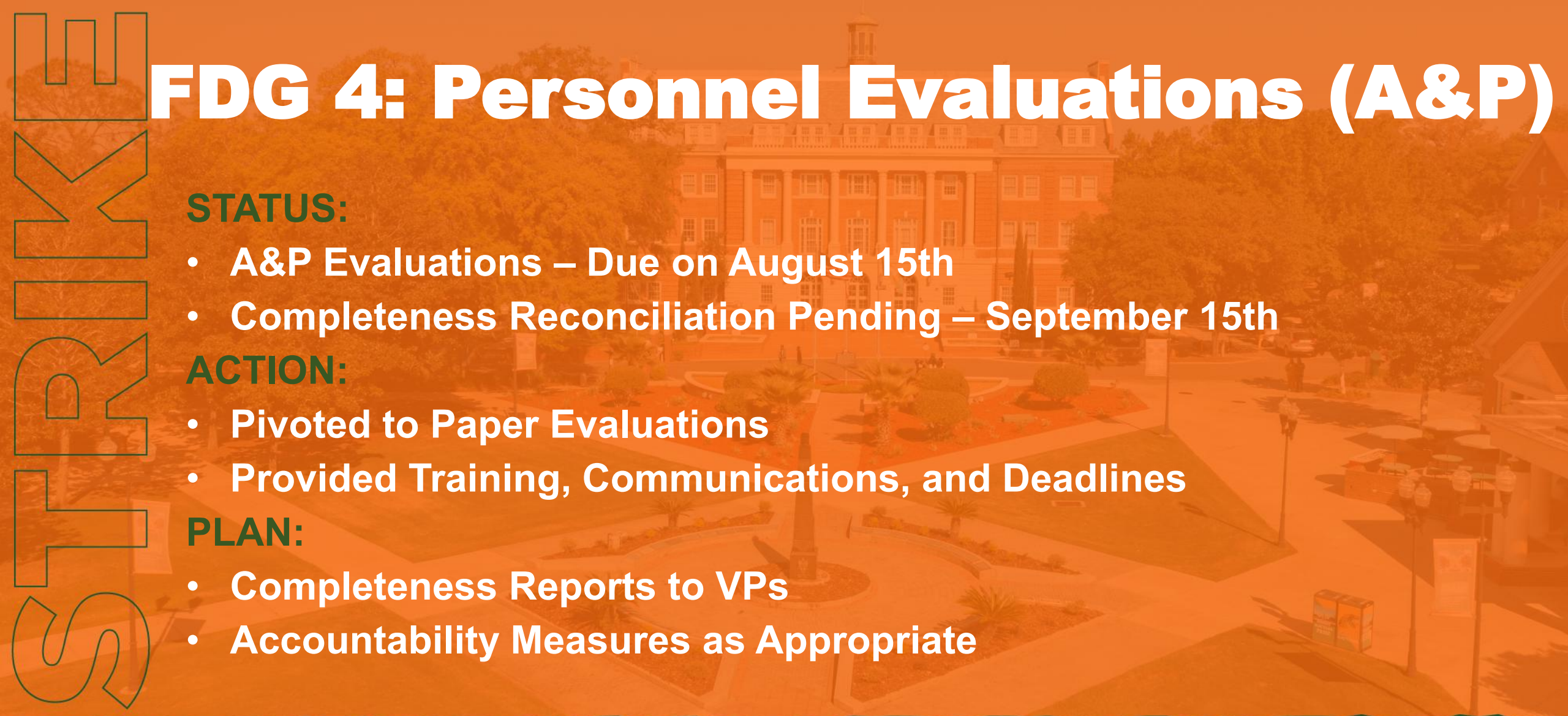
- Older Invoices Paid
- No Invoices over 100 days – August 28th

ACTION:

- Weekly Tracking and Escalation
- Monthly “Scorecard” Report to BOT Chair

PLAN:

- Leverage P-Card for Smaller Purchases



FDG 4: Personnel Evaluations (A&P)

STATUS:

- A&P Evaluations – Due on August 15th
- Completeness Reconciliation Pending – September 15th

ACTION:

- Pivoted to Paper Evaluations
- Provided Training, Communications, and Deadlines

PLAN:

- Completeness Reports to VPs
- Accountability Measures as Appropriate

Financial Statement Audit

Auditor General Financial Audit – March 2025

1. Financial Statements Presented Fairly
2. Significant Deficiency – University controls need improvement to ensure that the accounting records and annual financial report are accurate
3. No Instances of Noncompliance

FDG – Significant Deficiency – Acct. Records & Financial Reporting

STATUS:

- FS for FY24-25 In Process – Due Sept. 30th
- 28 Key Tasks: 4 Complete, 10 In Process (On Track)
- Controller/Staff Recruitment Ongoing
- Auditor General FS Audit for FY24-25 – Underway

ACTION:

- Partnered with Cherry Bekaert – May 2025
- Established Review and Signoff Protocols
- Appointed Acting CFO – Nichole Murry
- Realign Controller Reporting Structure

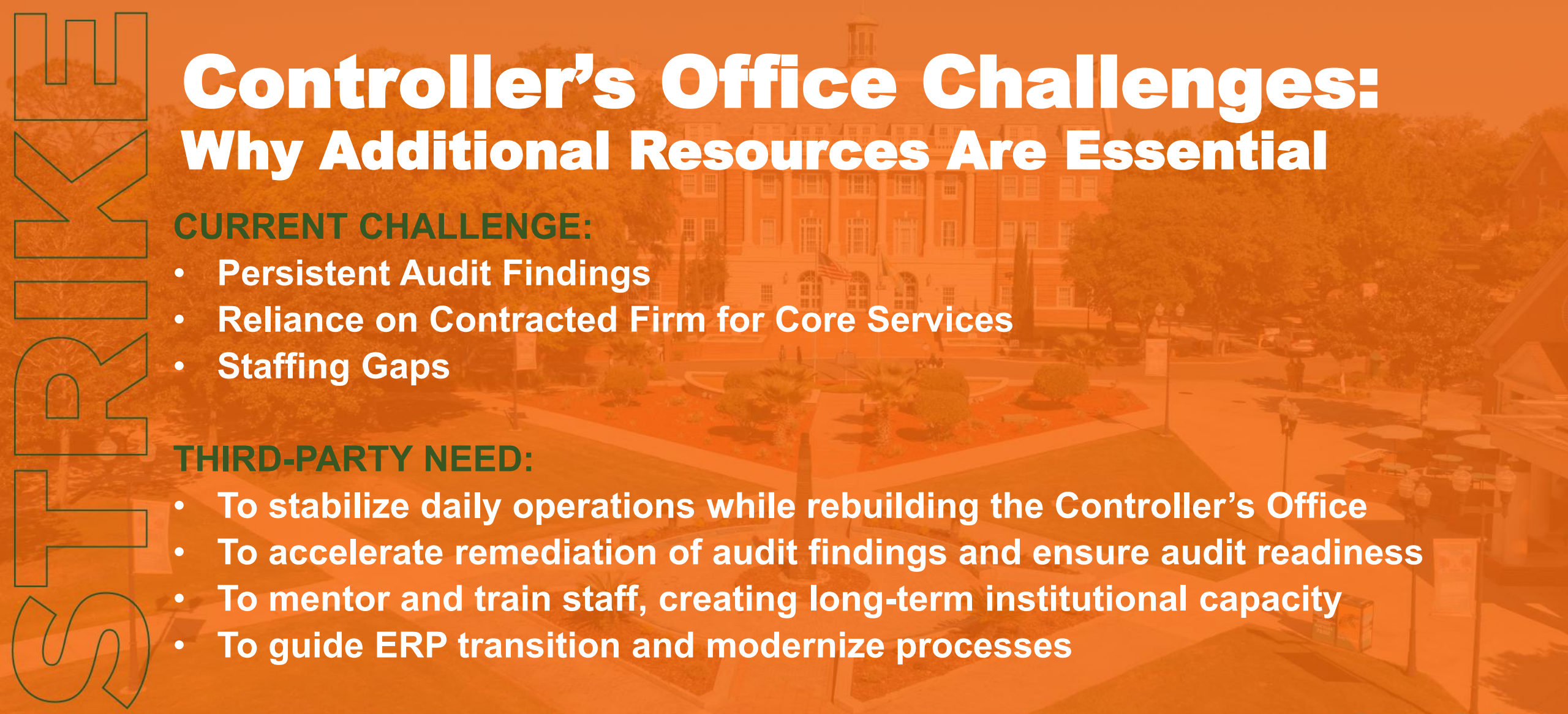
FDG – Significant Deficiency – Acct. Records & Financial Reporting (Cont.)

ACTION:

- Added Supplemental Staffing – Contracts/Agreements

PLAN:

- Additional Third-Party Assistance
- Accountability to President
- Weekly/Monthly Updates
- Recruit & Retain Qualified Staff
- Modernizing Controller Function
- ERP Transition
- Achieve Clean Financial Statement Audits



Controller's Office Challenges: Why Additional Resources Are Essential

CURRENT CHALLENGE:

- Persistent Audit Findings
- Reliance on Contracted Firm for Core Services
- Staffing Gaps

THIRD-PARTY NEED:

- To stabilize daily operations while rebuilding the Controller's Office
- To accelerate remediation of audit findings and ensure audit readiness
- To mentor and train staff, creating long-term institutional capacity
- To guide ERP transition and modernize processes

Firm Scope of Work

CFO Support

- Strategic financial leadership and planning
- Budgeting, forecasting, capital, and debt management
- Reporting to Board, Regulators, and stakeholders
- Lead risk management and policy development

Controller Support

- Daily financial operations (AP, AR, payroll, GL)
- Strengthen internal controls and prepare financial statements
- Support audits, reconciliations, and adjusting entries

Rebuilding Controller Office

- Assess and redesign financial processes for efficiency and compliance
- Provide temporary staffing
- Mentor and train staff to build long-term capacity

Onboarding & Training

- Onboard and integrate key finance staff members
- Deliver training on accounting, reporting, and new systems

PeopleSoft → Workday Transition Support

- Review implementation schedule and readiness
- Assist with data conversion, integration, and reporting

Financial Transformation, Audit Remediation, and ERP Readiness

Criteria	Firm 1	Firm 2	Firm 3	Firm 4	Firm 5	Firm 6	Firm 7	Firm 8
Scope & Approach	Finance transformation support, audit remediation, controller/CFO support, Workday readiness, athletics optional	Multi-phase finance ops assessment, internal controls, ERP readiness, transformation planning	Finance/accounting review, org/process assessment, ERP readiness, training/change management	Discovery diagnostic only (financial, operational, IT)	Short diagnostic of org, governance, ops, controls, tech	F&A Operations Assessment & Improvement Plan; ERP Readiness Assessment; Staff Augmentation	Initial assessment, controller support, ERP transition, workforce matters	Planning, execution, operational review, risk/process improvement, transition
Duration	12 months	20–24 weeks (Phased)	12 months	6–8 weeks	5 weeks	4 months	12+ months	Through Mar 2026 (~18 months)
Estimated Cost	\$2.095M–\$2.245M	\$1.244M (incl. travel)	\$1.998M	\$24K–\$30K	\$350K	\$2,608,578	Phase 1 \$31K; later TBD	\$823K (plus travel)
Team Depth	13 members, Griffiths, Walton, Teal	18 members, Reed & Kelly	Partner + MD led, 12+ pros	Boutique, CEO-led	Global senior team (5 partners/MDs)	9 member multi-disciplinary HE team	7–10 staff, Kurtin, Loghin, Gauthier	9+ pros, Kendall
Higher Ed Experience	Howard, UF, Emory, Baylor, UC System	Florida SUS/BOG, public sector	200+ universities (FSU, UF, UCF, USF)	Select projects (Howard implied)	HE/public turnarounds (Tulsa, others)	HE experience, interim CFOs (UF, WashU, W&M ERP)	350+ HE clients, 800+ public sector	CUNY, Maryland HEFA, minority-controlled
ERP / Workday Expertise	Yes	Yes	Yes (partner since 2008)	Limited	Yes	Yes (leading Workday partner)	Yes (customer)	Yes
Value / Fit Assessment	High	High-Moderate	High	Low (diagnostic only)	Moderate	High	Moderate	High

Strike, Strike, and Strike Again!



Athletics Audits

- Annual BOT-required Financial Statement Audit
- BOT-required Internal Audits
- Annual NCAA Report Submission - January 15th

Athletics Audits

ACTION:

- **Build out Athletics Business Office**
 - Senior Associate AD for Business Operations
 - Business Manager – Filled
 - Fiscal Specialist
 - Fiscal Specialist
- **Bi-Weekly Meetings Athletics/F&A**
- **Third-Party Assistance – Thomas, Howell, Ferguson**

PLAN:

- **Annual BOT-required Financial Statement Audit**
- **Annual NCAA Report Submission - January 15th**

Accomplishments

OPERATIONAL AUDIT:

- FDG1: Investments
- FDG2: Reconciliations
- FDG3: Prompt Payments
- FDG4: Evaluations

Corrected

Corrected

Partially Corrected

Partially Corrected

FINANCIAL STATEMENT AUDIT:

- Acct. Records & Fin. Reporting

Partially Corrected

ATHLETICS:

- Audit Readiness

Partially Corrected

The Path Forward: Resources, Accountability, and Audit Readiness

Need

- **Staffing gaps in Controller's Office**
- **Audit findings require remediation**

Solution

- **Third-party onsite support**
- **Enhance processes & internal controls**
- **ERP transition & modernization assistance**

Accountability

- **Weekly reports to President**
- **Clear milestones & oversight**

Outcomes

- **Resolve audit issues**
- **Strengthen capacity**
- **Achieve audit readiness / clean opinions**