

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
AUDIT AND COMPLIANCE COMMITTEE MEETING
September 11, 2025

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1. Call to Order

Mr. Ken Jones convened the meeting of the Audit and Compliance Committee at 11:12 a.m. with the following members present: Ashley Bell Barnett, Patricia Frost, Edward Haddock, Jose Oliva, and Paul Renner. A quorum was established.

2. Approval of Minutes

Ms. Frost motioned that the Committee approve the minutes of the Audit and Compliance Committee meeting held on June 18, 2025, as presented. Mr. Renner seconded the motion. The minutes were approved.

3. SUS Annual Audits Summary

The Board of Governors Inspector General and Director of Compliance, Julie Leftheris, provided the Committee with a summary of the audit coverage for the state's public universities for the 2024-2025 fiscal year. She began with the Florida Auditor General's audit coverage, which includes a financial statement audit for each university. She reported that all 12 universities' audit reports indicated the financial statements were fairly presented. There was one finding, which was for Florida Agricultural and Mechanical University (FAMU). The auditors found an issue with the accuracy of the university's accounting records and annual financial reports. She said more about this finding would be covered in the upcoming agenda item regarding FAMU's accounting update.

Ms. Leftheris explained that the Florida Auditor General's office also conducts operational audits on a rotational basis for each university. This past fiscal year, seven universities received an operational audit, resulting in a total of 26 findings. She referred to slide 5 of her presentation, which categorized the findings by category, such as financial, personnel, vendor services, and management.

Florida Statutes require the chancellor to report to the Board of Governors any findings cited by the Auditor General related to a university acting contrary to law or without statutory authority. She handles that responsibility on behalf of the chancellor and reported that there were 11 such findings cited this past fiscal year. Additionally, she explained that university boards of trustees are required to document their compliance

with these noted issues. She confirmed that they had done so and that each of these universities had either corrected the noted findings or would have corrections completed at the end of this month.

Ms. Leftheris briefly covered the results of the Auditor General's information technology audits and noted that all findings have been remedied. She also noted that there were no "three-repeat" findings identified by the Auditor General for this past fiscal year.

Regarding the Federal Awards Audit, Ms. Leftheris described the role of the Northwest Regional Data Center (NWRDC) and the significant deficiencies cited by the Auditor General. Each of the significant deficiencies, she said, has been resolved.

The second area of audit coverage for public universities is by external, independent certified public accounting (CPA) firms. Organizations, such as direct support organizations, health services support organizations, and other such entities, are required to have an annual financial statement audit conducted. Ms. Leftheris said there are approximately 90 of these organizations across the State University System.

The audited financial statements for this past fiscal year were determined to be fairly presented. Ms. Leftheris described the material weaknesses and significant deficiencies for affiliated organizations of Florida State University and the University of Florida. Each university confirmed that the issues have been corrected.

The last area of audit coverage is by university chief audit executives (CAEs). Ms. Leftheris explained that her office received approximately 100 internal audit reports from university CAEs this past fiscal year. Three of the audit topics covered are those required by statute or BOG regulation: Data Integrity Audits, Foreign Researchers and Travel Screening, and Post-Tenure Faculty Review. Most of the internal audit findings for this past fiscal year were related to policies and procedures, compliance, monitoring, and inadequate documentation. Ms. Leftheris said these results are to be expected and demonstrate that they are effective in improving university programs and operations.

4. Compliance Program Plan, Revised, and Status of Corrective Actions

Ms. Leftheris presented Committee members with a revised Compliance Program Plan for their review and approval consideration. Revisions, she explained, are in response to the recommendations made by the external reviewers in their report released in December 2024. Revisions include reporting to the BOG regarding the compliance program's effectiveness, clarifying her office's role in facilitating annual Code of Ethics training with the Board of Governors' Ethics Officer, and documenting and assessing the training effectiveness.

There was no discussion of the revised program plan, and Committee members voted to approve it. Mr. Renner motioned approval, and Mr. Haddock seconded it. The revised

Compliance Program Plan was approved, and Mr. Jones explained that it would be added to the consent agenda for the full Board meeting.

5. OIGC Updates

Ms. Leftheris said her office had recently issued its annual report of activities for the past fiscal year, which is required by Florida Statutes to be done by September 30th each year.

Next, Ms. Leftheris said Committee members should have recently received the internal assessment report, which was completed in accordance with professional auditing standards. She stated that the assessment revealed the BOG and internal audit function are fully compliant with the audit standards.

Last, Ms. Leftheris provided a status update of the Florida Auditor General's operational audit of the Board of Governors' Office. She said the audit is ongoing and that we expect to receive the preliminary results sometime this fall. Once we receive the final report, we have 30 days in which to respond to any findings.

6. FAMU Accounting Update

Mr. Jones referenced the Committee's discussion on this topic at the June 18, 2025, meeting, which related to the number and nature of the Auditor General's financial and operational audit findings, as well as the status of the delayed audit of the university's athletics program. Mr. Jones reiterated that the Committee had requested the university provide an update on their progress in addressing the audit findings at each of the BOG's Audit and Compliance Committee meetings until it demonstrates significant progress has been made.

The first presenter to represent the university was the Vice President for Audit, Joseph Maleszewski. He provided a detailed update on the university's actions taken so far on each of the audit findings. Then, Kelvin Lawson, the university's Executive Vice President and Chief Operating Officer, provided information regarding the university's personnel needs and search for an external firm to work with staff regarding matters such as financial transformation, audit remediation, and Enterprise Resource Planning/Workday expertise.

Mr. Lawson said they are in the final negotiating phase with the selected firm. Once the contract is finalized, the firm is expected to begin work immediately. He stated that the goal was to address the problems and repair the infrastructure. The selected firm will have a couple of core functions: 1. to perform a quick assessment, 2. to provide support on the ground to get work done, and 3. to develop best practices and training.

Mr. Lawson said this will be a 12-month engagement to ensure the successful implementation of the infrastructure. Mr. Levine advised President Johnson to ensure the board's audit team, as well as management, are actively engaged with the firm and that

there are structural changes in place to prevent these issues from recurring. Mr. Jones advised the university to select a firm with the right expertise to address the identified issues.

President Johnson emphasized that the focus will be on establishing ongoing operating procedures and helping staff achieve excellence, enabling them to handle the workload effectively after the firm's 12-month period is completed.

Mr. Jones appreciated President Johnson's insights and requested frequent updates throughout this process. He also suggested that President Johnson lean on the other university presidents for assistance. Last, Mr. Lamb said he has confidence in this leadership team.

7. Concluding Remarks and Adjournment

There were no other comments; the meeting adjourned at 11:51 a.m.

Ken Jones,
Member, Board of Governors

Lori Clark,
Compliance & Audit Specialist