

FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE MEETING

Tuesday, February 20, 2018

8:30 a.m.

**EDWARDS HALL, ROOM #309
Florida Gulf Coast University**

Minutes

Members:

Present: Trustee Joe Fogg III - Chair; Trustee Darlene Cors (arrived at 8:47 a.m.); Trustee Leo Montgomery; and Trustee Kevin Price.

Others:

Staff: President Mike Martin; Provost and Vice President for Academic Affairs James Llorens; Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera; Vice President for Student Affairs Mike Rollo; Vice President for University Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Chief Compliance and Ethics Officer Stacey Chados; Director of Internal Audit Bill Foster; Assistant Director of Board Operations Tiffany Jackson; Project Manager Melissa Pind; Director of Operations Tiffany Reynolds; and Executive Assistant to the Vice President and Chief of Staff Bruna Ugolotti.

Item 1: Call to Order, Roll Call, and Opening Remarks

Chair Joe Fogg called the meeting to order at 8:30 a.m. Roll call was taken with three of four members present, thus meeting quorum requirements. Trustee Darleen Cors later joined the meeting.

Item 2: Consent Agenda (See Tab #1)

Chair Fogg stated there was one item on the Consent Agenda, the Minutes of the FGCU Audit and Compliance Committee meeting on December 8, 2017, and asked if there was any discussion. Hearing none, he called for a motion.

Trustee Leo Montgomery made a motion to approve the Consent Agenda. Trustee Kevin Price seconded the motion. There was no public comment, or Committee discussion. The vote was 3-0 in favor of the motion.

46 **Item 3: Action Items** (See Tabs #2 – 5)

47 Chair Fogg informed the Committee there were four action items. He stated Chief
48 Compliance and Ethics Officer Stacey Chados and Director of Internal Audit Bill Foster
49 would be presenting these items, and each item would be voted on. He reminded the
50 Committee these action items were the ones which were on the FGCU Board of
51 Trustees' (BOT) agenda at the January 9, 2018 meeting, and because there were
52 additional comments people wished to make, they were tabled. He stated in the
53 meantime there had been some minor changes made to some of the documents.

54

55 **Regulation: FGCU-PR-TBA Code of Ethics (TAB #2)**

56 Ms. Chados stated the first item, a Regulation on Code of Ethics, dealt with hiring of
57 relatives and post-employment matters. She said this Code outlined filing requirements
58 for certain employees to make public disclosure of financial interest to the Florida
59 Commission on Ethics. She said the Regulation was intended to assist employees with
60 understanding and avoiding conflict of interest situations. She said the proposed
61 Regulation had been removed from the January 9, 2018 agenda to allow faculty
62 additional time to review and comment.

63

64 Ms. Chados said that as a result of meetings with the FGCU Faculty Senate and the
65 United Faculty of Florida (UFF)/FGCU Chapter leadership, changes were made to the
66 document. She stated the changes were fairly minor, but the meetings were productive.
67 She said she was asking the Committee to approve the Regulation on the Code of
68 Ethics as revised and to recommend approval to the FGCU Board of Trustees (BOT).

69

70 Chair Fogg called for question or comments. Hearing none, he called for a motion.

71

72 Trustee Montgomery made a motion to approve the Code of Ethics. Trustee Price
73 seconded the motion. There was no public comment, or Committee discussion. The
74 vote was 3-0 in favor of the motion.

75

76 **Code of Conduct (TAB #3)**

77 Chair Fogg asked Ms. Chados to present this item.

78

79 Ms. Chados said the Code of Conduct served as a guidance document and highlighted
80 many of the requirements employees were expected to follow. It also served as a
81 resource for employees for answering basic questions on ethical dilemmas. The Code
82 was removed from the January 9, 2018, FGCU Board of Trustees (BOT) agenda to
83 allow faculty additional time to review and comment. She said as a result of the
84 meetings with the FGCU Faculty Senate and the UFF/FGCU Chapter leadership,
85 changes were made primarily to the section on "Outside Activities." In addition, she
86 said at the suggestion of Trustee Price, an acknowledgement form was developed and
87 will accompany distribution of the Code to employees; and also at the suggestion of
88 Trustee Fogg, a memo reminding Trustees about conflict of interest situations
89 accompanied distribution of the Code to members of the FGCU BOT. She asked the
90 Committee to approve the Code of Conduct and recommend approval of the Code to
91 the FGCU BOT.

92 Chair Fogg stated there was an acknowledgment form in the packet, which he thought
93 was a good suggestion by Trustee Price. He said he would encourage all Trustees to
94 read the memo that had been sent to him by Ms. Chados, as it highlighted the areas of
95 the Code which were specifically relevant to the Trustees. He said at his request the
96 memo covered certain other items including the distribution of tickets to Trustees for
97 University athletic and other University events.

98
99 Chair Fogg called for questions or comments.

100
101 Trustee Montgomery asked if the acknowledgement form was required to be signed
102 annually.

103
104 Ms. Chados responded that was a good question, and at this point, it would be signed
105 when the employees review the Code for the first time. She said perhaps a reminder
106 could be sent out annually. She said as new employees were hired, she would receive
107 a notification from Human Resources, and the Code would go out to those employees
108 for signature. She said she agreed an annual signature would be a good idea, and this
109 could be implemented.

110
111 Chair Fogg asked President Martin to comment.

112
113 President Martin said he did not see a problem. He said disclosures on other things
114 were done every year, and this could be added to that disclosure.

115
116 Chair Fogg said the Committee would leave this matter as a recommendation to
117 President Martin and the administration.

118
119 Chair Fogg called for a motion.

120
121 Trustee Price made a motion to approve the Code of Conduct and recommend approval
122 to the FGCU Board of Trustees. Trustee Montgomery seconded the motion. There was
123 no public comment, or further Committee discussion. The vote was 3-0 in favor of the
124 motion.

125
126 **Florida Department of Highway Safety and Motor Vehicles Agreed on Procedures**
127 **Audit (TAB #4)**

128 Chair Fogg asked Mr. Foster to present this item.

129
130 Mr. Foster stated the departments of Undergraduate Admissions, Graduate Admissions,
131 and Registrar access drivers' license and motor vehicle information under authorization
132 by Memorandum of Understanding (MOU) with the Florida Department of Highway
133 Safety and Motor Vehicles. He said there were specific requirements regarding the
134 University's access to, use of, and safeguarding of driver information. This MOU
135 permits authorized University employees to access certain driver license data for
136 assisting in the enrollment process for verifying residency information to determine
137 qualification for in-state or out-of-state tuition.

138 Mr. Foster said that during the audit, opportunities were identified for the three
139 departments to further strengthen their internal controls, detailed observations and
140 recommendations which pertained to quarterly quality control reviews, annual
141 confidential data access training and acknowledgment, and timely removal of employee
142 access upon termination or reassignment. He said a determination had been made that
143 the three departments had effectively implemented stronger controls for the areas
144 identified. He stated his office was satisfied the current controls were adequate to
145 protect the personal data obtained from the database from unauthorized access,
146 distribution, use, modification or disclosure.

147
148 Chair Fogg called for comment or questions.

149
150 Trustee Montgomery asked if this was an annual audit. Mr. Foster responded it was
151 every three years. He added there were only nine employees who had access to the
152 database. Trustee Montgomery asked if FGCU did penetration studies. Mr. Foster
153 responded the Florida Department of Highway Safety and Motor Vehicles was
154 responsible for conducting those studies, and had all the records.

155
156 Chair Fogg called for further comments. Hearing none, he called for a motion

157
158 Trustee Montgomery made a motion to accept the Florida Department of Highway
159 Safety and Motor Vehicles Agreed on Procedures Audit and recommend its acceptance
160 by the full FGCU Board of Trustees. Trustee Price seconded the motion. There was no
161 public comment, or further Committee discussion. The vote was 3-0 in favor of the
162 motion.

163
164 **Florida Board of Governors University Data Integrity Audit (TAB #5)**

165 Chair Fogg asked Mr. Foster to present this item.

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167 Mr. Foster said in line with the Board of Governors' (BOG) increased emphasis on the
168 integrity of the data used for the Performance Metrics, the BOG has required a Data
169 Integrity Audit be done by each university every year for the last four years. He said this
170 year for FGCU there had been two observations and one submission which had been
171 27 business days late due to an additional review by the Academic Administration
172 because of the importance of the data. He said also there was one instance where a
173 student from France had applied online and indicated he was a First-Time-In-College
174 (FTIC) student. Later, when the transcript arrived from France it was discovered that the
175 student had more than the allowable credits to be classified as FTIC.

176
177 Chair Fogg called for comments or questions. Hearing none, he called for a motion.

178
179 Trustee Price made a motion to accept the Florida Board of Governors University Data
180 Integrity Audit and recommend its acceptance by the full FGCU Board of Trustees.
181 Trustee Montgomery seconded the motion. There was no public comment, or
182 Committee discussion. The vote was 3-0 in favor of the motion.

183

184 **Item 4: Information Items**

185 Chair Fogg called on President Martin to present this information.

186

187 **Complaints Processing**

188 President Martin said as the Committee may recall, FGCU had been having
 189 conversations internally, with the Committee, and specifically with Chair Fogg about the
 190 streamlining and tracking of various kinds of complaints, grievances and other issues
 191 which arrive to various offices on campus. He said there were a number of places
 192 where individuals file or bring to attention both formal and informal complaints and
 193 grievances. He said FGCU has had difficulty tracking these. He said it was hard to
 194 know, as complicated as the process is, where complaints were and their status. He
 195 said now there would be a three-person council which would review each complaint or
 196 concern that arrived, distribute it to the right office for follow-up and investigation, track
 197 its outcome, and chart the final outcome. He said this would give an ongoing, real-time
 198 update on issues and allow the University to be more responsive when information was
 199 requested. This is an attempt to have one continual clearinghouse. He said they would
 200 periodically update the Audit and Compliance Committee, and when necessary, the
 201 larger FGCU Board of Trustees (BOT). He said the council was comprised of: Chief
 202 Compliance and Ethics Officer Stacey Chados, University Ombuds and Assistant to the
 203 President Monique McKay, and Director and Title IX Coordinator Precious Gunter.

204

205 **Relationship between FGCU Board of Trustees and the University's Direct**
 206 **Support Organizations (DSOs)**

207 President Martin said he had a conference call with State University System (SUS)
 208 Chancellor Marshall Criser III and Board of Governors (BOG) General Counsel and
 209 Corporate Secretary Vikki Shirley to try to sort out questions about the relationship
 210 between the FGCU Board of Trustees (BOT) and the University's Direct Support
 211 Organizations (DSOs). He said the BOG referred to guidance and policy within the
 212 BOG, which he stated was not particularly detailed in terms of addressing the issue. He
 213 said the Chancellor pointed out there currently was legislation related to DSOs moving
 214 through the process and depending on how the legislation resolved, all universities
 215 would receive more guidance on the relationship to DSOs. He said FGCU only had two
 216 Direct Support Organizations (DSOs); other universities have many more. He also said
 217 that each of the University's DSOs had a liaison from the FGCU BOT. He said he
 218 would be doing some informal polling of some of his presidential colleagues to see what
 219 was done at other universities. He said he would continue to keep the Committee
 220 informed.

221

222 Trustee Montgomery said the way he looked at it, President Martin was the leader and
 223 he was the connection to the DSOs. President Martin responded he needed to remain
 224 involved in this and make sure all the various parts of the University were moving in the
 225 same direction.

226

227 **Item 5: Old Business**

228 There was no old business for discussion.

229

230 **Item 6: New Business**

231 There was no new business for discussion.

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233

234 **Item 7: Chair’s Closing Remarks, and Adjournment**

235 Vice President and Chief of Staff Susan Evans announced the FGCU Board of Trustees
236 conference call meeting would begin at 9:10 a.m. Chair Fogg adjourned the Audit and
237 Compliance Committee meeting at 8:51 a.m.

238
239
240

241 Minutes prepared by Transcription Experts, and reviewed by Tiffany Jackson, FGCU
242 Assistant Director of Board Operations.

243

244 Agenda Items:

245 A. See Tabs #1 – 7

246 a. [https://www2.fgcu.edu/Trustees/AgendaFile/2018/02-20-
247 2018/FGCUBOTMTG%20-%20AGENDAPACKET%20-%20ACC_2-20-
248 2018.pdf](https://www2.fgcu.edu/Trustees/AgendaFile/2018/02-20-2018/FGCUBOTMTG%20-%20AGENDAPACKET%20-%20ACC_2-20-2018.pdf)

249

250 Attachment:

251 A. Record of Votes

Record of Votes Audit and Compliance Committee DATE: <u>2/20/2018</u>		Consent Agenda (Tab #1) 1- Montgomery 2- Price	Regulation: FGCU-PR- TBA Code of Ethics (Tab #2) 1- Montgomery 2- Price	Code of Conduct (Tab #3) 1- Price 2- Montgomery	Florida Department of Highway Safety and Motor Vehicles Agreed on Procedures Audit (Tab #4) 1- Montgomery 2- Price	Florida Board of Governors University Data Integrity Audit (Tab #5) 1- Price 2- Montgomery
	TRUSTEES	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
1	Trustee Darleen Cors					
2	Trustee Leo Montgomery	Yes	Yes	Yes	Yes	Yes
3	Trustee Kevin Price	Yes	Yes	Yes	Yes	Yes
4	Trustee Joseph Fogg	Yes	Yes	Yes	Yes	Yes