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

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

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

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

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

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

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

Code of Conduct (TAB #3)

Chair Fogg asked Ms. Chados to present this item.

Ms. Chados said the Code of Conduct served as a guidance document and highlighted many of the requirements employees were expected to follow. It also served as a resource for employees for answering basic questions on ethical dilemmas. The Code was removed from the January 9, 2018, FGCU Board of Trustees (BOT) agenda to allow faculty additional time to review and comment. She said as a result of the meetings with the FGCU Faculty Senate and the UFF/FGCU Chapter leadership, changes were made primarily to the section on “Outside Activities.” In addition, she said at the suggestion of Trustee Price, an acknowledgement form was developed and will accompany distribution of the Code to employees; and also at the suggestion of Trustee Fogg, a memo reminding Trustees about conflict of interest situations accompanied distribution of the Code to members of the FGCU BOT. She asked the Committee to approve the Code of Conduct and recommend approval of the Code to the FGCU BOT.
Chair Fogg stated there was an acknowledgment form in the packet, which he thought was a good suggestion by Trustee Price. He said he would encourage all Trustees to read the memo that had been sent to him by Ms. Chados, as it highlighted the areas of the Code which were specifically relevant to the Trustees. He said at his request the memo covered certain other items including the distribution of tickets to Trustees for University athletic and other University events.

Chair Fogg called for questions or comments.

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

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

Chair Fogg asked President Martin to comment.

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

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

Chair Fogg called for a motion.

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

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

Chair Fogg asked Mr. Foster to present this item.

Mr. Foster stated the departments of Undergraduate Admissions, Graduate Admissions, and Registrar access drivers’ license and motor vehicle information under authorization by Memorandum of Understanding (MOU) with the Florida Department of Highway Safety and Motor Vehicles. He said there were specific requirements regarding the University’s access to, use of, and safeguarding of driver information. This MOU permits authorized University employees to access certain driver license data for assisting in the enrollment process for verifying residency information to determine qualification for in-state or out-of-state tuition.
Mr. Foster said that during the audit, opportunities were identified for the three departments to further strengthen their internal controls, detailed observations and recommendations which pertained to quarterly quality control reviews, annual confidential data access training and acknowledgment, and timely removal of employee access upon termination or reassignment. He said a determination had been made that the three departments had effectively implemented stronger controls for the areas identified. He stated his office was satisfied the current controls were adequate to protect the personal data obtained from the database from unauthorized access, distribution, use, modification or disclosure.

Chair Fogg called for comment or questions.

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

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

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

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

Chair Fogg asked Mr. Foster to present this item.

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

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

Trustee Price made a motion to accept the Florida Board of Governors University Data Integrity Audit and recommend its acceptance by the full FGCU Board of Trustees. Trustee Montgomery seconded the motion. There was no public comment, or Committee discussion. The vote was 3-0 in favor of the motion.
Item 4: Information Items

Chair Fogg called on President Martin to present this information.

Complaints Processing

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

Relationship between FGCU Board of Trustees and the University’s Direct Support Organizations (DSOs)

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

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

Item 5: Old Business

There was no old business for discussion.
**Item 6: New Business**

There was no new business for discussion.

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

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

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

Agenda Items:

A. See Tabs #1 – 7  

Attachment:

A. Record of Votes
## Record of Votes
### Audit and Compliance Committee
**DATE: 2/20/2018**

<table>
<thead>
<tr>
<th>TRUSTEES</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Trustee Darleen Cors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Trustee Leo Montgomery</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>3 Trustee Kevin Price</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>4 Trustee Joseph Fogg</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

- 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