FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

Tuesday, September 11, 2018

COHEN CENTER BALLROOM, ROOM #203
Florida Gulf Coast University

Minutes

Members:
Present: Trustee Joseph Fogg III – Chair; Trustee Darleen Cors; and Trustee Stephen Smith.

Not Present: Trustee Leo Montgomery (Excused Absence).

Others:
Staff: President Michael 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 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; Vice President for Students Success and Enrollment Management Mitchell Cordova; Director of Internal Audit Bill Foster; Director of Equity, Ethics and Compliance, and Title IX Coordinator Precious Gunter; Director of Operations Tiffany Reynolds; Assistant Director of Board Operations Tiffany Jackson; Project Manager Melissa Pind; and Executive Assistant to the Vice President and Chief of Staff Bruna Ugolotti.

Item 1: Call to Order, Roll Call, and Opening Remarks
Chair Joseph Fogg called the meeting to order at 8:02 a.m. He welcomed all members and said the meeting had been duly noticed. He requested Vice President and Chief of Staff Susan Evans to call the roll. Roll call was taken with three of four Committee members present, thus meeting quorum requirements. Trustee Leo Montgomery was granted an excused absence.
Chair Fogg welcomed Trustee Stephen Smith, a new member to the Committee, and Ms. Precious Gunter, who with new duties recently received the revised title of FGCU Director of Equity, Ethics and Compliance, and Title IX Coordinator.
Item 2: Consent Agenda (See Tab #1)

Chair Fogg stated there was one item on the Consent Agenda, the Minutes of the May 1, 2018 meeting.

Trustee Darleen Cors made a motion to approve the Consent Agenda. Trustee S. Smith seconded the motion. There was no public comment or Committee discussion. The vote was 2-0 in favor of the motion with Trustee S. Smith abstaining as he had not attended the last meeting.

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

Chair Fogg stated there were four action items. He asked Director of Internal Audit Bill Foster to present the items.

FGCU 2017-2018 Internal Audit Annual Report (TAB #2)

Mr. Foster stated this report has been prepared to comply with Board of Governors Regulation 4.002. He added if the report was approved by the Committee, a recommendation would be forwarded to the full Board for its approval.

Mr. Foster said all audits were performed in accordance with the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing. All significant observations were reported.

Mr. Foster explained the work plan and each individual audit were risk-driven, and his office had received cooperation from management and staff. He thanked President Martin, the Audit and Compliance Committee, and the full Board for their continued support, along with the staff of the Office of Internal Audit for their work and dedication.

Mr. Foster stated according to the standards, internal assessments needed to be implemented to include ongoing monitoring of the performance of the internal audit activity and periodic self-assessments. He said the staff of the Office of the Internal Audit conducted a variety of internal assessments during the course of their routine audit processes. He said after the completion of each audit, additional staff members reviewed the audit materials. In addition to the Office’s Operations Manual and Charter, guidelines were established to provide a framework so that all necessary elements of the process were completed and documented.

Mr. Foster said the Office of the Internal Audit staff members were members of various organizations to keep current on internal audit and university audit activities. These memberships included the Institute of Internal Auditors (IIA), the Association of College and University Auditors (ACUA), the Information Systems Audit and Control Association (ISACA), the Association of Certified Fraud Examiners (ACFE), the American Institute of Certified Public Accountants (AICPA), the Florida Institute of Certified Public Accountants (FICPA), and the State University Audit Council (SUAC). He added during 2017-2018 two members of his Office had served as treasurer and president of the Southwest Florida Chapter of the Institute of Internal Auditors; and during 2017-2018,
each member of his Office had met the requirement for Continuing Professional Education (CPE) hours.

Mr. Foster stated in the annual report, there was a schedule of audits for the coming year.

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

Trustee S. Smith made a motion to approve the FGCU 2017-2018 Internal Audit Annual Report and to recommend it to the FGCU Board of Trustees. Trustee Cors seconded the motion. There was no public comment or Committee discussion. The vote was 3-0 in favor of the motion.

2018-2019 Internal Audit Work Plan (TAB # 3)

Mr. Foster stated he was requesting the Audit and Compliance Committee’s approval for the proposed audits to be performed in the following year.

Mr. Foster stated the audits his Office will perform and oversee this year are the Performance Measures Data Integrity Audit, Degree Works, Vester Marine and Environmental Science Research Field Station, and Information Technology Security.

Trustee S. Smith asked how the determination of which audits to conduct each year was made.

Mr. Foster responded that during each year, his Office maintained an awareness of what had changed in the University, and kept current on what risks and opportunities existed. He said in 2015, his staff had conducted a “deep dive” and started at the Division level down to department level, doing an extensive analysis of what risks and opportunities could be noted. He said each year his Office adjusted its priorities. For example, this year Student Success was a new initiative and his staff would examine if there were any audits which would cause FGCU to not achieve the goals associated with the initiative.

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

Trustee S. Smith made a motion to approve the 2018-2019 Internal Audit Work Plan and recommend it to the FGCU Board of Trustees. Trustee Cors seconded the motion. There was no public comment or Committee discussion. The vote was 3-0 in favor of the motion.

Academic Camps and Conferences Audit (TAB #4)

Mr. Foster explained this report represented a limited scope audit of academic camps, conferences, and other enrichment programs. FGCU’s regulations, policies, procedures and guidelines govern the use of University facilities and revenue collection applicable to camps.
Mr. Foster said the Office of Campus Conference Programs (CCP) and other applicable departments should strengthen procedural controls of camps, conferences, and other enrichment programs by addressing the weaknesses identified in the report. He stated the objectives were to determine the following: whether FGCU academic camps, conferences, or similar programs were conducted in compliance with applicable state statutes, university policies and procedures, and other applicable guidelines; whether additional guidelines, policies, or procedures are needed to provide the necessary control policies to govern these activities; and whether appropriate fees and revenues are collected in accordance with University procedures and guidelines, and sound business practices.

Mr. Foster stated for the audit a mix of camps, conferences, and other enrichment programs that were operated during fall 2016, spring 2017 and summer 2017 semesters were reviewed. He said during that time period there was a record of 143 camps, conferences and other enrichment programs conducted. The 143 events were compiled and cross referenced from lists provided by CCP, Student Affairs, Environmental Health and Safety, and colleges within Academic Affairs. He said a risk based analysis was conducted to select 20 events for review. The majority of the events selected for review utilized services from CCP or reserved space through Campus Reservations; however, not all University camps, conferences or other enrichment programs were required or need to be processed through CCP or Campus Reservations. He said as an example, off-campus events or those not requiring services or conference room space need not contact CCP for their event.

Mr. Foster explained the Campus Conference Programs department was coordinating a working group (consisting of representatives from the Office of General Counsel, Human Resources, Environmental Health and Safety, and Finance and Accounting) to establish specific camp packages that each camp administrator would be responsible for completing. He said these packages would outline: (1) General Counsel approved waivers for campers, adults, and personnel involved in the camp program; (2) Appropriate procedures for Department of Children and Families (DCF) State required background checks through the Office of Human Resources; (3) Mandatory and optional insurance requirements for all camps from the department of Environmental Health and Safety (EHS); and (4) Appropriate cash collection procedures for all camps from the Finance and Accounting department.

Mr. Foster explained a Campus Conference Program employee would be responsible for ensuring all camp administrators had the required waivers with insurance and background checks completed before participating in the program. He said each respective vice president should inform his/her division of the camp requirements and that the Campus Conference Programs department was designated to coordinate and ensure that all camp requirements (background screenings, University waivers, insurance, and appropriate fee collection procedures) were completed.

Mr. Foster indicated there were several observations listed, and if anyone would like more information, he would be glad to provide it.
Chair Fogg called for questions or discussion. Hearing none, he called for a motion.

Trustee Cors made a motion to accept the Academic Camps and Conferences Audit and recommend it to the FGCU Board of Trustees. Trustee S. Smith seconded the motion. There was no public comment or Committee discussion. The vote was 3-0 in favor of the motion.

**Administration of Florida Bright Futures Scholarship Program by Florida’s Public Universities and Colleges Audit (TAB #5)**

Mr. Foster said in the Bright Futures audit, which had been done on a state-wide basis, there were no findings related to FGCU. The audit was conducted for 2016 and 2017.

Chair Fogg called for questions and there were none. He called for a motion.

Trustee Cors made a motion to accept the Administration of Florida Bright Futures Scholarship Program by Florida’s Public Universities and Colleges Audit. Trustee S. Smith 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 (See Tabs #6-7)**

Chair Fogg stated these were two important items of information: (1) Revised Audit and Compliance Committee Charter; and (2) Revised Charter for the Compliance Office, now headed by Director of Equity, Ethics and Compliance, and Title IX Coordinator Precious Gunter. He said he had spent considerable time reviewing the drafts with staff, and that most of the changes related to Ms. Gunter’s new role. He said the FGCU Board of Trustees Audit and Compliance Committee Charter also had been brought up to date and reflected actual practices and was now fully compliant with the Board of Governors regulations. He said the Committee would be discussing and calling for approval of these Charters at the Committee’s next meeting.

Chair Fogg then directed the Committee to Tab #6, page 3, which gave the role of the Committee and the Chair relating to the financial statements, internal controls, etc., pertaining to the Direct Support Organizations (DSOs). He said it correctly noted that the Committee also was responsible for oversight of the financial statements of the DSOs. He explained his understanding of what that meant was that the Committee could rely, in general, on the work of Mr. Foster in participating in the DSOs’ meetings and reviews with their auditors. He noted this meant the Committee did not necessarily need to do that itself unless there was an issue which would call the Committee to do so.

President Martin replied he concurred, and this was a functional and efficient way to do this while remaining involved.
Item 5: Old Business

There was no old business for discussion.

Item 6: New Business

There was no new business for discussion.

Item 7: Closing Remarks and Adjournment

Chair Fogg stated the items recommended today would be recommended for final approval to the full Board. He said Vice President and Chief of Staff Susan Evans was working on a schedule of dates for the upcoming meetings of the Audit and Compliance Committee.

Chair Fogg adjourned the meeting at 8:19 a.m.

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

Agenda Items:


Attachment:

A. Record of Votes
## Record of Votes
Audit and Compliance Committee
**DATE: 9/11/2018**

<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>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2    Trustee Leo Montgomery (excused absence)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3    Trustee Stephen Smith</td>
<td>Abstain</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4    Trustee Joseph Fogg</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

- **Consent Agenda (Tab #1)**
  - 1- Cors
  - 2- Smith
- **2017-2018 Internal Audit Annual Report (Tab #2)**
  - 1- Smith
  - 2-Cors
- **2018-2019 Internal Audit Work Plan (Tab #3)**
  - 1- Smith
  - 2-Cors
- **Academic Camps and Conferences Audit (Tab #4)**
  - 1- Cors
  - 2-Smith
- **Administration of Florida Bright Futures Scholarship Program by Florida’s Public Universities and Colleges Audit (Tab #5)**
  - 1- Cors
  - 2-Smith