

1 **FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES**

2
3 **AUDIT AND COMPLIANCE COMMITTEE**

4
5 **Tuesday, September 11, 2018**

6
7 **COHEN CENTER BALLROOM, ROOM #203**
8 **Florida Gulf Coast University**

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10

Minutes

11
12 **Members:**

13 *Present:* Trustee Joseph Fogg III – Chair; Trustee Darleen Cors; and Trustee Stephen
14 Smith.

15
16 *Not Present:* Trustee Leo Montgomery (Excused Absence).

17
18 **Others:**

19 *Staff:* President Michael Martin; Provost and Vice President for Academic Affairs James
20 Llorens; Vice President for Administrative Services and Finance, and Executive Director
21 of FGCU Financing Corporation Steve Magiera; Vice President for University
22 Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice
23 President and Chief of Staff Susan Evans; Vice President and General Counsel Vee
24 Leonard; Vice President for Students Success and Enrollment Management Mitchell
25 Cordova; Director of Internal Audit Bill Foster; Director of Equity, Ethics and
26 Compliance, and Title IX Coordinator Precious Gunter; Director of Operations Tiffany
27 Reynolds; Assistant Director of Board Operations Tiffany Jackson; Project Manager
28 Melissa Pind; and Executive Assistant to the Vice President and Chief of Staff Bruna
29 Ugolotti.

30
31
32 **Item 1: Call to Order, Roll Call, and Opening Remarks**

33 Chair Joseph Fogg called the meeting to order at 8:02 a.m. He welcomed all members
34 and said the meeting had been duly noticed. He requested Vice President and Chief of
35 Staff Susan Evans to call the roll. Roll call was taken with three of four Committee
36 members present, thus meeting quorum requirements. Trustee Leo Montgomery was
37 granted an excused absence.

38
39 Chair Fogg welcomed Trustee Stephen Smith, a new member to the Committee, and
40 Ms. Precious Gunter, who with new duties recently received the revised title of FGCU
41 Director of Equity, Ethics and Compliance, and Title IX Coordinator.

46 **Item 2: Consent Agenda (See Tab #1)**

47 Chair Fogg stated there was one item on the Consent Agenda, the Minutes of the May
48 1, 2018 meeting.

49
50 Trustee Darleen Cors made a motion to approve the Consent Agenda. Trustee S. Smith
51 seconded the motion. There was no public comment or Committee discussion. The
52 vote was 2-0 in favor of the motion with Trustee S. Smith abstaining as he had not
53 attended the last meeting.

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

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

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60

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

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

64

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

68

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

73

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

82

83 Mr. Foster said the Office of the Internal Audit staff members were members of various
84 organizations to keep current on internal audit and university audit activities. These
85 memberships included the Institute of Internal Auditors (IIA), the Association of College
86 and University Auditors (ACUA), the Information Systems Audit and Control Association
87 (ISACA), the Association of Certified Fraud Examiners (ACFE), the American Institute of
88 Certified Public Accountants (AICPA), the Florida Institute of Certified Public
89 Accountants (FICPA), and the State University Audit Council (SUAC). He added during
90 2017-2018 two members of his Office had served as treasurer and president of the
91 Southwest Florida Chapter of the Institute of Internal Auditors; and during 2017-2018,

92 each member of his Office had met the requirement for Continuing Professional
93 Education (CPE) hours.

94
95 Mr. Foster stated in the annual report, there was a schedule of audits for the coming
96 year.

97
98 Chair Fogg called for further comments. Hearing none, he asked for a motion.

99
100 Trustee S. Smith made a motion to approve the FGCU 2017-2018 Internal Audit Annual
101 Report and to recommend it to the FGCU Board of Trustees. Trustee Cors seconded
102 the motion. There was no public comment or Committee discussion. The vote was 3-0
103 in favor of the motion.

104

105 **2018-2019 Internal Audit Work Plan (TAB # 3)**

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

108

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

112

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

115

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

124

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

126

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

131

132 **Academic Camps and Conferences Audit (TAB #4)**

133 Mr. Foster explained this report represented a limited scope audit of academic camps,
134 conferences, and other enrichment programs. FGCU's regulations, policies, procedures
135 and guidelines govern the use of University facilities and revenue collection applicable
136 to camps.

137

138 Mr. Foster said the Office of Campus Conference Programs (CCP) and other applicable
139 departments should strengthen procedural controls of camps, conferences, and other
140 enrichment programs by addressing the weaknesses identified in the report. He stated
141 the objectives were to determine the following: whether FGCU academic camps,
142 conferences, or similar programs were conducted in compliance with applicable state
143 statutes, university policies and procedures, and other applicable guidelines; whether
144 additional guidelines, policies, or procedures are needed to provide the necessary
145 control policies to govern these activities; and whether appropriate fees and revenues
146 are collected in accordance with University procedures and guidelines, and sound
147 business practices.

148
149 Mr. Foster stated for the audit a mix of camps, conferences, and other enrichment
150 programs that were operated during fall 2016, spring 2017 and summer 2017 semesters
151 were reviewed. He said during that time period there was a record of 143 camps,
152 conferences and other enrichment programs conducted. The 143 events were
153 compiled and cross referenced from lists provided by CCP, Student Affairs,
154 Environmental Health and Safety, and colleges within Academic Affairs. He said a risk
155 based analysis was conducted to select 20 events for review. The majority of the
156 events selected for review utilized services from CCP or reserved space through
157 Campus Reservations; however, not all University camps, conferences or other
158 enrichment programs were required or need to be processed through CCP or Campus
159 Reservations. He said as an example, off-campus events or those not requiring
160 services or conference room space need not contact CCP for their event.

161
162 Mr. Foster explained the Campus Conference Programs department was coordinating a
163 working group (consisting of representatives from the Office of General Counsel,
164 Human Resources, Environmental Health and Safety, and Finance and Accounting) to
165 establish specific camp packages that each camp administrator would be responsible
166 for completing. He said these packages would outline: (1) General Counsel approved
167 waivers for campers, adults, and personnel involved in the camp program; (2)
168 Appropriate procedures for Department of Children and Families (DCF) State required
169 background checks through the Office of Human Resources; (3) Mandatory and
170 optional insurance requirements for all camps from the department of Environmental
171 Health and Safety (EHS); and (4) Appropriate cash collection procedures for all camps
172 from the Finance and Accounting department.

173
174 Mr. Foster explained a Campus Conference Program employee would be responsible
175 for ensuring all camp administrators had the required waivers with insurance and
176 background checks completed before participating in the program. He said each
177 respective vice president should inform his/her division of the camp requirements and
178 that the Campus Conference Programs department was designated to coordinate and
179 ensure that all camp requirements (background screenings, University waivers,
180 insurance, and appropriate fee collection procedures) were completed.

181
182 Mr. Foster indicated there were several observations listed, and if anyone would like
183 more information, he would be glad to provide it.

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

185

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

190

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

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

195

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

197

198 Trustee Cors made a motion to accept the Administration of Florida Bright Futures
199 Scholarship Program by Florida's Public Universities and Colleges Audit. Trustee S.
200 Smith seconded the motion. There was no public comment or Committee discussion.
201 The vote was 3-0 in favor of the motion.

202

203

204 **Item 4: Information Items (See Tabs #6-7)**

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

214

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

224

225 President Martin replied he concurred, and this was a functional and efficient way to do
226 this while remaining involved.

227

228

229

230 **Item 5: Old Business**

231 There was no old business for discussion.

232

233

234 **Item 6: New Business**

235 There was no new business for discussion.

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238 **Item 7: Closing Remarks and Adjournment**

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

243

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

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247

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

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254 Agenda Items:

255 A. [https://www2.fgcu.edu/Trustees/AgendaFile/2018/09-11-](https://www2.fgcu.edu/Trustees/AgendaFile/2018/09-11-2018/FGCUBOTMTG-AGENDAPACKET-ACC_09-11-18.pdf)
256 [2018/FGCUBOTMTG-AGENDAPACKET-ACC_09-11-18.pdf](https://www2.fgcu.edu/Trustees/AgendaFile/2018/09-11-2018/FGCUBOTMTG-AGENDAPACKET-ACC_09-11-18.pdf)

257

258

259 Attachment:

260 A. Record of Votes

Record of Votes Audit and Compliance Committee DATE: <u>9/11/2018</u>						
		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
	TRUSTEES	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
1	Trustee Darleen Cors	Yes	Yes	Yes	Yes	Yes
2	Trustee Leo Montgomery (excused absence)					
3	Trustee Stephen Smith	Abstain	Yes	Yes	Yes	Yes
4	Trustee Joseph Fogg	Yes	Yes	Yes	Yes	Yes