



Item: AC: A-M

Audit and Compliance COMMITTEE
Friday, December 6, 2019

SUBJECT: ROLL CALL AND APPROVAL OF THE June 4, 2019 MINUTES

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation, ensure quorum, and approve the Minutes of June 4, 2019 meeting.

COMMITTEE MEMBERS

Mr. Shaun Davis, Chair	_____
Mr. Robert Stilley, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Kevin Buchanan	_____
Mr. Brent Burns	_____
Dr. Jeffrey Feingold	_____
Mr. Abdol Moabery (ex-officio)	_____
Dr. Kevin Wagner	_____

PARTICIPATING BOT MEMBERS

Dr. Michael Dennis	_____
Dr. Malcolm Dorman	_____
Mr. Brad Levine	_____
Mrs. Mary Beth McDonald	_____
Mr. Robert Rubin	_____



Audit & Compliance Committee

Draft Minutes

June 4, 2019

AC: A-M. Roll Call and Approval of the March 26, 2019 Meeting Minutes

Mr. Shaun Davis, Chair of the Board of Trustees Audit and Compliance Committee, convened the meeting. Roll call commenced with the following committee members, in addition to Mr. Davis, participating: Mr. Robert Stilley, Vice Chair; Mr. Anthony Barber (ex-officio), Mr. Kevin Buchanan, Mr. Brent Burns, Dr. Jeffrey Feingold, Mr. Abdol Moabery (ex-officio) and Mr. Kevin Wagner.

Other Trustees attending the meeting included: Dr. Michael Dennis, Dr. Malcolm Dorman, Mr. Brad Levine, Ms. MaryBeth McDonald, and Mr. Robert Rubin.

Chair Davis asked for approval of the March 26, 2019 meeting minutes. **A motion was made and seconded to approve the March 26, 2019 Audit and Compliance meeting minutes. With no further discussion, the motion passed unanimously.**

AC: A-1. Review and recommend approval of the 2019-20 Office of the Inspector General (OIG) Work Plan

Ms. Stacy Volnick, VP of Administrative Affairs and interim Inspector General, presented the item. Ms. Volnick opened with every year the Office of the Inspector General presents the Board of Trustees a work plan for approval. It is used to guide the office for the new fiscal year, July 1. Chair Davis and Ms. Volnick challenged the staff in the inspector general's office to identify areas that represent the greatest reputational and financial risk to the university. There is no open whistleblower investigations at this time.

Ms. Volnick presented the table that was in the backup material to the trustees. She noted the risks identified are in no way representative of any risks that we have identified as being an issue in these function areas. Instead, those risks that are associated with these operational areas. This is not an all-inclusive list, but those that are most significant. Chair Davis noted this is a fluid list so they can add any item or take away they have that ability.

A motion was made and seconded to approve the 2019-20 Office of the Inspector General (OIG) Work Plan. With no further discussion, the motion passed unanimously.

AC: A-2. Review and recommend approval of the 2019-20 Compliance Work Plan

Ms. Elizabeth Rubin presented the item. Ms. Rubin noted that this is their first compliance work plan. Last year, the board approved the university's first compliance and ethics program. Ms. Rubin went over the background of the office. Her office has two direct reports, one is the Office of Equity, Inclusion and Compliance, and two, the Sr. Athletics Director of Compliance. Both positions have new hires in the last six months. Ms. Rubin emphasized that compliance is a team effort throughout the university and not just the members on her team.

The university compliance committee created a heat map to look at impact and risks. Ms. Rubin then spoke about the work plan, that included creating a structural foundation, proactively identifying and accessing risk to the university, making compliance and ethical behavior relevant to each and every employee, ongoing activities of the compliance office, and providing a blueprint for the fiscal year 2019-20 annual report required by the Board of Governors.

The eight areas of the compliance program is executive oversight, standards of conduct, regulations and policies, effective lines of communication, education and training, audit and monitoring, enforcement and discipline, and response and prevention.

Ms. Rubin closed her presentation with a photo of what different areas think compliance officers do. She said she is excited to be here and heading the office.

Trustee Stilley asked if every State University System institution has this office. Ms. Rubin replied yes. Mr. Stilley noted that it seems a lot could be standardized. Ms. Rubin said she expects to see more direction from the state soon.

Trustee Moabery asked about looking at the training materials from the bigger universities, especially around export compliance. Ms. Rubin replied they all talk and share information. All the universities have been willing to share resources.

Chair Davis said this is a really important item and we need to pay attention. Trustee Levine asked if the FAU code of conduct just for faculty and staff or is it also for students. Ms. Rubin applied it was just for faculty and staff. The students have their own code of conduct. Trustee Levine commented that this office is doing an enormous amount of work and bringing together huge areas, it might be good to look at the priorities of the other universities, in terms of classified information.

Mr. Rubin asked about the audit findings from the state. Ms. Rubin said she has looked at it, but hasn't studied it yet. Chair Davis said Mr. Jeff Atwater will be reviewing it later in the meeting.

A motion was made and seconded to approve the 2019-20 Compliance Work Plan. With no further discussion, the motion passed unanimously.

AC: A-3. Amendments to FAU Regulation 5.010 – Anti-Discrimination/Anti-Harassment



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Mr. David Kian presented the item. Ms. Elizabeth Rubin's compliance team is updating University Regulations that relate to compliance to conform with University changes and evolving state and federal requirements. The Office for Equity, Inclusion, and Compliance recommended updates to this regulation to reorganize and clarify definitions, update references to titles of leadership, and make clear certain obligations of university advisory employees.

A motion was made and seconded to approve the Amendments to FAU Regulation 5.010 - Anti-Discrimination/Anti-Harassment. With no further discussion, the motion passed unanimously.

Trustee Levine asked about the law recently signed by Governor DeSantis barring anti-Semitism on campuses and if its provisions were included in this amendment. Mr. Kian replied that FAU Regulations already prohibit religious discrimination and any act of anti-Semitism, and nothing in this amendment was inconsistent with the new law. He also added that we have just started our review of how the new law may affect other regulatory provisions, and if changes were necessary, they would be brought to the Board promptly.

AC: I-1. Review of the FAU Financial Audit for Fiscal Year ended June 30, 2018

Mr. Jeff Atwater opened with they have identified two items that are informational only. Ms. Ilene Gayle from the state auditor general's is here to answer any questions you may have. The audit did not identify any deficiencies in internal controls, financial reporting that could be of material weakness. The audit stated the financial statements of FAU were presented fairly and all material aspects in accordance with prescribed financial reporting standards. It was a clean audit. Ms. Gayle said it was an unqualified opinion. Chair Davis noted that makes it a clean report.

AC: I-2. Review of FAU Operational Audit

Mr. Jeff Atwater said the auditor general conducts the operation audits at state universities. By state statute, they take place every two to three years. The audit includes three audit findings, recommendations and management's responses to the recommendations. Mr. Atwater noted that over the past ten years, the university has reduced the number of findings with each passing year.

The summary of three findings include textbook affordability procedures continue to need improvement, the university not having a mechanism for exempt employees to report time worked, implementing procedures requiring supervisors to document approval of such time, and university rules and records supporting property, facilities and personal services direct-support organizations could be improved.

Mr. Atwater said all findings are being addressed, in fact, finding number three will be addressed later in this meeting when he goes over usage of university resources by direct-support organizations.

Chair Davis asked Ms. Gayle if she was good with the university responses. Ms. Gayle replied yes.

Chair Davis adjourned the meeting of the Audit & Compliance Committee.