



Item: AF: A-M

AUDIT AND FINANCE COMMITTEE

Tuesday, December 15, 2015

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE OCTOBER 20, 2015 AUDIT AND FINANCE COMMITTEE MEETING.

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the October 20, 2015 Audit and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Thomas Workman, Jr., Chair	_____
Mr. Daniel Cane, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Ms. Mary Beth McDonald	_____
Mr. Abdol Moabery	_____
Mr. Robert Rubin	_____
Mr. Robert Stilley	_____

BOT MEMBERS

Dr. Christopher Beetle	_____
Dr. Michael Dennis	_____
Ms. Kathryn Edmunds	_____
Dr. Jeffrey Feingold	_____
Mr. Paul Tanner	_____
Dr. Julius Teske	_____



**AUDIT AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, October 20, 2015**

AF: A-M. Roll Call and Approval of Minutes for the June 15, 2015 BOT Audit and Finance Committee Meeting.

Mr. Daniel Cane, Vice Chair of the Board of Trustees (BOT) Audit and Finance Committee (AFC), convened this meeting at 10:10 a.m. Roll call commenced with the following Committee members, in addition to Mr. Cane, participating: Mr. Anthony Barbar (ex-officio), Ms. Mary Beth McDonald, Mr. Robert Rubin and Mr. Robert Stilley.

Other Trustees attending the meeting included: Dr. Christopher Beetle, Dr. Michael Dennis (via phone), Ms. Kathryn Edmunds, Dr. Jeffrey Feingold and Mr. Paul Tanner.

The following University officials participated: Dr. John Kelly, President; Ms. Dorothy Russell, Vice President for Financial Affairs; Dr. Corey King, Vice President for Student Affairs; and, Mr. Morley Barnett, Inspector General.

Upon call, a motion was made and seconded to approve the minutes of the June 15, 2015 AFC meeting without change or correction. **The motion passed unanimously.**

AF: A-1. Review and Approval of the 2016-17 Projected Housing Budget and Proposed Rental Rates.

Dr. Corey King presented the 2016-17 housing budget to the board and stated that there would be no rate increases for the upcoming year. The total number of revenue beds in 2015-16 were 4,037 and in 2016-17 this will increase to 4,145. In the 2015-16 year occupancy was budgeted at 90% and actual occupancy ended up at 96%. The 2016-17 housing budget shows a 93% occupancy rate and Dr. King explained that he is being cautious with that percentage and would like to see several years of increased occupancy to raise it in the budget. Net revenue is expected to be just over \$4M in 2016-17 as shown on the Budget Summary slide. Lastly, Dr. King explained the maintenance plans for all residence halls next year with a total cost of \$3M.

With no questions or comments put forth, a motion was made and seconded to recommend BOT approval of the 2016-17 Housing Rental Rates remaining unchanged from the prior year. **The motion passed unanimously.**

AF: I-1. Review of Fourth Quarter Financial Report, July 1, 2014 – June 30, 2015.

Ms. Russell informed the Board of Trustees of the financial condition of the University. This report presented year-end expenditures for each of the budgetary components of the University: Educational and General; Auxiliary Enterprises; Sponsored Research/Grants and Contracts; Financial Aid; Student Government/Student Activities; Athletics; and, Concessions.

An update on each of the budget components was given by Ms. Russell with year-end financial data summarized as follows:

2013-14 & 2014-15 Comparison of Budget & Actual (\$000)								
Category Fund Type	2013-14 End-of-year				2014-15 End-of-year			
	Actual	Adj. Budget	Remainder	% of Actual to Budget	Actual	Adj. Budget	Remainder	% of Actual to Budget
REVENUE								
Educational & General	\$298,808	\$282,157	\$16,651	105.9	\$305,045	\$293,609	\$11,436	103.9
Auxiliary Enterprises	94,776	117,322	(22,546)	80.8	109,647	118,312	(8,665)	92.7
Student Financial Aid	191,980	197,907	(5,927)	97.0	184,715	198,640	(13,925)	93.0
Student Activities	8,973	9,287	(314)	96.6	8,771	9,385	(614)	93.5
Athletics/Stadium	20,422	25,656	(5,234)	79.6	23,257	27,409	(4,152)	84.9
Sponsored Research/Grants	52,818	67,889	(15,071)	77.8	55,541	55,498	43	100.1
Concessions	418	480	(62)	87.0	1,094	510	584	214.5
TOTAL REVENUE	\$668,195	\$700,698	(\$32,503)	95.4	\$688,070	\$703,363	(\$15,293)	97.8
EXPENDITURES								
Educational & General	\$267,633	\$273,529	\$5,896	97.8	\$288,137	\$280,810	(\$7,327)	102.6
Auxiliary Enterprises	103,393	123,564	20,171	83.7	104,938	125,347	20,409	83.7
Student Financial Aid	192,044	199,516	7,472	96.3	184,171	198,533	14,362	92.8
Student Activities	9,369	10,706	1,337	87.5	9,907	11,218	1,311	88.3
Athletics/Stadium	20,556	25,156	4,600	81.7	23,527	27,410	3,883	85.8
Sponsored Research/Grants	54,770	67,715	12,945	80.9	54,131	55,498	1,367	97.5
Concessions	408	480	72	84.9	1,020	510	(510)	200.0
TOTAL EXPENDITURES	\$648,173	\$700,666	\$52,493	92.5	\$665,831	\$699,326	\$33,495	95.2
STUDENT CREDIT HOURS								
	2013-14 BOG Budget	2014-15 BOG Budget	Diff. +/-	Diff. %	2013-14 Actual	2014-15 Actual	Diff. +/-	Diff. %
Summer (Final)	115,821	107,893	(7,928)	(6.9)	105,096	105,195	99	0.1
Fall (Final)	310,167	310,751	584	0.2	305,143	296,553	(8,590)	(2.8)
Spring (Final)	291,076	287,803	(3,273)	(1.1)	281,087	275,348	(5,739)	(2.0)
TOTAL	717,064	706,447	(10,617)	(1.6)	691,326	677,096	(14,230)	(2.1)

AF: I-2. Office of the Inspector General’s Report of Annual Activities for Fiscal Year Ended June 30, 2015.

In accordance with the Office of Inspector General’s Internal Audit Charter, an annual report is issued to communicate the office’s activities of the previous fiscal year. Mr. Barnett stated that the report summarizes internal audits, follow-up on prior audit recommendations, investigations, and consulting activities, as well as goals and challenges for the upcoming fiscal year.

AF: I-3. Review of Summary of Follow-up on Audit Recommendations Scheduled to be Implemented During the Period of April 1 through June 30, 2015.

Mr. Barnett stated that there were two prior audit recommendations scheduled to be implemented during the three month period ended June 30, 2015. One recommendation was found to be fully implemented and one recommendation was partially implemented.

AF: I-4a. Review of Audits: FAU 14/15-5, Audit of Market-rate Tuition Programs for the 2015/15 Academic Year.

Mr. Barnett stated that this was the first audit of the Office of Executive Programs which oversees market-rate tuition programs. The primary objectives of this audit were to determine whether market-rate tuition programs complied with Board of Governors Regulation 7.001, Tuition and Associated Fees and that adequate procedures were in place to ensure accountability for tuition revenues, adherence to established policies and procedures, and sound business practices.

Mr. Barnett found the program to be well-managed and management has agreed to implement the two recommendations by August 15, 2015.

AF: I-4b. Review of Audits: FAU 14/1-6, Audit of Graduate Admissions for the 2014 Fall Semester.

Mr. Barnett explained that the primary objectives of this audit were to determine whether graduate students applying for admission were evaluated in accordance with FAU's admissions standards. Other objectives included evaluations of controls over documentation and monetary transactions involved in the admissions process. This was the first audit of Graduate Admissions and the results of the audit lead Mr. Barnett to conclude that the primary mission of the Graduate College was being achieved in an efficient manner.

Three recommendations were made to improve accountability for money collections and security of personnel and monetary assets. Mr. Barnett informed the board that management has agreed to implement two of the recommendations by August 1, 2015 and one recommendation in two phases – August 1, 2015 and February 1, 2016.

With no further questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 10:30 a.m.**