Trustee Karl White, Chairman, called the meeting to order.

Members Present: Trustee Torey Austin, Trustee Belinda Shannon, Trustee Spurgeon McWilliams, Trustee Robert Woody

Debra M. Barrington, Administrative Assistant to the Vice President, called the roll.

The following action items were considered:

- The Minutes of the March 4, 2015, meeting were approved.
- Proposed changes to the charters of the Audit Committee and the Division were presented and discussed. The Committee added a provision to require that the evaluation be done within 60 days after the end of the fiscal year. Changes to the Audit Committee's charter were adopted as revised, and the Committee recommends approval of the revised Charter by the Board of Trustees. Changes to the Division's charter were also approved.

Vice President Givens presented the report on the Division's activities for April 2015 through May 2015. The following projects were in process:

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- Audit of the University's Federal Program awards for the year ended June 30, 2014
Florida Agricultural and Mechanical University
Board of Trustees

There were no findings in either audit. Vice President Givens indicated that the Federal Awards audit was limited to follow up on findings of the prior Federal Awards Audit.

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Upcoming Projects

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Other projects & information

Board of Governors Follow up

The Board of Governors (BOG) is following up on the University’s progress in implementing corrective action for the following issues noted in prior audit reports, SACS review, and matters reported direct to the BOG:

- Athletic Program Deficits
- Establishment of permanent and stable leadership team
- Allegations concerning Pharmacy Phase II Construction
- Allegations concerning the DRS Sports Complex construction

Information related to the status of the above has been provided to the BOG.

Proposed Board of Governors Regulations
Pursuant to a discussion at the March 18, 2015, Board of Governors Audit Committees Workshop, the Board of Governors (BOG) has proposed four regulations for review and feedback prior to entering into the formal regulation development process. These proposed Regulations impact the Board of Trustees Audit Committee function. A summary of each draft regulation is as follows:

1. **Office of Inspector General and Director of Compliance and University System Complaint Handling**
   This regulation includes the Board of Governors requirement to address allegations of waste, fraud, or financial mismanagement in instances where a University BOT is either unwilling or unable to do so. This draft was created when the chief audit executives and the BOG Inspector General discussed implementation of subsection 20.155(5), F.S., and they expressed a need for BOG guidance on implementation of these provisions. The proposed regulation 1) provides a process for handling complaints received by the Board of Governors that are against universities, 2) requires that allegations of wrongdoing against the University president, chief audit executive, executive staff member, or board of trustees member be reported to the Board of Governors, and 3) requires the chief audit executive report allegations of waste, fraud, or financial mismanagement to the Board of Governors, when appropriate.

2. **SUS Compliance and Ethics Programs**
   This draft regulation was developed at the direction of the Board of Governors Audit and Compliance Committee and is designed to set minimum requirements for university compliance and ethics programs based upon the guidelines in the Federal Sentencing Guidelines Manual.

3. **Board of Governors Oversight Enforcement Authority**
   This draft regulation was developed to implement the requirements contained in section 1008.322, Florida Statutes. This statute relates to the Joint Legislative Auditing Committee and the Board of Governors’ escalation procedures for repeat Auditor General audit findings and other university noncompliance. The proposed regulation authorizes the BOG to take specified actions if a university is “unwilling or unable” to comply with a law or regulation.

4. **State University System of Florida Chief Audit Executives**
   This draft regulation recognizes that State University System of Florida Chief Audit Executives are the central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency. It also increases reporting responsibilities significantly through various requirements.

The proposed requirements are extensive and impose significant changes to the audit and compliance functions of the state universities. Implementation of the proposed regulations will require a significant commitment of additional resources. The requirements for the SUS Compliance and Ethics Program are extensive and would require a restructuring of the University’s compliance function, changes to the Audit Committee and Division of Audit & Compliance charters, additional personnel, and a peer review on a periodic basis.

The BOG solicited feedback from the State University Audit Council (SUAC), which met on May 27-28, 2015. Based on the feedback provided by the SUAC, the Board of Governors is to revise the proposed regulations and re-issue revised proposed regulations for additional feedback. The due date to respond to the revised proposed regulations is July 31, 2015.

**Automated Work Paper System**

Page 3 of 4
The Division is reviewing a Memorandum of Understanding for access to an automated work paper system in use by 12 state agencies. The annual cost is expected to be approximately $1,500. Implementation will begin in July 2015.

Performance Evaluation for Vice President of Audit and Compliance

The performance evaluation for Vice President Givens was presented and discussed. There was discussion concerning establishment of a process that could be followed each year.

Chairman Karl White adjourned the meeting.
1. Purpose

The Board of Trustees has established the Audit Committee, pursuant to Section 4.2.2 of the Board of Trustees Operating Procedures. The primary function of the Audit Committee is to assist the Board of Trustees in discharging its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the University's process for monitoring compliance with laws and regulations. The Audit Committee's principal activities will include:

- Oversight of the University's business risk assessment, by reviewing procedures in place to assess and minimize significant risks;
- Oversight of the University's internal control structure, to review the effectiveness and reliability of its business, financial and information system controls;
- Oversight of the quality and integrity of the University's financial reporting processes to ensure the balance, transparency, and integrity of published financial information;
- Review of the internal audit function and overall audit process;
- Review and approval of the annual audit plan; and
- Review of the University's process for monitoring compliance with laws, regulations and policies.

The Audit Committee's role is one of oversight, not preparation or operation. Its members rely on the representations of Senior Management, the Division of Audit and Compliance, the General Counsel, other committees of the Board of Trustees, and other professional consultants.

2. Authority

The Audit Committee is authorized to:

- Perform activities within the scope of this charter.
- Appoint, compensate, and oversee the work of any public accounting firm employed by the University.
- Resolve any disagreements between management and the auditors regarding financial reporting.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
• Seek any information it requires from faculty, staff, and students of the University, all of whom are directed to cooperate with the committee's requests.
• Meet with University management, external auditors, or outside counsel as necessary.

Nothing in this Charter shall be construed to limit the authority of the Board of Trustees or the Audit Committee.

3. Organization and Composition

The Audit Committee shall be appointed and be comprised of members of the Board of Trustees as provided in the Board of Trustees Operating Procedures. The members will be free from any financial, family or other material personal relationship, including relationships with members of University management, University auditors, and other professional consultants that would interfere with the exercise of his or her independence from management or the institution. A majority of the Audit Committee members will be financially literate, with at least one member designated as a "financial expert".

University staff liaisons are the Vice President for Audit and Compliance and Vice President for Finance and Administration.

4. Meetings

The Audit Committee will meet at least four times annually. Additional meetings may occur as circumstances dictate. The Audit Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. The meetings will be open to the public. Meeting agendas and appropriate briefing materials will be prepared and provided in advance to members.

5. Responsibilities and Duties

The Audit Committee believes its policies and procedures should remain flexible in order to best react to changing conditions and provide reasonable assurances to the Board of Trustees that the scope of audit activities and the adequacy of the system of internal controls ensure compliance with state and federal laws, regulations and requirements. The Audit Committee shall make reports to the Board of Trustees, as it deems necessary. In addition to the duties as provided in the Board of Trustees Operating Procedures, the Audit Committee will fulfill their duties and responsibilities as follows:

A. General

1. Adopt a charter that is approved by the Board of Trustees that specifies its scope of responsibility, process, etc. The charter shall be reviewed as necessary, but at least biannually, with recommended revisions being submitted to the Board for approval.
2. Maintain minutes and/or other records of meetings and activities.
3. Report Committee actions to the Board of Trustees with such recommendations as the Committee may deem appropriate.
4. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent accountants, counsel or others to assist in the conduct of any investigation, upon approval of the Board of Trustees.
5. Review and monitor implementation of management's responses to audit recommendations.
6. Require the Vice President of Audit and Compliance to report in writing annually on the activities of the office.
7. Confirm annually that all responsibilities outlined in this charter have been carried out.
8. Review any reports issued by the University that relate to the Audit Committee responsibilities.
9. Perform other governance oversight as assigned by the Board of Trustees.
10. The Vice President for Audit and Compliance, as the Chief Audit Executive, reports functionally to the Chair of the Board of Trustees and the Chair of the Audit Committee of the Board of Trustees and reports administratively to the President.
11. Provide an open avenue of communication between the Vice President of Audit and Compliance, external auditors, and the Board of Trustees.

B. Internal Audit

1. Review and approve the annual internal audit plan, ensuring that it addresses key areas of risk. Review the internal audit activity's performance relative to the plan.
2. Approve and periodically review the charter, staffing, and activities of the internal audit activity function to ensure they comply with professional standards and address emerging audit issues.
3. Review a summary of significant findings and recommendations of completed internal audits, including management's response and time frame for corrective action, to ensure appropriateness of actions taken.
4. Obtain a periodic progress report on the status of executing the internal audit plan and approve major changes or deviations from the approved audit plan.
5. Determine the degree of implementation of past audit recommendations and the sufficiency of corrective actions taken in addressing those recommendations.
6. Approve decisions regarding the appointment and removal of the Vice President of Audit and Compliance. Ensure there are no unjustified restrictions or limitations, and concur in the appointment, replacement, or dismissal of the Vice President of Audit and Compliance.
7. Review with the Vice President of Audit and Compliance the internal audit activity budget, resource plan, activities, and organizational structure of the internal audit function.
8. Within 60 days after the end of each fiscal year, review the performance of the Vice President of Audit and Compliance and concur with the annual compensation and salary adjustment.
9. Discuss with the Vice President of Audit and Compliance any difficulties encountered in the course of audits and investigations, including restrictions on the scope of work or access to required information, and any lack of cooperation.
10. Review the effectiveness of the internal audit function, including the results of the
quality assurance program.
11. Identify areas warranting improvements, if any, and make policy recommendations to the Board of Trustees.
12. The Chair of the Audit Committee, or designee, should meet with the Vice President of Audit and Compliance regularly to discuss confidential matters.
13. Propose adequate controls and guidelines for receiving complaints regarding accounting controls and reports of financial fraud.

C. Compliance with Laws, Regulations and Policies

1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any non-compliance or fraudulent activities.
2. Obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the University's operations, financial statements, programs or compliance policies.
3. Review and approve procedures for the receipt, retention, and treatment of complaints regarding financial or operational matters.
4. Review the findings of any examinations by state and federal regulatory agencies.
5. Review the programs and policies of the University designed by management to assure compliance with applicable laws and regulations and monitor the results of compliance efforts.
6. Review results of the University’s monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.

D. Internal Controls and Risk Assessments

Review with senior management, the Division of Audit and Compliance, and other relevant offices and committees:
1. The effectiveness of the University's process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management's plans and efforts to monitor and control such risks.
2. The effectiveness of the University's internal controls, including the status and adequacy of information systems and security and other relevant matters.
3. Major risks identified and other significant risk management issues that may require action.
4. The University's insurance coverage and the process used to manage any uninsured risks.

E. Financial Statements and Reports

Management is responsible for the preparation, presentation, and integrity of the University's financial statements and for the appropriateness of the accounting principles and reporting policies used by the University. The following shall be the principal duties and responsibilities of the Audit Committee regarding financial statements.
1. Review annual audited financial statements with management and ensure that significant findings and recommendations made by auditors and management's response are received, discussed and appropriately acted on.
2. Make inquiries and an assessment of management and auditors concerning the adequacy and effectiveness of the University's systems of financial reporting and internal control system, including information technology security and internal control.

3. Discuss with financial management, State Auditor General and other outside consultants the appropriateness of accounting principles used by the University, University Direct Support Organizations, and Intercollegiate Athletics.

4. Review the audit report on Federal Awards as required by OMB Circular A-133.

5. Review the annual audit reports of direct support organizations, including management response and corrective action plans to address the resulting recommendations. As necessary, consult with the Direct Support Organizations Committee regarding the audit reports.

6. Review annual financial statements and management letters from audits of Intercollegiate Athletics, including the corrective action plan to address the resulting recommendations.

7. Review the adequacy and completeness of financial disclosures made by management for reasonable portrayal of the University's financial condition.

8. Review significant accounting and reporting issues and recent professional and regulatory pronouncements, and understand their impact on the financial statements of the University.

9. Review compliance with federal and state guidelines for financial reporting.

F. Ethics and Business Conduct

1. Require management to report on procedures that provide assurance that the University's mission and code of conduct are properly communicated to all employees on an annual basis.

2. Review the University's code of conduct annually and direct management to establish a system reasonably designed to assure compliance with the code.

3. Ensure internal and external auditors have access to necessary University records, personnel, space and equipment.

G. Legal

Periodically, meet with the University's General Counsel to review any legal matters that may have a significant impact on the University's overall financials or operations and its compliance with regulatory agencies.

6. Rescission of Prior Board Actions

The Audit Committee Charter previously adopted by the Board of Trustees is hereby repealed or rescinded effective upon the adoption of this Audit Committee Charter.

__________________________  _______________________
President                                                 Date
Subject: Audit Committee Charter

Rationale: The Audit Committee's Charter requires that the Charter be reviewed at least biannually and recommended revisions be submitted to the Board of Trustees for approval. The Audit Committee's review of the Charter disclosed revisions needed to bring the Charter into conformity with provisions of the Institute of Internal Auditor's model charter and make the Audit Committee's Charter consistent with similar provisions of the Division of Audit and Compliance Charter.

Recommendation: The Audit Committee recommends that revisions to the Charter be approved.
Division of Audit and Compliance Charter

Introduction
Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's governance, risk management, and internal control. To accomplish its mission, the University must maintain the confidence of its Board of Trustees, faculty, staff, students, alumni, the public, elected officials, and various other stakeholders. The Division of Audit and Compliance provides valuable support in maintaining the public's confidence by performing independent and objective reviews, and reporting to the Audit Committee and responsible administrative and academic officers on their findings so that corrective actions or enhancements can be initiated. The objective is to assist the Board of Trustees, President, and University management in effective discharge of their responsibility.

Role
In 2005, the Florida A&M University Board of Trustees (BOT) approved Resolution 14-05 adopting a university-wide compliance program as the foundation of the internal control and compliance environment. In support of the compliance program, the BOT maintains an internal audit and compliance function that is an integral component of the governance structure. The Division of Audit and Compliance (DAC) provides insight on the mitigation of business risk to assist the BOT and University management in the effective discharge of their responsibilities as they relate to the University policies, processes, programs, information systems, internal controls, and management reporting.

Standards and Professionalism
Audit and compliance activities will be governed by adherence to the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. Audit and compliance activities will also adhere to the *Government Auditing Standards* as promulgated by the Government Accountability Office.

The IIA Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. Additionally, DAC will adhere to the University’s regulations and DAC’s standard operating procedures manual.
Authority
DAC provides audit and investigative services to all entities of Florida A&M University, including schools, colleges, administrative departments, auxiliary enterprises, and support organizations. Accordingly, DAC is authorized to:

- Have unlimited and unrestricted access to all data, books, records, files, property, information systems, and personnel of Florida A&M University as necessary to carry out their duties and responsibilities;
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;
- Obtain the essential assistance and cooperation of personnel in areas of the University where audits and investigations are performed, as well as other specialized services from within or outside the University; and
- Have free and unrestricted access to the BOT.

Organization
The Vice President of DAC, who serves as the Chief Audit Executive (CAE), reports functionally to the Chair of the BOT and to the Chair of the BOT's Audit Committee, and therefore communicates and interacts directly with the BOT, including BOT meetings and between BOT meetings as appropriate.

The BOT will

- Approve the charter of the Division of Audit & Compliance
- Approve the risk based internal audit plan
- Receive communications from the Vice President of Audit & Compliance on the internal audit activity's performance relative to its plan and other matters
- Approve all decisions regarding the performance evaluation, appointment, removal, and annual compensation and salary adjustment of the CAE. The CAE is appointed by and reports administratively and operationally to the University President.
- Make appropriate inquiries of management and the Vice President of Audit & Compliance to determine whether there is inappropriate scope or resource limitations

The Vice President of DAC shall report directly to the Chair of the BOT and Chair of the BOT's Audit Committee any allegations by, or about, the University President. Any allegations related to the Vice President of DAC shall be reported to the University President and Chair of the BOT's Audit Committee. Any allegations against BOT members shall be reported to the Board of Governors. These allegations are not to be handled internally and are not to be investigated by DAC.

Independence and Objectivity
The Division of Audit & Compliance will remain free from interference by any element in the University, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.
DAC staff must have no personal and external impairments to their independence, and have no direct responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Vice President of Audit & Compliance will confirm to the BOT, at least annually, the organizational independence of the internal audit activity.

**Responsibility**

DAC is responsible for assessing the various functions and control systems of the University and for advising management of their status. The fulfillment of these responsibilities includes the following activities:

- Develop an internal audit plan based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the BOT. The VP of Audit & Compliance will review and adjust the plan, as necessary, in response to changes in the University’s activities, risks, operations, programs, systems, and controls. Any significant deviation from the approved audit plan will be approved by the BOT;
- Develop and submit to the BOT for approval an annual audit plan that utilizes an appropriate risk-based methodology, including any risks or control concerns identified by management and the BOT. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the year. The Vice President of Audit & Compliance will communicate the impact of resource limitations and significant interim changes to the BOT;
- Perform audits, investigations, and consulting activities in accordance with the audit plan, including any special tasks or projects requested by University management and the BOT audit committee;
- Prepare and distribute a written report following the conclusion of each assurance engagement *(include management’s response and proposed corrective actions, including a time table for anticipated completion and an explanation for any corrective action that will not be implemented)*. Internal audit results will also be communicated to the BOT through periodic activity reports;
- Where appropriate, investigation results should result in a referral to law enforcement or written report;
- Monitor the disposition of planned corrective actions that result from observations or recommendations of DAC or external regulatory agencies. All significant findings will remain in an open issues file until cleared;
- Periodically report to senior management and the BOT on the internal audit activity’s purpose, authority, and responsibility, as well as performance relative to its plan; significant risk exposures and control issues, including fraud risks,
governance issues, and other matters needed or requested by senior management and the BOT

- Hire and retain professional staff with sufficient knowledge, skills, experience, and professional certifications to fulfill the responsibilities of DAC, and ensure appropriate training and education is provided to staff in accordance with applicable professional education standards;
- Maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The Vice President of Audit & Compliance will communicate to senior management and the BOT on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every three years;
- Investigate allegations of suspected fraudulent activities within the University and notify University management of the results;
- Ensure effective coordination and cooperation with external auditors and regulators, and consider the scope of their work for the purpose of providing optimal audit coverage to the University at a reasonable overall cost; and
- Support the University President and senior management, as requested, in any manner that improves the overall performance of the University.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the university's goals and objectives. This can include the evaluation of the following:

- Risk exposure relating to achievement of the University's strategic objectives;
- Reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- The programs and policies designed to ensure compliance with applicable laws and regulations, including monitoring efforts;
- Extent to which results of processes and programs are consistent with established objectives and goals;
- The means of safeguarding of assets and, as appropriate, verifying the existence of such assets;
- Effectiveness and efficiency with which resources are employed; and
- Effectiveness of the University's risk management process.
- Operations or programs to ascertain whether results are consistent with established objectives or goals and whether the operations or programs are being carried out as planned
- Monitoring and evaluating governance processes
• Monitoring and evaluating the effectiveness of the organization's risk management processes
• Evaluating the quality of performance of external auditors and the degree of coordination with internal audit
• Performing consulting and advisory services related to governance, risk management, and control as appropriate for the University
• Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan
• Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the BOT
• Evaluating specific operations at the request of the BOT or management, as appropriate

__________________________________________
Chief Audit Executive

__________________________________________
President

__________________________________________
Audit Committee Chair

__________________________________________
Date

__________________________________________
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__________________________________________
Date
Florida Agricultural and Mechanical University
Board of Trustees

Division of Audit & Compliance Committee
Chair Report to the Board

Trusted Karl White, Chair

The Audit Committee held a conference call meeting on June 1, 2015 at 11:00 a.m. The following action items were considered:

- The Minutes of the March 4, 2015, meeting were approved.
- Proposed changes to the charters of the Audit Committee and the Division were presented and discussed. The Committee added a provision to require that the evaluation be done within 60 days after the end of the fiscal year. Changes to the Audit Committee’s charter were adopted, as revised, and the Committee recommends approval of the revised Charter by the Board of Trustees. Changes to the Division’s charter were also approved.

Vice President Givens presented the report on the Division’s activities for April 2015 through May 2015. The following projects were in process:

- Field work for the follow up of findings for the audit of grade change process is completed and the report is in the review phase. The report is expected to be issued in June 2015.
- The audit of information technology functions was suspended while the performance funding audit was conducted. The Division is re-evaluating the status of the project.
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- A review of the eligibility of band members to participate and travel is in process. Field work is complete and the report is to be issued in June 2015.
- Field work for the follow up of findings for the audit of the P-Card and travel is completed and the report is in the review phase. The report is expected to be issued in June 2015.

At the request of the Committee, Vice President Givens indicated that the reports for the investigation for the Athletics Department investigation (non NCAA related) and the review of the eligibility of band members to participate and travel can be issued prior to the June 10, 2015 Board of Trustees meeting.

The following audits have been completed by the Auditor General:

- Audit of the University’s financial statements for the year ended June 30, 2014
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There were no findings in either audit. Vice President Givens indicated that the Federal Awards audit was limited to follow up on findings of the prior Federal Awards Audit.
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**Other projects & information**

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development process. These proposed Regulations impact the Board of Trustees Audit Committee function. A summary of each draft regulation is as follows:

1. **Office of Inspector General and Director of Compliance and University System Complaint Handling**
   This regulation includes the Board of Governors requirement to address allegations of waste, fraud, or financial mismanagement in instances where a University BOT is either unwilling or unable to do so. This draft was created when the chief audit executives and the BOG Inspector General discussed implementation of subsection 20.155(5), F.S., and they expressed a need for BOG guidance on implementation of these provisions. The proposed regulation 1) provides a process for handling complaints received by the Board of Governors that are against universities, 2) requires that allegations of wrongdoing against the University president, chief audit executive, executive staff member, or board of trustees member be reported to the Board of Governors, and 3) requires the chief audit executive report allegations of waste, fraud, or financial mismanagement to the Board of Governors, when appropriate.

2. **SUS Compliance and Ethics Programs**
   This draft regulation was developed at the direction of the Board of Governors Audit and Compliance Committee and is designed to set minimum requirements for university compliance and ethics programs based upon the guidelines in the Federal Sentencing Guidelines Manual.

3. **Board of Governors Oversight Enforcement Authority**
   This draft regulation was developed to implement the requirements contained in section 1008.322, Florida Statutes. This statute relates to the Joint Legislative Auditing Committee and the Board of Governors’ escalation procedures for repeat Auditor General audit findings and other university noncompliance. The proposed regulation authorizes the BOG to take specified actions if a university is “unwilling or unable” to comply with a law or regulation.

4. **State University System of Florida Chief Audit Executives**
   This draft regulation recognizes that State University System of Florida Chief Audit Executives are the central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency. It also increases reporting responsibilities significantly through various requirements.

The proposed requirements are extensive and impose significant changes to the audit and compliance functions of the state universities. Implementation of the proposed regulations will require a significant commitment of additional resources. The requirements for the SUS Compliance and Ethics Program are extensive and would require a restructuring of the University’s compliance function, changes to the Audit Committee and Division of Audit & Compliance charters, additional personnel, and a peer review on a periodic basis.

The BOG solicited feedback from the State University Audit Council (SUAC), which met on May 27-28, 2015. Based on the feedback provided by the SUAC, the Board of Governors is to revise the proposed regulations and re-issue revised proposed regulations for additional feedback. The due date to respond to the revised proposed regulations is July 31, 2015.

**Automated Work Paper System**

The Division is reviewing a Memorandum of Understanding for access to an automated work paper system in use by 12 state agencies. The annual cost is expected to be approximately $1,500. Implementation will begin in July 2015.
Florida Agricultural and Mechanical University
Board of Trustees

Performance Evaluation for Vice President of Audit and Compliance

The performance evaluation for Vice President Givens was presented and discussed. There was discussion concerning establishment of a process that could be followed each year.