



Audit & Compliance Committee Meeting

BOT approved 09.21.2022

MEETING MINUTES

**Friday May 20, 2022
9:00 AM – 9:45 AM**

Florida Polytechnic University WEBEX TELE-CONFERENCE MEETING

I. Call to Order

Committee Chair Bob Stork called the meeting to order at 9:00 a.m.

II. Roll Call

Kim Abels called the roll: Committee Chair Bob Stork, Committee Vice Chair Mark Bostick, and Trustee Lyn Stanfield were present (Quorum).

Committee member not present: Trustee Laine Powell

Other Trustees present: Board Chair Cliff Otto, Trustee Melia Rodriguez. Trustee Narendra Kini and Trustee Susan LeFrancois

Staff present: President Randy Avent, Dr. Terry Parker, Kathy Bowman, Gina DeIulio, Dr. Allen Bottorff, David Blanton, Melaine Schimiz, Alex Landback and Kris Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of the February 9, 2022, minutes

Trustee Lyn Stanfield made a motion to approve the Audit & Compliance Committee meeting minutes of February 9, 2022. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2021-2022 Audit & Compliance Committee Work Plan

David Blanton, Chief Compliance Officer, and Chief Audit Executive presented the 2021-2022 University Audit and Compliance (UAC) Committee Work Plan. No action was required of the committee.

VI. Audit and Compliance Update

Blanton provided the committee with an update on all Audit & Compliance activities:

External Audits: Updates were provided on the following audits:

- Auditor General Financial Audit FYE 6/30/21 – The annual financial report was completed and submitted to the Board of Governors (BOG). The Auditor General came back with a clean opinion on the financial statements.
- Auditor General: Bright Futures and Florida Student Assistance Grants (FSAG) Audits FYE 6/30/21 – This is a statewide audit conducted by the Auditor General. The combined audit report has not been issued yet, however; no significant findings are expected.
- Foundation Internal Controls Review – This review was initiated by the Board of Governors as a result of Direct Support Organization (DSO) fraud at another SUS institution. This audit is similar to reviews performed in 2020 for other SUS institutions. The review has not been started at Florida Poly.
- 5-year Review of Compliance Program – The self-assessment is completed and awaiting the final report from the external validation team. The expected completion date is July 2022.

Internal Audit and Compliance Activities: Currently, University Audit & Compliance has the following projects in progress or planned:

- 5-Year Review of Audit Program – The self-evaluation is complete and the University audit intends to contract for external validation.
- Audit Planning – In process for FYE23

VII. University Financial Audit – FYE21

The University Financial Audit was conducted by the State Auditor General for FYE21 and came back with an unqualified (clean) opinion on financial statements. No deficiencies in internal control or noncompliance were cited. The audit showed an increase in operating revenues due to an increase in enrollment and auxiliary revenues. The audit also showed a decrease in operating expenses due to a decrease in compensation and other benefits and changes in pension and OPEB (employer contributions) costs.

VIII. Textbook Affordability Monitoring Report- Spring 2022

The results of the monitoring review over textbook adoptions for the spring 2022 term were presented to the committee. The results indicated that the University was in compliance with textbook adoption laws as 100% of textbooks were adopted timely. There were repeat audit findings in this area in the past, however this response of 100% compliance indicates we are continually monitoring the situation and have remedied the audit findings.

IX. Approval of External Reviewer for Quality Assurance Review

A QAR (Qualified Assurance Review) is a process to assess the effectiveness of the internal audit function. The internal Audit Charter requires a QAR at least once every 5 years. This must be done to disclose that an audit was conducted in accordance with the IIA standards. The QAR provides assurance to AACCC that audit work is reliable and validated credibility of University Audit. Sam M. McCall has been recommended to complete the QAR. He has over 50 years of auditing experience, strong credibility, and is highly respected throughout the SUS community.

Trustee Mark Bostick made a motion to approve the selection of Independent

Validator, Sam M. McCall, as the "External QAR Reviewer" to perform the required validation of the QAR self-assessment of the University's audit function in accordance with the Institute of Internal Auditor's International Professional Practices Framework to the Board of Trustees. Trustee Lyn Stanfield seconded the motion; a vote was taken, and the motion passed unanimously.

X. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 9:36 a.m.