



# Governance, Audit, and Compliance Committee Meeting

**BOT approved 02.08.2023.**

**Wednesday, November 15, 2022  
9:00 a.m. – 10:30 a.m.**

**Florida Polytechnic University  
Applied Research Center & via WebEx**

I. Call to Order

Committee Chair Mark Bostick called the Governance, Audit, and Compliance Committee meeting to order at 9:00 a.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Mark Bostick, Committee Vice-Chair Laine Powell, Trustee Bob Stork, and Chair Cliff Otto were present (Quorum)

Other Trustees present: Vice-Chair Beth Kigel, Trustee Gary Wendt, Trustee Narendra Kini, Trustee Melia Rodriguez

Staff present: President Randy Avent, Provost Terry Parker, Dr. Allen Bottorff, David Fugett, Kathy Bowman, Mike Dieckmann, David Blanton, Melaine Schmiz, Alex Landback, Kristen Wharton, and Sherri Pavlik were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

**Committee Vice Chair Laine Powell made a motion to approve the Governance, Audit, and Compliance Committee meeting minutes of September 21, 2022. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

V. 2022-24 Governance, Audit, and Compliance Committee Work Plan

Committee Chair Bostick reviewed the Governance, Audit, and Compliance Committee Work plan. There was no discussion on this item.

VI. Audit and Compliance Update

David Blanton provided the Committee with an update on Audit and Compliance external and internal audits. He reported that there have been no audit reports released since the September Committee meeting and shared updates on the audits still in progress:

1. Information Technology Audit;
2. Financial Audit;
3. Crowe Report (Foundations financial audit); and
4. Performance Based Funding (PBF)

Blanton shared status on Board of Governor (BOG) Certifications:

1. Foreign Influence;
2. DSO Follow-up/Corrective Action; and
3. Revised PBF Data Integrity Certification

VII. Revised University Audit Risk Assessment and Audit Plan, FY23

Blanton presented the Revised University Audit Risk Assessment and Audit Plan, FY23 to the Committee. The Audit Plan was modified to include follow-up on the Crowe report that disclosed an internal control weakness related to segregation of duties for the Foundation.

**Trustee Bob Stork made a motion to recommend approval of the Revised University Audit Risk Assessment and Audit Plan, FY23 to the Board of Trustees. Committee Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

VIII. Textbook Adoption Monitoring Report – Fall 2022

Blanton reported on the Textbook Affordability Monitoring Report for Fall 2022. He shared new law compliance requirements that went into effect two weeks after the start of classes. Even with the new requirements, the University achieved compliance in posting at least 95% of textbooks for the Fall 2022 semester. Blanton then noted recommendations to enhance compliance with the new textbook archiving requirements.

IX. Regulations

Regulation FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement

David Fugett stated this regulation is amended to align with Board of Governors (BOG) Regulation 4.001 which was amended by the BOG on June 30, 2022. There were no substantive changes.

**Committee Vice Chair Laine Powell made a motion to recommend approval of the amended regulation FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

X. President's Evaluation for 2021-22

Board Chair Cliff Otto shared his discussion with BOG Chancellor Marshall Criser regarding President Randy Avent's performance for fiscal year 2022. Feedback was positive and Chancellor Criser stated the BOG has a high degree of confidence in President Avent.

Committee Chair Mark Bostick gave an overview of the composite stating 7 out of 10 trustees gave an overall rating of "Exceeded," two trustees gave an overall rating of "Achieved," and one trustee gave an overall rating of "Partially Achieved."

The floor was opened for discussion on the *President's Annual Review, July 2021-June 2022, Composite of the Trustees' Evaluations*.

There were no further comments.

**Trustee Bob Stork made a motion to recommend approval of the document "President's Annual Review, July 2021-2022, Composite of the Trustees'**

***Evaluations*** reflecting the President's annual evaluation for 2021-2022 to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Renewal of President's Employment Agreement for 2023-2024

Committee Chair Bostick opened the discussion on the renewal of President Avent's employment agreement for another year stating the only change to the Agreement is the appointment term which extends through July of 2024.

There were no comments for discussion.

**Committee Vice Chair Laine Powell made a motion to recommend the renewal of President Randy Avent's appointment term commenced on July 7, 2013, for an additional year ending July 6, 2024, to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

Extending the appointment term requires the Contract to be amended to accomplish the renewal.

**Board Chair Cliff Otto made a motion to recommend approval of draft Amendment #3 to the President's Employment Agreement to the Board of Trustees. Committee Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

XII. President's Compensation Adjustments

At this time, President Avent excused himself from the room while the Committee discussed his compensation adjustments. Under the existing employment agreement, the President is entitled to a minimum 3.5% increase in his base salary and entitled to a bonus/performance compensation if overall performance is rated "Achieved" or higher.

Committee Chair Bostick reminded the Committee that the President's overall evaluation was "Exceeded," and as stated in the president's contract, it is the discretion of the Board to increase the bonus above 20% to an amount not to exceed 30% of his current annual base salary.

He then opened the floor for recommendations on both the base salary and the bonus, reiterating the overall rating from the composite was 10% "Partially Achieved," 20% "Achieved," and 70% "Exceeded."

Discussion ensued on previous increases to the president's bonus.

Board Chair Cliff Otto made a motion to recommend a 3.5% increase in base salary and a 25% performance compensation bonus. Trustee Bob Stork seconded the motion.

Trustee Gary Wendt requested an explanation for the suggested 25% bonus. Trustee Stork responded that last year with the closing of the pandemic, the Committee acknowledged President Avent's hard work in bringing everything together during a challenging time and took into consideration the base pay increase being waived. Due to these circumstances, the Committee decided to go above and beyond in compensation. Trustee Stork thought the rating provided this year warranted the bonus to be in the middle of the range, thus 25%. Trustee Stork also stated that bonuses do not need to be at the top of the recommended percentage every year.

Trustee Wendt stated he did not feel 25% was adequate and that the bonus should be equal

to or larger than the previous year. His personal feeling was that President Avent's performance was no less than last year and because of that it should be at least equal to last year's bonus.

Not opposed to Trustee Wendt's recommendation, Board Chair Otto stated it presents a positive reflection of the President's value as it continues to be remarkably high for both the University and the BOT. The increased percentage delivers the message that the Board wants President Avent to continue to lead the University.

The Committee then took a roll call vote; there was a split vote, and the motion did not pass.

Upon further discussion, Board Chair Cliff Otto made the recommendation of a 3.5% increase in base salary, with a 29% bonus. Committee Chair Mark Bostick seconded the motion. There was a split vote, and the motion did not pass.

Discussion ensued to have a percentage that closely matches the previous year.

**Trustee Bob Stork made a motion to recommend approval to the Board:**

- 1. Award the President a 3.5% increase to his base salary; and,**
- 2. Award the President a performance compensation/bonus in the amount of 28% of his current annual base salary**

**Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

XIII. Closing Remarks and Adjournment

Committee Chair Mark Bostick thanked the committee and with no further business to discuss, adjourned the meeting at 9:46 a.m.