



FLORIDA POLYTECHNIC
UNIVERSITY

Board of Trustees Audit & Compliance Committee Meeting

December 10, 2019

2:45 PM – 3:45 PM

or upon the conclusion of the Academic & Student Affairs committee meeting

Florida Polytechnic University – IST 1046
4700 Research Way, Lakeland FL 33805

Dial 1.415.655.0001 | Access code: 310 014 960#

Gary Wendt, Chair
Dr. Earl Sasser

Mark Bostick, Vice Chair
Dr. Victoria Astley

Dr. Adrienne Perry

AGENDA

- | | |
|---|-------------------|
| I. Call to Order | Gary Wendt, Chair |
| II. Roll Call | Kim Abels |
| III. Public Comment | Gary Wendt, Chair |
| IV. Approval of the September 11, 2019 Minutes
Action Required | Gary Wendt, Chair |
| V. 2018-20 Audit and Compliance Committee Work Plan Review
Action Required | David Blanton |
| VI. Audit & Compliance Update | David Blanton |
| VII. Closing Remarks and Adjournment | Gary Wendt, Chair |

Florida Polytechnic University
Board of Trustees

Audit and Compliance Committee Meeting

DRAFT MEETING MINUTES

Wednesday September 11, 2019
11:00 AM-11:45 AM

Florida Polytechnic University, IST 1046
4700 Research Way, Lakeland, FL 33805

I. Call to Order

Committee Chair Gary Wendt called the meeting to order at 11:03 a.m.

II. Roll Call

Kim Abels called the roll: Committee Chair Gary Wendt, Committee Vice-Chair Dick Hallion, Trustee Mark Bostick, Trustee Adrienne Perry, Trustee Ryan Perez and Trustee Victoria Astley were present (Quorum).

Other trustees present: No other Trustees were present

Staff present: Mr. David Blanton, Mrs. Kim Abels, Mr. Alex Landback, Ms. Michele Rush, Mr. Derek Horton and Mr. John Sprenkle were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Mark Bostick made a motion to approve the Audit & Compliance Committee meeting minutes of May 22, 2019. Trustee Ryan Perez seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Audit & Compliance Committee Work Plan Review

Mr. David Blanton reviewed the Work Plan for 2018-2020. No comments or changes were made.

VI. Audit & Compliance Update

Mr. Blanton provided the Committee with an update of audit and compliance activities. The updates included the following:

- A. External Audits: Currently, Florida Poly is undergoing an independent assessment of controls "Internal Management and Accounting Control and Business Process Review" by Crowe, LLP. This

review is being conducted at each of the 12 universities within the State at the direction of the Board of Governors as a result of the concerns at University of Central Florida (UCF). Field work is complete; however, findings, if any, have not been communicated to date. Other routine audits performed by the Auditor General are expected to begin soon (Financial Audit and Bright Futures Audit).

- B. Internal Audit and Compliance Activities: Currently, University Audit has the following projects in progress:
 - 1. Admissions follow-up review
 - 2. Quality Assurance Review (Self-Assessment)
- C. Foundation Operating and Scholarship Funds: Mr. Blanton reported on the revenues and expenses for these Foundation funds through June of the previous fiscal year. Revenues declined significantly in the 2018-19 fiscal year; however, the University has also acted to reduce Foundation expenses for this same period.
- D. Textbook Affordability Follow-up: University Audit conducted a follow-up review for the fall 2019 term and determined that the University complied with State law on the posting of required and recommended textbooks. The follow-up review also disclosed that textbook data obtained from the bookstore vendor requires monitoring and reconciliation by University staff to identify erroneous late postings recorded by the bookstore vendor.

VII. UAC Report 2020-01: University Audit & Compliance Annual Report FYE 06/30/19

Mr. Blanton presented the Annual Report summarizing both University audit and compliance activities for the 2018-19 fiscal year. Mr. Blanton completed two audit reports (sponsored Research Activities and Auditor General Operational Follow-up). He also participated in an assurance review. Trustee Gary Wendt questioned what the assurance review was. Mr. Blanton explained it is an audit of the Auditor. He explained that the Audit & Compliance committee will be required to complete this process in the future.

Trustee Adrienne Perry made a motion to recommend approval of the University Compliance and Compliance Annual Report FYE 06/30/19 to the Board of Trustees. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. University Audit Risk Assessment/Activity Plan FYE 06/30/20

Mr. Blanton presented the annual risk assessment and activity plan outlining the proposed work to be performed by University Audit for the 2019-20 fiscal year.

Trustee Adrienne Perry made a motion to recommend approval of the University Audit Risk Assessment/Activity Plan 06/30/20 to the Board of Trustees. Trustee Ryan Perez seconded the motion; a vote was taken, and the motion passed unanimously.

IX. UAC Audit Report 2020-02: Americans with Disability Act and Office of Disability Services

Mr. Blanton presented the findings of the Americans with Disability Act and Office of Disability Services (ADA/ODS) audit which included five audit observations. None of the observations were deemed to be high risk and follow-up will be performed to ensure that appropriate corrective action was taken with respect to the five audit observations.

Trustee Ryan Perez made a motion to recommend approval of the UAC Audit Report 2020-02:

Americans with Disability Act and Office of Disability Services to the Board of Trustees. Trustee Mark Bostick 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 12:12 p.m.

DRAFT

Florida Polytechnic University
Audit & Compliance Committee
Board of Trustees
December 10, 2019

Subject: Audit & Compliance Work Plan

Proposed Committee Action

Recommend approval of the revised Audit & Compliance work plan.

Background Information

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with a revised Committee work plan through December 2020. The plan outlines the estimated events and actions to be presented before the Committee. The Committee should review the plan and consider whether additional matters should be scheduled for the Committee.

Supporting Documentation: A & C Work Plan 2019-2020

Prepared by: David A. Blanton, CAE/CCO

**Florida Polytechnic University
Audit & Compliance Committee
Work Plan 2019-2020**

March 13, 2019	May 21-22, 2019	September 11, 2019	December 11, 2019
<ul style="list-style-type: none"> • Audit & Compliance Update • Auditor General Follow-up Review • Auditor General IT Audit • Investigative Report FPU 2019-03 	<ul style="list-style-type: none"> • Audit & Compliance Update • University Compliance & Ethics Program Plan • University Financial Audit – FYE 6/30/18 • Foundation Financial Audit – FYE 6/30/18 	<ul style="list-style-type: none"> • Audit & Compliance Update • UAC 2018-19 Annual Report (2020-01) • ADA/ODS Audit (2020-02) • UAC 2019-20 Risk Assessment/Activity Plan (2020-03) 	<ul style="list-style-type: none"> • Audit & Compliance Update
February 26, 2020	May 19, 2020	September 9, 2020	December 2, 2020
<ul style="list-style-type: none"> • Audit & Compliance Update • Foundation Financial Audit – FYE 6/30/19 • Crowe Audit 	<ul style="list-style-type: none"> • Audit & Compliance Update • University Compliance & Ethics Program Plan • University Financial Audit – FYE 6/30/19 	<ul style="list-style-type: none"> • Audit & Compliance Update • UAC 2019-20 Annual Report • UAC 2020-21 Risk Assessment/Activity Plan 	<ul style="list-style-type: none"> • Audit & Compliance Update

Florida Polytechnic University
Audit & Compliance Committee
Board of Trustees
December 10, 2019

Subject: Audit & Compliance Update

Proposed Committee Action

Information only-no action required

Background Information

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with an update of all University and Foundation audit activity including (1) the status of external audits, (2) University Audit activities and plans, (3) Foundation monitoring report, and (4) University Compliance activities.

Supporting Documentation: Power Point presentation
Prepared by: David A. Blanton, CAE/CCO



FLORIDA POLYTECHNIC
UNIVERSITY

Audit & Compliance Update

David A. Blanton, CPA, CCEP

December 10, 2019

External Audit Status

- **Crowe LLP's Management and Accounting Control and Business Process Review**
 - 2 low risk observations
 - Written IT policies
 - Controls over portable storage devices
 - No report at this time
 - BOG discussion on ERM
- **Foundation Financial Audit (FYE 6/30/19)**
 - Fieldwork completed
 - Report to Foundation Board, 1/24/20

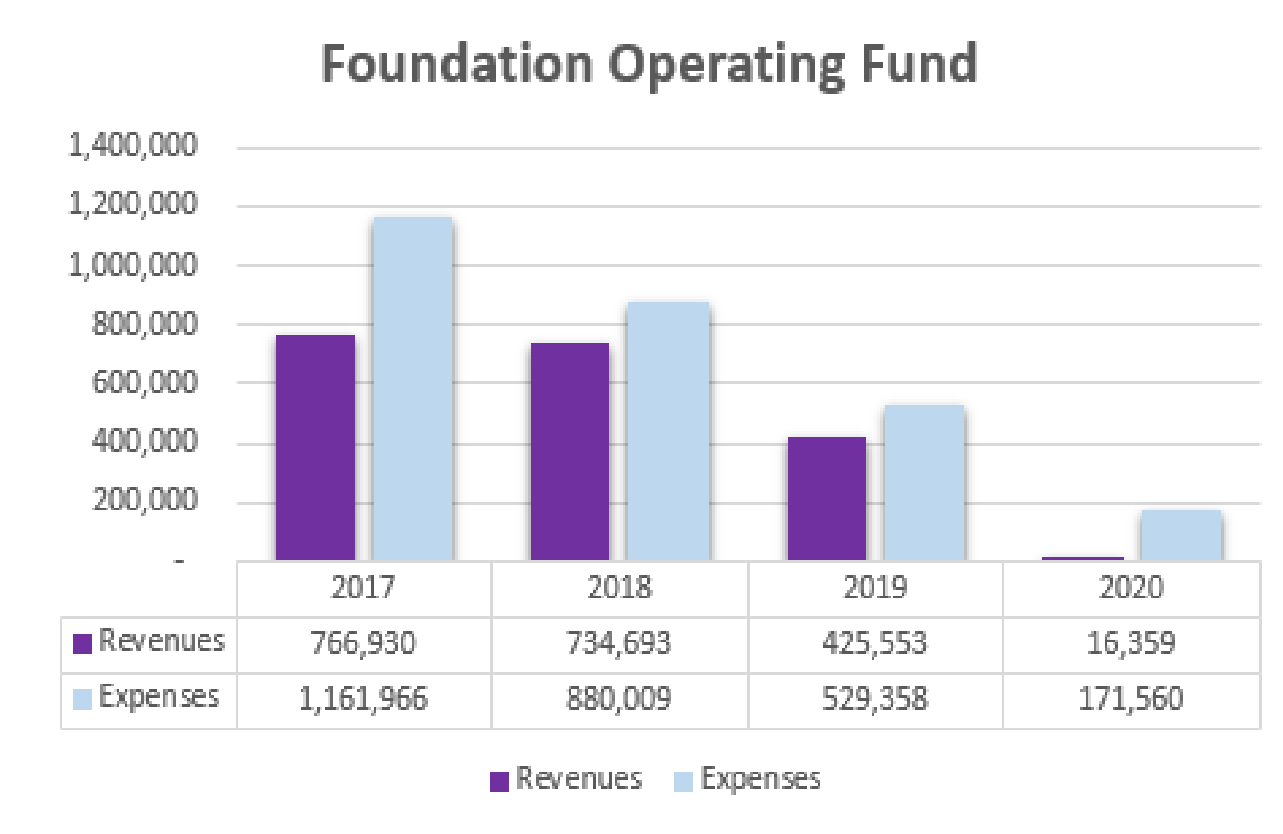
External Audit Status (cont.)

- **University Financial Audit (FYE 6/30/19)**
 - Fieldwork started November
 - Report in February/March
- **Bright Futures Audit (2 years ended 6/30/19)**
 - Not started/expectation Spring 2020
- **Operational Audit**
 - Audit period: CY 2019
 - Expected to conclude in summer of 2020

Foundation Monitoring Concerns/Suggestions

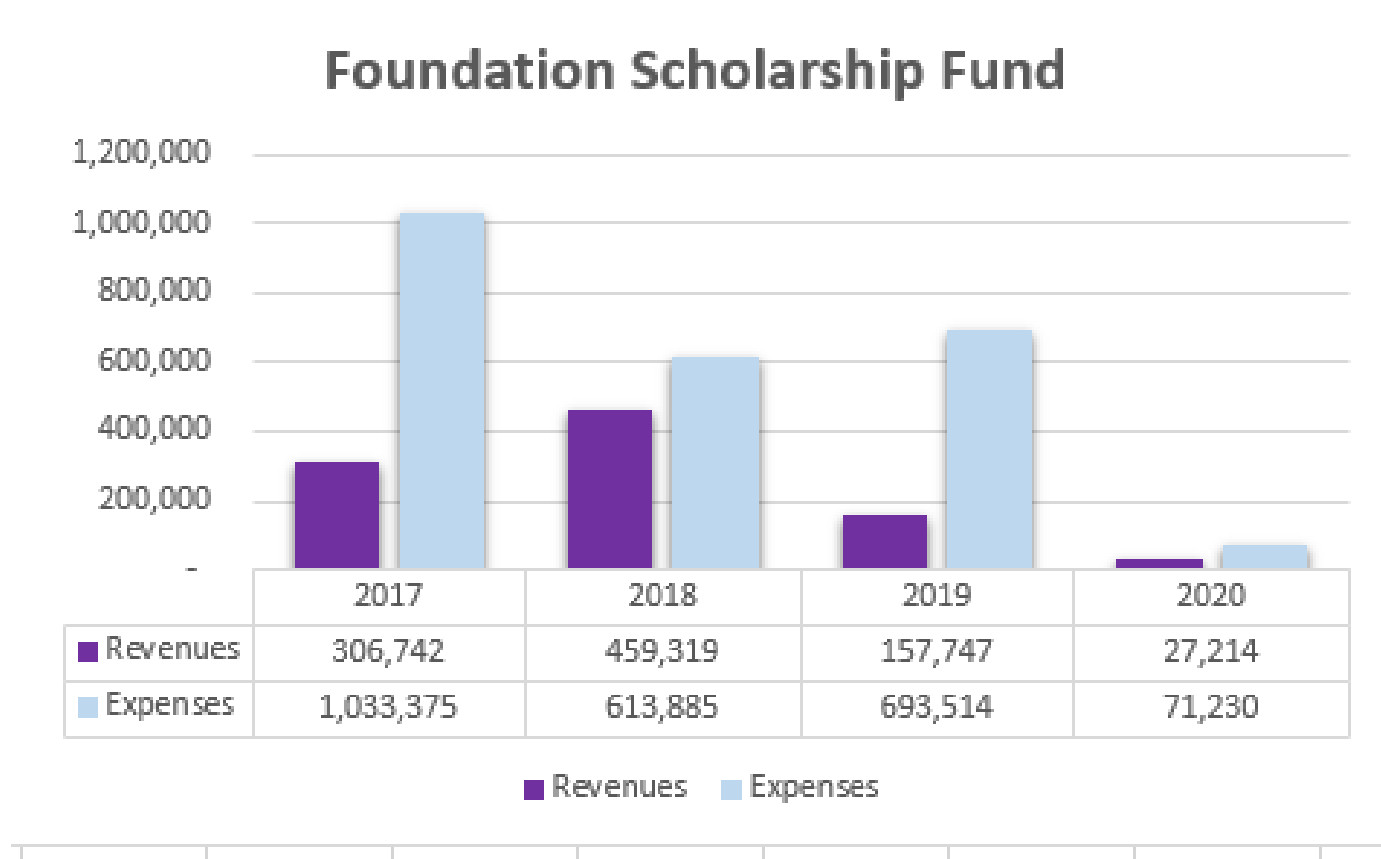
- **Stabilize/set annual scholarship limit**
- **Limit operating expenses**
- **Increase operating/scholarship revenues**
- **Establish an appropriate monitoring system**

Foundation Fund Monitoring: Operating Fund



Source: Trial Balance Report as of 11/04/19

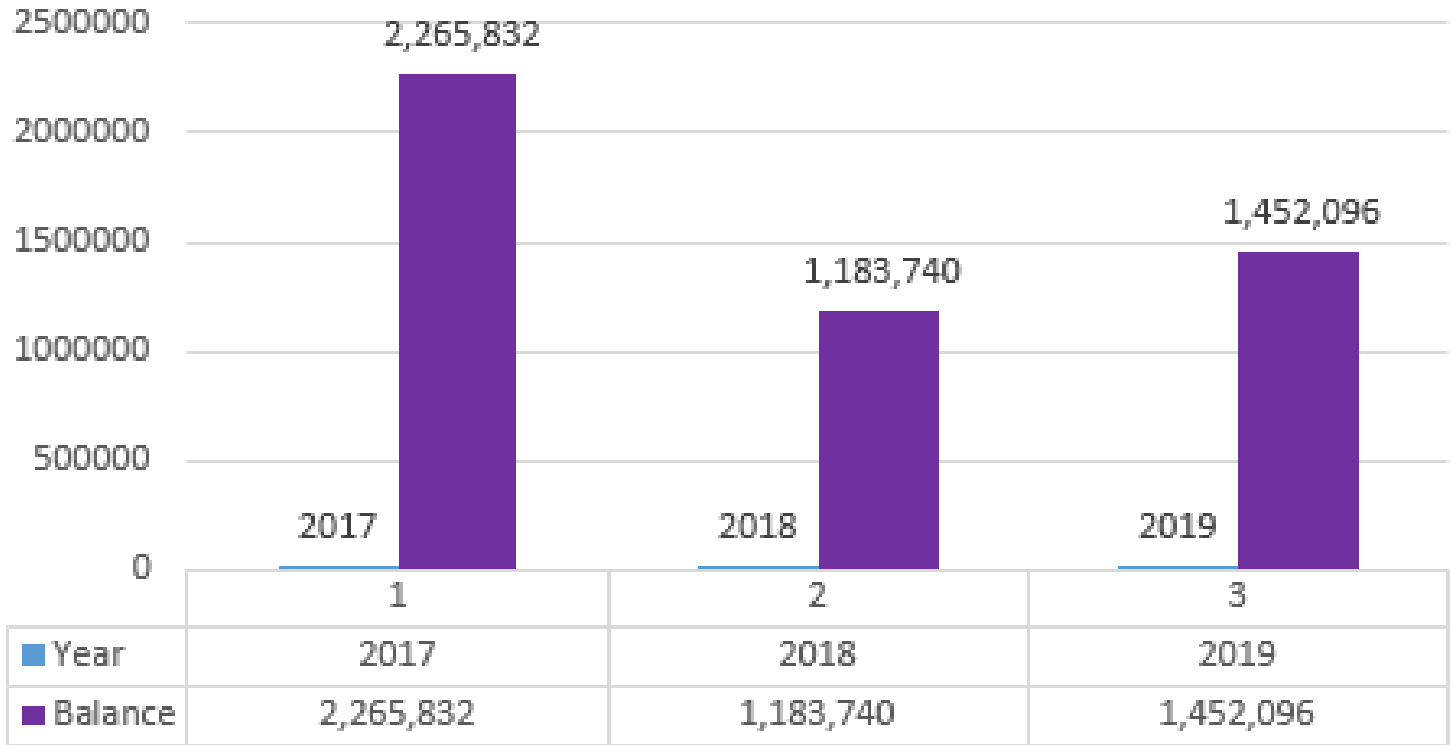
Foundation Fund Monitoring: Scholarship Fund



Source: Trial Balance Report as of 11/04/19

Unrestricted, Undesignated Net Assets – Unrestricted/Current

Unrestricted Net Assets - Current



UAC Activities – Audits/Reviews

- **Quality Assurance Review:**
 - Required by Internal Auditing (IIA Standards)
 - Preparation for external review (every 5 years – 2022)
 - Will distribute questionnaire to key stakeholders
- **Scholarships/Enrollment Data Integrity**
 - Scholarships/on Audit plan
 - Expanded scope to data integrity (GPA, SAT/ACT scores)
 - Expanded scope to provide for recommendations over admissions operations

Other UAC Activities

- **Textbook Affordability Review/Consultation**
- **Performed Grievance Review (report issued)**
- **Employee Orientations**
- **Brown Bag Lunch Training on Code of Ethics**
- **Desk Review of University Financial Statements**