

Board of Trustees

Audit and Compliance Committee

June 9, 2022

11:00 am – 12:00 pm

*virtual meeting*

**MINUTES**

**Members Present:** Paul McElroy (Chair), Tom Bryan, John Gol, Nik Patel, Kevin Hyde (ex officio)

## Item 1 Call to Order

Chair McElroy recognized a quorum and called the meeting to order at 11:00 a.m.

## Item 2 Public Comments

Chair McElroy offered those in attendance the opportunity for public comments. There were no public comments.

## Item 3 Consent Agenda

Chair McElroy asked for a motion to approve the April 13th 2022, Audit and Compliance Committee Meeting Minutes. Trustee Hyde made a MOTION to approve the consent agenda. Trustee Bryan SECONDED the motion, and the motion was APPROVED by the committee.

## Item 4 Office of Internal auditing (OAI) Quarterly Update

Ms. Julia Hann, Chief Audit Executive, presented the office’s quarterly update. Ms. Hann shared that the OAI has completed work on two PCard audits and is pleased to report only low risk items have been identified and there were no significant issues to report. School of Nursing, Athletics and IT Asset Inventory audits are in progress. She also noted that risk assessments were completed. May was Internal Audit awareness month and the OIA students had the opportunity to meet Dr. Chally to discuss what they have learned.

The office is working with senior leaders on outstanding audit recommendations and conflicts of interest are being actively worked on. Ms. Hann stated that Coggin College of Business departmental audit overlaps with Academic Affairs review. In scholarship administration, the financial aid and scholarship office is reviewing regulations and a committee has been formed which met in May. They hope to finish their current projects in the next quarter.

## Item 5 Discussion and Approval of the FY23-2024 Audit Work plan

Ms. Julia Hann, Chief Audit Executive, presented the FY2023/24 Audit Work Plan. Generally Accepted Government Auditing Standards and The Institute of Internal Auditors’ (IIA) Standards require a risk-based audit plan with review and approval from the governing authority. This report represents the Office of Internal Auditing’s proposal for a two-year audit plan for the fiscal years ending 2023 and 2024.

The internal audit risk assessment includes:

* Identification of risk universe, interviews and discussions of higher education hot topics,
* Analyze the “riskiness” of activities,
* Prioritize resources with availability,
* Risk factors include: compliance, reputational, financial, fraud exposure, hot topics, health and safety, strategic goal alignment, human capital impact, and audit history.
* Financial Statement Reviews
* External Audit Reviews
* Budget Analysis
* Safety and Security Report Review
* Interviews, surveys with key stakeholders
* BOG requests

Discussions have been held with senior personnel across campus on hot topics and risk factors include: compliance, reputational issues, financial concerns, fraud exposure, hot topics, health and safety, strategic goal alignment, human capital impact, and audit history. Ms. Hann outlined various topics under each category.

The audit plan consists of 16 areas:

Departmental / Operational Focus: Biology, Chemistry, School of Computing, UNF Online & Distance Learning Fee

Compliance Focus: NCAA Compliance – Athletics, Institutional Animal Care and Use Committee (IACUC)

Administration and Finance Focus: Separations / Terminations – HR, Procurement Cards, Accounts Payable / Disbursements.

Student Focus: Enrollment Services – Admissions, Student Government Expenditures, Fraternity and Sorority Life.

Technology Focus: Enterprise System Inventory (with PII), Technology Fee, social media.

BOG Requests: Performance Based Funding Data Integrity

Two audits are carried over from the prior plan: Accounts Payable / Disbursements

Enrollment Services (Narrow scope to Admissions).

Ms. Hann requested permission to remove two audits from the prior plan: Physical Facilities and Banner Security/Access Management.

Ms. Hann then presented an overview of the Office of Internal Auditing structure and resources. OIA has 4 audit professionals whose efforts are to deliver services effectively and efficiently. Specific services include internal audits, consulting, investigations, and follow-up on outstanding audit issues. Ideally, direct time allocation should be to internal audit engagements. Therefore, a time allocation strategy has been developed which dedicates 67% of direct time to specific audit engagements.

The University also has external audit resources including:

* Auditor General financial statement audit, annually
* Auditor General operational audit, every 3 years
* Direct Support Organizations (DSO) financial statement audits, annually
* DSO Internal Controls Audit with Crowe – in progress
* Post-construction audits for contracts over $2M

Ms. Hann shared that staff are encouraged to maintain professional certifications, including CFE, CIA and to attend professional association events to learn about topics other universities are working on. The office is proactive, reaching out to departments for consultations and Ms. Hann regularly meets with all vice presidents with the aim of encouraging collaboration and cooperation. The office also offers training to the University community on best business practices.

The Committee discussed current hot topics including new regulations, Title IX issues, General Data Protection Regulation, and technology standards. Ms. Hann shared that the BOG has requested an audit on Foreign Influence be performed by 2025.

A question about the fee structure audit which reviews how the fee is collected and the appropriateness of expenditures. Chair McElroy commented he attends the entrance and exit meetings for Auditor General audits, and everything is thoroughly reviewed.

Trustee Hyde made a MOTION to approve the FY2023/24 audit plan. Trustee Bryan SECONDED the motion, and the motion was APPROVED by the committee.

## Item 6 Update on Board of Governors Request of DSO Review of Financial Internal Controls.

Vice President Scott Bennett confirmed there were no updates to report at present, the external auditors (Crowe) are now scheduled to visit UNF on June 20, 2022 with the aim of completing fieldwork by June 30th. The state has pushed back the date to report to the BOG to July.

## Item 7 Compliance Officer Quarterly Update

Dr. Joann Campbell, Chief Compliance Officer, presented her final quarterly update before retiring from the position. She thanked Chair McElroy for his support and assistance over the years. Dr. Campbell shared the results from the 5-year review. Dr. Campbell stated that on a scale of 1-5 with 1 being Improvement Required to 5 being Far Exceeds Expectations, the average stakeholder responses were a 4-Exceeds Expectations. Dr. Campbell will discuss with the new Compliance Officer on how to move to a 5 rating in all areas.

Dr. Campbell discussed topics on the radar, some of which overlapped with areas in Internal Audit.

* Working on the civil discourse BOG report – 7 recommendations are being worked on by the workgroup. The interim report is due to the BOG mid -July with the final report in October. Dr. Campbell will keep the committee advised on the progress.
* HB7 – individual freedom bill, President appointed a workgroup which is looked at Fall classes with CPD. The law has been challenged so OGC keeping an eye on updates.
* The annual safety report required by the Clery Act is being worked on, and other topics under Title IX/Drug free schools and violence again women. Fines for any failings have risen to over $60000 per incident.
* General Data Protection Regulation from the EU is being worked on by ITS, more specific language is being reviewed. Working with Coggin College of Business and the International Center.

Dr. Campbell shared her thoughts and observations. She stated that challenges for the future are in staffing shortages, especially in IT and HR. However, the budget office has been able to juggle budgets in critical areas. She also noted the importance of policies and processes as there are operational effects if policies are not being followed. Dr. Campbell also stressed the importance of ongoing training if we are to be successful.

Interim president Pam Chally thanked Joann once again for her hard work in setting up the Compliance Office with a solid foundation to hand off to the new compliance officer.

Ms. Julia Hann gave a brief update on the Compliance Office search. The search committee has been formed with the goal to recruit someone by the end of June/early July.

## Item 8 Adjournment

With no further discussion, Chair McElroy adjourned the meeting at 11:50 a.m.