

Board of Trustees

Audit and Compliance Committee

June 12, 2023

12:00pm – 1:00 pm

*virtual meeting*

**MINUTES**

**Members Present:** Paul McElroy (Chair), Nik Patel, John Gol

## Item 1 Call to Order

Chair Paul McElroy called the meeting to order at 12:00 pm.

## Item 2 Public Comments

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

Chair McElroy moved to item 5 on the agenda as there was no quorum recognized at the beginning of the meeting. Trustee Patel joined shortly after the beginning of the meeting.

## Item 5 Compliance Office Quarterly Update

Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer presented her first full report since joining the University in February. Ms. Blank is very proud of the handoff of the program which was one of Dr. Campbell’s last goals before her retirement. Dr. Campbell took Ms. Blank to many meetings to introduce her to the campus community, reviewed a variety of projects which needed to be continued and took over her membership of several committees and covered the regulation and policy adoption process. Ms. Blank also confirmed on July 1st this year the Office of Equal Opportunity and Inclusion (EOI) will with be housed within University Compliance. EOI is responsible for investigatory and outreach efforts associated with federal civil rights and non-discrimination laws including Title IX, Title VII, and the Americans with Disabilities Act. Ms. Blank greatly appreciates the support of President Limayem and Vice President Bennett for their help with this transition.

Ms. Blank confirmed she has full access to all complaint mechanisms for ethics related complaints which includes Maxient and Lighthouse which is the anonymous hotline.

In cooperation with the Center for Professional Development and Training and the outside vendor we use for instructional design, a training for Conflict of Interest is being developed. This will assist faculty and staff with disclosure requirements for outside financial interests, outside employment and activities, employment of relatives and amorous relationships in the workplace. This is an opportunity to centralize the training and make it available university-wide to manage risk and keep track of our obligations. Ms. Blank has also been involved with the Office of the Provost and Office of General Counsel about some of the new legislative and BOG requirements from the last legislative session, meetings are held on a regular basis to assess the requirements.

Ms. Blank outlined future plans including new hires in the Compliance Office, a project to review the University’s delegations of authority to meet BOG standards and linking the initiatives of the Compliance Office to our strategic plan initiatives, keeping an eye on federal regulations relating to Title IX, guidance on third party services for federal loans which is on hold at the moment and a decision from the Supreme Court on affirmative action. The COI training is currently in development, and we are hoping to roll that out at the beginning of the fall semester to capture new faculty. President Limayem commented he is thrilled to have Robyn as his first hire, Chair McElroy agreed.

Trustee Patel joined the meeting.

## Item 6 Compliance Ethics Risk Oversight Committee Updates

Chair McElroy commented that risk management had been discussed at the last Board Meeting and he had requested this item be reviewed at this meeting.

Ms. Julia Hann, Chief Audit Executive gave an overview of the Compliance Ethics and Risk Oversight Committee (CEROC), which is really a guiding group on risk management. When talking to various departments, leadership can identify critical risks and manage them to an acceptable tolerance level.

Ms. Blank explained the framework uses COSO (Committee of Sponsoring Organizations) who provides tools and guidance and best practices for a wide variety of organizations. COSO is sponsored by the American Institute of CPAs, The Institute of Internal Auditors and other professional accounting societies, so it has a solid background, but we are open to other models as we increase our ERM function and move towards maturity. One reason this is the preferred model is because it rightly describes ERM – Enterprise Risk Management - as an ongoing life cycle, where we are constantly performing any number of these tasks within the ERM framework together with input from other departments, CEROC, and leadership.

Ms. Hann gave a history of the committee, which was formed in 2017, and meets monthly, there are 13 positions appointed by the President and the objective is to promote excellence in compliance, ethics, and risk management. We have an annual risk assessment and prioritize different risk topics; risk owners are invited to attend committee meetings to present risks and outline risk mitigating controls they have in place.

Ms. Blank explained there are many risk topics that make up the registry and many universities also look at the same risks we do. It’s not feasible to look at all of them but the list has been compiled from multiple places and interviews with campus partners. We have tried to create a more workable and relevant list not just for UNF but also typical to most institutions. We use surveys to find priorities and gather information on how those risks are being mitigated and try to identify high risk items or topics where we aren’t sure how the risk is being managed. So, we bring in owners, and may find we were right to identify the risk but it is being mitigated and managed with controls in place. This helps identify if there is anything more to do and may help other units mitigate their risks. In the past we have looked at IT risks, alcohol use on campus, summer camps, and ADA compliance and make sure we have an awareness that something may pop up whether planned or not.

Ms. Hann spoke about next steps which is alignment with the new strategic plan and discuss more how we re-evaluate our risk priorities. We are going to identify units’ level of engagement and articulate our risk tolerance and keep reporting to leadership.

Ms. Blank spoke about what other states are doing and presented information from FAMU showing which states have a mandate through regulation – only 11 states – it is not expected that Florida will have a mandate in the near future. We are excited that UNF has the opportunity to be a leader in this field.

Chair McElroy thanked Ms. Hann and Ms. Blank for their presentation. President Limayem commented he agreed this is a journey, our ERM is still maturing, and we are determined to keep making progress with all units contributing and identifying risks. We need to engage more in the consultation process and the strategic plan to identify what are the biggest risks and what is the probability of these risks occurring. The recent pandemic is a great example which could have been predicted to happen, but no-one was prepared for it.

Chair McElroy commented the Board needs to be engaged and speak up if they have concerns. The Board has a lot of experience and knowledge in many topics which could be useful in risk assessment. Any risk at the University can affect multiple areas, perhaps there should be a meeting with the Board to ascertain their thoughts on risks. The model and framework we are using is appropriate for an emerging topic and gives a good overview of the risks to financial, reputation and compliance fields.

## Item 7 Office of Internal Auditing (OIA) Updates to the Audit Plan

Ms. Julia Hann, Chief Audit Executive, referred to the FY23-24 audit plan approved last year. The BOG Post Tenure Regulation 10.003 has a request to perform an audit, so approval is requested to add this extra audit to the audit plan. There is a specific requirement to start the audit after January 1, 2024, and to provide the BOG with an audit report by July 1, 2024. Four audits are nearing the end of fieldwork – University wide procurement cards, Department of Biology, School of Computing and HR Employee separations – the final reports will be sent after the final exit meetings.

Trustee Patel made a MOTION to approve the addition of the post tenure review audit. Trustee Gol SECONDED the motion, and the motion was APPROVED by the committee.

## Item 8 Office of Internal Auditing Quarterly Update

Ms. Julia Hann, Chief Audit Executive, presented the Internal Auditing Quarterly update. The status report provided highlights of the audits undertaken since the last meeting. These include a departmental audit of Athletics which included reviewing revenue, expenses, personnel, policy administration and health and safety standards. There were 12 recommendations - mostly minor - for improvements and four notable ones. Athletics are working on completing corrective actions by the fall. There are still outstanding items from previous audits which are being followed up. There is a lot of work being undertaken on conflict of interest, Ms. Hann has met with the Dean of Enrollment Services to talk about scholarship administration. School of Nursing also implemented more explicit policies and procedures.

## Item 9 Update on State of Florida Auditor General Audits

Vice President Bennett gave a general update on the external audits, the exit conference for the FY22 financial audit was held a couple of months ago. The audit was clean with no comments. As part of the same meeting the entrance conference for ongoing audits – the FY23 financial statement audit, an operational audit (completed every 2-3 years) which is non-financial and typically looks at controls, regulatory information, best practices, business processes in any department or college, no issues have been reported so far, the third audit if for FY23 Bright Futures audit which is statutory and required for the financial statement. Chair McElroy commented he sat in for the meeting and the state auditors were very complimentary to UNF staff for their work.

## Item 3 Consent Agenda

Chair McElroy asked for any comments on the consent agenda which included the February 23, 2023, Audit and Compliance Committee Meeting Minutes, and annual approval of the Compliance Office Charter.

Trustee Patel made a MOTION to approve the consent agenda. Trustee Gol SECONDED the motion, and the motion was APPROVED by the committee.

## Item 4 Policy Update

Ms. Robyn Blank presented a new policy titled Post Tenure Faculty Review for committee review. This policy has previously been reviewed by the Academic and Student Affairs Committee at its June 1st meeting. Although this is an academic affairs focused policy belonging to the Provost, this committee will review the audit and compliance requirements before the policy is presented at the full BOT meeting for discussion.

The audit component has previously been addressed by Ms. Hann. The Compliance Office, in collaboration with the Provost’s Office, faculty and the Office of General Counsel has drafted the compliance aspect of this policy. It has been through multiple levels of review including CEROC. The compliance aspect addresses the role of the Chief Compliance and Ethics Officer. If there is an adverse decision to a faculty member out of the Provost’s Office, then a review is to be held by the Chief Compliance and Ethics Officer. We will carefully review he University’s procedures to ensure compliance with BOG’s regulation expectations.

Chair McElroy commented that he found over 50 percent of universities across the country implement post-tenure reviews. These reviews offer faculty members the chance to exceed requirements in evaluating their activities over a period of 4 or more years. It serves as an effective method to ensure people are on the path to success. There is also an opportunity to recognize and reward those who exceed expectations while offering support to those who require additional assistance. Chair McElroy extended gratitude to everyone involved in the policy's development.

## Item 10 Adjournment

With no further discussion, Chair McElroy adjourned the meeting at 12:42pm.