**MINUTES**

**Members Present:** Paul McElroy (Chair), Jill Davis (Vice Chair), Jon Gol, Nik Patel, Kevin Hyde (ex officio)

## Item 1 Call to Order

Chair McElroy recognized a quorum and called the meeting to order at 1:40 p.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 any comments on the consent agenda which included the June 12, 2022, Audit and Compliance Committee Meeting Minutes.

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

## Item 4 Office of Internal Auditing Quarterly Update and Annual Report

Ms. Julia Hann, Chief Audit Executive, presented the Internal Auditing Quarterly updatedetailing two audits that have been finished and reports that have been issued for the School of Computing and Procurement Cards audits. These align with the strategic plan to audit departments to see how they manage costs, policy compliance, asset tracking, payroll and personnel, and anything unique that affects environmental health and safety or grants compliance. Information from departmental audits is used in planning larger audit projects university wide.

The procurement card audit was campus-wide to provide assurance and monitor expenditures on procurement cards resulting in three minor recommendations. A lot of the recommendations from this audit will help in planning with the workday implementation next year. Transactional expenditure testing will be continued for FY23. Follow-up to prior audits has also been completed. Ms. Robyn Blank, Chief Compliance Officer has assisted in the development of training for Conflicts of Interest. Ms. Blank noted a couple of minor items being followed up with the School of Nursing and Athletics. Audits in progress include Biology, Employee Separation, PBF Data Integrity, Admissions, and attestation for the DAVID MOU which occurs every three years for the Florida Department of Motor Vehicles, and we certify that internal controls accessing the system are in place and working. More departmental audits are planned, and a post-tenure review required by the BOG is planned.

Ms. Hann summarized the contents of the annual report, four audit reports issued, one consulting memo and one investigation report. Reviewed four external reports. Staff numbers are the same but increased certifications, and three students were employed in the office. Ethics hotline reports totaled 23 for fiscal year FY23 and the quality assurance and improvement program invites feedback from audit clients on how the office can improve the audit process.

## Item 5 Performance Based Funding Data Integrity Audit – Scope Discussion

Ms. Julia Hann, Chief Audit Executive**,** gave an overview of this year’s Performance Based Funding Data Integrity Audit. This is an annual audit at the request of the BOG to give assurance that data uploaded is certified. The audit ensures the university’s processes have support, completeness, accuracy, and timeliness of the data submissions which are used for the performance-based funding calculation. This year’s audit will review data submission files for Student Instruction File – degrees awarded, Student Financial Aid, Hours to degree and retention. This is an annual requirement, so we look at a year’s worth of data submissions. The risks involved are submission errors, late submissions, data integrity issues, data loss and inaccurate interpretation of BOG methodologies. Institutional Research is the primary contact and Internal Audit verifies control activities such as policies and procedures, audit trails and logs, the data dictionary, and data submission reviews. We work mainly with Abby Willcox, Institutional Research Associate Vice president and her team but there are many other areas across campus who have an impact on the data.

While the audit looks at data submissions from the last year, we also look to future changes in requirements. The University’s new Degree Works system will contribute some data this year. Abby explained changes by the BOG which are due to take place over the next few years. Abby commented that the audit is a good way to confirm the data is accurate. Degree Works went live in spring 2023 so this is the first data from this semester which will be submitted with the new system along with two semesters of the old system. There are also methodology changes which affect PBF funding. This year there was a change to Metric 1 the percent of bachelor’s graduates enrolled or employed one year after graduation, where the employment salary threshold increased from $30K to $40K. That change affected the benchmark to receive excellence points. Another change was for Metric 9A - AA Transfer graduate rate which was increased from two years to three years. This affects students transferring to UNF who have earned an AA degree already and again the benchmarks were reset for excellence points. We ended up receiving some normalization of our points because of this change and we are hopeful this will carry on in the future.

Looking ahead the BOG is having discussions on changing Metric 2 Median wages of bachelor’s graduates employed full time, currently set at $40,700 to receive the full 10 points but expected to move to $43,200. Our last year of performance was higher than the proposed change, so we expect to continue to receive the full 10 points if this change is approved. Then looking at 2026 the BOG is looking at strategic emphasis programs and revising that process. An initial list was presented at the June BOG meeting, institutions have had an opportunity to review and provide feedback on the list we expect to receive more information soon. Those changes will be for 2026 PBF cycle based on 24/25 degree completions.

Chair McElroy expressed thanks to Abby and her team and Julia and her team.

Trustee Hyde made a MOTION to approve the audit. Trustee Patel SECONDED the motion, and the motion was APPROVED by the committee.

## Item 6 Compliance Officer Quarterly Update and Annual Report

Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer, gave a quarterly update for the compliance office. The Athletics Compliance function is now part of the University Compliance office. Athletics Compliance encompasses NCAA, Title IX athletics, name image likeness, eligibility compliance work, transfer portal work both in and out as well as the academic support side of the house. Donna Kirk is the leader of that operation and under her there are six other positions. Continued work on handling complaints and reports from the anonymous hotline in conjunction with internal audit, HR, and general counsel. The hotline is a requirement and best practice, anyone can make a report and remain anonymous, further information can be given through the portal or information can just be reported with no follow up. There is a triage group which decides how information should be handled and by whom if an investigation is needed. In addition to the hotline, we get reports through email to the compliance, or the privacy email boxes. Getting more reports means people are aware there is a reporting mechanism, and we are willing to hear their concerns and engage with them to get a resolution.

Also completed the asynchronous new training on UNF’s conflicts of interest regulation and amorous relationships policy and the final version is due from the vendor soon. The President also filmed a spot for the training and the roll out is planned for this Fall.

Ms. Blank then referred to the Compliance annual report for 2022-2023, which includes work done by her predecessor Joann Campbell and included the completion of the five-year review. UNF received an excellent report which contained good suggestion for continued growth. Other work included work on policies and regulations, 38 were created or revised during the year. Looking ahead to FY23/24 the office is expanding with new positions approved in the latest budget cycle, appreciative of the President and Cabinet trusting compliance with more responsibility and additional resources and supporting the goals in the strategic plan.

Dr. John Kantner talked about BOG regulation 10.002 which has a compliance and audit component. The regulation requires that each institution’s chief research officer certify to the BOG that we have established the appropriate internal controls to ensure we are complying with all manner of federal and state research related regulations. The certification is made annually and Dr. Kantner must notify the Board of Trustees that we are making the certification and we are compliant with the regulations. There have been few concerns in the past as UNF doesn’t have a lot of sponsored research and wasn’t an institution focused on research but as we move more toward becoming a research university this is an area of compliance we need to focus on as the fines for non-compliance can be quite substantial. Other universities have been fined millions of dollars usually because federal funds are not being spent appropriately in sponsored research programs, but UNF has good controls in place.

Trustee McElroy asked how the transfer of Title IX to the compliance office would work, maybe at the next meeting a broader overview of the BOT responsibility could be discussed. Robyn explained that all the Title IX functions were now under University Compliance which includes the Office of Equal Opportunity and Inclusion which also does all the federal civil rights work, including Title VII compliance, discrimination in the workplace, discrimination based on any protected class as well as the Title IX sexual harassment, sexual misconduct, sex discrimination work as it pertains to students. For Title IX relating to athletics that is the compliance side, sex equity in sports. We had an outside firm complete a review for athletics on all areas of equity participation in sport, quality of facilities, coaches’ salaries, resources. We came out well in the report and the strength for UNF is that the foundational structures are good, so we can grow when needed whether adding new sports or new facilities.

## Item 7 Board Conflict of Interest Reporting and Review

Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer, gave a report on BOT Compliance to report conflicts of interest. UNF has 73 individuals who are required to file Form 1 Financial Disclosures with the Florida Commission on Ethics which includes all trustees. Pleased to report that all university filers completed their forms by the deadline of September 1st. Thanks to Megan Porter, Assistant Director of Human Resources, for her diligence in tracking down all the filers and making sure forms were submitted on time.

Secondly, we completed the annual Board conflict of interest review process, with thanks to all trustees for completing questionnaires earlier this year. The questionnaires are distributed to Procurement Services, Office of Sponsored Research, General Counsel and University Compliance for review for the appearance of any conflicts, potential or actual. If any are identified, it is noted in the system and discussed with the trustee. So, for instance, if there was a trustee who owned a business that had the potential to do business with the institution, we would flag that in our procurement system, so if that opportunity did come up, we had an opportunity to have a conversation about it and determine whether it was a situation that could be managed. The process also includes a report to this committee on any findings, this year there were no findings.

## Item 8 State of Florida Auditor General, Operational Audit update

Vice President Scott Bennett gave an update on the operational audit which occurs every three years and is different to the other audits on financial statements and financial aid carried out by the State of Florida Auditor General’s office. They look at 60-70 areas around campus which could be internal controls, business operations, anything they want to focus on. There are usually findings with these audits, and they make good suggestions for business improvements. The final report isn’t ready yet, but meetings are held regularly during the audit. One of the items they highlighted is AR what we call our drop for nonpayment process and policy, they like to see that any student at the beginning of a term, if they have not completely satisfied their debt, we drop them from courses and not let them proceed. We have a threshold and try to work with students so they don’t get dropped but the auditors feel we should be more punitive on that, so we are in discussion on that topic. Another area is the Student Government scholarship fund which was created during the pandemic to help needy students which was funded through the ANS student fees. The auditors felt that was not appropriate and they did not have statutory authority to do that as these scholarships were not made available to all students and were need based. Along with other universities they are looking at our authority to give one-time payments - they do not believe we have authority to make one-time payments. There are other subjects they are looking at including timeliness of deactivating PCards when employees leave the University. Chair McElroy asked if there was more information on the onetime payment, Scott confirmed we think we have authority to make the payments. They don’t have issues with areas with collective bargaining agreements and contracts so faculty, USPA, PBA those areas are fine. It would just be non-unionized staff they have an issue with. We could make retention bonuses in those cases.

## Item 9 Adjournment

Chair McElroy reminded members of the committee highlight any topics or areas of concern they would like to see discussed. With no further discussion, Chair McElroy adjourned the meeting at 2:20pm.