



## Audit & Compliance Committee Meeting

University of North Florida

Feb 15, 2024 at 12:00 PM to 1:00 PM

Virtual

### Agenda

#### I. Call to Order

Chair Paul McElroy will call the Committee to order.

#### II. Public Comments

Chair Paul McElroy will offer those in attendance the opportunity for public comments.

#### III. Consent Agenda

-Draft November 16, 2023 Audit and Compliance Committee Minutes

**Proposed Action:** Approval; Motion and Second Required

#### IV. Compliance Officer Quarterly Update

**12:00 PM**

Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer, will address the Committee and provide a quarterly update.

**Proposed Action:** No Action Required

#### V. Review of Title IX in Athletics

**12:10 PM**

Ms. Donna Kirk, Senior Associate Athletics Director for Compliance and Senior Woman Administrator, will address the Committee and discuss UNF's commitment to equity in sport pursuant to Title IX.

**Proposed Action:** No Action Required

#### VI. Performance-Based Funding Data Integrity Audit

**12:20 PM**

Ms. Julia Hann, Chief Audit Executive, will address the Committee and share observations from the recent Performance-Based Funding Data Integrity Audit. Further, Dr. Abby Willcox, Associate Vice President of Institutional Research and Performance will highlight some of the strategic data dashboards used by the colleges.

**Proposed Action:** Approval; Motion and Second Required

#### VII. Office of Internal Auditing (OIA) Quarterly Update

**12:35 PM**

Ms. Julia Hann will address the Committee and provide updates on audits conducted since her previous update to the Board. She will also discuss outstanding audit recommendations in progress by management, as well as provide updates on the audit workplan.

**Proposed Action:** No Action Required



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- VIII. Enterprise Risk Management Update 12:40 PM**
- Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer, and Julia Hann, Chief Audit Executive will address the committee to provide a brief update on risk management discussions by the University's Compliance Ethics Risk Oversight Committee.
- Proposed Action:** No Action Required
- IX. Independent Accountant's Report on Agreed upon Procedures Intercollegiate Athletics Program 12:45 PM**
- Vice President Bennett will address the Committee and discuss the Athletics Program Agreed Upon Procedures Report for the year ending June 30, 2023.
- Proposed Action:** No Action Required
- X. State Fiscal Recovery Fund (SFRF) Monitoring by Ernst & Young 12:48 PM**
- Vice President Bennett will address the Committee and discuss the Governor's Office engagement with Ernest & Young to conduct a risk assessment and compliance review of all programs funded through this program.
- Proposed Action:** No Action Required
- XI. Annual Review of Audit and Compliance Committee Charter 12:50 PM**
- The Audit and Compliance Committee charter is the governing document for the committee and includes areas of responsibility and authority. The charter is reviewed annually and changes are recommended as needed. Committee members will review and consider the proposed changes. Robyn Blank, Chief Compliance Officer, will present this item.
- Proposed Action:** No Action Required.
- XII. Adjournment 1:00 PM**



Board of Trustees  
Audit and Compliance Committee  
November 16, 2023  
1:20pm – 2:20 pm

*virtual meeting*

## **MINUTES**

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

**Members Absent:** Jill Davis

### **Item 1 Call to Order**

Chair McElroy recognized a quorum and called the meeting to order at 1:20pm.

### **Item 2 Public Comments**

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

### **Item 4 Office of Internal Auditing Quarterly Update**

Ms. Julia Hann, Chief Audit Executive, presented the Internal Auditing Quarterly update starting with an overview of topics looked at in a departmental audit or checkup which includes policy administration, cost monitoring, asset tracking, personnel, payroll, environmental health and safety, IT general controls and grants compliance. As part of the audit plan two or three departments are included each year, and we have worked with many areas in the past as it is a great way to build relationships across campus and get to know various academic and operational areas. Within the last quarter, we have issued the audit report for Biology, which the Dean is here today to answer any questions. There were 16 recommendations in the report to ensure good compliance and improve processes, there were also two notable issues which have already been corrected that included faculty traveling with students to have CSA training and an information campaign regarding conflicts of interest reporting. The minor recommendations were made to ensure there is good oversight in some areas.

Dean Subrahmanyam thanked the audit team for highlighting items, the Biology department has been proactive in addressing the two notable items and working on the other items not

just for this department but also as a college-wide exercise to create sets of operational procedures which each unit can follow. Chair McElroy thanked the Dean and mentioned he asked for an additional look at this audit because it does affect the entire school, appreciative of the work and focus on internal controls to get processes in place. President Limayem commented how other units can learn from the results of this audit.

Ms. Hann mentioned other audits are still being followed up on to see how corrective action and recommendations are being implemented. Prior audit reports include conflicts of interest, scholarships administration, school of nursing, athletics, procurement cards and computing which all have outstanding issues. One area to highlight is Scholarship Administration and Dr. Glen Besterfield, Dean of Enrollment Management, has been invited to the meeting to give an overview of the work done post audit.

Dr Besterfield explained the strategic plan for scholarships in place when he started with UNF has been rewritten to comply with BOG and federal regulations. He is hoping by the time of the next meeting there will be further changes to 2.0470R the Financial Aid regulation, mainly regarding the financial aid committee. There are three recommendations in progress. Dr. Besterfield explained the transition of the University of North Florida Foundation Inc. funding to the Financial Aid Office. A transition plan has been shared with Teresa Nichols, Vice President of University Development and Alumni Engagement and Ms. Hann which covers the awarding UNF Foundation scholarships. The plan has a scope, a business plan, training and documentation. The platform which has been used (Academic Works) will be sun-set in a year's time and a new platform will be implemented.

The Office of Financial Aid is starting to work with individual colleges, (starting with Brooks College of Health), to help them with their processing of awards and with Athletics. Brooks chooses the candidate, but Financial Aid processes the awards. The next college will be the College of Arts and Sciences starting next week. Regarding budgeting for all awards there is a four-year plan when a student gets an award, whether it is need based, merit based or from UNF Foundation, depending on the funding source. Need-based sources could be UNF Foundation, federal government State of Florida, institutional funds and/or from the student financial aid fee. We also have institutional need-based aid, so different sources are coming in. The same could be said for merit-based aid but that mainly coming from the student financial aid fee and institutional resources. There are three fundamental categories, merit, need and UNF Foundation. When an award is made it could be for one year, or multiple years, so we need a multi-year plan. When an award is given to a great student there may be some attrition, some students may leave, some may graduate early so they do not need the last year of an award, so we really need a long-term plan (4 year plan) on how we are distributing the resources and analyze what we have committed to spend today and in three or four years from now. Work is being done on dashboards to track all this accurately.

The organizational structure of the department has been updated: a staff member will be handling UNF Foundation awards; in the process of hiring a new person; and someone will be transitioning from the UNF Foundation. These position descriptions have been updated. As

the transition to colleges starts, training will be implemented, and leadership and organizational structures will be reviewed. Priorities – Office of Financial Aid has two colleges and in 2024 will work with the remaining colleges. We are switching from Academic Works to a new platform called ScholarshipUniverse. Presently, we use Banner to make awards for merit and need based and Academic Works for UNF Foundation, the aim is to have the new platform up and running by October 1<sup>st</sup> next year. ScholarshipUniverse will hold all our resources whether state or federal funds, institutional resources, UNF Foundation, financial aid fees, and we will also be awarding all our scholarships from that platform. The highlight is we can see everything about a student and will be able to leverage financial aid all in one system so we will be able to see if a student has Bright Futures, or Florida prepaid etc. and, if a student has a low annual gross income but isn't Pell eligible but still has a financial need, we can better help our students. Another benefit of ScholarshipUniverse is that students will be able to automatically apply for national awards. They won't have to visit separate websites to apply for various types of awards.

There have been many discussions about students who have need, not just Pell eligible students and there are other groups of very needy students including ones who have completed the FAFSA and who have an expected family contribution and are Pell eligible. The expected family contribution (EFC) can be zero or over \$5000 and we try to meet that contribution as best we can. Typically, Pell eligible students have a family income below \$60,000 and depending on how many dependents there are and how many are in college, there is a formula which works out how much they might need, and we create a package for those students. But students whose families earn slightly more can also have needs if the family is struggling to pay for education in the amount of \$22,000 to cover tuition, housing etc. This is a group we can really help by leveraging financial aid. Financial aid is often thought of in terms of yield – to yield our first-generation students, or our best students, but it also impacts the retention of students with a good GPA (APR metric) and helping them persist to graduation, so they don't have financial problems. These students tend to be a hidden group with AGI from \$60,000 to about \$120,000, who may not qualify for Bright Futures or have Florida prepaid who we can really help.

Trustee Patel asked if athletic scholarships will also be monitored in the new system. Dr. Besterfield confirmed this is already being done for all student athletes – they are also looked at from a need-based perspective and meet our merit criteria or have a national tuition waiver with a special talent clause, whether resident or out of state they qualify. Athletics has UNF Foundation scholarships and athletics awards those scholarships to create a good picture of that student. Now we will be able to see the total package a student has including all sources of scholarship and financial aid. Athletics is constrained with restrictions on certain sports on how much they can give. Nick Morrow confirmed that is correct, there are equivalencies for certain sports, they have endowments, UNF Foundation money and auxiliary money and the financial aid team have assisted to stretch monies as far as possible.

Chair McElroy thanked Dr. Besterfield for his expertise in this critical role at the University. As a result of audits, some areas may need a little maintenance to be fully compliant whilst

others need a complete overhaul, and this is a complete reconstruction from the foundation up. For the record, a couple of items and see the dates you might think that they are aging out and they may age out for a few more months while this reconstruction is going on, thanks to Dr. Besterfield for his time and contribution to UNF.

Ms. Hann presented the status of the internal audit work plan. There are several projects still in progress, the Performance Based Funding Data Integrity audit will be available in February. Julia also mentioned the Office of Internal Auditing will have a quality assurance review in early 2024. A peer review team will visit and audit the work of the office in accordance with The Institute of Internal Auditing Standards.

### **Item 5 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. Compliance participated in three separate sessions to welcome our new and returning student athletes and talk to them about their rights and responsibilities under Title IX and UNF's sexual misconduct regulation as well as our anti-discrimination policy. We also talked with our student athletes about services provided by the Office of Equal Opportunity and Inclusion, how students can report concerning behavior or policy violations, either anonymously or with their name attached and the role of each of us to ensure a healthy environment for learning and competition.

The Office of Equal Opportunity and Inclusion has also recruited a new coordinator, Jennifer Wells, who joined last month and a new director who will start in December. Jennifer is a UNF graduate who has worked in several UNF offices, Tricia Buchholz is coming from FSU where she is currently serving as Director of Title IX.

In September the President and members of the leadership team enjoyed lunch with special agent in charge Sherri Onks and members of her leadership team from the Jacksonville FBI office. Discussion included how we can prepare our students for careers in cybersecurity and data analytics and how we can reduce threats here at UNF, both foreign and domestic, to our intellectual property and our research ventures. Ms. Blank stated she is proud of the strength of this partnership and looking forward to more conversations with the FBI, we're laying the groundwork as well, to bring our federal partners, including some of our UNF alumni, to come and talk to our students about career opportunities. At our last BOT meeting you heard from Cassie Muse, who is a product of the pipeline between UNF and FBI, about opportunities for internships and her interest in not using that just as an internship opportunity, but maybe to become an agent. So, there's lots of opportunities there for our students, both in law enforcement, by becoming agents and on the civilian side.

As always, a large portion of the work of the compliance office is support, drafting for new policies and regulations and revisions of existing ones. You heard three of those today in the Academic and Student Affairs Committee. Also working on some much-needed policies to govern international travel when it involves student travel and also streamlining our withdrawal processes when students experience exceptional circumstances.

Also keeping an eye on the BOG's development of regulations which come from legislative sessions, two major ones are 9.016, Prohibited Expenditures, and 14.010 regarding facilities usage. Compliance due date on these is April 2024.

Items on the radar are the office expansion with the finalization of position descriptions and search processes for each of the three open positions in the compliance office. In Governance committee the resolution on presidential authority will be reviewed, the board bylaws which were last reviewed in 2020 and internal university delegations all good board practices and part of the normal process of review every three to five years considering changes from the State and BOG. Work continues in enterprise risk management which is an ongoing item. Regulatory changes have not changed since the last meeting and we are still waiting for the final Title IX rules, and third-party administrator rules together with guidance on the Supreme Court's ruling on race and college admissions. We have received the completed conflict of interest training model from the vendor, and it is good, roll out is set for early spring to coincide with the arrival of the new CHRO as they will have an approval role in COI approvals.

Also, we are planning on having experts in Title IX and sport equity join the February meeting when our new Title IX coordinator and Athletics Compliance Officer will be available.

#### **Item 6 CEROC Annual Report**

Risk management is at the forefront of CEROC and is a priority for the committee, specific risks have been highlighted this year and risk owners have been invited to the committee for discussion. The report lists several goals for the upcoming year, including connecting Enterprise Risk Management (ERM) efforts with the strategic goals of the institution. A meeting with VP Eason was held to get an understanding of his role and talk about ERM strategy. Continuing to work with each VP over the next year learning about their risks. Looked at models to do assessments and what to do with the results and which would be the best fit for UNF and how to incentivize people to participate in ERM related tasks without adding too much work to anyone. Trying to embed risk mitigation tactics into new and existing programs. Institutional effectiveness project is a great way to maximize a lot of the work already happening at the department and unit level and use for more than one purpose. Help departments establish goals and processes to achieve goals that are strategic plan oriented, will help with reaccreditation, and can align efforts and goals in a less visible way. Ms. Blank and Ms Hann attended an ERM training on risk management practices introducing different ideas of how to bring different facilitators and keep the Board apprised of different risks and mitigation strategies - what are we doing about some of these higher-level risks. Trustee McElroy commented that if any trustees had any areas of concern, they were welcome to highlight them, but we are working hard to identify and control risks.

### **Item 7 Review of Audit and Compliance Committee Annual Work Plan**

An annual work plan was reviewed which lists the items to be discussed at the quarterly meetings, highlighting which are action items and which are information items. Some items may be moved, if necessary, but the plan lists recurring items as well as special items and updates.

### **Item 8 Direct Support Organizations' (DSO) Audits and Form 990s**

Vice President Scott Bennett gave an update on the DSO audits and completion of 990 forms which are presented to their own boards who have reviewed them thoroughly with the external auditors. There is a representative from the BOT on each of these boards. Each audit was clean with no findings, the net positions all increased this year, MOCA's increased by 22%, net position is \$1.75M, TSI increased by \$2M or 19% and UNF Foundation increased by 6.2% up to \$200M. The Financing Corporation is more of a holding agency for debt and bonds issued so their net position goes down. The 990 forms hold a lot of information also found in financial statements just in a different format, the UNF Foundation 990 is in draft format as it is more complex and will be finalized soon. Chair McElroy confirmed there was a lot of due diligence in reviewing the audits with the external auditors.

### **Item 9 State of Florida Auditor General, Operational Audit update**

Vice President Scott Bennett gave an update on the operational audit, copies of which have been circulated to the Board already. The operational audit is completed every three years and is different to the annual financial statement audit. It is an extensive process which they may look at 50 to 60 different areas around campus. There is an expectation there will be findings and this time there were two findings. We did not agree with one and the comment went back to the year during COVID relating to student government using some of their funds to help students with a financial aid fund. SG collected about \$300,000 to help students affected by COVID, but the auditors didn't feel that was an appropriate use of those funds which came from the activity and service fees which the students collect. The law stipulates it should be used for the student body in general which the auditors interpreted as every student, but UNF disagreed which was stated in the responses to the auditors, who wanted the \$300,000 repaid. There has been no agreement and general counsel's opinions are being sought. President Limayem commented during the last Board of Governors meeting and trustee summit they have heard from the BOG staff who are supportive of our position and very surprised at the auditors' recommendation. Scott commented that we pointed out this was a one-off circumstance, and we do not anticipate doing them again in the future. Trustee Patel questioned what will happen with this, who makes the final decision? Ultimately, it could be unresolved and appear in future audits, usually if it appears three times in a row it goes to the Joint Legislative Auditing Committee for their information. The other comment raised was regarding P-Cards and deactivating them when an employee leaves, we had 120 terminations and the auditors found 20 which were between 8 and 16 days, but we have mitigating controls around the process and there were no charges on any of those cards upon termination.



**Item 3 Consent Agenda**

Chair McElroy asked for any comments on the consent agenda which included the September 11, 2023, 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 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.

DRAFT