# Minutes

## Trustee Attendance

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

## Call to Order

Chair McElroy recognized a quorum and called the meeting to order at 12:00 PM.

## Public Comments

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

## Consent Agenda

- Draft February 15, 2024 Audit and Compliance Committee Meeting Minutes

Chair Hyde asked for a MOTION to approve the draft February 15, 2024 meeting minutes. Trustee Patel made a MOTION to APPROVE, and Trustee Gol SECONDED. The committee unanimously approved the draft minutes.

## UNF Quality Assurance Review (QAR)

Ms. Julia Hann, Chief Audit Executive, gave an overview of the recent QAR which is an external assessment to determine if the internal audit activities are in conformance with the Institute of Internal Auditors Professional Practices Framework and referred to as the ‘Standards’. The Institute of Internal Auditors (IIA) is a global association for the internal audit profession, an internal audit function strives to meet the Standards which acts as a framework for both the internal audit function and the organization to embed an independent and objective audit function with governance to a board of directors for independent reporting. Part of complying with the Standards is having an external assessment every five years. The BOG recognizes the role of internal auditing, and approximately eight years ago, through regulation 4.002, it instructed universities to have an internal audit function. The last QAR was in 2019.

The objective of the QAR is to ensure practices and governance structure follow the Standards, including the offices, charter, and reporting structure to performance on each audit project. Our QAR involved completing a self-assessment with independent validation. This means the office pulls together all the documentation, completes the self-assessment and the external validation is done by a third party. The external validators usually take about a month to review the materials ahead of time prior to coming to campus and conducting on campus interviews. The validators were Laura Buchhorn from University of Texas, San Antionio, Eulanda Whitmore from Wayne State University and Trevor Williams from Florida International University. These are well respected colleagues’ part of the Association of College and University Auditors (ACUA) and serve on the Board of ACUA. They volunteer their time for the QAR and are uncompensated. Interviews were conducted with leadership, current staff and there is a deep dive into the governance structure and the quality of reporting to the Board and a detailed review of samples of our audit projects and work that goes into each audit. There are three opinions for QARs, ‘generally conforms’, ‘partially conforms’ and ‘does not conform’. We earned the generally conforms to all sections of the Standards, which is great and what we strive for.

Part of the value of completing the QAR is collecting feedback and best practices from our colleagues and ideas where programs can be enhanced. Some of the strengths mentioned were communication for exit meetings and clients were kept informed. Risk discussions were occurring at the engagement level and planning level. They were very impressed by the Enterprise Risk Management (ERM) support by management and this committee, audit engagements were well defined and there was a strategic mindset with each audit being aligned with the University strategic plan. The QAR team also reported areas of program enhancements where we have opportunities. Their suggestions were to continue to focus our improvement on IT auditor skillsets, clarify Osprey Opportunities and ranking definitions and to ensure that as the ERM program matures audit’s role remains as a facilitator and not as a risk owner. So, over the summer, staff will do some refresher courses on IT general controls and professional development. Julia is going to review audit ratings with senior leadership and continue working on ERM.

Chair McElroy commended the report, appreciates the amount of work which goes into building the program, thank you to Julia and her team and the university team for their collaborative approach.

## Discussion and Approval of the FY2025-26 Audit Work Plan

Ms. Julia Hann, Chief Audit Executive presented the FY2025-26 audit work plan for the committee’s consideration and approval. At the start of an audit plan, a risk assessment is carried out to prioritize areas which could be audited. We analyze the riskiness and prioritize our resources, how it relates to compliance, financial impact, fraud, exposure, hot topics in higher education to determine how to rate these. We also have interviews with key stakeholders across campus, look at budget analysis and financial statement reviews. We consider external audits and the impact they may have; safety and security and what BOG requests might be required. Fourteen areas are being proposed which are grouped into departmental audits, compliance focused, financial focused, student impact, and technology impact. The BOG has requested chief auditors continue the performance-based funding data integrity audits and BOG regulation 9.012 on foreign influence with faculty research.

Audits which are currently in progress will roll over into the next fiscal year. Post tenure review is nearly finished, and a report will be ready for the next meeting. Also look at resources and how time is split, the aim is to spend at least 60% of time on audits, with the remaining time on consulting (16%), investigations (9%), and follow up for prior audits (3%) and other direct support activities (12%). No staff changes this year, we have a senior auditor, audit manager, staff auditor and we have two student positions. There are also outside audits conducted by the Auditor General who look at the financial statement annually, an operation audit every three years, DSO annually and post-construction contract over $2M. Staff are encouraged to take professional development certifications, monitoring goals in terms of completed audits, percentage of budget reviews, departments we engage with and ensuring updates are given to management and the BOT committee. This is the proposed audit plan for the next two years; it can be adjusted if the need arises to add or remove a project. Chair McElroy commended the plan, he liked the risk-based approach. Chair McElroy questioned whether we should have a dedicated IT Auditor, maybe something to consider in the future, or add to the skill levels of current staff. Julia has drafted some ideas which have been discussed with Present Limayem. Chair McElroy stated that the office is very productive and has the committee’s support.

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

## Office of Internal Auditing Quarterly Update

Ms. Julia Hann, Chief Audit Executive, presented the Internal Auditing Quarterly update**,** four audit reports have been released since the last meeting in February. Undergraduate Admissions, which had five minor recommendations, has already completed one recommendation. Online communications were released last week – there were three notable recommendations out of a total eight recommendations. Four recommendations have already been completed. The two other reports – Procurement Card Expenditures had no audit issues, and the Student Government audit also did not have any issues. A short report on the work undertaken by the students was added to the portal for interest and information. The staff auditor just received his 30-year service award and has worked closely with students, and since 2018 we have had 18 students working in the office.

We do follow up on prior audit reports, enrollment services are undertaking a huge overhaul on scholarship administration, so some observations are still open until that is complete. Procurement cards had one recommendation from the auditor general and Biology and Employee Separations still have some recommendations which are still open and will be followed up again after Workday implementation. Audits in progress and due to be started were already covered in the discussion about the audit workplan.

Chair McElroy commented there was a decrease in open items in the report and others had specific dates for completion, appreciates the attention to that on behalf of the management team for implementing the appropriate changes to address that. Also, thanks to the UNF employee with 30 years’ service on behalf of the committee and the Board. Giving students the opportunity to participate in a real-world environment is of great value. President Limayem also offered his thanks for the work of the internal audit department; he and Julia regularly review the open items to get them finalized.

## 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. Policies and regulations have continued to be revised, two of note are the policies which provide tuition benefits for UNF employees, their spouses, and dependents. We updated the policy for graduate transfer to reflect the growing doctoral program offerings and increase our ability to accept transfer credits, and revised health insurance policy to provide for academic programs to require health insurance if that is appropriate within that discipline. In BOT committees we will offer regulation revisions on health insurance requirements for international students, minor changes on prompt payment to vendors and stormwater discharge, a request to approve revisions to the policy on naming of university facilities and other element which corresponds to a requested change to the Resolution on Presidential Authority. This month’s BOT meeting also includes final review and approval requests for the new uniform committee charters and the fifth amended Board bylaws. At the end of March, the State University System Compliance Consortium, a group of all the chief compliance officers at public Florida universities and their team members met in person for the first time since 2023 at the University of Florida. Ms. Blank has been elected Chair, after the departure of the current chair so the next meeting in January 2025 will be held here at UNF. Ms. Blank also reported that a former employee has joined the EOI office as a coordinator, previously worked at UNF in Physical Facilities before moving to UCF.

Ms. Blank gave an update on the conflict of interest disclosure and approval process. Julien Carter Chief Human Resource Officer has reviewed the custom training which was launched in March and publicized, and it is available for anyone to complete through Osprey Ascend. An online conflict of interest form will be available in Workday in July and at the start of time for faculty returning. We continue the search for a Clery Act Compliance Manager with hopes to have someone in place by mid-July. Ms. Blank is attending the Society of Corporate Compliance and Ethics higher education conference next week, there is a research component included at the conference. A good number of Florida consortium members are attending also. CEROC is going to launch into the next phase of ERM at the next meeting on June 26th. The compliance annual report is due to be presented in September.

Chair McElroy asked if any large areas of concern from a compliance viewpoint which we should be addressing could be highlighted at the September meeting. Thanks to Robyn for increasing the maturity of the compliance program, making sure we are doing the right thing and avoiding any negative impact on our reputation. Appreciate the collaborative work with other departments.

## State Fiscal Recovery Fund (SFRF) Monitoring by Ernst & Young

Vice President Scott Bennett commented this is an information item, last year we were awarded $17M from the State for deferred maintenance. This was federal flow through dollars from the Cares Act funding which came with federal restrictions and guidelines we have to abide by. About six months ago questionnaires were received from the State, who have engaged Ernst & Young to conduct the reviews, paperwork has been returned so now we are waiting to see if any further information is required. Likely they are picking a sample to review and to date only one SUS school has had further enquiries and audit.

## Review of Audit and Compliance Committee Charter

Ms. Robyn Blank, Associate Vice President and Chief Compliance and Ethics Officer explained that the action plan adopted by the Board requires regular review of the committee charters and the Board Bylaws every two years. A draft version was presented in February for this committee’s charter which put the existing content into a template with four sections: roles and purpose, authority, membership and meetings, and committee responsibilities. Sections which were duplicated in the bylaws have been removed, e.g., quorum, sunshine laws compliance. Also looked at the work of the committee to make sure it was covered and vice versa if there was something which a committee wasn’t involved with that was removed. In the charter for this committee, there was little to change due to the regulations set by the Board of Governors. Chair McElroy asked if a list of all the areas of responsibility could be made showing exactly what the committee is accountable for under risk and internal controls and the way we are accountable and discharge.

Chair Hyde made a MOTION to approve the charter. Trustee Gol SECONDED the motion, and the motion was APPROVED by the committee.

## Adjournment

Chair McElroy adjourned the meeting at 12:42pm.