

Florida Polytechnic University
Board of Trustees

Audit and Compliance Committee Meeting

MEETING MINUTES

Tuesday, May 22, 2018

3:15 PM-4:15 PM

Joker Marchant Stadium, 2301 Lakeland Hills Blvd., Lakeland, FL 33805

I. Call to Order

Committee Chair Otto called the Audit & Compliance Committee meeting to order at 3:26 p.m.

II. Roll Call

Kris Wharton called the roll: Committee Chair Cliff Otto, Vice-Chair Don Wilson, Trustee Mark Bostick, Trustee Dick Hallion, Trustee Gary Wendt and Trustee Lou Saco were present (Quorum).

Other trustees present: Chair Frank Martin, Trustee Philip Dur, Trustee Jim Dewey, Trustee Travis Hills, Trustee Henry McCance, Trustee Adrienne Perry, and Trustee Robert Stork.

Staff present: President Randy Avent, Provost Terry Parker, Ms. Gina Delulio, Mr. Mark Mroczkowski, Mr. Kevin Aspegren, Mr. Rick Maxey, Mrs. Kris Wharton, Mrs. Kim Abels and Mrs. Maggie Mariucci were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Dick Hallion made a motion to approve the Audit & Compliance Committee meeting minutes of February 28, 2018. Trustee Louis Saco seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2016-18 Audit & Compliance Committee Work Plan Review

The 2016-2018 Work plan remains unchanged and no discussion occurred.

VI. Audit & Compliance Update

Mr. David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) provided the Committee with an update of all University and Foundation audit activity.

VII. University Financial Audit- FYE 6/30/17

Mr. Blanton reported the University Financial Audit was conducted in accordance with auditing standards

generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2017. The auditors obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. The auditors also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements. An examination of Federal awards administered by the University is included within the scope of the Statewide audit of Federal awards administered by the State of Florida.

The audit disclosed that the basic financial statements of Florida Polytechnic University (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

The audit did not identify any deficiencies in internal control over financial reporting that Mr. Blanton considers to be material weaknesses. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards issued by the Comptroller General of the United States.

Trustee Louis Saco made a motion to recommend approval of the University Financial Audit FYE 6/30/17 to the Board of Trustees. Trustee Dick Hallion seconded the motion, a vote was taken and the motion passed unanimously.

VIII. Foundation Financial Audit- FYE 6/30/17

Mr. Blanton reported the Foundation Financial Audit was conducted in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

An unqualified clean opinion was received on the financial statements. There were no findings in the reports for internal control and compliance.

Trustee Louis Saco made a motion to recommend approval of the Foundation Financial Audit FYE 6/30/17 to the Board of Trustees. Trustee Dick Hallion seconded the motion; a vote was taken and the motion passed unanimously.

IX. University Compliance & Ethics Program Plan

Mr. Blanton presented the University Compliance and Ethics Program Plan. The program is based on Federal Sentencing Guidelines. The program needs to operate for a period of time before being evaluated. An external evaluation will be required in November of 2021.

Trustee Louis Saco made a motion to recommend approval of the University Compliance and Ethics Program Plan to the Board of Trustees. Trustee Dick Hallion seconded the motion; a vote was taken and the motion passed unanimously.

X. Enterprise Risk Management (ERM) Workshop

Mr. Blanton reported on the Enterprise Risk Management approach. ERM would assist the Board in their oversight responsibility for strategic risk. A risk committee would be charged with reporting to the Board. The Board may want to have future discussions on evaluating the benefits of such a committee.

XI. Closing Remarks and Adjournment

In closing, Chair Frank Martin requested the Audit & Compliance Committee review the report prepared by Mr. Blanton in regards to the anonymous letter sent to each board member. He asked this be added to the committee's work plan.

With no other comments, the meeting adjourned at 3:45 p.m.