I. Call to Order

Committee Chair Mark Bostick called the Governance, Audit, and Compliance Committee meeting to order at 2:45 p.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Mark Bostick, Committee Vice Chair Laine Powell, Trustee Cliff Otto, and Trustee Bob Stork were present (Quorum)

Other Trustees present: Trustee Melia Rodriguez

Staff present: President Randy Avent, Kathy Bowman, Mike Dieckmann, Dr. Allen Bottorff, David Blanton, Melaine Schmiz, Alex Landback, Kris Wharton, and Sherri Pavlik

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Vice Chair Laine Powell made a motion to approve the May 24, 2022, minutes for the Governance Committee Meeting. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

Trustee Bob Stork made a motion to approve the May 20, 2022, minutes for the Audit and Compliance Committee Meeting. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.

V. Governance, Audit, and Compliance Committee Charter: 2022-2024

Committee Chair Bostick explained that the Committee Charter is reviewed every two years to ensure that it accurately reflects the committee’s responsibilities. The charter was opened for comments. There were no further discussions.

Trustee Cliff Otto made a motion to recommend approval of the 2022-2024 Governance, Audit, and Compliance Committee Charter to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.
VI. Governance, Audit, and Compliance Committee Work Plan: 2022-2024

Committee Chair Mark Bostick stated that the committee’s Work Plan for 2022-2024 has been updated to ensure it accurately reflects the work done in quarterly committee meetings. The work plan was opened for comments. There was no further discussion.

**Trustee Cliff Otto made a motion to recommend approval of the 2022-2023 Governance, Audit, and Compliance Committee Work Plan. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

VII. Audit and Compliance Update

David Blanton provided the Committee with an update on all Audit and Compliance activities.

External audit updates:

- **Bright Futures and FSAG Audits:** These two-year audits concluded in June of 2021. There are no findings for Florida Poly.
- **Information Technology Audit:** An extensive audit looking at cyber security controls. Estimated to be completed by the first of the year. This audit reduces risk for this committee.
- **Financial Audit:** Interim fieldwork has not yet started. Blanton expects release by March 31, 2023.

Concern was expressed at the recent BOG meeting regarding two audit findings of the University’s Direct Support Organization (DSO):

- **Financial Audit** – the University Foundation was cited for no documentation of restricted donor intent. This has been corrected and there are no further requirements for monitoring. Internal processes have been implemented to require documentation of donor intent at the time donation is received.

- **Crowe Report** – the University Foundation was cited for the lack of segregation of accounting duties. A new employee position is slated to segregate these duties. Blanton suggested quarterly updates should be provided to this committee. A follow-up report will be provided when the corrective action is in place.

Blanton discussed upcoming projects which included textbook adoptions monitoring for Fall 2022, the Performance Based Funding (PBF) audit, and the establishment of a Risk Oversight Committee that will present periodic reporting on what has been done to identify and mitigate various risks.

VIII. UAC Annual Report – FYE 22

Blanton highlighted the completion of three (3) audit reports, five (5) compliance reports, and a self-assessment for Quality Assurance Review (QAR). He also issued reports for review of the UNF and UWF Compliance and Ethics Programs.

IX. UAC Risk Assessment & Audit Plan – FYE 23

Blanton presented the annual risk assessment and audit plan outlining the proposed work to be performed by University Audit for the 2022-23 fiscal year.

**Trustee Bob Stork made a motion to recommend approval of the University Audit Risk Assessment and Work Plan for the fiscal year ended June 30, 2023, to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the**
motion passed unanimously.

X. UAC Compliance & Ethics Program Plan – FYE 23

Blanton stated this plan assists the Committee with its oversight responsibility to ensure that the Plan is aligned with the University’s strategic plan, objectives, and applicable risk; and that it provides for the effective use of UAC resources. Focus areas for this year include textbook affordability compliance, employment background checks, foreign influence, fraud prevention and detection, reporting system, training, and other advisory services.

Trustee Stork inquired how foreign influence is monitored. David stated that it is currently a consultative matter. The University is required to report certain relationships of interactions or transactions with foreign entities to the BOG. There have been none reported to date.

Trustee Cliff Otto made a motion to recommend approval of the Compliance & Ethics Program Plan for fiscal year ended June 30, 2023, to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Independent Review of Compliance and Ethics Plan

Blanton presented the five-year review of the Compliance and Ethics Plan (CEP). The plan was completed June 2022 and was accomplished through self-assessment and external review from Chief Compliance Officers from FSU and NCF.

XII. Quality Assurance Review (QAR)

Blanton noted that this report is required by the BOG and was the first QAR for Florida Poly. The report provides assurances that audits are conducted in conformance with IIA Standards and was accomplished through self-assessment and validation by Sam McCall, an external validator.

Trustee Stork inquired about the amount Blanton’s workload and asked him to keep the Committee informed should he require additional assistance in the future. Blanton stated he could possibly outsource audit tasks should risks rise to an unacceptable level.

XIII. Performance Based Funding (PBF) Audit Scope and Objectives 2022 Audit

Blanton presented the proposed scope and objectives for the upcoming PBF Data Integrity audit which is due to the BOG by March 1, 2023. He stated this is the third year of PBF participation by Florida Poly.

Trustee Bob Stork made a motion to recommend approval of the proposed scope of the Performance Based Funding Data Integrity Audit Scope to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.

XIV. Foundation Financial Controls Review

Blanton reiterated the external review conducted by Crowe as stated in the Audit and Compliance update: the University Foundation was cited for lack of segregation of accounting duties. A follow-up report on Foundation controls will be conducted to ensure that Foundation duties are appropriately segregated when management indicates the corrective action is in place.
XV. Regulations

Regulation FPU-1.0041 Prohibition of Discrimination in University Training or Instruction

Melaine Schmiz stated the Board of Governors adopted a regulation in regard to the recent amendments to section 1000.05(4), Florida Statutes and have expanded the definition of discrimination based on race, color, national origin, or sex to include certain enumerated concepts and prohibits the University from endorsing such concepts through mandatory training or instruction.

**Trustee Cliff Otto made a motion to recommend approval of the new regulation FPU-1.0041 Prohibition of Discrimination in University Training or Instruction to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures

Schmiz stated the amendment changes to Regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures were related to the previous Regulation. Updates are made in the procedures, who complaints are reported to, the process of the complaint, and how it is reported.

**Trustee Bob Stork made a motion to recommend approval of the new regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures to the Board of Trustees. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation 1.0125 Fraud Prevention and Detection

Alex Landback stated that this regulation is a conversion and revision of our existing fraud prevention and detection policy to be compliant with BOG Regulation 3.003. The proposed regulation includes strategic emphasis on fraud prevention and detection strategies and provides a risk management framework that works with Blanton’s Risk Oversight Committee. Upon approval of this Regulation, the Policy will be repealed.

**Trustee Cliff Otto made a motion to recommend approval of new Regulation 1.0125 Fraud Prevention and Detection to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation 6.005 Sick Leave

Landback presented two minor changes to this regulation. The first clarifies the job categories of employees that are eligible to accrue sick leave, and the second clarifies that faculty on nine-month contracts only accrue sick leave during the nine-month contract period.

**Vice Chair Laine Powell made a motion to recommend approval of the amendment to regulation FPU-6.005 Sick Leave to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

XVI. Policies

Policy FPU-6.0032 University Employee Bonus Plan

Landback explained this policy was created in response to the BOG regulation and Florida Statutes which allow eligible employees to receive bonuses. The policy has certain
requirements, specifically that starting September 2023, the president provides an annual report to the BOT confirming the bonus paid during the prior year complies with the bonus criteria and are within the approved University budget. The report will also include the total amount of funds allocated for performance, recruitment, or retention during that period. The policy defers the development of procedures and guidelines to the Human Resources department.

President Avent stated this is one vehicle to use for retention in the midst of a tight job market. Trustee Stork ask for clarification on the amount reported to the Board. Landback confirmed the amounts would be an accumulative total of the allotment and no individual names would be included.

**Trustee Bob Stork made a motion to recommend approval of FPU-6.0032 University Employee Bonus Plan to the Board of Trustees.** Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

### XVII. President’s Annual Review – Trustee Evaluation Instrument

Committee Chair Bostick stated that an evaluation instrument has been used to obtain feedback from each trustee as part of the president’s annual evaluation process. The proposed evaluation instrument is modeled after the 2020 and 2021 evaluation instruments and the President’s Operational Goals approved by the Board in May 2021.

In addition to his operational goals, Diversity, Equity, and Inclusion has been added to the evaluation. This is in response to the BOG Florida Equity Report Guidelines, section X. as it states:

> “Each university President is evaluated annually. The sections of said evaluation that address performance in the areas of diversity, equity, and inclusion need to be recorded in the Florida Equity Reports, with a narrative explain the evaluation process, outcomes, and rating scale with definitions.”

The approved evaluation instrument, along with the final report of the President’s FYE 22 Accomplishments, will be sent to each Trustee in October.

Trustee Stork inquired if the Diversity, Equity, and Inclusion assessment would be added in all categories, or would it be its own category. President Avent and Landback confirmed there was only one question on the evaluation, and it would not apply to every goal.

Trustee Powell inquired if the evaluation was standard for all universities or specific to Florida Poly. President Avent and Board Chair Otto stated the evaluation instrument is specific to Florida Poly. Otto further explained that every university is given freedom to use whatever instrument they wish to evaluate their president. Florida Poly’s evaluation instrument has been used the past two years with no negative criticism. Diversity, Equity, and Inclusion is the only addition to this year’s instrument.

**Trustee Cliff Otto made a motion to recommend approval to the Board of Trustees of the Trustee Evaluation Instrument titled “President’s Annual Review” to be used in the FYE 2022 evaluation of the President’s performance.** Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.

### XVIII. President’s FYE22 Accomplishments

President Avent informed trustees that today’s presentation is an aggregation of his quarterly reports to the Board. A new process for quarterly updates will include an emailed copy of the monthly Leadership Meeting minutes which will include updated accomplishments.
Avent reviewed the University’s FYE22 Accomplishments, focusing on the areas of Admissions, Student Experience, Student Progression, Curriculum, Graduate School, Efficient Administration, Advancement, Right People, and Other which included Information Technology Services, Facilities, and Diversity, Equity, and Inclusion.

Vice Chair Powell inquired if the compensation analysis presented under Right People will include faculty only or all staff. President Avent stated this study is focused on staff and will properly assign job titles and descriptions. Faculty salary data is easy to obtain, and the University has a representative group, negotiated with the Faculty, to obtain salary pay bands.

Trustee Stork stated his disappointment in the need for a new ERP. President Avent stated the University planned to go with the Workday Student Information System, however, have there have been many difficulties and a loss of confidence in their system. A consultant has been hired to review and look at different options. Mike Dieckmann stressed that CAMS is inefficient and causes steep overhead by running a non-integrated system. Workday will be given the opportunity to re-earn the University’s business.

XI. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 4:31 p.m.