I. Call to Order

Committee Chair Mark Bostick called the Governance, Audit, and Compliance Committee meeting to order at 8:32 a.m.

President Avent welcomed and introduced new trustee, Dr. David Williams.

II. Roll Call

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

Other Trustees present: Trustee Narendra Kini, Trustee Gary Wendt, and Trustee Melia Rodriguez

Staff present: President Randy Avent, Provost Terry Parker, David Fugett, David Blanton, Mike Dieckmann, Dr. Allen Bottorff, Melaine Schmiz, Alex Landback, Kristen Wharton, and Sherri Pavlik

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Committee Vice Chair Laine Powell made a motion to approve the Governance, Audit, and Compliance Committee meeting minutes of November 15, 2022. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2022-24 Governance, Audit, and Compliance Committee Work Plan

David Blanton, Chief Compliance Officer and Chief Audit Executive, advised the committee that some of the slated items for audit and compliance would not be presented due to timing; however, there was no reason to change the work plan at this time.

VI. Audit and Compliance Update

Blanton provided the committee with an update on Audit and Compliance external and internal audits. The updates included the following:
External Audits:

1. Information Technology Audit: This audit is near completion. IT operations and security are being closely reviewed by three qualified auditors within the Auditor General’s office;
2. Financial Audit: This audit is in progress; and,
3. Operational Audit: An operational audit will start in late spring or summer, and it will focus on the previous fiscal year.

Internal Audits:

1. Performance Based Funding (PBF) Data Integrity Audit: This audit is completed;
2. Foreign Influence Audit: The University is currently exempt from most statutory requirements; Blanton is collaborating with other departments and stakeholders to establish a framework for compliance when the University does meet the threshold requirements; and,
3. Crowe Audit: The Foundation hired an additional employee to correct the segregation of duties finding. Once appropriate controls have been established with the new employee, University Audit will conduct a follow-up review to ensure the finding is appropriately addressed.

VII. PBF Data integrity Audit and Data Integrity Certification

Blanton stated the Performance Based Funding Data Integrity Audit was completed as required, and in time for the required submission to the BOG by March 1. Blanton shared there are no reportable matters with either the Performance Based Funding Data Integrity Audit or the Data Integrity Certification.

Trustee Bob Stork inquired about the numbers to which Blanton reported that they will not be known until later in the year. President Randy Avent expanded stating the previous year’s numbers are in and he estimates that the numbers for this audit to be above 70 points. He then informed the committee that Provost Parker will discuss previous year’s numbers in more detail during the Academic and Student Affairs Committee.

**Board Chair Cliff Otto made a motion to recommend approval to the Board of Trustees of the Performance-Based Funding Data Integrity Audit and the related PBF Certification. Committee Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

VIII. Foundation Financial Audit

Blanton provided the committee with an overview of the Foundation’s Financial Audit for the fiscal year ended June 30, 2022. He explained the audit consists of two different reports:

1. Independent Audit Report
2. Internal Control over Financial Reporting, Compliance and Other Matters

Both reports came in clean. There was one significant deficiency from the prior year, over restricted donations, which has been corrected.

IX. Board Self-Assessment

David Fugett, Vice President and General Counsel, reminded the committee that Board self-assessment is slated for 2023. The last self-assessment was in 2018 conducted by AGB for $14,000. In review of the report with staff, it has been determined that this could be done internally.
The committee discussed how the format should be conducted: externally or internally. Trustee Stork felt an external audit should be done every 5 years, with internal audits in between. He stated he would like to see this discussed during the full Board meeting.

Board Chair Otto stated SACSCOC’s accreditation standards strongly recommend a self-assessment. He reviewed the AGB audit with staff and believes the Board can obtain the same quality of report from Florida Poly staff. He recommends an internal audit for the next self-assessment.

Trustee Laine Powell inquired on the details of the self-assessment and how it would affect staff workload. Fugett stated the self-assessment would entail questions on how the Board is working with the work plan, strategic planning, communications, civil discourse, among other questions. He then explained that internal reports are more time efficient for both the Board and staff. Results from an assessment are easily obtained and would be similar in format to the President’s evaluation.

Discussion continued on when to conduct a self-assessment. Board Chair Otto suggested the fall as it would allow new members to accommodate to the structure of the Board and allow an additional two meetings with face-to-face interactions that have been stalled due to the pandemic and hurricanes.

This was for discussion only.

X. Resolution on the Powers and Duties of the President

David Fugett informed the committee of the Board of Governors decision to withdraw the reference of University Presidents serving as Corporate Secretary in their Regulation 1.001 University Board of Trustees Powers and Duties.

The revised resolution presented removed references to the President serving as Corporate Secretary. In addition, language was modified under Property and Purchasing for clarification.

Trustee Bob Stork made a motion to recommend approval of the Resolution on the Powers and Duties of the President to the Board of Trustees. Trustee David Williams seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Fifth Amended and Restated Bylaws to the Board of Trustees

Fugett informed the committee that similar to the changes in the Powers and Duties of the President, changes were made to the Bylaws to be consistent with the changes from the Board of Governors.

The amended Bylaws removes the President as Corporate Secretary, gives the authority to the Chair and the President to appoint a University employee to serve as Corporate Secretary, provides a means for the Board Chair to terminate the Corporate Secretary, and amends the duties of the Corporate Secretary.

Other changes included revising the listing of Standing Committees to make them current and accurate.

Board Chair Cliff Otto made a motion to recommend approval of the Fifth Amended and Restated Bylaws to the Board of Trustees. Trustee David Williams seconded the motion; a vote was taken, and the motion passed unanimously.
X. Closing Remarks and Adjournment

Committee Chair Mark Bostick thanked the committee and with no further business to discuss, adjourned the meeting at 9:13 a.m.