

**FLORIDA POLYTECHNIC UNIVERSITY
AUDIT & COMPLIANCE COMMITTEE
MEETING MINUTES
The Terrace Hotel
Ballrooms A and B
329 East Main Street
Lakeland, FL 33801
March 16, 2016 at 12:45 p.m.**

I. Call to Order and Roll Call

Chair Don Wilson called the Audit and Compliance Committee meeting to order at 11:46 a.m.

Maggie Mariucci called the roll: Chair Don Wilson, Trustee Dick Hallion, and Trustee Bob Stork were present (Quorum).

Other trustees present: Trustee Sandra Featherman, Trustee Veronica Perez-Herrera, Trustee Frank Martin, and Trustee Bob Stork were present.

Staff present: President Randy Avent, Gina DeJulio, Tom Hull, Maggie Mariucci, Rick Maxey, Mark Mroczkowski, Dr. Elhami Nasr, and Scott Rhodes were present.

II. Public Comment

There were no requests for public comment.

III. Approval of Minutes

Trustee Dick Hallion made a motion to approve the Audit and Compliance Committee meeting minutes of September 9, 2015. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.

IV. Operational Audit by the Auditor General

Mark Mroczkowski presented a report to the Committee concerning the Operational Audit by the Auditor General. On December 18, 2015, the Florida Auditor General issued its report on the first ever operational audit of the University which focused on selected University processes and administrative actions and concluded with eight findings.

1. *Finding 1* – The University had not adopted a detailed action plan to transition to the University the administrative service responsibilities that were being performed by the University of Florida.

Action - Florida Polytechnic and the University of Florida have completed and agreed upon a detailed transition action plan for approval by the Board.

2. *Finding 2* – University had not developed comprehensive written procedures for all accounting and other business-related functions. This will be completed by September 30, 2016.

Action – The University continues to operate under a Shared Services agreement with University of Florida. The University operated in accordance with University of Florida’s written procedures for those processes they managed and Florida Polytechnic’s written procedures for the processes we manage. As part of the process of implementing a new ERP System, Florida Polytechnic is redesigning and documenting a new set of comprehensive processes and procedures based on best business practices.

3. *Finding 3* – The University needs to enhance its textbook affordability monitoring procedures to ensure that textbooks are timely posted on its website in accordance with State Law.

Action – In December 2015, the University completed an integration between the Barnes & Noble system and Florida Polytechnic’s Student Information System such that students can now see a book list button next to each course in the “Course Offering” and “Registration” online menu items.

- As of last semester, we were 74% compliant, and we plan to be more compliant by next fall.

4. *Finding 4* – The University did not perform background screenings for individuals in positions of special trust and responsibility.

Action - The University has acquired a LiveScan device that electronically scans applicants’ fingerprints and collects other information and uploads that information to the Florida Department of Law Enforcement who, in turn, submits the information to the FBI for fingerprint Level 2 background check.

Trustee Don Wilson suggests it is definitely worth the investment to screen everyone.

5. *Finding 5* – The University needs to implement procedures to ensure supervisory review and approval of exempt employees’ work time and ensure it is documented.

Action – As part of the implementation of the new ERP System, the University is planning to implement this recommendation using automation.

6. *Finding 6* – The University needs to enhance controls over payments for contractual services.

Action – Since June 2015, the University has steadily increased staffing in its’ accounting department to improve processes and enable implementation of the ERP System. With the new staff, Florida Polytechnic has improved its’ procedures and processes sufficiently to ensure that internal controls are adequate to prevent errors such as those noted by the auditors.

7. *Finding 7* – The University did not adequately document the effectiveness and suitability of software acquisition and had not clearly established, prior to purchase, time frames for implementation.

Action – The University personnel performed due diligence on the system acquired and followed appropriate contracting procedures by piggy-backing on a contract that had been competitively solicited and in doing so felt confident that the best price was obtained.

Although the University knew the approximate time frame for implementation, it could not have precisely or adequately made this determination prior to commencing discovery and implementation.

8. *Finding 8* – The University needs to enhance procedures over the purchasing card program.

Action – Since June 2015, the University has steadily increased staffing in its accounting department to improve processes. With the new staff, Florida Polytechnic has improved its procedures and processes sufficiently to ensure that internal controls are adequate to prevent errors such as those noted by the auditors.