

DRAFT

**FLORIDA POLYTECHNIC UNIVERSITY
BOARD OF TRUSTEES
AUDIT & COMPLIANCE COMMITTEE
MEETING MINUTES
Florida Industrial and Phosphate Research Institute
1855 W. Main St., Bartow, FL 33830
June 7, 2017 @ 9:00 AM**

I. Call to Order

Committee Vice Chair Don Wilson called the Audit and Compliance Committee meeting to order at 9:05 a.m.

II. Roll Call

Maggie Mariucci called the roll: Vice Chair Don Wilson, Trustee Mark Bostick, Trustee Dick Hallion, and Board Chair Frank Martin were present and a quorum was declared. Board Chair Martin served on the committee in order to establish quorum.

Other trustees present: Trustee Jim Dewey, Trustee Philip Dur, Trustee Sandra Featherman, and Trustee Jacob Livingston were present.

Staff present: President Randy Avent, Mr. Kevin Aspegren, Ms. Gina DeJulio, Mr. Mark Mroczkowski, Dr. Terry Parker, Mrs. Maggie Mariucci, and Mr. Rick Maxey.

III. Public Comment

There were no requests for public comment.

IV. Approval of Minutes

Trustee Dick Hallion made a motion to approve the Audit and Compliance Committee meeting minutes of March 15, 2017. Trustee Don Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2016-2018 Audit and Compliance Committee Work Plan

There were no comments on the Committee's Work Plan.

VI. Update of Chief Audit Executive /Chief Compliance Officer

Mr. Mark Mroczkowski reported on the upcoming hire of a CAE/CCO. Board of Governors regulations require the University to fill these positions. There has been an exception granted to combine the two positions into one position. The position is expected to be filled at the beginning of the new fiscal year (July 1). The Search Committee is in the process of holding in-person interviews

in order to make a recommendation to the President. The person hired will have a dual reporting structure to both the Audit and Compliance Committee and President Avent.

Trustee Martin questioned the role being combined into one position and Mr. Mroczkowski reported that the combined role was taken into consideration when reviewing the candidates in order to ensure they will bring forth the skill set necessary for the position. As a small University, the combined position likely won't need to be broken into two separate positions anytime in the near future.

VII. Report of Internal Audit

Mr. Mroczkowski presented reports from the auditing firm Focal Point Data Risk, LLC. An investigation was held regarding a summer compensation salary dispute from a faculty member. The firm concluded that the salary was computed correctly and a policy is being drafted to ensure no such confusion will happen in the future.

Trustee Hallion made a motion to approve the Report of the Internal Auditor. Trustee Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Operational Audit Update

Mr. Mroczkowski reported the University is currently under an operational audit for all of 2016 and the first quarter of 2017. The auditors should complete the audit by the end of July. A Bright Futures audit will be conducted in August followed by the year-end financial audit in the fall.

IX. Risk Assessment

Mr. Mroczkowski presented his report on risks generally present in university environments and the efforts at mitigation and management of the various risks taken at Florida Poly. This is a process of continuous improvement. Systems are being implemented to help manage risks such as the ERP system. The systems being implemented will help with internal controls and ultimately create operational efficiencies and keep labor costs down.

Trustee Dur questioned the area of export controls (under "research risks") being categorized as "N/A" on the report. Mr. Mroczkowski replied it does not affect the University yet but will be explored in the future. President Avent stated this would be an area carefully monitored.

Mr. Mroczkowski stated the University is well insured and he is considering additional GAP insurance.

X. Closing Remarks and Adjournment

With no further business to discuss, the Audit and Compliance Committee meeting adjourned at 9:25 a.m.