AGENDA

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of the March 15, 2017 Minutes Pgs. 2-4
   *Action Required*

V. 2016-18 Audit and Compliance Work Plan Pgs. 5-6
   Review

VI. Update of CAE/CCO Pgs. 7

VII. Report of Internal Audit Pgs. 8-15
    *Action Required*

VIII. Operational Audit Update Pgs. 16

IX. Risk Assessment Pgs. 17-27

X. Closing Remarks and Adjournment
I. Call to Order

Chair Cliff Otto called the Audit and Compliance Committee meeting to order at 12:30 p.m.

II. Roll Call

Maggie Mariucci called the roll: Chair Cliff Otto, Trustee Don Wilson, Trustee Mark Bostick, and Trustee Dick Hallion were present and a quorum was declared.

Other trustees present: Chair Frank Martin, Trustee Philip Dur, Trustee Veronica Perez-Herrera, Trustee Henry McCance, and Trustee Bob Stork were present.

Staff present: President Dr. Randy Avent, Mr. Kevin Aspegren, Ms. Gina DeIulio, 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 Henry McCance made a motion to approve the Audit and Compliance Committee meeting minutes of December 7, 2016. Trustee Don Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

Trustee Henry McCance made a motion to approve the Audit and Compliance Committee meeting minutes of December 21, 2016. 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. Florida Poly Compliance & Ethics Program

Mr. Mark Mroczkowski provided an update on the University’s status with the Compliance and Ethics program. He reviewed the four items that need to be approved in today’s meeting.
VII. FPU-1.015 Allegations of Waste, Fraud, Financial Mismanagement, Misconduct, and Other Abuses

Ms. Gina DeIulio stated that the Florida Board of Governors recently adopted Regulation 4.001 “University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement” which provides, “Each board of trustees shall adopt a regulation which requires timely notification to the Board of Governors, through the OIGC, of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the university president or a board of trustees member.” The Regulation further requires “(t)he board of trustees’ regulation shall articulate how the university will address any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the chief audit executive or chief compliance officer.”

FPU-1.015 Allegations of Waste, Fraud, Financial Mismanagement, Misconduct, and Other Abuses complies with the requirements of BOG Regulation 4.001 and staff requests that this committee recommend approval of the regulation to the full Board.

Trustee Don Wilson made a motion to approve FPU-1.015 Allegations of Waste, Fraud, Financial Mismanagement, Misconduct, and Other Abuses. Trustee Richard Hallion seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Audit Committee Charter Revisions and Internal Charters for Audit and Compliance

Mr. Mroczkowski stated that the Committee needs to amend the Audit Committee Charter. He shared that he reviewed the amendments with the Inspector General at the Board of Governors meeting. Mr. Mroczkowski reviewed the changes to the Charter and the Committee had no questions.

Trustee Richard Hallion made a motion to approve the Audit Committee Charter revisions. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

Mr. Mroczkowski then reviewed the Internal Charters for both the Chief Audit Executive and Chief Compliance Officer, which will be the same person for the University. The recruiting process for this position is underway. The Committee had no questions regarding these two charters.

Trustee Don Wilson made a motion to approve the two Internal Charters for the Chief Audit Executive and the Chief Compliance Officer. Trustee Richard Hallion seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Report of Internal Auditor

Mr. Larry Burke, from the auditing firm Sunera (now re-branded Focal Point Data Risk, LLC), presented two reports:

A. Workday Implementation

Focal Point conducted a review of the Workday implementation process. This was not a financial audit but rather an audit of the Workday system itself. Focal Point concluded that Workday is functioning properly and there are no significant issues procedurally.

B. Anti-hazing Contract Review
Focal Point reviewed the anti-hazing contract awarded to Hazing Solutions to determine if the contract was appropriate based on university purchasing guidelines. The auditors concluded the contract was awarded within the guidelines of the University’s policy.

Four other audits will be completed next quarter: a payroll review of FIPR Institute; review of a compensation issue for a professor; a discrimination claim; and health and safety which came out of the risk plan.

Trustee Richard Hallion made a motion to approve the Internal Auditor’s report as presented. Trustee Don Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

X. Operational Audit

Mr. Mroczkowski reported that Florida Poly is under an operational audit by the State Auditor General’s office since the University is new and still considered high-risk. The letter of engagement outlines a total of three audits: the Operational audit, the Financial Aid audit and the year-end Financial audit. The audits should be completed by July 2017.

With no further business to discuss, the Audit and Compliance Committee meeting adjourned at 1:15 p.m.
Subject: 2016-2018 Audit and Compliance Committee Work Plan Review

Proposed Committee Action
No action required- Information only.

Background Information
At the December 7, 2016, Audit and Compliance Committee meeting, the committee reviewed and voted on the committee work plan. The work plan has been updated to include their recommendations, if any.

Supporting Documentation:
2016-2018 Audit and Compliance Committee Work Plan

Prepared by: Mark Mroczkowski, CFO and Vice President
<table>
<thead>
<tr>
<th>March 15, 2017</th>
<th>June 7-8, 2017</th>
<th>September 13, 2017</th>
<th>December 6, 2017</th>
</tr>
</thead>
</table>
| • New BOG Audit & Compliance regulations workshop  
  • Adopt BOT regulation in conformance with BOG | • Risk Assessment workshop | • University Annual Financial Audit  
  • Foundation Annual Financial Audit | |
| **¹March 14, 2018** | **¹June 6-7, 2018** | **¹September 12, 2018** | **¹December 5, 2018** |
| • | • | • | • University Annual Financial Audit  
  • Foundation Annual Financial Audit |

¹Tentative until approved by the Board of Trustees
AGENDA ITEM: VI

Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
June 8, 2017

Subject: CAE/CCO Recruitment Update

Proposed Committee Action

No action required- Information only.

Background Information

The University has formed a search committee, received over 40 applications and is in the process of interviewing candidates for a recommendation to the President.

Supporting Documentation: None

Prepared by: Mark Mroczkowski, Vice President and CFO
Subject: Report of Internal Audit

Proposed Committee Action
Recommend approval of Internal Audit Reports to the Board of Trustees.

Background Information
Focal Point Data Risk, LLC (formerly Sunera) provides internal audit services to the University in accordance with Florida Statutes and BOG Regulations. The Internal Auditor has undertaken five audit projects to-date as follows:

1. Risk Assessment
2. ERP Implementation Review
3. Anti-Hazing review
4. 2016 Summer Payment Compensation Review
5. FIPR payroll Audit

Projects 1-3 have previously been approved by the Committee and the Board; No. 4 will be presented at this meeting and No. 5 is still in process.

Supporting Documentation:
Internal Audit Memo “Summer Payment Compensation Review”

Prepared by: Mark Mroczkowski, Vice President and CFO and Larry Burke, Internal Auditor
Internal Audit Memo

2016 Summer Payment Compensation Review

OBJECTIVE

The Associate General Counsel of Florida Polytechnic University (FPU) requested an investigation of matters surrounding the communication and calculation of a certain professor’s compensation, both paid and proposed, for classroom instruction and other activities performed over the Summer of 2016.

PROCEDURES

Internal Audit (IA) identified the people and processes associated with the calculation of the amount of actual and proposed compensation for both instructing and performing Academic Program Coordinator (APC) activities, respectively, and performed the following:

1. Interviewed key personnel, reviewed certain email correspondence and other documentation from key personnel from FPU.
2. Determined whether policies and procedures governing the compensation of the summer course load and APC activities were followed.
3. Evaluated whether the compensation received was consistent with summer course load policies and APC policies.

RESULTS

1. On September 7, 2016, IA met with Dr. David Foster (Associate Professor of Computer Engineering, FPU) to discuss the compensation proposed and received for instruction and performance of APC activities, respectively, as well as his communication regarding such compensation. On October 24, 2016, IA conducted an interview with Dr. Elhami Nasr, former Interim Provost, to discuss compensation proposed and paid to Dr. David Foster for Summer 2016 activities. IA also reviewed email communication from Dr. Randy Avent, President of FPU. During November 2016, IA had several inquiry communications with Shannon Medley, Payroll and Tax Manager, regarding compensation paid to Dr. Foster. In January, and February 2017, IA conducted additional interviews with Erin Varnell, Assistant Counsel, Jeanne Viviani, Director of Sponsored Programs, and Jim Dewey, Director of Economic Analysis, Assistant Professor, Vice Chair of the Faculty Assembly, Nicole Jackson, Associate General Counsel, Dr. Richard Matyi, Associate Professor, Nanotechnology, Multifunctional Materials & Director of the Nanotechnology Program, Dr. Christopher Coughlin, Associate Professor, Nanotechnology, Multifunctional Materials, and Dr. Christina Drake, Associate Professor of Electrical, Mechanical & Industrial Engineering.
Based on these interviews, and review of certain documentation and email correspondence, we noted the following:

a. Dr. Foster has a contract to instruct, is a full-time professor, and has an employment contract dated August 17, 2015 through May 13, 2017. Compensation under this contract includes a salary of $108,000 for the first 12 months and a salary of $81,000 for the remaining 9 months.

b. Dr. Foster stated that he instructed one section of EEL 4768c Comp. Arch. & Org. (4 contact hours) and two sections of EEL 3702c Digital Logic Design (4 contact hours each) over the Summer of 2016 which resulted in an overload.

c. Per Dr. Elhami Nasr, Provost, one of the courses assigned to Dr. Foster was to initially be instructed by an interim professor contracted for this one summer course. As the interim professor was unavailable, Dr. Foster agreed to instruct the course during the Summer of 2016.

d. Per review of email correspondence from Dr. Randy Avent, President, he equated these courses taught by Dr. Foster to a workload of 11 credit hours, which resulted in an overload. Therefore, Dr. Randy Avent, proposed that $6,750 is the amount to be paid for the overload, which was based on 2/24th of Dr. Foster's 9-month contract salary of $81,000. The compensation was intended to account for the additional contact hours during the summer semester that Dr. Foster incurred as a result of instructing the additional class.

e. Dr. Foster briefly met with Randy Avent, President and it was verbally communicated that the proposed compensation based on contact hours and the related overload would be $6,750. Prior to receiving payment, Dr. Foster requested documentation supporting the payment amount and thus far payment has not been made to Dr. Foster for the Summer 2016 overload hours.

f. Shannon Medley, Payroll and Tax Manager, confirmed that Dr. Foster received compensation for being an Academic Program Adviser (APC) during the Summer of 2016 which totaled $3,000. Dr. Foster noted that although his employment contract did not cover these additional duties, he felt the additional compensation was in line with the effort put forth on the activities. It was also confirmed that Dr. Foster had not yet received the additional payment of $6,750 for overload.

g. During communications regarding the proposed compensation for the overload work between Dr. Foster and individuals of the FPU administration and faculty, certain individuals indicated that Dr. Foster had communicated to them that the compensation calculation did not align with Dr. Foster's understanding of how such overload compensation should be calculated. Certain individuals also noted that Dr. Foster indicated that the proposed payment could be construed as a bribe in the context of Dr. Foster serving as the Chair of the Organizing Committee for the Union (The discussion over the proposed payment occurred...
prior to the union vote and Dr. Foster has not been paid the proposed payment for the overload to date). It should also be noted that another individual who was involved in communications with Dr. Foster about the proposed overload compensation stated that Dr. Foster did not think the proposed payment was a bribe and that it was well intentioned.

h. During our interview with Dr. Foster, he clearly stated he believed the administration was trying to fairly compensate him for the APC activities and overload worked in the Summer of 2016 and that there was no attempt by anyone in the administration (i.e. the FPU President and other members of the FPU Leadership team) to bribe or gain a favor or to unduly influence him in exchange for the compensation.

2. Upon review of the FPU web site and inquiry with Mark Mroczkowski, Vice President and CFO, it was noted that no final policy describing summer course overload compensation and APC activities exists. Hence, there are no policies to provide guidelines for acceptable compensation.

3. As noted, there is not a final policy describing summer course overload compensation and APC activity compensation.

**CONCLUSION**

The calculation of the summer compensation for overload appears to be reasonable. However, there is no current, specific policy addressing overload and APC activities. Further, payment should be released to Dr. Foster upon final approval of the appropriate members of the administration. IA recommends formally documenting how summer work load including overload compensation and APC activity compensation be calculated.

Additionally, the legal and human resource departments should complete their review of the faculty contracts and ensure all contracts are aligned with the current policies of FPU.

March 27, 2017
## APPENDIX A

### Interviewees/Inquiries

The following personnel were interviewed or provided relevant documentation for this engagement:

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Randy K. Avent</td>
<td>President</td>
</tr>
<tr>
<td>Dr. David Foster</td>
<td>Associate Professor</td>
</tr>
<tr>
<td>Shannon Medley</td>
<td>Payroll and Tax Manager</td>
</tr>
<tr>
<td>Mark Mroczkowski</td>
<td>Vice President and CFO</td>
</tr>
<tr>
<td>Dr. Elhami Nasr</td>
<td>Interim Provost</td>
</tr>
<tr>
<td>Erin Varnell</td>
<td>Assistant Counsel</td>
</tr>
<tr>
<td>Jeanne Viviani</td>
<td>Director of Sponsored Programs</td>
</tr>
<tr>
<td>Dr. Jim Dewey</td>
<td>Director of Economic Analysis, Assistant Professor, Vice Chair of the Faculty Assembly</td>
</tr>
<tr>
<td>Nicole L Jackson</td>
<td>Associate General Counsel</td>
</tr>
<tr>
<td>Dr. Richard Matyi</td>
<td>Associate Professor, Nanotechnology, Multifunctional Materials &amp; Director of the Nanotechnology Program</td>
</tr>
<tr>
<td>Dr. Christopher Coughlin</td>
<td>Associate Professor, Nanotechnology, Multifunctional Materials</td>
</tr>
<tr>
<td>Dr. Christina Drake</td>
<td>Associate Professor of electrical, mechanical &amp; industrial engineering</td>
</tr>
</tbody>
</table>
APPENDIX B

Relevant Florida Statutes
The following are the relevant statutes for the engagement:

1012.82 Teaching faculty; minimum teaching hours per week.—Each full-time member of the teaching faculty at any Florida College System institution who is paid wholly from funds appropriated from the Florida College System Program Fund or from funds appropriated for Florida College System institution baccalaureate degree programs shall teach a minimum of 15 classroom contact hours per week at such institution. However, the required classroom contact hours per week may be reduced upon approval of the president of the institution in direct proportion to specific duties and responsibilities assigned the faculty member by his or her departmental chair or other appropriate college administrator. Such specific duties may include specific research duties, specific duties associated with developing television, video tape, or other specifically assigned innovative teaching techniques or devices, or assigned responsibility for off-campus student internship or work-study programs. A “classroom contact hour” consists of a regularly scheduled classroom activity of not less than 50 minutes in a course of instruction which has been approved by the Florida College System institution board of trustees. Any full-time faculty member who is paid partly from Florida College System institution program funds and partly from other funds or appropriations shall teach a minimum number of classroom contact hours per week in such proportion to 15 classroom contact hours as his or her salary paid from Florida College System institution program funds bears to his or her total salary. Any full-time faculty member who is paid partly from funds appropriated for Florida College System institution baccalaureate degree programs and partly from other funds or appropriations shall teach a minimum number of classroom contact hours per week in such proportion to 15 classroom contact hours as his or her salary paid from funds appropriated for Florida College System institution baccalaureate degree programs bears to his or her total salary.

1012.945 Required number of classroom teaching hours for university faculty members.—
(1) As used in this section:
(a) “State funds” means those funds appropriated annually in the General Appropriations Act.
(b) “Classroom contact hour” means a regularly scheduled 1-hour period of classroom activity in a course of instruction which has been approved by the university.
(2) Each full-time equivalent teaching faculty member at a university who is paid wholly from state funds shall teach a minimum of 12 classroom contact hours per week at such university. However, any faculty member who is assigned by his or her departmental chair or other appropriate university administrator professional responsibilities and duties in furtherance of the mission of the university shall teach a minimum number of classroom contact hours in proportion to 12 classroom contact hours per week as such especially assigned aforementioned duties and responsibilities bear to 12 classroom contact hours per week. Any full-time faculty member who is paid partly from state funds and partly from other funds or appropriations shall teach a minimum number of classroom contact hours in such proportion to 12 classroom contact hours per week as his or her salary paid from state funds bears to his or her total salary. In determining the appropriate hourly weighting of assigned duties other than classroom contact hours, the universities shall develop and apply a formula designed to equate the time required for nonclassroom duties with classroom contact hours. “Full-time equivalent teaching faculty member” shall be interpreted to mean all faculty personnel budgeted in the instruction and research portion of the budget, exclusive of those full-time equivalent positions assigned to research, public service, administrative duties, and academic advising. Full-time administrators, librarians, and counselors shall be exempt from the provisions of this section; and colleges of medicine and law and others which are required for purposes of accreditation to meet national standards prescribed by the American Medical
Association, the American Bar Association, or other professional associations shall be exempt from the provisions of this section to the extent that the requirements of this section differ from the requirements of accreditation.

**APPENDIX C**

The following are the documents reviewed:

<table>
<thead>
<tr>
<th>REFERENCE NUMBER</th>
<th>DOCUMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPU-01</td>
<td>Dr. Foster’s Stipend</td>
</tr>
<tr>
<td>FPU-02</td>
<td>Dr. Foster’s Employment Contract</td>
</tr>
<tr>
<td>FPU-03</td>
<td>Faculty Assignment of Responsibilities Policy</td>
</tr>
</tbody>
</table>
AGENDA ITEM: VIII

Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
June 8, 2017

Subject: Operational Audit Update

Proposed Committee Action
No action required- Information only.

Background Information
The University is currently undergoing its second Operational Audit by the Florida Auditor General. Staff will provide progress updates.

Supporting Documentation: None

Prepared by: Mark Mroczkowski, Vice President and CFO
Subject: Risk Assessment

Proposed Committee Action

No action required- Information only.

Background Information

In accordance with the Committee’s Work Plan, staff will present a review of risks related to University operations and related actions taken by the University to mitigate the major risks identified.

Supporting Documentation: Risk Identification and Mitigation Presentation

Prepared by: Mark Mroczkowski, Vice President and CFO
<table>
<thead>
<tr>
<th>Compliance Risks</th>
<th>Management &amp; Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation/Academic regulations (e.g. SACSCOC)</td>
<td>SACSCOC accreditation expected in 2017</td>
</tr>
<tr>
<td></td>
<td>Legal and HR Monitors soon to be supplemented with CAE/CCO</td>
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<tr>
<td>Employment regulations</td>
<td>Monitored by EH&amp;S</td>
</tr>
<tr>
<td>Environmental regulations</td>
<td>Monitored by Facilities and EH&amp;S</td>
</tr>
<tr>
<td>Facilities regulations</td>
<td>Monitored by Finance, Financial Aid and audited.</td>
</tr>
<tr>
<td>Financial Regulations</td>
<td></td>
</tr>
<tr>
<td>Other Regulations (FERPA, GLBA, HIPPA, Export control, INS, Federal Sentencing)</td>
<td>Monitored by Legal, Student Affairs, Police and soon by CAE/CCO</td>
</tr>
<tr>
<td>Guidelines, HEOA, Clery Act, Copyright/fair use, record retention, Drug Free School, etc.)</td>
<td>Monitored by Procurement and Accounts Payable, controlled by ERP</td>
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<tr>
<td>PCard</td>
<td>Monitored by IT Security</td>
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<tr>
<td>PCI DSS Compliance</td>
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<tr>
<td>Sponsored Programs regulatory</td>
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<tr>
<td>Student-related regulations</td>
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<td>Tax Regulations</td>
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<tr>
<td>Title IX, Clery, and VAWA (increased focus nationally; sexual assault--initiatives to prevent)</td>
<td>Monitored by Legal, Student Affairs and soon by CAE/CCO</td>
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<tr>
<td>Donor gift restrictions</td>
<td></td>
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<tr>
<td>Conflicts of Interest Management</td>
<td></td>
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<tr>
<td>ADA Compliance on websites</td>
<td>Monitored by Title IX Coordinator and by Police</td>
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<tr>
<td></td>
<td>Monitored by Advancement and Controller's office, verified by auditors</td>
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<tr>
<td></td>
<td>Monitored by Legal, HR and CAE/CCO</td>
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<tr>
<td></td>
<td>Monitored by Marketing, Web service firm and IT</td>
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<tr>
<td>Financial Risks</td>
<td>Management &amp; Mitigation</td>
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<tr>
<td>----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>16</td>
<td>Auxiliary management/service center management (risk of being ineffective) Revenue and Institutional Budgeting: Tuition dependency; general revenue; Performance Metrics invoked; decreased state funding; funding model changing; Conflicts of interest in financial transactions and agreements Entrepreneurial endeavors (public/private partnerships, BEI, etc.) External audits and reimbursements/fines/penalties levied (return of monies). Return of Title IV monies (financial aid monies returned) Potential major federal programs significantly reduced or cut. Financial Aid changes (lack of aid, restriction of Bright Futures, more rigid eligibility requirements, Pell not given in summer, etc.) Balance between getting student admitted/retained and the financial obligations of the students (e.g. comply with policies/ rules/procedures) Improper governmental activities including fraud, embezzlement, or misuse of university resources (PCard, etc.) Insufficient oversight over third party vendors; background checks of vendors performing services on campus Mismanagement/ineffective management of Direct Support Organizations</td>
</tr>
</tbody>
</table>
Increased scrutiny by legislature of E&G funding delivered to Foundations and use of that funding

Monitored by Governmental Affairs and the entire management team

Non-compliant cost transfers (e.g. research and grants)

Managed by Contracts and Grants Department, additional controls provided by Controller's office with audit verification

Reputational Risk for management decisions

Management is aware and concerned, PR is managed by the marketing department

UBIT (IRS audit, etc.)

Not yet applicable

Unfunded mandates from state (e.g. IT Security survey, undocumented students and employees, and same sex benefits to partner, Latin/American tuition waiver, homeless waiver, Foster Child waiver, etc.)

Not yet significant. We have reserves of unrestricted funds available for such purposes.

Budget impact of new Federal wage regulations (when/if implemented)

We have already implemented Fair Labor Standards Act (FLSA) and incorporated into our budget

Investment oversight; investment committee

Investment Committee will be formed as soon as funds are transferred to the custody of the new investment manager a current work in-process

Limited reserve funds

Reserve funds are monitored monthly by management team and BOT is informed quarterly

Distance Learning-financial feasibility (eliminate local fees); structural budget risks

Not yet undertaken.

Carry forward funding

Carry forward funds are monitored monthly by management team and BOT is informed quarterly

Information Technology Risks

Unauthorized modification of data

IT Security Director maintains and monitors all systems and data integrity using modern security tools, all changes are logged and original data can be restored if needed

Decentralization of systems leading to data inconsistencies and fragmentation

IT Department is centralized for maximum control
Disclosure of confidential information (e.g., Personally Identifying Information (PII), PCIDSS, and health care information)

All data is PCI compliant with appropriate security and internal control, policies and procedures are being improved.

Obsolescence of systems / technology/system capacity; IT architecture; bandwidth needs

IT department has a technology refresh cycle program for infrastructure; technology system capacity has been monitored for future growth and needs.

Inability to recover from system loss or extended downtime; network integrity

IT department has backup systems to recover data and systems, and also working on increasing the redundancy of the network redundancy.

Single sign on is being implemented wherever possible, internally and with external vendor services, next phase is multi factor authentication implementation. Cloud Applications are SOC 1 Certified.

Lack of comfort with third-party vendor system security

Data construction and availability --- whereby it can be used for management decisions and monitoring.

Internet security (phishing, hacking, etc.); planning for and implementing next-generation security technologies (that also respond to evolving threats)

Improvements are in process by the IT department.

Proliferation of new technology and security aspects

These type external activities are being monitored and communicated to the university community for awareness; end user training is part of security implementation.

Mobile Computing --BYOD (Bring Your Own Device) expansion

IT department is developing and implementing risk analysis for any new technologies and deployment with collaboration with other departments.

Incident response

IT department supports the BYOD concept, uses single sign on for all applications and systems.

Incident response is tracked by helpdesk ticketing system for any kind of hardware or data loss, virus or malware incidents.

Multifactor authentication will be implemented to minimize risk that can affect end users, there is currently some control mechanism in place.

There is annual mandatory cyber security awareness training, everyone needs to finish and pass the test.

End user training
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>Cyber liability</td>
<td>Social Networking/Social Media (critical issues, communication; court of public opinion)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A $1 million insurance policy is in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>End users are being educated about risks from social networking and social media, this is part of their annual training</td>
</tr>
<tr>
<td>50</td>
<td>Human Resource Risks</td>
<td>Personnel issues or workplace violence</td>
</tr>
<tr>
<td>51</td>
<td></td>
<td>Professional Liability Claims</td>
</tr>
<tr>
<td>52</td>
<td></td>
<td>Workers Compensation Claims and Employment Liability Claims</td>
</tr>
<tr>
<td>53</td>
<td></td>
<td>Employee recruitment and retention</td>
</tr>
<tr>
<td>54</td>
<td></td>
<td>Inadequate staffing for growth (service infrastructure); Inadequate staffing for present circumstances (not growth)—e.g. adding tasks to the existing staff (Implementing SIS)</td>
</tr>
<tr>
<td>55</td>
<td></td>
<td>Succession Challenges (e.g. retirement horizon of seasoned leaders)</td>
</tr>
<tr>
<td>56</td>
<td></td>
<td>Faculty and administration relationship</td>
</tr>
<tr>
<td>57</td>
<td></td>
<td>Grievance procedures</td>
</tr>
<tr>
<td>58</td>
<td></td>
<td>Compression of wages/faculty and staff</td>
</tr>
</tbody>
</table>

**Management & Mitigation**

- **Personnel issues or workplace violence**: Managed by HR Department in collaboration with Legal and Police Departments and Title IX Coordinator.
- **Professional Liability Claims**: None to date. Will be managed by HR, CFO and Legal.
- **Workers Compensation Claims and Employment Liability Claims**: Managed by EH&S and HR.
- **Employee recruitment and retention**: Managed by HR Department.
- **Inadequate staffing for growth (service infrastructure); Inadequate staffing for present circumstances (not growth)—e.g. adding tasks to the existing staff (Implementing SIS)**: Staffing will continue to be lean so we look for efficiencies in increased automation. Staff job descriptions and compensation are adjusted for increased workloads. Projects are sometimes mitigated by using temporary help depending on size and duration.
- **Succession Challenges (e.g. retirement horizon of seasoned leaders)**: Succession planning and self replacement mentorship is active in several areas.
- **Faculty and administration relationship**: Small management team fosters a collaborative environment and weekly meetings facilitate dialogue handled by management, HR or Ombudsman depending on nature and circumstance.
- **Grievance procedures**: Management is currently analyzing wages and compensating for inequalities inadvertently created by rapid growth. Creating efficiencies keeps staff lean to avoid wage compression.
<table>
<thead>
<tr>
<th>Contract and Grant Risks</th>
<th>Management &amp; Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research misconduct, such as falsification of data or results, or non-disclosure of research dangers</td>
<td>Managed by Contracts and Grants Department with oversight by Provost</td>
</tr>
<tr>
<td>Lab processes and practices for the promotion of Environmental Health and Safety (EH&amp;S)</td>
<td>Managed by lab techs with oversight by EH&amp;S Inspector</td>
</tr>
<tr>
<td>Unethical / unapproved human/animal subject research</td>
<td>N/A</td>
</tr>
<tr>
<td>Animal subject research/labs</td>
<td>N/A</td>
</tr>
<tr>
<td>Threats to safety of researchers</td>
<td>Managed by lab techs with oversight by EH&amp;S Inspector</td>
</tr>
<tr>
<td>Clinical Trial Research Program</td>
<td>N/A</td>
</tr>
<tr>
<td>Export controls</td>
<td>N/A</td>
</tr>
<tr>
<td>Protection of research data; NDA's; IP Infringement</td>
<td>Managed by Legal Department</td>
</tr>
<tr>
<td>Regulatory fines or penalties</td>
<td>Monitored and controlled by Contracts and Grants Department</td>
</tr>
<tr>
<td>Non-compliance with sponsoring agency regulations and agreement terms and conditions</td>
<td>Monitored and controlled by Contracts and Grants Department, checked by Internal Audit</td>
</tr>
<tr>
<td>Cost sharing procedures are not compliant with federal requirements</td>
<td>Managed by Controller's office and Contracts and Grants Office checked by Internal Audit</td>
</tr>
<tr>
<td>Agreement terms and conditions not met, but funds used</td>
<td>Managed by Controller's office and Contracts and Grants Office checked by Internal Audit</td>
</tr>
<tr>
<td>Failure to maintain equipment inventories in accordance with grant requirements</td>
<td>Managed by Controller's office and Contracts and Grants Office checked by Internal Audit</td>
</tr>
<tr>
<td>Sub-recipients not managed appropriately</td>
<td>N/A</td>
</tr>
<tr>
<td>Faculty committing the University to contract and grants w/o RSP approval</td>
<td>Monitored and controlled by Contracts and Grants Department</td>
</tr>
<tr>
<td>Strategic Risks</td>
<td>Management &amp; Mitigation</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Performance Metrics (changes), emerging preeminent universities, codification of metrics</td>
<td>Entire management team is actively involved in monitoring, planning and adapting to maximize results</td>
</tr>
<tr>
<td>Accountability: student outcomes, degree production, curbing cost/student debt; stakeholders (state, national policy makers, media)</td>
<td>N/A</td>
</tr>
<tr>
<td>Programs of Distinction vs. Preeminent</td>
<td>Programs are technical in nature designed to meet future employment needs</td>
</tr>
<tr>
<td>Loss of the real or perceived value of a university degree</td>
<td>Not yet applicable, but under consideration</td>
</tr>
<tr>
<td>Competing in the distance learning environment</td>
<td>President and Provost are actively involved in monitoring, planning and adapting to maximize results</td>
</tr>
<tr>
<td>Student curriculum: Future of competency-based education and its role in H.E. credentialing</td>
<td>University Advancement, External Relations Department, Student Affairs, Procurement, Marketing and Police Department</td>
</tr>
<tr>
<td>External relations: alumni, community, vendors, naming policies, gift acceptance, crisis communication, community relations, etc.</td>
<td></td>
</tr>
<tr>
<td>Achieve Programs of Distinction</td>
<td></td>
</tr>
<tr>
<td><strong>Student Life Risks</strong></td>
<td><strong>Management &amp; Mitigation</strong></td>
</tr>
<tr>
<td>Public/private risks/disturbances (BOT, speakers, films, political, etc.)</td>
<td>Managed by Student Affairs Department, Police and Counselors</td>
</tr>
<tr>
<td>Student mental health</td>
<td>University Mental Health Counselors address student needs</td>
</tr>
<tr>
<td>Safety and security of students on campus</td>
<td>Police Department manages security and over 20 student life programs</td>
</tr>
<tr>
<td>(housing, building safety, student life buildings, classrooms, etc.)</td>
<td>Not yet applicable</td>
</tr>
<tr>
<td>Student academic travel/Study Abroad</td>
<td></td>
</tr>
</tbody>
</table>
Budget, facilities, community relations, campus support, reputation, Title IX compliance, etc.

SGA manages its budget with faculty & staff oversight. Student Affairs Department manages other aspects except Title IX which is managed by a the Title IX Director

Housing and Residence Life facility issues: increased direct competition and existing inventory challenges

Housing risks are managed by the Management Company together with the RA's and Campus Police

Intercollegiate Athletics--eligibility and misconduct

Intercollegiate Athletics -- eligibility and misconduct

None - N/A

Greek Life

Managed by the Academic Counselors and Success Coaches

Experiential programs; internships; student placement; work study/experience

Managed by Student Affairs

Campus Event Management (concerts, plays, athletics, museums, etc.)

Admissions Department aggressively recruits using waivers and scholarships

Enrollment decline resulting from fewer high school graduates and reduced/free community college.

Facilities & Maintenance Risks

Deferred maintenance

None

Increase in energy costs

Energy costs have been stable recently. Buildings are new and energy efficient and Facilities Department monitors and manages consumption.

Equipment / facility malfunction or failure Inadequate plan for growth/infrastructure (facilities, IT, telecommunications, services, etc.)/renewal

Monitored and managed by Facilities Department

Inadequate plan for growth/infrastructure (facilities, IT, telecommunications, services, etc.)/renewal

Growth is limited by facilities. Management is actively seeking public and private funds for expansion

Poorly planned Campus Master Plan

Newly updated and efficient Campus Master Plan recently approved by BOT

Matching facility development to program priorities and competitiveness -- for example: Applied Research Center

Management Team is actively engaged in programming and planning
98  Outsourcing services
Management outsources based upon cost benefit analysis

99  Change in Facilities leadership
None anticipated

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**Hazard Risk**

- Domestic terrorism and/or national security (Animal rights activists, eco-terrorists, stem-cell research opponents, foreign students, etc.)
- Catastrophic natural event (hurricane, tornado, earthquake, flood, fire)

**Management & Mitigation**

- Managed by Police Department, EH&S and Student Affairs
- Police and Facilities Department, EH&S, Communications and IT are primary managers of COOP
- Management team
- Lab Techs and EH&S
- Facilities and EH&S
- Admissions
- Police
- Police and Housing management Company

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**Emerging Issues**

- National Policy Issues and changes
- Continued freeze on tuition and fees
- Drugs and potential Marijuana legalization
- Academic Freedom
- Free Speech on Campus

**Management & Mitigation**

- Monitored by Government Relations and External Affairs Department
- Monitored by Government Relations and External Affairs Department
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- Monitored by Government Relations and External Affairs Department
Unanticipated consequences of reliance on fee waivers as a recruiting and retention tool. Management has devised a plan to reduce the discount rate.