

FLORIDA
POLYTECHNIC
UNIVERSITY

Board of Trustees
Audit & Compliance Committee Meeting

Wednesday, June 7, 2017
4:00 p.m. Eastern Standard Time
(or upon adjournment of the Academic & Student Affairs Committee meeting)

Florida Industrial & Phosphate Research Institute
1855 Main Street West
Bartow, Florida 33830

Cliff Otto, Chair
Bill Brown

Don Wilson, Vice-Chair
Dr. Richard Hallion

Mark Bostick
Gary Wendt

AGENDA

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|-------|---|---------------------------|
| I. | Call to Order | Don Wilson,
Vice-Chair |
| II. | Roll Call | Maggie Mariucci |
| III. | Public Comment | Don Wilson,
Vice-Chair |
| IV. | Approval of the March 15, 2017 Minutes Pgs. 2-4
Action Required | Don Wilson,
Vice-Chair |
| V. | 2016-18 Audit and Compliance Work Plan Pgs. 5-6
Review | Don Wilson,
Vice-Chair |
| VI. | Update of CAE/CCO Pg. 7 | Mark Mroczkowski |
| VII. | Report of Internal Audit Pgs. 8-15
Action Required | Larry Burke |
| VIII. | Operational Audit Update Pg. 16 | Mark Mroczkowski |
| IX. | Risk Assessment Pgs. 17-27 | Mark Mroczkowski |
| X. | Closing Remarks and Adjournment | Don Wilson,
Vice-Chair |

DRAFT

**FLORIDA POLYTECHNIC UNIVERSITY
AUDIT & COMPLIANCE COMMITTEE
MEETING MINUTES
Florida Polytechnic University Admissions Building
4700 Research Way
Lakeland, FL 33805
March 15, 2017 @ 12:30 p.m.**

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 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 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 DeJulio 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.

DRAFT

AGENDA ITEM: V

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
June 7, 2017**

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

Florida Polytechnic University
Audit & Compliance Committee
Work Plan 2016-2018

March 15, 2017	June 7-8, 2017	September 13, 2017	December 6, 2017
<ul style="list-style-type: none"> • New BOG Audit & Compliance regulations workshop • Adopt BOT regulation in conformance with BOG 	<ul style="list-style-type: none"> • Risk Assessment workshop 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • University Annual Financial Audit • Foundation Annual Financial Audit
¹ March 14, 2018	¹ June 6-7, 2018	¹ September 12, 2018	¹ December 5, 2018
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • University Annual Financial Audit • Foundation Annual Financial Audit
¹ Tentative 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

AGENDA ITEM: VII

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
June 7, 2017**

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 to 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:

Personnel	Title
Dr. Randy K. Avent	President
Dr. David Foster	Associate Professor
Shannon Medley	Payroll and Tax Manager
Mark Mroczkowski	Vice President and CFO
Dr. Elhami Nasr	Interim Provost
Erin Varnell	Assistant Counsel
Jeanne Viviani	Director of Sponsored Programs
Dr. Jim Dewey	Director of Economic Analysis, Assistant Professor, Vice Chair of the Faculty Assembly
Nicole L 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
Dr. Christina Drake	Associate Professor of electrical, mechanical & industrial engineering

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 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:

REFERENCE NUMBER	DOCUMENT
FPU-01	Dr. Foster's Stipend
FPU-02	Dr. Foster's Employment Contract
FPU-03	Faculty Assignment of Responsibilities Policy

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

AGENDA ITEM: IX

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

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

**Florida Polytechnic University
Risk Identification & Mitigation
As of June 8, 2017**

Compliance Risks	Management & Mitigation
1 Accreditation/Academic regulations (e.g. SACSCOC)	SACSCOC accreditation expected in 2017
2 Employment regulations	Legal and HR Monitors soon to be supplemented with CAE/CCO
3 Environmental regulations	Monitored by EH&S
4 Facilities regulations	Monitored by Facilities and EH&S
5 Financial Regulations	Monitored by Finance, Financial Aid and audited.
6 Other Regulations (FERPA, GLBA, HIPPA, Export control, INS, Federal Sentencing Guidelines, HEOA, Clery Act, Copyright/fair use, record retention, Drug Free School, etc.)	Monitored by Legal, Student Affairs, Police and soon by CAE/CCO
7 PCard	Monitored by Procurement and Accounts Payable, controlled by ERP
8 PCI DSS Compliance	Monitored by IT Security
9 Sponsored Programs regulatory	Monitored by Legal, Student Affairs and soon by CAE/CCO
10 Student-related regulations	Monitored by CFO and Controller
11 Tax Regulations	Monitored by Title IX Coordinator and by Police
12 Title IX, Clery, and VAWA (increased focus nationally; sexual assault--initiatives to prevent)	Monitored by Advancement and Controller's office, verified by auditors
13 Donor gift restrictions	Monitored by Legal, HR and CAE/CCO
14 Conflicts of Interest Management	Monitored by Marketing, Web service firm and IT
15 ADA Compliance on websites	

Financial Risks	Management & Mitigation
16 Auxiliary management/service center management (risk of being ineffective)	Monitored by Director with Oversight by CFO
17 Revenue and Institutional Budgeting: Tuition dependency; general revenue; Performance Metrics invoked; decreased state funding; funding model changing;	Managed by President, CFO, Controller, Provost, Governmental Affairs office, Budget Office.
18 Conflicts of interest in financial transactions and agreements	Managed by Procurement and Controller's office with oversight by CFO
19 Entrepreneurial endeavors (public/private partnerships, BEI, etc.)	Managed by the CFO
20 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.	Managed by the Controller's office, Bursar's office, Financial Aid Office with oversight by the CFO
21 Financial Aid changes (lack of aid, restriction of Bright Futures, more rigid eligibility requirements, Pell not given in summer, etc.)	Managed by Vice Provost, Admissions Office and Financial Aid office
22 Balance between getting student admitted/retained and the financial obligations of the students (e.g. comply with policies/ rules/procedures)	Controlled by Procurement Office, Controller's Office, Internal Audit with CFO oversight and verification by annual audit.
23 Improper governmental activities including fraud, embezzlement, or misuse of university resources (PCard, etc.)	Managed by the Procurement Office with Oversight by the CFO's Office
24 Insufficient oversight over third party vendors; background checks of vendors performing services on campus	Foundation is managed by a CEO with it's own Board Oversight and verification by annual audit. Financial control is provided by University Controller's Office
24 Mismanagement/ineffective management of Direct Support Organizations	

25	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
26	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
27	Reputational Risk for management decisions	Management is aware and concerned, PR is managed by the marketing department
28	UBIT (IRS audit, etc.)	Not yet applicable
29	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.
30	Budget impact of new Federal wage regulations (when/if implemented)	We have already implemented Fair Labor Standards Act (FLSA) and incorporated into our budget
31	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
32	Limited reserve funds	Reserve funds are monitored monthly by management team and BOT is informed quarterly
33	Distance Learning-financial feasibility (eliminate local fees); structural budget risks	Not yet undertaken.
34	Carry forward funding	Carry forward funds are monitored monthly by management team and BOT is informed quarterly

Information Technology Risks

Management & Mitigation

35	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
36	Decentralization of systems leading to data inconsistencies and fragmentation	IT Department is centralized for maximum control

<p>37 Disclosure of confidential information (e.g., Personally Identifying Information (PII), PCIDSS, and health care information)</p> <p>38 Obsolescence of systems / technology/system capacity; IT architecture; bandwidth needs</p> <p>39 Inability to recover from system loss or extended downtime; network integrity</p> <p>40 Lack of comfort with third-party vendor system security</p>	<p>All data is PCI compliant with appropriate security and internal control, policies and procedures are being improved</p> <p>IT department has a technology refresh cycle program for infrastructure; technology system capacity has being monitored for future growth and needs</p> <p>IT department has backup systems to recover data and systems, and also working on increasing the redundancy of the network redundancy</p> <p>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</p>
<p>41 Data construction and availability--- whereby it can be used for management decisions and monitoring</p> <p>42 Internet security (phishing, hacking, etc.); planning for and implementing next-generation security technologies (that also respond to evolving threats)</p> <p>43 Proliferation of new technology and security aspects</p> <p>44 Mobile Computing --BYOD (Bring Your Own Device) expansion</p> <p>45 Incident response</p>	<p>Improvements are in process by the IT department</p> <p>These type external activities are being monitored and communicated to the university community for awareness; end user training is part of security implementation</p> <p>IT department is developing and implementing risk analysis for any new technologies and deployment with collaboration with other departments</p> <p>IT department supports the BYOD concept, uses single sign on for all applications and systems</p> <p>Incident response is tracked by helpdesk ticketing system for any kind of hardware or data loss, virus or malware incidents.</p>
<p>46 Procurement Fraud (using Poly name/employees and purchasing in our name)</p> <p>47 End user training</p>	<p>Multifactor authentication will be implemented to minimize risk that can affect end users, there is currently some control mechanism in place</p> <p>There is annual mandatory cyber security awareness training, everyone needs to finish and pass the test</p>

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| <p>48 Cyber liability
Social Networking/Social Media (critical
49 issues, communication; court of public
opinion)</p> | <p>A \$1 million insurance policy is in place
End users are being educated about risks from social
networking and social media, this is part of their annual
training</p> |
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Human Resource Risks

Management & Mitigation

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| <p>50 Personnel issues or workplace violence
51 Professional Liability Claims
52 Workers Compensation Claims and
Employment Liability Claims
53 Employee recruitment and retention
Inadequate staffing for growth (service
infrastructure); Inadequate staffing for
54 present circumstances (not growth)--e.g.
adding tasks to the existing staff
(Implementing SIS)
55 Succession Challenges (e.g. retirement
horizon of seasoned leaders)
56 Faculty and administration relationship
57 Grievance procedures
58 Compression of wages/faculty and staff</p> | <p>Managed by HR Department in collaboration with Legal
and Police Departments and Title IX Coordinator
None to date. Will be managed by HR, CFO and Legal
Managed by EH&S and HR
Managed by HR Department
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 planning and self replacement mentorship
is active in several areas.
Small management team fosters a collaborative
environment and weekly meetings facilitate dialogue
handled by management, HR or Ombudsman
depending on nature and circumstance
Management is currently analyzing wages and
compensating for inequalities inadvertently created by
rapid growth. Creating efficiencies keeps staff lean to
avoid wage compression</p> |
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Research Risks

Management & Mitigation

59	Research misconduct, such as falsification of data or results, or non-disclosure of research dangers	Managed by Contracts and Grants Department with oversight by Provost
60	Lab processes and practices for the promotion of Environmental Health and Safety (EH&S)	Managed by lab techs with oversight by EH&S Inspector
61	Unethical / unapproved human/animal subject research	N/A
62	Animal subject research/labs	N/A
63	Threats to safety of researchers	Managed by lab techs with oversight by EH&S Inspector
64	Clinical Trial Research Program	N/A
65	Export controls	N/a
66	Protection of research data; NDA's; IP Infringement	Managed by Legal Department

Contract and Grant Risks

Management & Mitigation

67	Regulatory fines or penalties	Monitored and controlled by Contracts and Grants Department
68	Non-compliance with sponsoring agency regulations and agreement terms and conditions	Monitored and controlled by Contracts and Grants Department, checked by Internal Audit
69	Cost sharing procedures are not compliant with federal requirements	Managed by Controller's office and Contracts and Grants Office checked by Internal Audit
70	Agreement terms and conditions not met, but funds used	Managed by Controller's office and Contracts and Grants Office checked by Internal Audit
71	Failure to maintain equipment inventories in accordance with grant requirements	Managed by Controller's office and Contracts and Grants Office checked by Internal Audit
72	Sub-recipients not managed appropriately	N/A
73	Faculty committing the University to contract and grants w/o RSP approval	Monitored and controlled by Contracts and Grants Department

Strategic Risks	Management & Mitigation
74 Performance Metrics (changes), emerging preeminent universities, codification of metrics Accountability: student outcomes, degree production, curbing cost/student debt; stakeholders (state, national policy makers, media)	Entire management team is actively involved in monitoring, planning and adapting to maximize results
75 Programs of Distinction vs. Preeminent 76 Loss of the real or perceived value of a university degree	N/A Programs are technical in nature designed to meet future employment needs
77 Competing in the distance learning environment	Not yet applicable, but under consideration
78 Student curriculum: Future of competency-based education and its role in H.E. credentialing	President and Provost are actively involved in monitoring, planning and adapting to maximize results
79 External relations: alumni, community, vendors, naming policies, gift acceptance, crisis communication, community relations, etc.	University Advancement, External Relations Department, Student Affairs, Procurement, Marketing and Police Department
80 Achieve Programs of Distinction	
Student Life Risks	Management & Mitigation
81 Public/private risks/disturbances (BOT, speakers, films, political, etc.)	Managed by Student Affairs Department, Police and Counselors
82 Student mental health	University Mental Health Counselors address student needs
83 Safety and security of students on campus (housing, building safety, student life buildings, classrooms, etc.)	Police Department manages security and over 20 student life programs
84 Student academic travel/Study Abroad	Not yet applicable

85	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
86	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
87	Intercollegiate Athletics--eligibility and misconduct	None - N/A
88	Greek Life	
89	Experiential programs; internships; student placement; work study/experience	Managed by the Academic Counselors and Success Coaches
90	Campus Event Management (concerts, plays, athletics, museums, etc.)	Managed by Student Affairs
91	Enrollment decline resulting from fewer high school graduates and reduced/free community college.	Admissions Department aggressively recruits using waivers and scholarships

Facilities & Maintenance Risks

Management & Mitigation

92	Deferred maintenance	None
93	Increase in energy costs	Energy costs have been stable recently, Buildings are new and energy efficient and Facilities Department monitors and manages consumption.
94	Equipment / facility malfunction or failure	Monitored and managed by Facilities Department
95	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
96	Poorly planned Campus Master Plan	Newly updated and efficient Campus Master Plan recently approved by BOT
97	Matching facility development to program priorities and competitiveness -- for example: Applied Research Center	Management Team is actively engaged in programming and planning

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| 98 | Outsourcing services | Management outsources based upon cost benefit analysis |
| 99 | Change in Facilities leadership | None anticipated |

Hazard Risk	Management & Mitigation
100 Domestic terrorism and/or national security (Animal rights activists, eco-terrorists, stem-cell research opponents, foreign students, etc.)	Managed by Police Department, EH&S and Student Affairs
101 Catastrophic natural event (hurricane, tornado, earthquake, flood, fire)	Police and Facilities Department, EH&S, Communications and IT are primary managers of COOP
102 Pandemic/Epidemic	Management team
103 Laboratory safety	Lab Techs and EH&S
104 Facilities and Grounds Safety	Facilities and EH&S
105 Minors on Campus	Admissions
106 Guns on Campus	Police
107 Housing safety	Police and Housing management Company

Emerging Issues	Management & Mitigation
108 National Policy Issues and changes	Monitored by Government Relations and External Affairs Department
109 Continued freeze on tuition and fees	Monitored by Government Relations and External Affairs Department
110 Drugs and potential Marijuana legalization	Monitored by Government Relations and External Affairs Department
111 Academic Freedom	Monitored by Government Relations and External Affairs Department
112 Free Speech on Campus	Monitored by Government Relations and External Affairs Department

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| 113 | Unanticipated consequences of reliance on fee waivers as a recruiting and retention tool. | Management has devised a plan to reduce the discount rate |
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