



FLORIDA POLYTECHNIC
UNIVERSITY

Board of Trustees Audit & Compliance Committee Meeting

Wednesday, September 11, 2019
11:00 am – 11:45 pm
Florida Polytechnic University
IST 1046
4700 Research Way, Lakeland, FL 33805-8531

Dial In Number: 1-415-655-0001 | Access Code: 643 898 788

Gary Wendt, Chair
Ryan Perez

Dr. Richard Hallion, Vice Chair
Mark Bostick

Dr. Adrienne Perry
Dr. Victoria Astley

AGENDA

- | | |
|--|-------------------|
| I. Call to Order | Gary Wendt, Chair |
| II. Roll Call | Kim Abels |
| III. Public Comment | Gary Wendt, Chair |
| IV. Approval of the May 22, 2019 Minutes
Action Required | Gary Wendt, Chair |
| V. 2018-20 Audit and Compliance Committee Work Plan Review | David Blanton |
| VI. Audit & Compliance Update | David Blanton |
| VII. UAC Report 2020-01: University Audit & Compliance Annual Report FYE 6/30/19
Action Required | David Blanton |
| VIII. University Audit Risk Assessment/Activity Plan FYE 6/30/20
Action Required | David Blanton |
| IX. UAC Audit Report 2020-02: Americans with Disability Act and Office of Disability Services
Action Required | David Blanton |
| X. Closing Remarks and Adjournment | Gary Wendt, Chair |

Florida Polytechnic University
Board of Trustees

Audit and Compliance Committee Meeting

DRAFT MEETING MINUTES

Wednesday May 22, 2019
11:15 AM-12:00 PM

Sun 'n Fun Fly-In, 4175 Medulla Road, Lakeland, FL 33811

I. Call to Order

Committee Chair Gary Wendt called the meeting to order at 11:20 a.m.

II. Roll Call

Kim Abels called the roll: Committee Chair Gary Wendt, Committee Vice-Chair Dick Hallion, Trustee Mark Bostick, Trustee Adrienne Perry, Trustee Ryan Perez and Trustee Victoria Astley were present (Quorum).

Other trustees present: Trustee Bob Stork, Trustee Frank Martin, Trustee Henry McCance, Board Chair Don Wilson, Board Vice Chair Cliff Otto, and Trustee Louis Saco

Staff present: President Randy Avent, Dr. Terry Parker, Mr. Mark Mroczkowski, Mr. Rick Maxey, Mr. David Blanton, Mrs. Kim Abels, Ms. Gina Delulio, Ms. Michele Rush and Mrs. Kris Wharton were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Mark Bostick made a motion to approve the Audit & Compliance Committee meeting minutes of March 13, 2019. Trustee Ryan Perez seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Audit & Compliance Committee Work Plan Review

Mr. David Blanton reviewed the Work Plan for 2018-2020. No comments or changes were made.

VI. Audit & Compliance Update

Mr. Blanton provided the Committee with an update of audit and compliance activities. The updates included the following:

- A. External Audits: Currently, Florida Poly is undergoing an independent assessment of controls “Internal Management and Accounting Control and Business Process Review” by Crowe, LLP. This review is being conducted at each of the 12 universities within the State at the direction of the Board of Governors as a result of the concerns at UCF.
- B. Internal Audit and Compliance Activities: Currently, one audit is in progress (Americans with Disability).
- C. Foundation Operating and Scholarship Funds: Mr. Blanton reported on the revenues and expenses for these Foundation funds through April of the current fiscal year. Revenues have declined significantly; however, action is being taken to reduce Foundation expenses.

VII. University Compliance & Ethics Program Plan FYE 6/30/20

Mr. Blanton presented the plan for compliance activities in the upcoming fiscal year.

Trustee Mark Bostick made a motion to recommend approval of the University Compliance and Ethics Program Plan for the 2019-20 fiscal year to the Board of Trustees. Trustee Dick Hallion seconded the motion; a vote was taken and the motion passed unanimously.

VIII. University Financial Audit FYE 6/30/18

- A. Mr. Blanton presented the results presented the results of the financial audit of the University for the fiscal year that ended June 30, 2018, which was conducted by the Auditor General. Specifically, the following was noted:
 - A. The audit included an unmodified opinion (clean audit) on the presentation of the financial statements.
 - B. The audit included a clean opinion on Internal Control over Financial Reporting and Compliance.

Trustee Dick Hallion made a motion to recommend approval of Florida Polytechnic University Financial Audit, conducted by the Florida Auditor General, for the fiscal year ended June 30, 2018 to the Board of Trustees. Trustee Mark Bostick seconded the motion; a vote was taken and the motion passed unanimously.

IX. Foundation Financial Audit FYE 6/30/18

- A. Mr. Blanton presented the financial audit of the Foundation for the fiscal year ended June 30, 2018, which was conducted by an independent CPA firm. Specifically, the following was noted:
 - A. The audit included an unmodified opinion (clean audit) on the presentation of the financial statements.
 - B. The audit included a clean opinion on Internal Control over Financial Reporting and Compliance.

Trustee Dick Hallion made a motion to recommend approval of the Florida Polytechnic University Foundation financial audit, conducted by independent certified public accountants, for the fiscal year ended June 30, 2018 to the Board of Trustees. Trustee Mark Bostick seconded the motion; a vote was taken and the motion passed unanimously.

X. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 11:56 a.m.

DRAFT

**Florida Polytechnic University
Audit & Compliance Committee
Work Plan 2018-20**

February 28, 2018	May 22-23, 2018	September 12, 2018	December 5, 2018
<ul style="list-style-type: none"> • Audit & Compliance Update 	<ul style="list-style-type: none"> • Audit & Compliance Update • University Financial Audit – FYE 6/30/17 • University Operational Audit • University Compliance & Ethics Program Plan • Enterprise Risk Management (ERM) Workshop • Foundation Financial Audit – FYE 6/30/17 	<ul style="list-style-type: none"> • Audit & Compliance Update • UAC 2017-18 Annual Report • UAC 2018-19 Risk Assessment/Activity Plan • University Operational Audit • Investigative Report Review 	<ul style="list-style-type: none"> • Audit & Compliance Update • SUS Compliance Program Checklist • UAC Audit Report 2019-02 Sponsored Research Activities
March 13, 2019	May 21-22, 2019	September 11, 2019	December 11, 2019
<ul style="list-style-type: none"> • Audit & Compliance Update • Auditor General Follow-up Review • Auditor General IT Audit • Investigative Report FPU 2019-03 	<ul style="list-style-type: none"> • Audit & Compliance Update • University Compliance & Ethics Program Plan • University Financial Audit – FYE 6/30/18 • Foundation Financial Audit – FYE 6/30/18 	<ul style="list-style-type: none"> • Audit & Compliance Update • UAC 2018-19 Annual Report (2020-01) • ADA/ODS Audit (2020-02) • UAC 2019-20 Risk Assessment/Activity Plan (2020-03) 	<ul style="list-style-type: none"> • Audit & Compliance Update • Scholarship Review • Audit & Compliance Self-Evaluation/Quality Assurance Review

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
September 11, 2019**

Subject: Audit and Compliance Update

Proposed Committee Action

Information only – no action required.

Background Information

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with an update of all University and Foundation audit activity including (1) the status of external audits (2) University Audit activities and plans (3) Foundation monitoring report and (4) University Compliance activities.

Included within the Power Point update will be Agenda Action Items for the 2018-19 Annual Report (Item 7); the Risk Assessment and Work plan for 2019-20 (Item 8); and the ADA/ODS Audit (Item 9).

Supporting Documentation: Power Point presentation.

Prepared by: David A. Blanton, CAE/CCO



FLORIDA POLYTECHNIC
UNIVERSITY

Audit & Compliance Update

David A. Blanton, CPA, CCEP

September 11, 2019

- **UAC Update**
 - External Audits
 - Foundation Monitoring
 - Textbook Affordability Follow-up
- **Audit & Compliance Annual Report**
- **University Audit Risk Assessment/Plan**
- **ADA Audit**

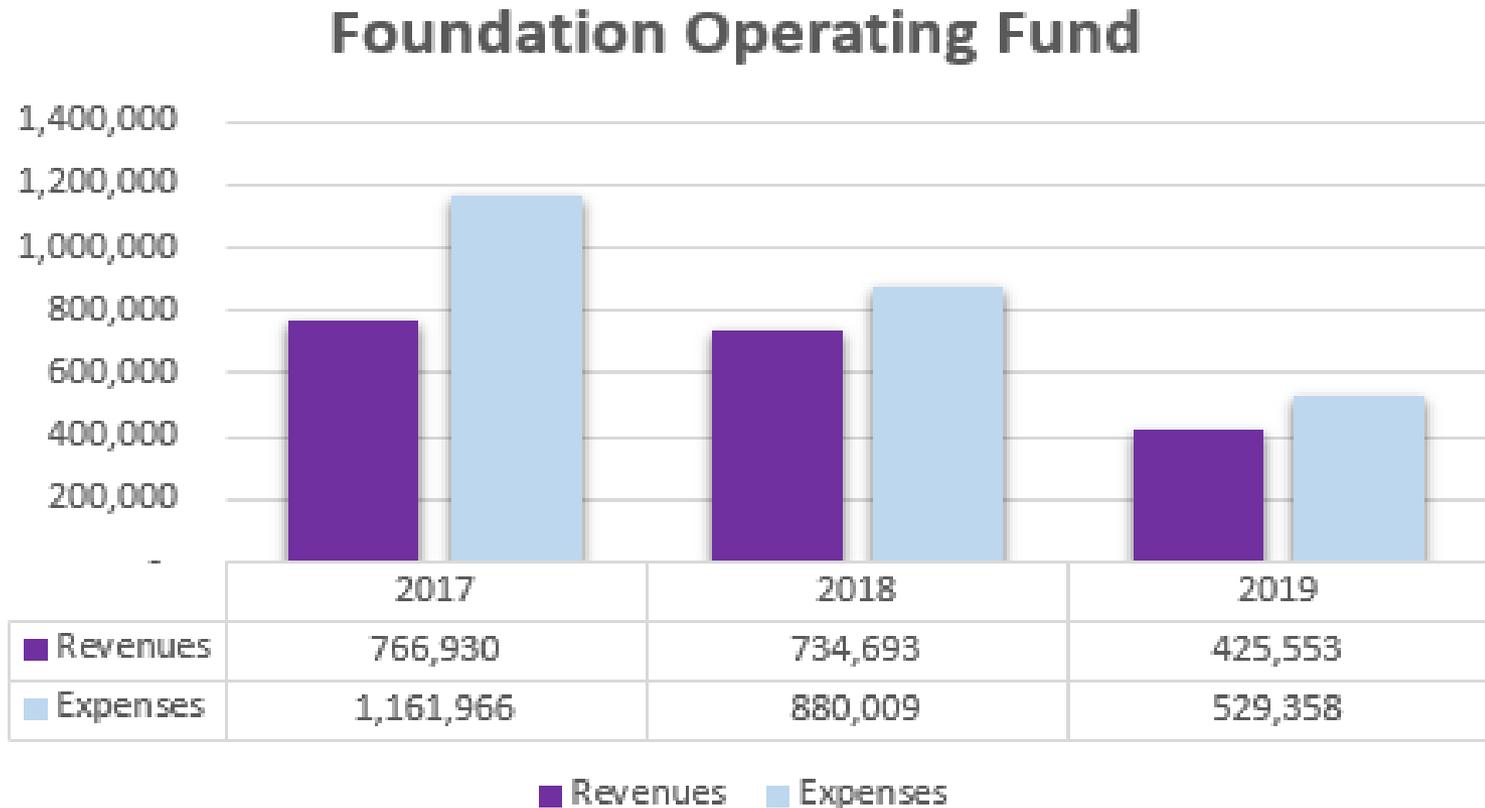
External Audit Status

- **Crowe LLP's Management and Accounting Control and Business Process Review**
 - On site end of July
 - No recommendations or report at this time
- **Foundation Financial Audit (FYE 6/30/19)**
 - Fieldwork just beginning
 - Report typically by the end of the CY
- **University Financial Audit (FYE 6/30/19)**
 - Not started/expected to start January 2020
- **Bright Futures Audit (2 years ended 6/30/19)**
 - Not started/expectation Spring 2020

Foundation Monitoring Concerns/Suggestions

- **Stabilize/set annual scholarship limit**
- **Limit operating expenses**
- **Increase operating revenues**
- **Establish and appropriate monitoring system**

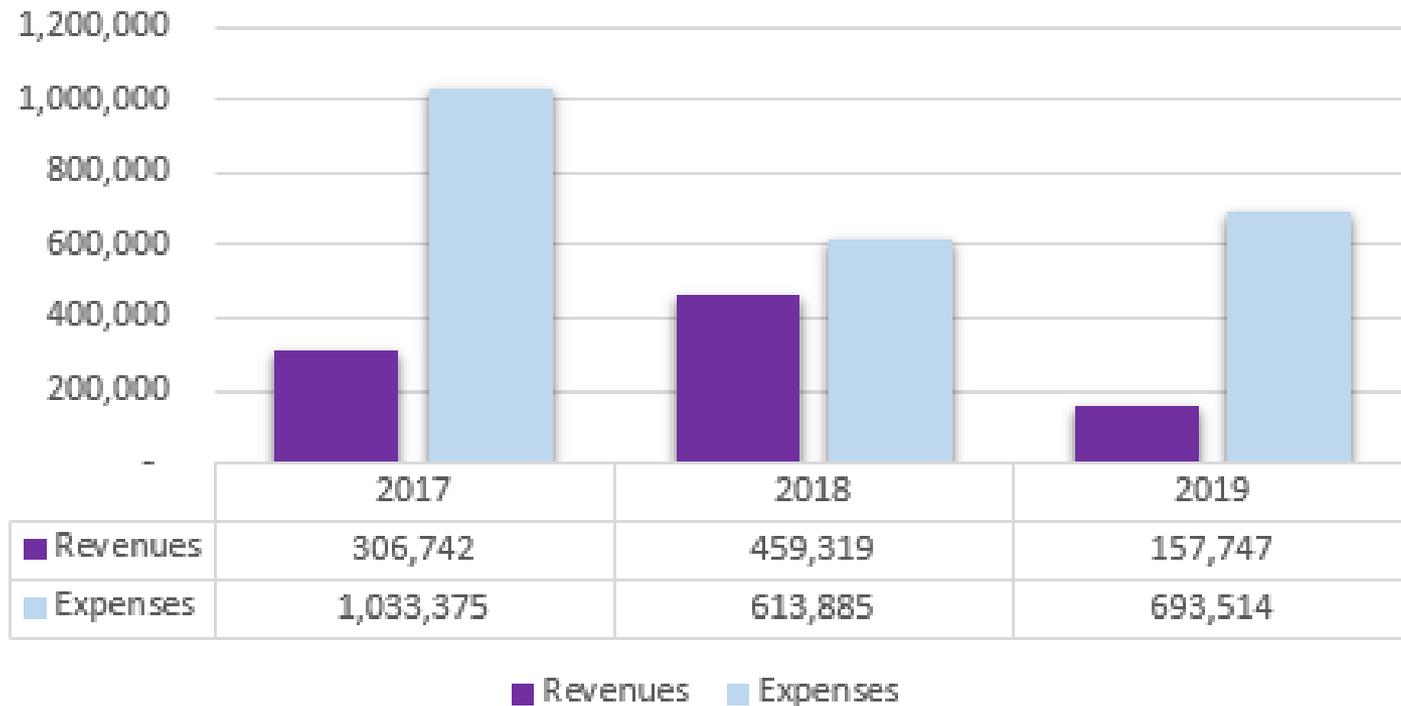
Foundation Fund Monitoring: Operating Fund



Source: Trial Balance Report as of 6/30/19

Foundation Fund Monitoring: Scholarship Fund

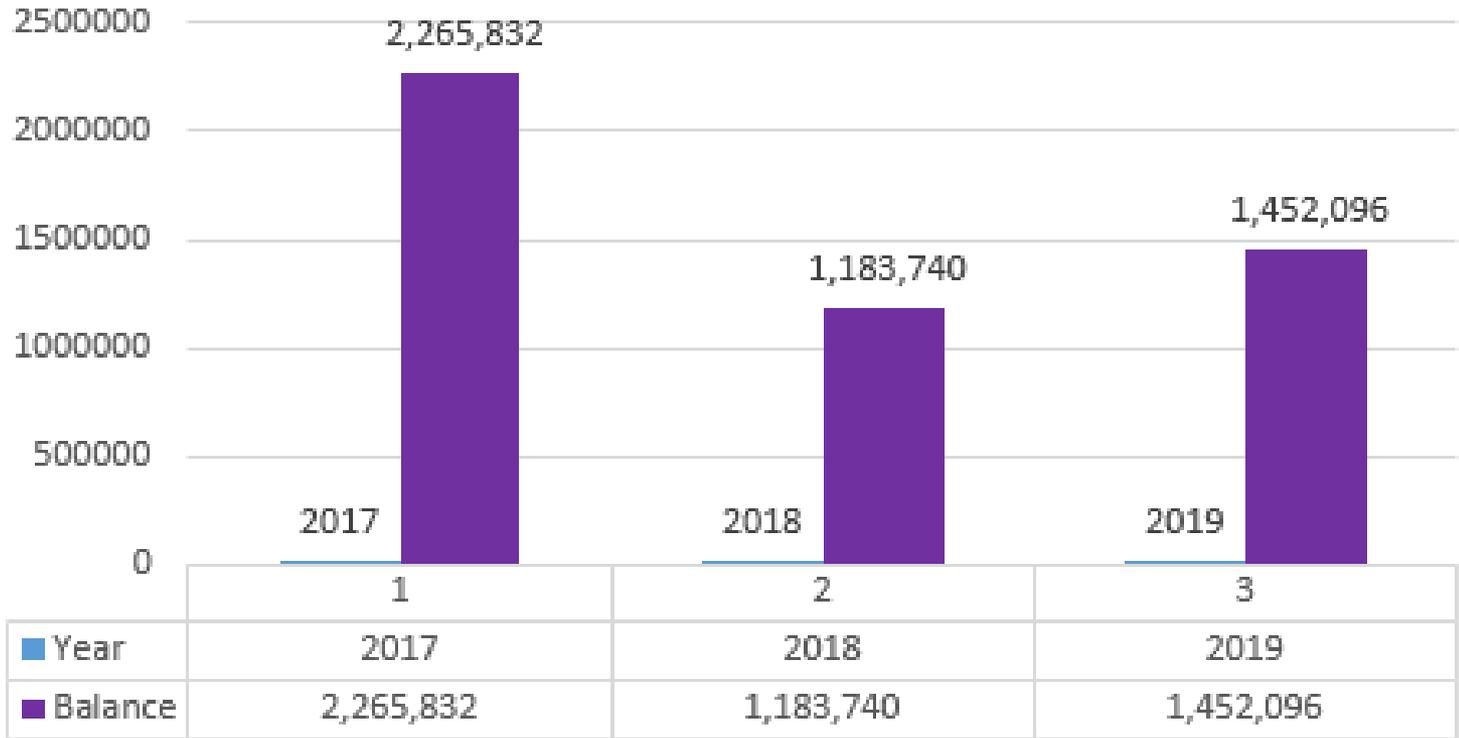
Foundation Scholarship Fund



Source: Trial Balance Report as of 6/30/19

Unrestricted, Undesignated Net Assets – Unrestricted/Current

Unrestricted Net Assets - Current



UAC Follow-Up: Textbook Affordability

- **Previously cited as audit finding by AG**
- **Previously cited noncompliance AG Follow-up audit**
- **Fall 2019 Data: Appears to be noncompliant**
- **Bookstore database false positives (late adoptions)**
 - Courses/sections added past 45-day mark not excluded
 - # in instructor registers a change in date
 - Cancelled courses not filtered out
 - Certain adoptions not registered despite evidence to the contrary (email from faculty, shown as “no adoption”)
- **BOG Report due 9/30/19**

- External Audit Status/Foundation
Monitoring
- **Audit & Compliance Annual Report**
- **University Audit Risk Assessment/Plan**
- **ADA Audit**

UAC Labor Distribution Current vs Prior Year

TABLE 3
COMPARISON OF ACTUAL HOURS –
CURRENT AND PRIOR PERIODS

Activity	2017~18 FY	2018~19 FY	Difference	% Difference
Administrative	110	253	143	130.0%
Audit	395	512.5	117.5	29.7%
Compliance	570	356.5	(213.5)	-37.5%
Investigative	373	452.5	79.5	21.3%
Consulting	158	217	59	37.3%
Training	94	114	20	21.3%
Totals	1700	1,905.5	205.5	12.1%

- **More time devoted to audit in CY**
- **One more month in CY**
- **PY dedicated to starting UAC function**

UAC Labor Distribution by Activity

TABLE 2

COMPARISON OF APPROVED PLAN HOURS TO ACTUAL HOURS

Activity	Plan Hours	Actual Hours	Difference	% Difference
Administrative	244	253	9	3.7%
Audit	680	512.5	(167.5)	-24.6%
Compliance	360	356.5	(3.5)	-1.0%
Investigative	240	452.5	212.5	88.5%
Consulting	240	217	(23)	-9.6%
Training	120	114	(6)	-5.0%
Totals	1,884	1,905.5	21.5	-1.1%

- **Time allocation close to plan**
- **Balance between audit and compliance activities**

University Audit: Annual Report (2020-01) Accomplishments

- **Issued 2 audit reports**
 - Sponsored Research Activities
 - Auditor General Operational Follow-up
- **Participated in assurance review**

Audit Plan Progress

- **Sponsored Research** ☑
- **Operational Audit Follow-up** ☑
- **ADA/Disability Services** ☑
- **Institutional Scholarship Award Administration**
 - In progress

Legend: ☑ Audit/Review Completed

Mandatory Disclosures

- **Organizational Independence**
- **Impairments to independence or objectivity (none)**
- **Disclosure of nonconformance (none)**
- **Unacceptable risks (none)**
- **Quality assurance**

University Compliance: Annual Report (2020-01) Accomplishments

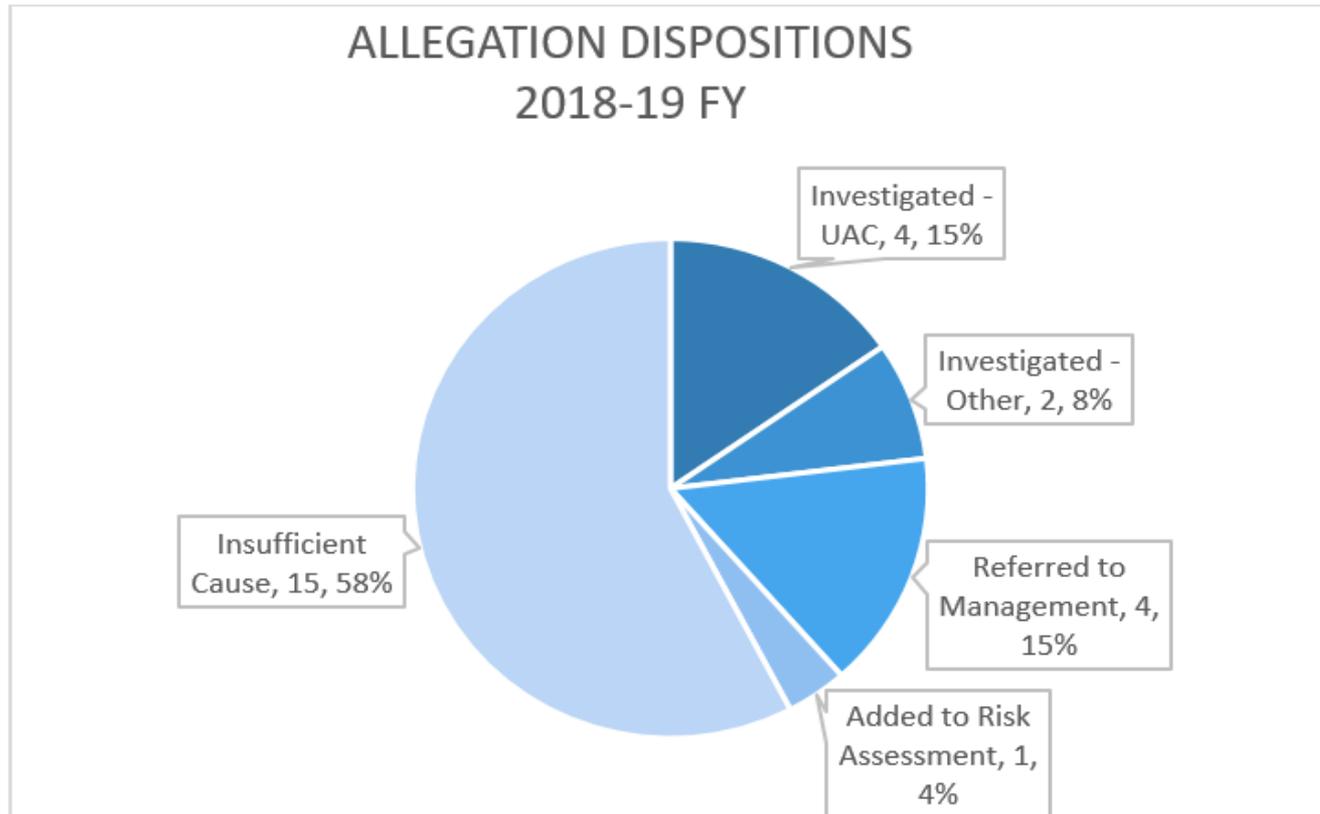
- **Issued 3 investigative reports**
- **Conducted 3 different trainings**
- **Processed 26 allegations and reported to AACCC**
- **Focus areas aligned with audit coverage**
- **Prepared a compliance plan**

Compliance Plan Progress

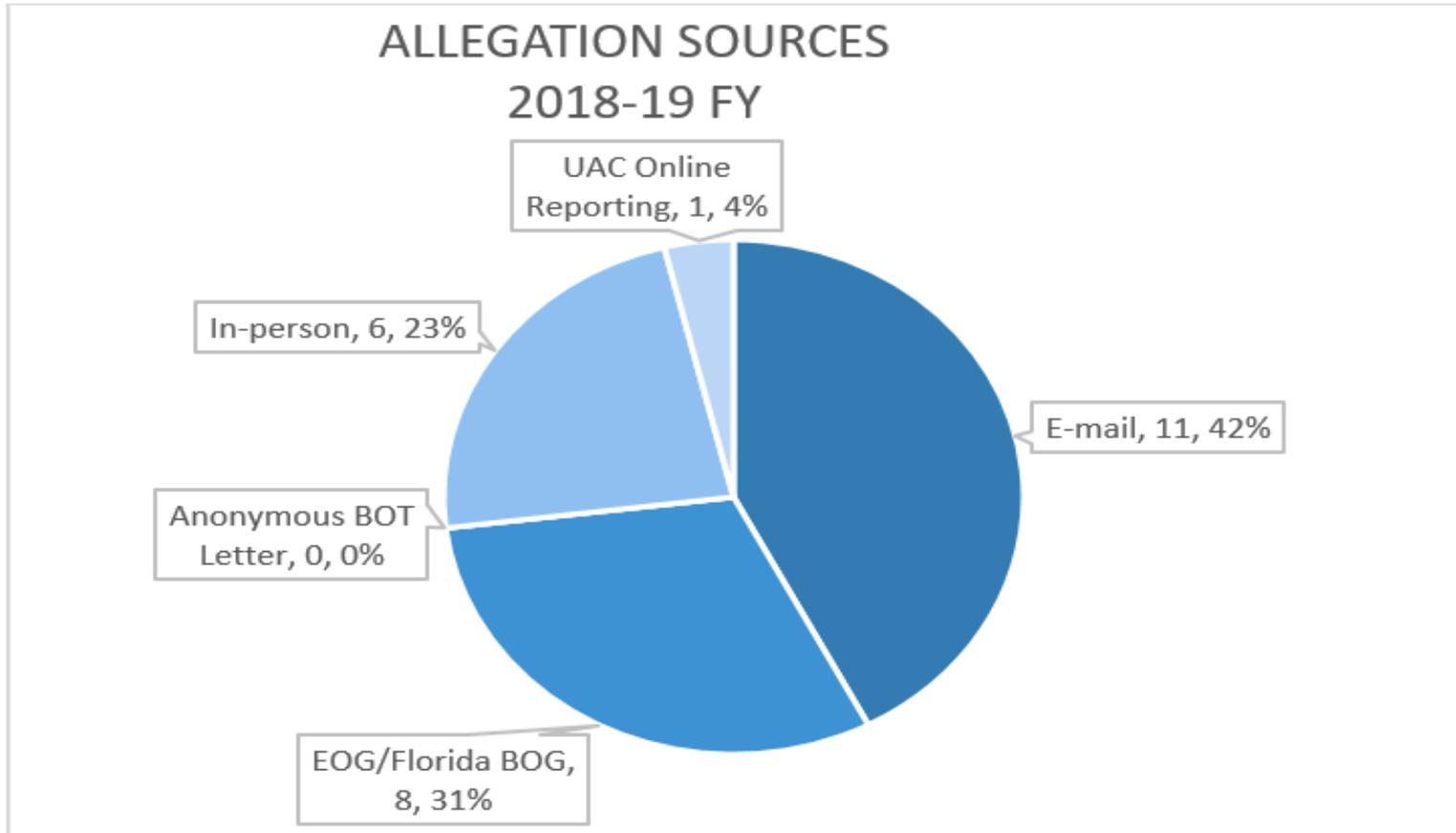
Table 5 2018-19 Compliance & Ethics Program Plan Actual Progress vs. Approved Plan			
#	Planned Area of Focus for 2018-19	Comments	Status
1	Federal Compliance Sponsored Research	In progress. In conducting follow-up work to Audit Report FPU 2019-02, University Compliance will ensure that concerns from this focus area have been adequately addressed to ensure compliance with applicable audit observations.	<input checked="" type="checkbox"/>
2	Environmental Health & Safety	This focus area has been deferred into the 2019-20 Plan year, as approved by the AACC in May 2019.	X
3	Data privacy and cybersecurity	UAC is relying on the external audit performed by the Auditor General in 2019 for this area of focus. Additionally, University Compliance attends periodic risk assessment meetings held by the University's Information Technology Department.	<input checked="" type="checkbox"/>
4	Operational Audit Follow-up	In progress. In conducting follow-up work to Audit Report FPU 2019-04, University Compliance will ensure that concerns from this focus area have been adequately addressed to ensure compliance with applicable audit observations.	<input checked="" type="checkbox"/>
5	Compliance & Ethics Training	As noted below under training, compliance and ethics training has been conducted for both the Board and for University staff.	<input checked="" type="checkbox"/>
6	Investigations/Ongoing compliance communications	University Compliance has established adequate processes to ensure the proper administration of all reported matters and a process to communicate a summary of such activity to the Board on a monthly basis.	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Planned area of focus in progress or completed.		
X	Planned audit or review not yet started or completed.		

2018-19 Allegations

The following graph depicts the disposition of all allegations received during the 2018-19 fiscal year:



2018-19 Allegations



Report 2020-01: UAC Annual Report Approval



FLORIDAPOLY

UNIVERSITY AUDIT & COMPLIANCE ANNUAL REPORT 2018-19

ACTION: Recommend approval of the UAC Annual Report for the 2018-19 fiscal year (Report 2020-01) to the Board

- External Audit Status/Foundation
Monitoring
- Audit & Compliance Annual Report
- **University Audit Risk Assessment/Plan**
- **ADA Audit**

Risk Assessment Process

- **Inventory of risks maintained and amended throughout the year**
- **Input from senior management**
- **Matches audit resources with need (highest risk) to formalize the audit plan and use of audit resources**



Top Risks

Rank	Risk Area	Objectives/Purpose of Audit	Notes
1	Institutional Scholarship Awards	To determine whether institutional scholarships offered were administered without bias, on a consistent basis, and in accordance with University and Federal Regulations.	A
2	Purchasing Card & Travel Expenses	To determine whether the Purchasing Card Program was administered in accordance with applicable University policies and procedures and whether related purchasing card and travel expenses were reasonable, adequately supported, and for valid University purposes.	
3	PIE Report	Limited scope review to determine whether the recommendations in the Public Integrity and Ethics (PIE) Committee has been adequately addressed.	
4	Environmental Health & Safety (EHS) Audit	To determine compliance with applicable safety regulatory requirements and with procedural requirements of the university's EHS program.	
5	Performance Based Funding (PBF) Reporting Controls	To determine whether the University has established adequate controls in order to properly report on the various metrics related to PBF. [Note: PBF is not currently applicable to Florida Poly; however, it is anticipated that such reporting will be required in 2021.]	
Notes:			
A – Risk and audit carried forward from 2018-19 Audit Plan.			
B – Planned for 2019-20 fiscal year.			

Also includes time for self-evaluation and follow-up on prior audit observations.



2019-20 FY Work Plan

Activity	Estimated Hours	Total Hours
ADMINISTRATIVE ACTIVITIES:		244
Periodic meetings with President/Board	40	
BOG Communications	20	
Prepare Audit & Compliance liaison materials and attend briefings	160	
Other	24	
INVESTIGATIVE ACTIVITIES:		200 ⁵
Complaint Intake, Preliminary Inquiries, Investigations (B)	200	
COMPLIANCE ACTIVITIES:		400 ⁶
Administration of the Compliance and Ethics Program	360	
Perform Compliance & Ethics Training	40	
AUDITING ACTIVITIES:		680
Internal Quality Assurance Assessment	80	
Institutional Scholarship Awards Review	80	
Purchasing Card & Travel Expenses	80	
UAC Risk Assessment and Audit Plan 2019-20	80	
UAC Annual Report	60	
Follow-up on Prior Audit Observations	100	
PIE Recommendations	80	
EHS/Lab Safety	120	
MANAGEMENT ADVISORY/CONSULTING ACTIVITIES:		240
Various (B)	240	
TRAINING ACTIVITIES:		120
Webinars, SUS Committees, and Continuing Professional Education	120	
Total Estimated Hours	1,884	1,884
Notes: (A) This annual work plan is subject to change based on requests made by the Board to evaluate particular programs or activities. (B) Estimated hours for investigations and management advisory services not readily quantifiable and could increase given additional allegations and/or consulting requests.		

Planned Audit Activities

- **Top risks from risk assessment**
- **Follow-up on prior observations/findings**
- **Formalized quality assurance review (self-assessment)**
 - Adherence to Institute of Internal Auditors Standards
 - Report issued for Audit & Compliance Committee approval

2019-20 Compliance & Ethics Program Plan Approval



FLORIDAPOLY

University Audit Risk Assessment & Work Plan For the Fiscal Year Ended June 30, 2020 Report No: FPU 2020-03 August 2019

ACTION: Recommend approval of the University Audit Risk Assessment & Activity Plan (Report 2020-03) for the 2019-20 fiscal year to the Board

- External Audit Status/Foundation
Monitoring
- Audit & Compliance Annual Report
- University Audit Risk Assessment/Plan
- **ADA/ODS Audit: Report FPU 2020-02**

What are ADA & ODS?

- **Americans with Disability Act (ADA)**
 - Governed by Title II of Federal Regulations
 - Federal Regulations prohibiting discrimination based on disability
 - As a public entity and recipient of Federal funds, university is subject to provisions of this federal law
 - Applicable to employees and persons outside of the university (job applicants, visitors, etc.)
- **Office of Disability Services (ODS)**
 - Governed by Section 504 of Federal Regulations
 - Applicable to delivery of educational services to students
 - Requires that reasonable academic adjustments be provided for equal access

ADA/ODS Enhancements

- **ADA Coordinator appointed (May 2018)**
- **Transition to deliberative process for academic adjustments in ODS**
- **Online reporting for physical/digital barriers**
- **Process established for ADA accommodations**
- **Events policy revised for disability access**
- **ADA training recently conducted**

ODS/ADA Audit Observations

- **ADA Self-Evaluation**
 - Required, in progress
- **ADA Grievance Procedures**
 - BOT Discrimination Regulation, needs linked elsewhere
- **ODS Process Enhancements**
 - Enhanced documentation in deliberative process (options)
 - Clearly defined academic adjustments/auxiliary aids
 - Provisional status tracking and outreach
- **Required Notices of Nondiscrimination**
 - Employment/applicants
 - Students and student applicants
- **Course Syllabi**
 - Policy revision/consistency in disclosure

ADA/ODS Audit Approval

**Report No: FPU 2020-02
July 2019**

**University Audit & Compliance
Audit of Americans with Disability Act (ADA)
and Office of Disability Services (ODS)
For the Audit Period July 2018 to June 2019**

ACTION: Recommend approval of the University Audit Report 2020-02 (ODS/ADA Audit) to the Board

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
September 11, 2019**

Subject: University Audit and Compliance Annual Report, 2018-19 Fiscal Year

Proposed Committee Action

Recommend approval of the University Audit and Compliance Annual Report for the 2018-19 fiscal year. (Report No FPU 2020-01) to the Board of Trustees.

Background Information

Board of Governors Regulation 4.002 requires that an annual report be prepared summarizing the activities of University Audit for the preceding year. Similarly, BOG Regulation 4.003 provides that the chief compliance officer shall report at least annually on the effectiveness of the compliance and ethics program. This annual report reflects the activity for University Audit and Compliance for the period July 1, 2018 to June 30, 2019.

The Audit and Compliance Committee should utilize the information presented in this report to fulfill their oversight responsibility with respect to the audit and compliance functions at the university.

Supporting Documentation: University Audit and Compliance Annual Report, 2018-19 Fiscal Year.

Prepared by: David Blanton, Chief Audit Executive and Chief Compliance Officer



FLORIDA POLYTECHNIC
UNIVERSITY

UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT
2018-19

Report No: FPU 2020-01

July 2019

In accordance with Board of Governors Regulations 4.002, 4.003, and Internal Auditing Standards, this report is presented to summarize the activities of University Audit and Compliance for the 2018-19 fiscal year.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Message from the Chief Audit Executive and Chief Compliance Officer

Board of Governors (BOG) Regulation 4.002(8) requires that an annual report be prepared summarizing the activities of University Audit for the preceding year. Similarly, BOG Regulation 4.003(7)(g.)8. provides that the chief compliance officer shall report at least annually on the effectiveness of the compliance and ethics program. This report summarizes both audit and compliance activity for the period July 1, 2018 to June 30, 2019.

The following accomplishments highlight the activity of University Audit and Compliance (UAC) during the reporting period:

- Completed and released two audit reports:
 - Report FPU 2019-02: Audit of Sponsored Research Activities
 - Report FPU 2019-04: Follow-up Review on Auditor General Operational Report
- Completed and released three investigative reports:
 - Report FPU 2019-01: Investigative Report on Counseling and Behavioral Health Services
 - Report FPU 2019-03: Discrimination
 - Report FPU 2019-05: Political Postings
- At the request of the Audit and Compliance Committee (AACC), a monthly reporting process was established and implemented in September 2018 that provides summary information on all reported compliance and ethics matters as well as the disposition of such matters by UAC.
- At the request of the AACC, a quarterly reporting of Foundation revenues and expenses for the operating and scholarship funds was presented by UAC in order to facilitate monitoring of these funds by the AACC.
- Compliance and Ethics training was presented by UAC to the Board of Trustees (BOT) at the Board's May meeting. In addition, a presentation on the Color of Money was made to the BOT by the BOG at this same meeting.
- Prepared and presented two other trainings to University staff as follows:
 - Compliance and Ethics Training (presented twice through the Management Series Training in September and October 2018)
 - The Color of Money (April 2019 Finance & Administration Leadership meeting)
- Performed a Quality Assurance Review for a peer university.
- Assisted with various consulting activities to enhance university operations.
- Performed other various investigative activities on 26 reported allegations of fraud, waste, noncompliance, and abuse.
- Obtained relevant educational training for both audit and compliance, as required.
- The CCO obtained certification as a Certified Compliance and Ethics Professional (CCEP) in January 2019.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

As evidenced from the distribution of time for UAC for the last two years on page 9 of this report (Table 3), UAC was able to dedicate more time to most planned activities (auditing, consulting, investigations, and administrative activities) during the fiscal year. Similarly, released reports increased from 4 in the previous year to 8 in the 2018-19 fiscal year. This is primarily due to the increase in direct time (CAE/CCO employed 12 months rather than 11 in the previous reporting period) and a reduction in compliance activities necessary to establish a compliance program in the initial year of UAC's inception. Much of the 2017-18 fiscal year was dedicated to establishing the compliance program at the University, drafting policies and procedures for UAC, establishing a hotline and website for UAC, and establishing hotline allegation/complaint procedures. For the 2018-19 fiscal year, planned activity was more consistent with expectation and the Board-approved plans for both audit and compliance. Looking forward to the 2019-20 fiscal year, this favorable distribution of effort is expected to continue as UAC improves various processes and becomes more efficient.

I am very grateful for the opportunity to serve the University and the Board of Trustees and for their continued support of the audit and compliance functions. If you have any questions or need further information, please feel free to call me at (863) 874-8441.

David A. Blanton, CPA, CCEP
Chief Audit Executive/Chief Compliance Officer

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Purpose and Mission

The mission of University Audit and Compliance (UAC) is to serve the University by recommending actions to assist them in achieving its strategic and operational objectives. This assistance includes providing recommendations to management of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. In addition, University Audit assists the Audit and Compliance Committee (AACC) of the Board of Trustees in accomplishing its oversight responsibilities in accordance with the University's Board of Trustees and Florida Board of Governors guidelines and regulations.

Definition and Role of Internal Auditing

According to the Institute of Internal Auditors (IIA):

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes." Under the IIA "Three Lines of Defense" model, Internal Audit serves as "the third line of defense" as noted below:

- The first line of defense is provided by front line staff and operational management. The systems, internal controls, the control environment and culture developed and implemented by these business units is crucial in anticipating and managing operational risks.
- The second line of defense is provided by the risk management and compliance functions. These functions provide the oversight and the tools, systems and advice necessary to support the first line in identifying, managing, and monitoring risks.
- The third line of defense is provided by the internal audit function. This function provides a level of independent assurance that the risk management and internal control framework is working as designed.

Governance and Charters

In November 2016, the Board of Governors (BOG) promulgated Regulations 4.001: *University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement*, 4.002: *State University System Chief Audit Executives*, and 4.003: *State University System Compliance and Ethics Programs*. In response to these new BOG Regulations, the University structured and approved the following Florida Poly Charters in March of 2017:

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

- **Board of Trustees Audit and Compliance Committee (AACC) Charter.** The AACC Charter was amended to provide for the following oversight responsibilities charged to the AACC:
 - Oversight of internal controls
 - Oversight and direction of the internal and external auditing functions ensuring its independence
 - Integrity of the University's annual financial statements
 - The performance of the University's independent audit functions
 - Approval of the annual audit plan
 - Monitoring and controlling risk exposure
 - Oversight and direction of the University's compliance and ethics program ensuring its independence
 - Set standards for ethical conduct

- **Internal Audit Charter.** The Internal Audit Charter effectively establishes the position of Chief Audit Executive (CAE) and provides for a dual-reporting relationship of the CAE to promote independence and objectivity. In this dual-reporting relationship, the CAE reports functionally to the AACC and administratively to the President. In addition, to further promote independence the Charter specifies that the CAE is not authorized to:
 - Perform any operational duties
 - Initiate or approve accounting transactions or the selection of vendors
 - Direct the activities of any University employee

The Charter provides that the CAE is required to perform audits and reviews, provide consulting services, and perform investigations generally focused on improper activities including misuse of University resources, fraud, financial irregularities, academic integrity concerns, and research misconduct. The Charter also directs that such audits and investigations will be performed according to an approved risk-based annual plan.

- **Compliance and Ethics Charter.** The Compliance and Ethics Charter effectively establishes the University's Compliance and Ethics Program consistent with Chapter 8 of the Federal Sentencing Guidelines and BOG Regulation 4.003. The Charter outlines the following elements which define the duties and responsibilities of University Compliance:
 - Oversight of compliance and ethics and related activities
 - Development of effective lines of communication
 - Providing effective training and education
 - Revising and developing ethics policies and procedures
 - Performing internal monitoring, investigations, and compliance reviews
 - Responding promptly to detected problems and undertaking corrective action
 - Enforcing and promoting standards through appropriate incentives and disciplinary guidelines
 - Measuring compliance program effectiveness
 - Oversight and coordination of external inquiries into compliance with Federal and State laws and taking appropriate steps to ensure Safe Harbor

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

As prescribed by the Charter, University Compliance provides guidance on compliance, ethics, and related matters to the university community. The office collaborates with compliance partners and senior leadership to review and resolve compliance and ethics issues and coordinate compliance and ethics activities, accomplish objectives, and facilitate the resolution of problems.

All three charters are required to be reviewed and approved for consistency with Board of Governors and university regulations, professional standards, and industry practices at least every three years. No amendments to the charters are deemed necessary at this time; however, the charters will need to be fully reviewed and approved by the AACC by March 2020.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Internal Audit Activity (Audits, Reviews, and Consulting Activities)

The following summarizes the activity of the internal audit function for the period of July 1, 2018 to June 30, 2019:

- **Audit of Sponsored Research Activities.** For this audit, a portion of the field work was performed during the 2017-18 fiscal year and the audit was released in November 2018. The audit identified 7 observations as follows:
 - Labor effort reporting.
 - Performance metrics.
 - Written policies and procedures.
 - Sponsored research billings and accounting.
 - Export controls.
 - Grant proposal routing forms.
 - Responsible conduct of research training.
- **Follow-up Audit on Auditor General Operational Audit.** This audit was a limited scope review to determine the current status of the 9 operational matters reported by the Florida Auditor General (AG) in their Report No. 2018-214, dated June 2018. UAC's follow-up report was released in February 2019 and identified the following three areas that were deemed not corrected:
 - Textbook affordability.
 - Payroll processing – time records.
 - Expense cards.

As noted in the follow-up report, all 3 uncorrected findings are at risk of being repeated for a third time triggering the additional oversight requirements by the BOG and the Joint Legislative Auditing Committee. Therefore, it is very important that University management take appropriate action to correct these findings before the next AG operational audit in 2020. UAC plans to perform additional follow-up efforts to monitor progress on corrective action.
- **Audit of Americans with Disabilities Act (ADA) and Office of Disability Services (ODS).** The planned scope of this audit was initially limited to ADA compliance; however, given the frequency of concerns reported through the UAC Hotline and to other oversight authorities throughout the State with respect to the University's Office of Disability Services (ODS), the scope of the audit was expanded to address the operations of ODS and compliance with Section 504¹. The audit report was released shortly after the fiscal year end, in July 2019 and identified 5 observations as follows:
 - ADA Self-evaluation.
 - ADA grievance procedures.
 - ODS process enhancements.
 - Required notices.
 - Required course syllabi disclosures.

¹ Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended, 29 U.S.C. §794, and its implementing regulation at 34 C.F.R. Part 104 and Title II of the Americans with Disabilities Act of 1990 (Title II), 42 U.S.C. §12131 *et seq.*, and its implementing regulation at 28 C.F.R. Part 35.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

- **Performed a Quality Assurance Review (QAR) at a Peer Institution.** In March 2019, UAC assisted the CAE from Florida State University in conducting an independent validation of the conformance with applicable auditing standards by Saint Leo University’s Department of Internal Audit. This experience was an invaluable learning opportunity and very relevant to the audit function here at Florida Poly given that Auditing Standards require such a review of Florida Poly’s audit function within 5 years (July 2022). In addition, the QAR provided 5 hours of continuing professional education to the CAE in exchange for such services performed.
- **Risk Assessment and Audit Plan.** Each year, the CAE prepares a Risk Assessment and Audit Plan that is presented to the AACC for approval. Table 1 below provides a measure of actual progress against the BOT-approved audit work plan for the 2018-19 fiscal year:

Table 1 2018-19 Audit Plan Actual Progress vs. Approved Audit Plan			
#	Planned Audits/Risk Areas for 2018-19	Area of Focus (i.e. processes/Controls)	Status
1	Sponsored Research	To determine whether appropriate policies and procedures are in place to promote compliance with applicable laws, rules and regulations. To determine whether adequate controls over sponsored research have been designed and placed into operation to promote the proper administration of sponsored research.	☑
2	Americans with Disability Act (ADA)	To determine whether the administration of ADA compliance incorporates a defined mission, stated goals and objectives, and clear lines of organizational authority and responsibility. To determine compliance with other ADA provisions.	☑
3	Institutional Scholarship Awards	Limited scope review to determine whether institutional scholarships offered were administered without bias, on a consistent basis, and in accordance with University and Federal Regulations.	X
4	Operational Audit Follow-up	To determine whether appropriate corrective action has been taken by university management with regard to the findings reported in the most recent Auditor General (AG) Operational Audit.	☑
☑	Planned audit or review completed.		
X	Planned audit or review not yet completed.		

Given the limited resources of UAC, and the amount of time necessary to effectively perform the responsibilities of both the audit and compliance functions at the University, planned audits² were limited to the three highest risks and follow-up review of the Florida Auditor General findings from their most recent operational audit. As noted above in Table 1, all but one high-risk audit in the approved plan have been completed to date. The audit planned for Institutional Scholarship awards could not be performed

² As approved by the AACC at their September 5, 2018 meeting.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

until the close of the admissions season in May 2019 and at that time the ADA/ODS audit was in progress. Provided that this is a limited scope review, UAC does not anticipate that this audit will be completed too far into the 2019-20 fiscal year.

**TABLE 2
COMPARISON OF APPROVED PLAN HOURS TO ACTUAL HOURS**

Activity	Plan Hours	Actual Hours	Difference	% Difference
Administrative	244	253	9	3.7%
Audit	680	512.5	(167.5)	-24.6%
Compliance	360	356.5	(3.5)	-1.0%
Investigative	240	452.5	212.5	88.5%
Consulting	240	217	(23)	-9.6%
Training	120	114	(6)	-5.0%
Totals	1,884	1,905.5	21.5 ³	-1.1%

**TABLE 3
COMPARISON OF ACTUAL HOURS – CURRENT AND PRIOR PERIODS**

Activity	2017~18 FY	2018~19 FY	Difference	% Difference
Administrative	110	253	143	130.0%
Audit	395	512.5	117.5	29.7%
Compliance	570	356.5	(213.5)	-37.5%
Investigative	373	452.5	79.5	21.3%
Consulting	158	217	59	37.3%
Training	94	114	20	21.3%
Totals	1700	1,905.5	205.5 ⁴	12.1%

As noted from Table 2 above, UAC’s time spent on various activities was very close to that approved in the audit plan for the fiscal year. Time for both investigations and consulting are based on allegations and requests and are therefore often difficult to predict. Nevertheless, the distribution of time for UAC activities in the current year is much closer to planned hours than that in the preceding fiscal year.

As noted in Table 3, UAC was able to devote 29.7 percent more time to audit effort in the 2018-19 fiscal year which contributed, in part, to the improved rate of coverage for planned audits. Additional time was available to most other activities other than compliance. This occurred because much of the previous fiscal year was dedicated to establishing the compliance program at the University, drafting policies and procedures for UAC, establishing a hotline and website for UAC, and establishing hotline allegation/complaint procedures since this was the year of inception for University Audit and Compliance.

³ Differences in total planned versus total actual hours is primarily the result of slightly less vacation and/or sick time used than planned resulting in higher direct time charged.

⁴ Differences in total hours by year is primarily the result of a vacancy of approximately one month’s direct time in the CAE/CCO position since I was hired on 7/31/17, resulting in less direct time available for the 2017-18 FY.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Additionally, the previous fiscal year had less direct hours since the CAE/CCO was only employed for 11 months of the 2017-18 fiscal year.

Administrative time increased significantly due to the CAE/CCO's involvement in strategic and operational meetings with senior management, increased Board briefings, and increased preparation/materials for Board meetings (CAE/CCO employed for only 3 meetings in the 2017-18 fiscal year versus 4 in the 2018-19 fiscal year).

The following graph depicts actual hours by activity for the 2018-19 fiscal year:



**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Other Mandatory Disclosures

UAC adheres to the Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing* (Standards) adopted by the Institute of Internal Auditors. Those Standards and University Audit's Charter require certain other annual disclosures as follows:

- **Organizational Independence**: The Internal Audit Charter effectively establishes the position of Chief Audit Executive (CAE) and provides for a dual-reporting relationship of the CAE to promote independence and objectivity. In this dual-reporting relationship, the CAE reports functionally to the AACC and administratively to the President. In addition, to further promote independence the Charter specifies that the CAE is not authorized to perform any operational duties, initiate or approve accounting transactions or the selection of vendors, or direct the activities of any University employee.
- **Impairments to Independence or Objectivity**: Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. During the reporting period, there were no impairments to the independence or objectivity of UAC.
- **Disclosure of Nonconformance**: When nonconformance with the Code of Ethics or the Standards impacts the overall scope or operation of the internal audit activity, such matters must be disclosed to senior management and the board. During the reporting period, there were no such instances of nonconformance with either the Code of Ethics or the Standards.
- **Management's Response to Unacceptable Risks**: When the CAE concludes that management has accepted a level of risk that may be unacceptable to the university, the CAE must discuss the matter with senior management. If the CAE determines that the matter has not been resolved, the CAE must communicate the matter to the Board. For the audit period, no such matters were noted or required to be reported to senior management or the Board.
- **Quality Assurance and Review (QAR) Program**: A QAR program is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The Standards require ongoing internal reviews as well as an external QAR. The external QAR is required to be conducted every five years; however, since the internal audit function was just established on July 31, 2017, the initial external review will not be required until the 2021-22 fiscal year. An internal review is planned for the 2019-20 fiscal year. As noted above, UAC recently performed an independent validation on a QAR at another university – which will provide insight and knowledge in establishing an acceptable Quality Assurance and Improvement Program at Florida Poly.
- **Restrictions or Barriers to Information**: The University Audit Charter requires that the Chair of the Audit and Compliance Committee is to be notified of any unresolved restriction, barrier, or limitation to obtaining necessary information to perform UAC's duties. No such restrictions or barriers have been encountered by UAC.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Compliance & Ethics Activity

In November 2016, BOG Regulation 4.003, *State University System Compliance and Ethics Programs*, was adopted. Regulation 4.003 requires each university to establish a compliance and ethics program within two years of regulation adoption. To monitor each institutions progress on implementing the requirements of the Regulation, the BOG requires each university to complete a “Compliance and Ethics Program Status Checklist” each year. The Checklist requires a response to 19 regulation components identified in BOG Regulation 4.003 as the essential elements of an effective Compliance and Ethics Program. As noted in the table below, 18 of the 19 required regulation components were successfully implemented as of the BOG’s last checklist that was completed in November 2018. The remaining element not completed, program evaluation, is afforded a five year period for implementation.

TABLE 4 BOG REGULATION COMPONENT PROGRESS		
Area	Total Regulation Components	Regulation Components Completed 2018-19
University-wide Compliance Program	5	4 ⁵
Program Plan	5	5
BOT Committee	4	4
Chief Compliance Officer	5	5
TOTALS	19	18

The following summarizes the activity of the Compliance function for the period of July 1, 2018 to June 30, 2019:

- **Compliance and Ethics Program Evaluation:** Given that each of the seven Program components required by the Federal Sentencing Guidelines Manual have been addressed by the Compliance and Ethics Program Plan, the Program is deemed effective. Additionally, as noted above in Table 4, requirements set forth by BOG Regulations and reported in the SUS Compliance Program Status Checklist, evidence the completion of an effective Compliance and Ethics Program. The SUS Compliance Consortium is currently working collaboratively with the BOG to define the criteria by which each SUS institution will be evaluated. It is anticipated that the external review will be conducted prior to the November 2021 deadline imposed by the BOG.
- **Compliance and Ethics Program Plans.**
 - **2018-19 Program Plan:** Each year, the CCO prepares a Compliance & Ethics Program Plan that is presented to the AACC for approval. Table 5 below provides a measure of actual progress against the BOT-approved Plan for the 2018-19 fiscal year:

⁵ BOG Regulation 4.003 requires compliance by November 3, 2021 for the program evaluation component.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Table 5 2018-19 Compliance & Ethics Program Plan Actual Progress vs. Approved Plan			
#	Planned Area of Focus for 2018-19	Comments	Status
1	Federal Compliance Sponsored Research	In progress. In conducting follow-up work to Audit Report FPU 2019-02, University Compliance will ensure that concerns from this focus area have been adequately addressed to ensure compliance with applicable audit observations.	☑
2	Environmental Health & Safety	This focus area has been deferred into the 2019-20 Plan year, as approved by the AACC in May 2019.	X
3	Data privacy and cybersecurity	UAC is relying on the external audit performed by the Auditor General in 2019 for this area of focus. Additionally, University Compliance attends periodic risk assessment meetings held by the University's Information Technology Department.	☑
4	Operational Audit Follow-up	In progress. In conducting follow-up work to Audit Report FPU 2019-04, University Compliance will ensure that concerns from this focus area have been adequately addressed to ensure compliance with applicable audit observations.	☑
5	Compliance & Ethics Training	As noted below under training, compliance and ethics training has been conducted for both the Board and for University staff.	☑
6	Investigations/Ongoing compliance communications	University Compliance has established adequate processes to ensure the proper administration of all reported matters and a process to communicate a summary of such activity to the Board on a monthly basis.	☑
☑	Planned area of focus in progress or completed.		
X	Planned audit or review not yet started or completed. Project deferred into subsequent fiscal year.		

- 2019-20 Program Plan: A Compliance and Ethics Program Plan was developed in the current reporting period for the 2019-20 fiscal year and presented to and approved by the Board in May 2019. This plan includes the one focus area above that was not completed by UAC in the 2018-19 Plan year. (Environmental Health & Safety)
- **Compliance and Ethics Hotline.** In the previous fiscal year, the “Compliance and Ethics Hotline” was established to report suspected or actual instances of noncompliance, fraud, waste, or abuse directly to the CCO. The Hotline provides for various methods of reporting including an on-line form, telephone, fax, or direct mailing to a local post office box for completely anonymous reporting. These reporting mechanisms are publicized on the university website and the university intranet. In the current fiscal year, the CCO conducted two different live training sessions for university management to further publicize the Hotline and university regulations and policies designed to effectively communicate management’s commitment to prevent and detect criminal conduct. The training session was video recorded and is available to all University staff.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

- **Board Training.** The CCO presented Compliance and Ethics training to the Board of Trustees at their May meeting. This training essentially outlined the ethical restrictions and requirements set forth in the Board of Trustees Ethics Policy. At the request of the Board, the CCO will continue to present such training at the Board retreat held in May of each year.

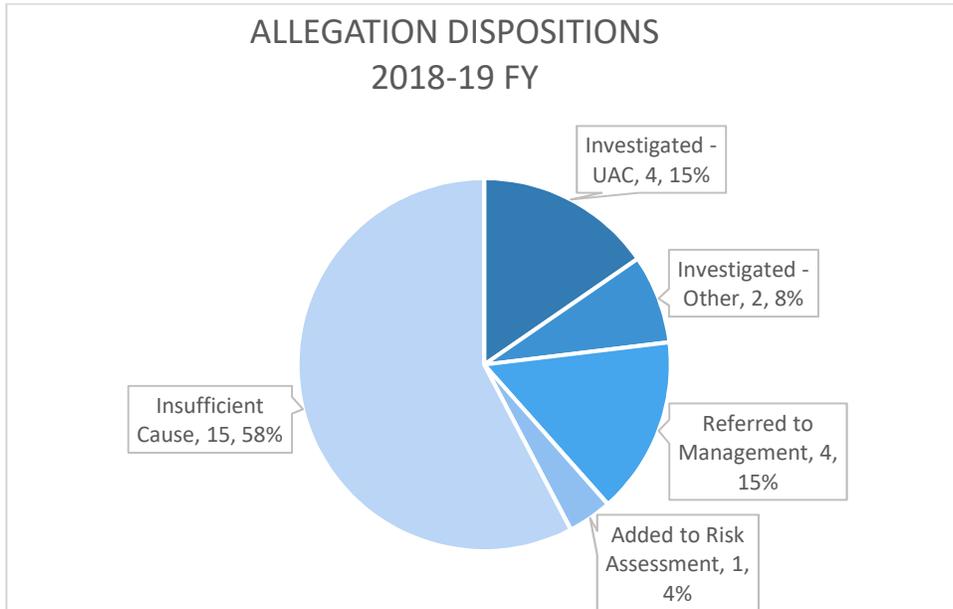
- **University Staff Training.** The CCO presented the following trainings during the 2018-19 fiscal year:
 - Compliance and Ethics Training was presented live by the CCO on two different occasions in September and in October 2018 as part of the Management Series Trainings (MST). The Compliance and Ethics training covered the code of conduct, responsibility for internal controls, fraud awareness, and audit concerns. In addition, other departments participated in the MST and covered compliance for such areas as IT security, Procurement, Human Resources, Title IX, ADA, and finance/budgeting. The presentations from the MST classes were video recorded and made available to those not in attendance at the live trainings.
 - A presentation on the Color of Money was presented by the CCO in April 2019 at the Finance & Administration Leadership meeting. This training focused on the various sources of funding received by the university and outlined restrictions and/or acceptable uses of such funds.

- **Allegations and Investigations.** Allegations are reported to UAC through the Compliance and Ethics Hotline, written correspondence (letters and email), telephone calls, referrals from the Board of Governors Inspector General, referrals from the Chief Inspector General from the State's Executive Office of the Governor (EOG), and other sources. During the reporting period, UAC received 26 allegations, complaints, or concerns from which four were covered in three investigative reports issued. Of the remaining allegations, 4 were referred to management for corrective action, 1 was added to the audit risk assessment for audit consideration, 2 were externally investigated, and 15 were deemed to have insufficient cause for investigation. It should be noted that for even those classified as "insufficient cause" UAC typically performs preliminary investigative procedures to determine whether further investigative effort is necessitated.

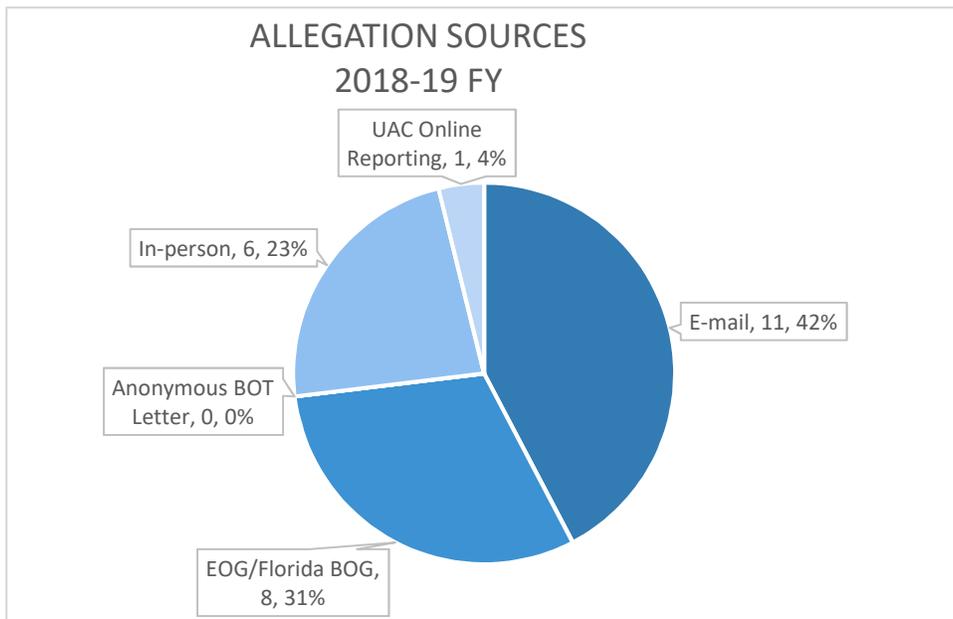
Monthly, the CCO provides a summary report to the members of the AACC of allegations and complaints received and their disposition. This reporting was initiated in September 2018 at the request of the AACC in order to provide sufficient information to the Committee to fulfill their oversight responsibility, as outlined by the AACC Charter.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

The following graph depicts the disposition of all allegations received during the 2018-19 fiscal year:



The following graph depicts the reporting source from which the various allegations were received during the 2018-19 fiscal year:



**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Consulting Activity

UAC provides consulting and advisory services which are intended to provide advice and guidance on a wide variety of topics related to compliance, internal controls, reporting, and business practices. This includes reviewing current practices, researching and interpreting policies and procedures, and responding to routine inquiries. UAC also serves as a liaison with any external auditors. During the reporting period, UAC assisted with the following consultative projects:

- Review of policies and procedures
- Review of the Annual Financial Report
- Review of capital construction and project funding
- Review and summary memo on the report on Public Integrity and Ethics (PIE Report)
- Foundation expense, revenue, and net position monitoring and reporting
- Miscellaneous other advisory services on a variety of topics

UAC had not established a process to track the number or nature of all consulting requests for the first two fiscal years; however, a tracking process has been established for the 2019-20 fiscal year and UAC will report further on consulting activities in future annual reports.

**FLORIDA POLYTECHNIC UNIVERSITY
UNIVERSITY AUDIT & COMPLIANCE
ANNUAL REPORT 2018-19**

Professional Development

UAC maintains active memberships and attends training and continuing professional education seminars from the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of College and University Auditors (ACUA)
- Society of Corporate Compliance and Ethics (SCCE)
- American Institute of Certified Public Accountants (AICPA)

In addition, UAC meets regularly with other State University System (SUS) CAE's and CCO's to discuss emerging issues and exchange knowledge for best practices related to other SUS audit and compliance functions throughout the State. During the reporting period, UAC met once with the State University Audit Council (SUAC) and twice with the State University System of Florida Compliance and Ethics Consortium (Consortium). Both groups hold periodic conference calls or meet in person to discuss common issues, best practices, and trends in audit and compliance.

As noted in Table 3, the CAE/CCO's activities included 114 hours for training, which translated into 63 continuing professional educational (CPE) hours. Certain trainings (e.g. SUAC and the Consortium) and all travel to and from trainings are charged as training hours; however, they do not qualify for CPE credit. Training obtained during the fiscal year met the requirements set forth the Institute of Internal Auditors, the AICPA, the University Audit Charter, and the University Compliance Charter.

In January 2019, the CCO attended SCCE's Compliance and Ethics Academy and passed the Certified Compliance and Ethics Professional exam. The Certified Compliance & Ethics Professional (CCEP)[®] is someone with knowledge of relevant regulations and expertise in compliance processes sufficient to assist organizations with their legal obligations, and someone who promotes organizational integrity through the operation of effective compliance programs.



**Florida Polytechnic University
Audit and Compliance Committee (AACC)
Board of Trustees
September 11, 2019**

Subject: University Audit Risk Assessment and Work Plan, 2019~20 Fiscal Year (Report FPU 2020-03)

Proposed Committee Action

Recommend approval of the University Audit Risk Assessment and Work Plan for the 2019-20 fiscal year to the Board of Trustees.

Background Information

As required by the Internal Audit Charter, Florida Board of Governors Regulations, and Internal Auditing Standards, audits are to be scheduled and performed according to a risk-based annual plan which shall be submitted to the President, the AACC, and the Board of Governors. The goal of the Plan is to effectively use audit resources in order to provide audit coverage to areas with the greatest known risks and to dedicate sufficient time in administering the Compliance and Ethics Program.

The Plan should be reviewed by the Committee to ensure it is consistent with expectations for University Audit with respect to risk, planned audits, and other activities performed by the audit function. The Plan may be updated, as necessary throughout the year, to reflect changes in the University's strategic plan, program initiatives, and external environment factors along with accommodating requests from the Board of Trustees and University management.

Supporting Documentation: University Audit Risk Assessment and Work Plan for the 2019-20 fiscal year. (Report FPU 2020-03)

Prepared by: David Blanton, Chief Audit Executive and Chief Compliance Officer



FLORIDA POLYTECHNIC
UNIVERSITY

**University Audit
Risk Assessment & Work Plan
For the Fiscal Year Ended June 30, 2020
Report No: FPU 2020-03
August 2019**



TABLE OF CONTENTS

Transmittal Letter.....	1
Introduction.....	2
Risk Assessment Process.....	3
Risk Areas.....	4
Audit and Compliance Work Plan.....	5
University Audit and Compliance Resources.....	6

Transmittal Letter

August 16, 2019

Mr. Gary Wendt, Audit and Compliance Committee (AACC) Chair
Dr. Randy Avent, President
Florida Polytechnic University

I am pleased to submit the Annual Work Plan (Plan) of the Florida Polytechnic University Audit function for the fiscal year ending June 30, 2020. The Plan primarily provides for the planned activity of University Audit and an allocation of total available time between the audit and compliance functions. A separate Plan for University Compliance is established and approved each May; however, approved Compliance Plan hours are also included in this report to account for the total resources of University Audit and Compliance (UAC). This Plan outlines all planned audits and other audit-related activities based on an assessment of risk and resources available to UAC during the plan year. The Plan also includes provisions for assisting management with additional requests, special investigations, follow-up on any previous observations/findings, and other value-added work.

The Plan may be updated as necessary to reflect changes in the University's strategic plan, program initiatives, and external environment factors along with accommodating requests from the Board of Trustees and University management.

Please sign below to acknowledge your acceptance of the Plan. Thank you in advance for the support offered in the performance of University Audit and Compliance responsibilities.

Sincerely,

David A. Blanton

David A. Blanton, CPA, CCEP
Chief Audit Executive & Chief Compliance Officer
University Audit and Compliance

Approved by: _____
Dr. Randy Avent, President/Date

Approved by: _____
Gary Wendt, Chair AACC/Date

Introduction

The Internal Audit Charter approved by the Audit and Compliance Committee (AACC) provides that the mission of the University audit is to serve the University by recommending actions to assist them in achieving its strategic and operational objectives. This assistance includes providing recommendations to management of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Additionally, the Compliance and Ethics Charter provides that the mission of University Compliance is to support and promote a culture of ethics, compliance, risk mitigation, and accountability.

As required by the Internal Audit Charter, pursuant to Florida Board of Governors (BOG) Regulations¹ and Internal Auditing Standards², audits are to be scheduled and performed according to a risk-based annual plan which shall be submitted to the President, the AACC, and the Board of Governors. A risk assessment is an on-going systematic exercise performed to identify concerns and potential areas of risk that may benefit from audit assurance and is used to appropriately allocate audit resources. In performing the risk assessment, information on risk areas and concerns were gathered from the following:

- interviews with various University staff/observations and a review of University records
- previous risk assessments
- the collective knowledge of UAC as it relates to University operations
- a review of other University audit reports
- new legislation, laws, rules, or requirements
- complaints and allegations

A population of 90 risk areas were compiled in order to create the “audit risk universe”. This represents an increase of 10 new risks that were added from the risk assessment conducted in July of 2018. Various risk factors were then analyzed and applied to the audit risk universe in order to generate a relative risk rating by area/specific risk. University senior management’s input was then solicited and obtained in considering significant risks. The results of this risk assessment process led to the generation of selected audit topics as identified on pages 4 and 5.

Risk Assessment

The CAE should use risk assessment techniques in developing the internal audit activity’s plan and in determining priorities for allocating internal audit resources. Risk assessment is used to select areas to include in the internal audit activity’s plan. Also, the CAE should seek guidance on what the board and the senior management considers important to assist in assessing risks, prioritizing projects and allocating audit resources.³

¹ Florida Board of Governors Regulation 4.002(6)(d)

² *International Standards for the Professional Practice of Internal Auditing*

³ Institute of Internal Auditors’ International Professional Practices Framework (IPPF): IPPF Practice Guide – Interaction with the Board

Risk Assessment Process

Each year, University Audit and Compliance is charged with completing an assessment of risk to assist in the development of an Annual Audit & Compliance Work Plan (Plan). The goal for the Plan is to effectively use audit resources in order to provide audit coverage to areas with the greatest known risks and to dedicate sufficient time in administering the Compliance and Ethics Program in accordance with BOG Regulations⁴.

A list of risk areas, prepared from interviews with selected senior management, a review of other audit reports, and previous risk assessments was compiled and prioritized with respect to University goals and objectives, the nature and type of risk, and available resources. The areas of risk were assessed and the Work Plan was developed considering the following factors:

1. Impact
2. Likelihood or concern
3. Management's ranking
4. Risk factor classifications (compliance, operational, financial, reputational, strategic, technology, and human capital)

A weighted value was then determined, based on the four factors above, for each risk identified. Risks with a higher risk scores were prioritized for audit consideration and presented to the Audit and Compliance Committee Chair.

Auditing Standards requires that follow up be performed on previously reported matters. The Plan includes an allocation of resources to perform follow-up reviews to ensure appropriate corrective action has been taken for each previously reported finding/observation.

RISK FACTORS & CONSIDERATIONS

Operational – Are University resources being used in an effective and efficient manner? Could University operations be improved?

Financial – Are University financial processes handled as intended? Are assets maintained and protected in an appropriate manner? Is financial reporting reliable and accurate? Are accounting records properly maintained?

Compliance – Is the department or audited activity in compliance with applicable laws, rules, regulations, and University policies?

Reputational – Does an activity or action rise to the level of concern such that the resulting loss or damage impair the reputation of the University?

Strategic – Does the activity or department's actions align with the strategic plan of the University? (i.e. mission, goals, and objectives)

Technology – Does the processes, applications, and infrastructure that support an activity or department adequately support the technology environment for the University?

Human Capital – Is the University workforce properly suited to meet the objectives of the University?

⁴ Florida Board of Governors Regulation 4.003(1)

Risk Areas

The following areas were determined to present the highest risk using the risk assessment methodology or represent audits that are required to be completed:

Rank	Risk Area	Objectives/Purpose of Audit	Notes
1	Institutional Scholarship Awards	To determine whether institutional scholarships offered were administered without bias, on a consistent basis, and in accordance with University and Federal Regulations.	A
2	Purchasing Card & Travel Expenses	To determine whether the Purchasing Card Program was administered in accordance with applicable University policies and procedures and whether related purchasing card and travel expenses were reasonable, adequately supported, and for valid University purposes.	
3	PIE Report	Limited scope review to determine whether the recommendations in the Public Integrity and Ethics (PIE) Committee has been adequately addressed.	
4	Environmental Health & Safety (EHS) Audit	To determine compliance with applicable safety regulatory requirements and with procedural requirements of the university's EHS program.	
5	Performance Based Funding (PBF) Reporting Controls	To determine whether the University has established adequate controls in order to properly report on the various metrics related to PBF. [Note: PBF is not currently applicable to Florida Poly; however, it is anticipated that such reporting will be required in 2021.]	
Notes:			
A – Risk and audit carried forward from 2018-19 Audit Plan.			
B – Planned for 2019-20 fiscal year.			

Given the limited resources of UAC, and the amount of time necessary to administer both the audit and compliance functions at the University, planned audits were limited to the first four risks and follow-up review of previously reported audit observations. Additionally, time has been allocated to perform an internal quality assurance improvement review in accordance with IIA Standards and the University Audit Charter. In the event that resources for the 2019-20 fiscal year are available beyond activities called for in the Plan on page 5, risks 5 above will be added to the Plan as an audit topic.

The following Work Plan summarizes planned activity pursuant to the risk-based assessment, required audits, and available hours for UAC to administer the audit and compliance functions at the university:

Florida Polytechnic University University Audit & Compliance Work Plan (A)		
Activity	Estimated Hours	Total Hours
ADMINISTRATIVE ACTIVITIES:		244
Periodic meetings with President/Board	40	
BOG Communications	20	
Prepare Audit & Compliance liaison materials and attend briefings	160	
Other	24	
INVESTIGATIVE ACTIVITIES:		200 ⁵
Complaint Intake, Preliminary Inquiries, Investigations (B)	200	
COMPLIANCE ACTIVITIES:		400 ⁶
Administration of the Compliance and Ethics Program	360	
Perform Compliance & Ethics Training	40	
AUDITING ACTIVITIES:		680
Internal Quality Assurance Assessment	80	
Institutional Scholarship Awards Review	80	
Purchasing Card & Travel Expenses	80	
UAC Risk Assessment and Audit Plan 2019-20	80	
UAC Annual Report	60	
Follow-up on Prior Audit Observations	100	
PIE Recommendations	80	
EHS/Lab Safety	120	
MANAGEMENT ADVISORY/CONSULTING ACTIVITIES:		240
Various (B)	240	
TRAINING ACTIVITIES:		120
Webinars, SUS Committees, and Continuing Professional Education	120	
Total Estimated Hours	1,884	1,884
Notes: (A) This annual work plan is subject to change based on requests made by the Board to evaluate particular programs or activities. (B) Estimated hours for investigations and management advisory services not readily quantifiable and could increase given additional allegations and/or consulting requests.		

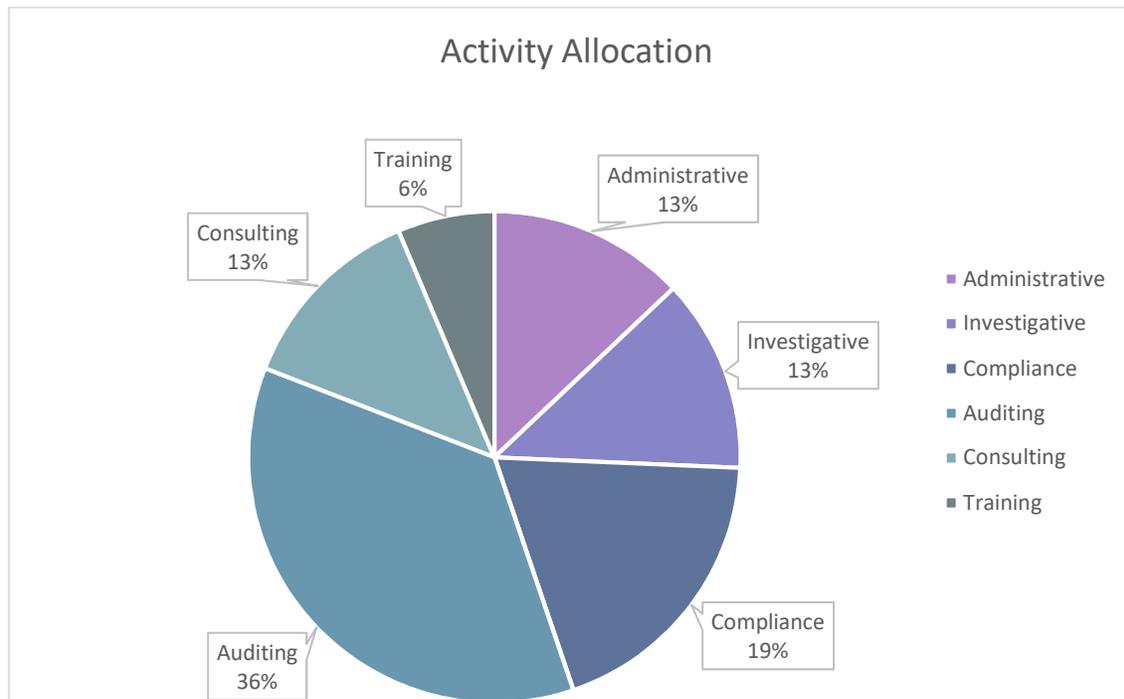
⁵ Hours for investigative activities approved in the 2019-20 Compliance Program Plan by the AACC on 5/22/19.

⁶ Hours for compliance activities approved in 2019-20 Compliance Program Plan by the AACC on 5/22/19.

The table below identifies current resources available for University Audit and University Compliance during the 2019-20 Plan year: (1 staff FTE)

Available Staffing Hours	
Month	Hours
July	176
August	176
September	160
October	184
November	152
December	128
January	168
February	160
March	176
April	176
May	160
June	176
Sub Total	1,992
Vacation/sick	(108)
Annual hours available	1,884

The graph below depicts the planned allocation of UAC resources, by activity, for the 2018-19 fiscal year:



**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
September 11, 2019**

Subject: Audit of Americans with Disability Act (ADA) and Office of Disability Services (ODS), Report FPU 2020-02

Proposed Committee Action

Recommend approval of the audit of ADA/ODS performed by University Audit (Report No. FPU 2020-02) to the Board of Trustees.

Background Information

Pursuant to the Audit Work Plan approved by the Audit & Compliance Committee, University Audit and Compliance (UAC) performed an audit of the University's administration of the Americans with Disabilities Act (ADA) provisions, as set forth by applicable Federal Regulations and the University's Office of Disability Services (ODS). The audit covered the period from July 2018 to June 2019 and included certain recommended actions to assist the university in achieving its strategic and operational objectives for the areas under audit.

The Audit and Compliance Committee should review the observations, recommendations, managements response and the proposed corrective actions presented in this report to fulfill their oversight responsibility with respect to the audit and compliance functions at the university.

Supporting Documentation: University Audit and Compliance Audit of ADA & ODS, Report No. FPU 2020-02.

Prepared by: David Blanton, Chief Audit Executive and Chief Compliance Officer



Report No: FPU 2020-02

July 2019

**University Audit & Compliance
Audit of Americans with Disability Act (ADA)
and Office of Disability Services (ODS)
For the Audit Period July 2018 to June 2019**

David A. Blanton, CPA, CCEP
Chief Audit Executive and Chief Compliance Officer

Index:

Executive Summary..... 3

Background, Objectives and Scope..... 4

Audit Observations and Recommendations..... 4

 Observation 1: ADA Self-Evaluation..... 7

 Observation 2: ADA Grievance Procedures 8

 Observation 3: ODS Process Enhancements..... 8

 Observation 4: Required Notices.....11

 Observation 5: Syllabi Disclosures.....12

Exhibit A: Observation Ratings.....14

Exhibit B: Corrective Action Plan.....15

University Audit and Compliance (UAC) is employed by the University. UAC’s mission is to serve the University by recommending actions to assist in achieving its strategic and operational objectives. This assistance includes evaluating and providing assurance of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Accordingly, this report is intended solely for the use of University management and its various oversight authorities and is not intended for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Executive Summary:

Pursuant to the Audit Work Plan¹ approved by the Audit & Compliance Committee, University Audit and Compliance (UAC) performed an audit of the University's administration of the Americans with Disabilities Act (ADA) provisions, as set forth by applicable Federal Regulations². The audit covered the period from July 2018 to June 2019. The objectives of this audit were to:

- Determine whether appropriate policies and procedures are in place to promote compliance with applicable laws, rules and regulations.
- Determine whether adequate controls have been designed and placed into operation by University ADA staff and Office of Disability Services (ODS) staff to promote the proper administration of University operations and ADA compliance.
- Identify any opportunities for making significant improvements to ADA/ODS's governance, risk management, and control processes in order to promote compliance with governing laws and meet the stated goals and objectives of the University.

Audit fieldwork was conducted from April 2019 through June 2019. This audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards).

During the course of the audit, all audit observations were ranked as **High**, **Moderate**, or **Low** risk based on an analysis of the impact over the probability of a control process failure and/or the impact to the University if the observation is not corrected, as further described in **Exhibit A**. Audit results and rankings are included in the Summary below and within each of the detailed audit observations in the **Audit Observations and Recommendations** section of this report.

The following audit observations, summarized below, are discussed further in the **Audit Observations and Recommendations** section of this report and are presented to assist University management in achieving its strategic and operational objectives:

Observation 1: ADA Self-Evaluation. University ADA staff needs to continue their efforts to ensure that the required ADA Self-Evaluation is completed. **Moderate**

Observation 2: ADA Grievance Procedures. University webpages (HR and ADA/Section 504 Compliance pages) should adopt grievance procedures that incorporate due process standards providing for the prompt and equitable resolution of complaints. **Moderate**

Observation 3: ODS Process Enhancements. Documentation maintained to support academic adjustments awarded pursuant to the deliberative process could be enhanced to better support the consideration of (a) various alternatives and (b) the academic program and its requirements. In addition,

¹ UAC Work Plan for the Fiscal Year Ended June 30, 2019, approved September 5, 2018

² Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended, 29 U.S.C. §794, and its implementing regulation at 34 C.F.R. Part 104 and Title II of the Americans with Disabilities Act of 1990 (Title II), 42 U.S.C. §12131 *et seq.*, and its implementing regulation at 28 C.F.R. Part 35.

ODS should clearly articulate and publish what would or would not constitute acceptable reasonable accommodations, academic adjustments, auxiliary aids, services, and modifications. **Moderate**

Observation 4: Required Notices. Recruitment materials or publications made available to student applicants and prospective employees did not always include notice that the university does not discriminate on the basis of Federally-protected classes, as required by Federal Regulations. **Moderate**

Observation 5: Required Course Syllabi Disclosures. The required course syllabi language used to notify students of the availability of academic adjustments and the academic policy requiring such should be revised. **Low**

Background, Objective, Scope, and Methodology:

Background:

Disability discrimination occurs when an employer or other entity covered by the Americans with Disabilities Act (ADA), as amended, or Section 504 of the Rehabilitation Act, as amended, treats a qualified individual with a disability who is an employee or applicant unfavorably because he or she has a disability. The university is subject to the provisions of Federal laws governing ADA compliance by virtue of the following applicable Federal Regulations:

- Section 504³ prohibits discrimination on the basis of disability in programs and activities by recipients of Federal financial assistance from the U.S. Department of Education (Department).
- Title II⁴ prohibits discrimination solely on the basis of disability in employment, public services, and public accommodations by public entities.

As a recipient of Federal Financial assistance from the Department (e.g. Federal Pell Grants and other Title IV aid) and as a public entity, the university is subject to the provisions of both Section 504 and Title II.

Federal law requires an employer to provide reasonable accommodations to an employee or job applicant with a disability, unless doing so would cause significant difficulty or expense for the employer ("undue hardship"). Similarly, Section 504 requires the university to make such modifications (academic adjustments) to its academic requirements as are necessary to ensure that such requirements do not discriminate, or have the effect of discriminating, against a qualified person with a disability on the basis of disability. However, under both Section 504 and Title II, the university is not required to make modifications that would fundamentally alter the nature of the service, program, or activity.

In administering the various provisions of the ADA, the university has established the following structures for oversight and coordination of ADA compliance:

- Office of Disability Services (ODS): ODS is responsible for establishing and implementing controls to provide for compliance with ADA requirements as it relates to the delivery of services to students (Section 504 compliance) to ensure that no qualified student with a disability is excluded

³ Section 504 of the Rehabilitation Act of 1973, 29 U.S.C §794, and its implementing regulation, 34, CFR Part 104.

⁴ Title II of the Americans with Disabilities Act of 1990 42 U.S.C. § 12131 *et seq.*, and its implementing regulation 28 CFR, Part 35.

from participation or denied the benefits of university services, programs or activities. These responsibilities include approving academic adjustments and auxiliary aids and services, limitations on such services, how the institution should work with students to determine such services, grievance procedures, and responsibility for operating the testing center that administers agreed-upon academic adjustments. ODS employs one full time position that reports to the Vice Provost of Academic Support Services and is certified as an RMHCI⁵.

- Title IX/ADA Coordinator: The ADA Coordinator is responsible for all other aspects of ADA compliance that are outside of the scope of responsibility of ODS (Title II compliance) and oversight of Section 504 compliance activities. These responsibilities include oversight and coordination of ADA provisions related to university employment and access to public services and programs offered by the university. The ADA Coordinator works closely with University Human Resources and Facilities to administer the ADA program with respect to these services. The ADA Coordinator reports directly to the university President and is certified in her field⁶.

ADA/Section 504 Enhancements: The University has recently undertaken tremendous efforts to provide for greater delivery of service and compliance with Federal Regulations. Such enhancements include:

- An ADA Coordinator was appointed in May 2018. Prior to this appointment, the University had no person serving in this capacity nor were any compliance activities contemplated with respect to the requirements of Title II.
- In April 2019, the University transitioned from a process that assigned responsibility to a single ODS employee to a deliberative process when making decisions on academic adjustments that may alter a core learning outcome. (i.e. that may fundamentally alter the nature of the service, program, or activity) This was accomplished by revising the University Policy⁷ that outlines student requests for disability services. The new policy outlines a deliberative process that provides for a group of university employees making decisions on such adjustments who are trained, knowledgeable, and experienced in the relevant areas. This enhancement provides for a diligent, well-reasoned, collaborative process that affords deference by Federal oversight agencies to the judgments of the university. This is especially true if the decision makers consider a series of alternatives, and the decisions reached document a careful, thoughtful, and rational review of the academic program and its requirements.
- The ADA Coordinator has developed and instituted an online reporting system to facilitate accommodations for both physical barriers and digital barriers.
- The ADA Coordinator and the Human Resources Department have worked collaboratively to implement processes to formalize and document requests for ADA accommodations. Such processes, if properly implemented, afford consistency in the application of granting accommodation requests and provide a central point of administration to demonstrate the commitment by the University at addressing ADA compliance.

⁵ Certified as a Registered Mental Health Counselor Intern (RMHCI), as administered through the Florida Board of Clinical Social Work, Marriage and Family Therapy and Mental Health Counseling.

⁶ Certified as an ACTCP (ADA Coordinator Training Certification Program), a collaborative program of the ADA national network administered through the Great Plains ADA Center and University of Missouri School of Health Professions Disability Studies and Policy Center.

⁷ Policy FPU-3.0041AP, Student Requests for Disability Services (revised April 11, 2019)

- The University revised its events policy⁸ to provide for reasonable accommodations and providing access to various University venues and events.
- The ADA Coordinator presented training, in October 2018, to university staff related to ADA compliance in the workplace. The training was recorded and the video is available to all university staff.

Objectives:

The objectives of this audit were to:

- Determine whether appropriate policies and procedures are in place to promote compliance with applicable laws, rules and regulations.
- Determine whether adequate controls and processes over Federal ADA requirements (both Title II and Section 504 provisions) have been designed and placed into operation to promote the proper administration of disability services administered by the university.
- Identify any opportunities for making significant improvements to ADA/ODS's governance, risk management, and control processes in order to meet stated goals and objectives of the University.

UAC assessed the risk of noncompliance and obtained an understanding of ADA and ORS operations in order to adequately design audit procedures necessary to accomplish the audit objectives. Audit procedures included, but were not limited to, the evaluation of internal controls, reviewing written policies and procedures, interviewing key personnel, observing actual practices, and performing tests and analysis to evaluate whether control procedures were adequately designed and operating effectively.

Scope:

The scope of this audit focused on the administrative processes established by the University to ensure compliance with the requirements of both Title II and Section 504 of the Federal Regulations relating to ADA compliance. As noted in the background section of this report, ODS and ADA have undergone significant changes recently. Consequently, this audit focused on administrative processes in place from July of 2018 through the release of this report.

UAC would like to acknowledge that ODS and Title IX/ADA staff who took part in the audit were knowledgeable of their respective areas, responded quickly to questions, and showed patience throughout the audit engagement. Their cooperation was greatly appreciated.

UAC conducted this review in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards).

⁸ Policy FPU-1.0038P, Events on University Property (amended March 19, 2019)

Audit Observations and Recommendations:

Observation 1: ADA Self-Evaluation

Federal Regulation⁹ provides that a recipient of Federal financial assistance shall conduct a self-evaluation and further requires the following with respect to this evaluation:

- Evaluate, with the assistance of interested persons, including handicapped persons or organizations representing handicapped persons, its current policies and practices and the effects thereof that do not or may not meet the requirements of this part;
- Modify, after consultation with interested persons, including handicapped persons or organizations representing handicapped persons, any policies and practices that do not meet the requirements of this part; and
- Take, after consultation with interested persons, including handicapped persons or organizations representing handicapped persons, appropriate remedial steps to eliminate the effects of any discrimination that resulted from adherence to these policies and practices.
- Maintain documentation and make available for public inspection the following:
 - A list of the interested persons consulted
 - A description of the areas examined and any problems identified
 - A description of any remedial steps taken

The University is a recipient of Federal financial assistance from various sponsored research projects and by virtue of administering student financial aid and is therefore required to perform the self-evaluation of current policies and practices. As noted below, the University has taken initial actions to begin the process of the self-evaluation for physical access; however, as of June 2019 the self-evaluation was not complete.

- The process has started with an internal look, by the university's ADA Coordinator, at various areas to identify potential ADA improvements with respect to physical accessibility. Forms have been designed to record observations and suggestions offered during the self-evaluation. (Completed for physical accessibility)
- Walking tours and focus group meetings have been scheduled to obtain input from interested persons with respect to the self-evaluation related to physical access. (Partially completed)
- Once data is collected, the ADA Coordinator will develop a transition plan. (Not completed)
- ADA Coordinator will perform subsequent re-evaluations and modified transition plans, as applicable. (Not a required part of the initial evaluation)

Risk Rating: Moderate

Recommendation: University ADA staff should continue their efforts at completing the required ADA self-evaluation. Such efforts should not only address physical access barriers but include all ADA policies and practices and document efforts at including disabled persons or organizations representing disabled persons. For weaknesses identified in the self-evaluation, ADA staff should modify applicable policies and

⁹ Title 34, 104.6(3)(c), C.F.R. (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance [Remedial Action, voluntary action, and self-evaluation])

procedures and develop remedial actions, as prescribed by Federal Regulation. At the conclusion of the self-evaluation, the results should be posted for public inspection as required.

Management Response: ADA expects to complete the self-evaluation in the Fall 2019 semester. The results will be used to develop a transition plan that will be shared and agreed to by the President.

Responsible Person: Michelle Disson, Title IX/ADA Coordinator.

Observation 2: ADA Grievance Procedures

Federal Regulation¹⁰ provides that a recipient of Federal financial assistance shall adopt grievance procedures that incorporate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited by this part. Such procedures need not be established with respect to complaints from applicants for employment or from applicants for admission to postsecondary educational institutions.

The Board adopted a Resolution¹¹ providing for the procedures and related guidelines for handling and investigating complaints filed with the University that allege discrimination, harassment, and/or retaliation in violation of the University's Sexual Harassment Policy and Non-Discrimination/Equal Opportunity Regulation. However, such procedures were not clearly articulated or linked in the various information put forth to employees by either Human Resources (HR) or ADA/Section 504 in their respective webpages.

Providing information relative to complaint/grievance handling on both the HR and ADA/Section 504 webpages would satisfy the Federal requirement for grievance procedures and provide sufficient information on processing grievances to those encountering alleged acts of disability discrimination.

Risk Rating: Moderate

Recommendation: The HR and ADA/Section 504 webpages should either adopt grievance procedures that incorporate due process standards and that provide for the prompt and equitable resolution of complaints or provide a direct link to such procedures adopted by University Board Regulation.

Management Response: The ADA Coordinator will ensure that the Office of Human Resources and Accessibility Webpages will be updated to provide a direct link to grievance procedures outlined in University Regulations FPU 1.005.

Responsible Person: Michelle Disson, Title IX/ADA Coordinator.

Observation 3: ODS Process Enhancements

Enhanced Documentation in Deliberative Process:

Under both Section 504 and Title II, postsecondary institutions are not required to make modifications that would fundamentally alter the nature of the service, program, or activity. While a university must accommodate course or other academic requirements to the needs of an individual student with a disability, academic requirements that can be demonstrated by the institution to be essential to the instruction being

¹⁰ Title 34, 104.7(b), C.F.R. (Designation of responsible employee and adoption of grievance procedures)

¹¹ FPU-1.005, Discrimination and Harassment Complaint and Investigation Procedures

pursued by such student or to any directly related licensing requirement will not be regarded as discriminatory and need not be changed. With regard to whether a requested academic adjustment or auxiliary aid would fundamentally alter an essential program requirement, courts and the Office of Civil Rights (OCR) give deference to an institution's academic decision-making. However, in order to receive such deference, relevant officials within the institution are required to have engaged in a reasoned deliberation, including a diligent assessment of available options.

As noted in the *Background Section* of this report, the university recently transitioned to a deliberative process in cases where the requested accommodations require a thoughtful and rational review of the impact that a requested accommodation may have on a course or program, academic requirement, or technical standard. As of the release of this report, the enhanced process has only been used in 3 instances. A review of the documentation maintained and the forms developed in support of the enhanced process disclosed that the process could be further enhanced by ensuring to document the consideration of substitution or alternatives.

Currently, the form only provides for documenting the essential requirements of the course or program without documented consideration of substitution or alternatives. Such consideration is necessary to establish an uncontestable basis for the decision(s) reached.

Clearly Defined Academic Adjustments and Limitations on Auxiliary Aids:

The ODS website provides very limited information on what constitutes reasonable accommodations, academic adjustments, auxiliary aids, services, and modifications. Specifically, ODS currently provides the following information to students (excerpt from ODS website):

Such academic accommodations may include, but are not limited to:

- Extra time on tests and quizzes.
- An isolated testing room for a quieter and less distracting environment.
- Preferential seating in the front row of the classroom.
- Note-taking assistance, among other modifications.

Currently, the Student Handbook¹² provides that “accommodations include auxiliary aides as well as human support services”. Consequently, although offered and referenced on the ODS website and in the Student Handbook, the university has not clearly articulated what might or might not constitute acceptable reasonable accommodations, academic adjustments, auxiliary aids, services, and modifications.

The University just recently agreed to attempt to resolve a complaint filed with the OCR¹³ that related to the interpretation of a broadly written accommodation provided as an auxiliary aid (memory aid). A memory aid, or cue sheet, is a testing accommodation used to support students who have documented challenges with memory. It is a tool used to trigger information that a student has studied but may have difficulty recalling due to cognitive processing deficits associated with memory and recall. The cue sheet

¹² 2018-19 Student Handbook, Disability Services, page 13

¹³ Pursuant to §302 of OCR's *Case Processing Manual*

allows the student to demonstrate knowledge of course material by helping prompt the student's memory, not by providing the answer. Other universities¹⁴ have published and made available guidelines clearly outlining what does and does not constitute an auxiliary aid (including memory aids) that may or may not be granted by the university. Such guidelines, if clearly articulated, may reduce misunderstandings in accommodations granted and provide a common foundation for expectation between the university and students when utilizing the newly-adopted deliberative process in approving academic adjustments.

Tracking and Outreach of Students on Provisional Status:

University Policy¹⁵ provides that in certain circumstances, ODS may make provisional services available to the student, limited to one semester. Providing academic modification or adjustment may be provided when a student has requested a reasonable accommodation and has previously received such accommodations in an educational setting, the process to determine the appropriate academic modification or adjustment cannot be completed prior to the start of the semester, or adequate documentation has not been provided by the student. UAC performed a test of 25 students receiving disability services and noted that 2 students that were granted provisional services were not contacted by ODS to facilitate continued services upon expiration of provisional services (at the end of the semester). Currently, ODS does not have a process to track students on provisional status. Enhancing controls to provide for the tracking of provisional status students and for outreach to students with expiring provisional status would further facilitate full participation of educational programs and activities for students with disabilities.

Risk Rating: Moderate

Recommendation: When engaging in the deliberative process, ODS should ensure that documentation maintained in support of any decisions made support the consideration of (a) various alternatives and (b) a review of the academic program and its essential requirements. In addition, ODS should clearly articulate and publish what would or would not constitute acceptable reasonable accommodations, academic adjustments, auxiliary aids, services, and modifications. Further, ODS should establish a tracking system for students placed on provisional status and ensure that adequate outreach is offered once provisional status has expired.

Management Response: The ADA Coordinator will work with ODS to ensure that enhancements outlined above are enacted.

Responsible Person: Michelle Disson, Title IX/ADA Coordinator.

¹⁴ See Florida State University's guidance on such matters at <https://dos.fsu.edu/sites/g/files/upcbnu1476/files/SDRC/SDRC%20Cue%20Sheet%20Faculty%20Information.pdf> or by the University of Texas, Rio Grande Valley at <https://www.utrgv.edu/accessibility/files/documents/memory-aid-faculty-guide.pdf>

¹⁵ Policy FPU-3.0041AP(3)(d.), Student Requests for Disability Services (revised April 11, 2019)

Observation 4: Required Notices

Federal Regulation¹⁶ requires the university to take appropriate initial and continuing steps to notify participants, beneficiaries, applicants, and employees that it does not discriminate on the basis of disability in violation of Section 504 and this part. The notification shall state, where appropriate, that the university does not discriminate in admission or access to or treatment or employment in, its programs or activities. The Regulation provides that notifications shall also include the identification of the responsible for coordinating the Section 504/ADA program. Methods of notification may include postings of notices, publication in newspapers and magazines, placement of notices in recipient's publications, and distribution of memoranda or other written communications. The Regulation further provides that recruitment materials or publications containing general information available to participants, beneficiaries, applicants, or employees shall include such content requirements described above (statement of nondiscrimination and person responsible for ADA/504 coordination).

Although the Board has adopted Regulation¹⁷ which prohibits discrimination to any member of the university community based on various protected classes (including disability), such policy does not satisfy the notification requirements set forth by Federal Regulation. Specifically, the following was noted with respect to various notifications made by the University:

• **Employment Applicants and Employees:**

- UAC reviewed a 34 employment position postings (11 staff, 14 students, 9 faculty) and noted that a statement of nondiscrimination and the employee responsible for ADA coordination was not always listed, as required. All internally posted jobs (32 positions) as of May 31, 2019 did include the required nondiscrimination notice; however, 2 job postings for senior level positions that were organized by external search organizations did not contain the required notice. Additionally, none of the 34 position postings included the contact information for the University's ADA Coordinator. UAC confirmed that no other periodic notices were posted and made available to applicants.
- The Employee Handbook provides guidance to new employees relative to requests for accommodations under the provisions of ADA; however, the ADA Coordinator is not referenced in the Handbook.

• **Students and Student Applicants:**

- UAC noted that the Student Handbook, published each academic year, provides notice to students that the University does not discriminate based on disability; however, notification to prospective students could be enhanced with modifications to access points outlined below for recruiting and admissions. UAC confirmed with that no other periodic notices were posted and/or made available to applicants.
- UAC reviewed the recruiting materials available to prospective students, detailed below, and noted that a statement of nondiscrimination and the employee responsible for 504/ADA coordination was not listed as required for the following:
 - On-line application or common application

¹⁶ Title 34, 104.8, C.F.R. (Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance [Notice])

¹⁷ Regulation FPU 1.004, Nondiscrimination/Equal Opportunity

- Admissions website
- Guidance Counselor's Guide (2018-19)

The failure to properly notify employment applicants and student applicants provides limited assurance of the University's commitment to nondiscrimination, as outlined by University Regulation. Additionally, the OCR frequently cites universities subject to compliance with Section 504 for violations¹⁸ relating to nondiscrimination notices.

Risk Rating: Moderate

Recommendation: The University should take appropriate steps to comply with Federal notification regulations.

Management Response: The ADA Coordinator will work with all University Departments needed to ensure the required notifications are published in compliance with Federal regulations.

Responsible Person: Michelle Disson, Title IX/ADA Coordinator.

Observation 5: Required Course Syllabi Disclosures

Florida Poly is committed to ensuring equal access to all educational opportunities. This commitment is articulated in various University policies and provides that if a student wishes to be considered for an academic adjustment or accommodation, they must register with ODS and follow established ODS procedures. Since most students rarely seek guidance or information through written policy, faculty/instructors are required to put forth such information on syllabi for all courses, regardless of the course level or discipline. To ensure this commitment is extended to all students by faculty, University Policy¹⁹ provides that all course syllabi shall contain a prescribed notice on reasonable accommodations as follows:

Reasonable Accommodations: Students who qualify for course or classroom adjustments under the Americans with Disability Act (ADA) must register with the Office of Disability Services: (with link provided to Policy)

The Policy (and prescribed notice) only reference provisions of the ADA; however, as noted in the Background section of this report much of the Federal provisions related to students rights and responsibilities are promulgated in Section 504 which is not referenced in current University Policy or the prescribed notice that is mandated for all syllabi.

UAC selected a sample of 30 syllabi from the spring term of the 2018-19 academic year and determined that all syllabi included a disclosure on the availability of academic adjustments and services offered ODS; however, it was noted that a refined version of the disclosure (shown below) providing for more information was used in 7 instances.

¹⁸ For instance: Youngstown State University (Case No. 15-13-6002); Northern Michigan University (Case No. DJ 204-38-127); and Princeton University (Case No. 3:14-cv-01893).

¹⁹ Policy FPU-5.0065AP, Course Syllabi

Reasonable Accommodations: Florida Polytechnic University is committed to assisting students with disabilities and offering reasonable accommodations to those with documented eligibility. Students who qualify for course or classroom adjustments under the Americans with Disabilities Act (ADA) must register with the Office of Disability Services located in the Division of Student Affairs. Students must present any ensuing letter of academic accommodations to their instructors as early in the semester as possible.

As noted in Observation 4, Federal Regulations require the university to take appropriate initial and continuing steps to notify participants (students) that it does not discriminate on the basis of disability. University Policy and the required disclosure should be structured to clearly satisfy this notification requirement in order to facilitate ongoing notice of nondiscrimination and services available to students with disabilities.

Risk Rating: Low

Recommendation: The University should consider modification to the language in the Course Syllabi Policy that provides for notice of nondiscrimination in accordance with Section 504 and enhance controls to provide for greater consistency in the required notification published by faculty on course syllabi.

Management Response Employees: The ADA coordinator will work with ODS and Academic Affairs to achieve consistency in the required notification and revisions, as necessary, to University Policy.

Responsible Person: Michelle Disson, Title IX/ADA Coordinator.

Exhibit A: UAC Audit Observation Risk Ranking Matrix

Risk Rating	Criteria	Examples
High:	This is a high priority observation; immediate attention from University personnel is required. This is a serious internal control or risk management issue that if not corrected or mitigated could lead to serious consequences.	
	<ul style="list-style-type: none"> • Substantial risk of loss • Serious risk of violation of University strategies, policy or values • Serious risk of reputational damage • Significant risk of adverse impact 	<ul style="list-style-type: none"> • No policy exists • Controls do not exist or not placed into operation • Significant fraud detected • Significant amount of questioned transactions • Significant noncompliance observed
Moderate:	This is a medium priority observation; timely attention from University personnel is warranted.	
	<ul style="list-style-type: none"> • Moderate risk of financial losses • Moderate risk of loss of controls within the program or area audited • Adverse impact resulting in moderate sanctions or penalties 	<ul style="list-style-type: none"> • Inconsistent application of policy • Only mitigating controls exist • Requires additional evaluation or review
Low:	This is a low priority observation; routine attention from University personnel may be warranted. Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited. Risks are limited.	
	<ul style="list-style-type: none"> • Remote risk of inappropriate activity • Insignificant adverse impact • Immaterial amounts involved 	<ul style="list-style-type: none"> • Control exists but only nominal exceptions noted • Compensating controls exist but internal controls could be enhanced

Exhibit B: Action Plan for Audit Observations

Observation No.	Action	Responsible person	Implementation Deadline	2019-20 Fiscal Year				2020-21 Fiscal Year					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1	Complete ADA self-assessment and make final results available for public inspection.	Michelle Disson	January 2020			X							
2	Human Resources and the ADA/Section 504 web pages should provide a clear link to the grievance procedures established by Board policy.	Michelle Disson (ADA/ Section 504) and DeAnn Doll (Human Resources)	September 2019	X									
3	Revise the form used for the deliberative process to include consideration of available options.	Kristin Stokes	November 2019		X								
3	Develop and post to the university website, clearly defined academic adjustments and limitations on auxiliary aides.	Kristin Stokes	September 2019	X									
3	Enhance ODS controls to provide for tracking and outreach of students on provisional status nearing expiration.	Kristin Stokes	November 2019		X								
4	Enhance controls to ensure that the required notice of nondiscrimination is posted for all employment applicants. Revise the Employee Handbook to include the name and contact information for the University's ADA Coordinator.	Michelle Disson, DeAnn Doll	October 2019		X								
4	Revise recruiting materials for prospective students to provide for required notice of nondiscrimination.	Michelle Disson, BenMatthew Corpus	October 2019		X								
5	Revise the required language used in course syllabi and the related University Policy to ensure that all course syllabi contain adequate notice of non-discrimination and ODS services available.	Doug Holton, Michelle Disson	January 2020			X							