**Meeting Agenda**

1. **Call to Order/Roll Call**

Chair Karp called the meeting to order at 12:05 p.m. over a Zoom conference call. Roll call confirmed that a quorum was present.

**Committee Members in Attendance:**

Lance Karp, Chair

Mark Bauerlein

Ron Christaldi

Matthew Spalding

Debra Jenks, Ex Officio

**Participating University Staff**: CAE/CCO Alexander G. Tzoumas; General Counsel Bill Galvano; VP of Finance and Administration Chris Kinsley; and acting Chief of Staff Christie FitzPatrick.

1. **Consideration of Draft Minutes from August 25, 2022 Meeting**
	* **Committee Action**: Consideration of the August 25, 2022 Audit and Compliance Committee meeting minutes was submitted for approval. Motion by Ron Christaldi and second by Trustee Spalding. Motion was unanimously approved.

1. **Discussion of Board of Governor’s Regulations 4.002, CAE Responsibilities and 4.003, Compliance and Ethics Program**
	* **Information Item:** The CAE walked through key elements of the Board of Governor’s regulations pertaining to the duties of the Audit and Compliance Committee and CAE/COO.
2. **Discussion of the Audit and Compliance Committee Charter**
	* **Information Item:** The CAE walked through key elements of the Audit and Compliance Committee Charter.
3. **Discussion of Internal Audit and Compliance Department Charter**
	* **Information Item:** The CAE walked through key elements of the Internal Audit and Compliance function Charter.
4. **Discussion of Enterprise Risk Management Program**
	* **Information Item:** The CAE highlighted the COSO based Enterprise Risk Management Program framework. Trustee Bauerlein inquired about the nature of the inherent risk ratings.
5. **Discussion of the Annual Performance Funding Metrics Audit Report**
	* **Information Item:** The CAE presented theMauldin and Jenkins FY21-22 annual Performance Funding Metrics Audit Report and noted there were zero audit exceptions. Mr. Tzoumas explained the approach used covered all 10 of the performance metrics every three years.
6. **Discussion of the DAVID Audit Results**
	* **Information Item:** The CAE reviewed the results of the annual DAVID audit as required by the Florida Department of Highway Safety and Motor Vehicles. There were zero audit exceptions.
7. **Discussion of the Certification of Foreign influence Legislation Compliance**
* **Information item:** CAE/CCO Tzoumas explained that the university’s Office of Research Programs and Services (ORPS) had developed a program to comply with the Board of Governors’ regulation on Foreign Influence Compliance and Submission Guidance. The ORPS had conducted the Foreign Influence compliance check as required by the Board of Governor’s Office of Inspector General and Director of Compliance. The review confirmed the requirements of Board of Governors Regulation 9.012, Foreign Influence, and House Bill 7017 on Foreign Influence were in place. The required Certification of Foreign Influence Legislation Compliance was completed and filed by the CAE as required.
1. **Discussion of Identity Theft Program**
	* **Information Item:** The CAE reviewed the status of Identity Theft Program as required by the university’s Regulation 3-1014, Identity Theft.
2. **Discussion of Management Consulting Engagement - Student Research Employee Payroll**
	* **Information Item:** The CAE reviewed management’s resolution of student summer grant payroll control challenges.
3. **Discussion of Annual State of Florida Auditor General’s Financial Audit for FY 21-22**
	* **Information Item:** The CAE reviewed the results of the annual State of Florida Auditor General’s Financial Audit for FY 21-22. Financial statements were fairly presented with zero internal control deficiencies identified. The CAE pointed out the Audit results demonstrated how well the university’s Finance Department was being managed.
4. **Discussion of the Annual Development Corporation Financial Statement Audit for FY 21-22**
	* **Information Item:** The CAE reviewed the annual Development Corporation financial statement audit for FY 21-22 by Mauldin & Jenkins.The auditors found the financial statement was fairly presented.
5. **Discussion of the New College Foundation Annual External Audit Report for FY 21-22**
	* **Information Item:** The CAE reviewed results of Mauldin & Jenkinsannual audit of the New College Foundation (NCF) financial statements for fiscal year (FY) 21-22. The auditors found the financial statement was fairly presented. The CAE walked through some of the changes in year-over-year financial results, including a material operating deficit, unrealized endowment portfolio losses, and the need to draw down on unrestricted reserves.
6. **Discussion of the Crowe Direct-Service-Organization Findings Status Report**

**• Information Item:** The CAEhighlighted the observations of the Crowe control review and provided a status of corrective action to remediate the reported findings. The CAE also reviewed the NCF Crowe Report Findings Corrective Action Status report submitted to the State University System of Florida Board of Governors.

1. **Discussion of the Management Consulting Engagement - New College Foundation Investment and Budget Process Controls Evaluation**
* **Information Item:** The CAE reviewed the observations and recommendations identified during the NCF Investment and Budget process controls evaluation.
1. **Discussion of the Cyber Security Penetration Test**
	* **Information Item:** The CAEupdated the Committee on efforts to perform an external Cyber Security penetration test. The CAE and management have identified a reputable third party to perform an external penetration test of system security.
2. **Discussion of the Annual Compliance Partner Reporting**
* **Information Item:** The CAE informed the Committee all 14 of the university departments with compliance roles have provided their Annual Compliance Reports.
1. **Update on Title IX Activities**
	* **Information Item:** The CAE informed the Committee two Title IX Hearings had been completed. During the process, it had been observed investigations had not been performed in a timely manner. The acting VP of Student Affairs with responsibility for the Title IX program had arranged for an external Title IX program review. The program review report would be provided to the Committee once completed.
2. **Discussion of the Internal Audit Department Peer Review**
	* **Information Item:** The CAE explained that while a peer review was completed for the university’s Office of the Chief Compliance Officer in accordance with Board of Governor’s regulation 4.003, State University System Compliance and Ethics Programs, the Board of Governor’s Office of Internal Audit and Compliance is requesting a second peer review be performed of the Office of Internal Audit in accordance with Board of Governor’s regulation 4.002, Officer of Chief Audit Executive. The now retired and well-respected Chief Audit Executive for Florida State University, Sam McCall, has offered to perform the external peer review of the Office of Internal Audit for a nominal fee which the CFO has agreed to fund. The CAE planned to would work with management to gain comfort with a peer reviewer and arrange for the review.

**Other Business**

 **Clarification of Audit and Compliance Committee Authority**

* Trustee Christaldi raised the question as to whether the Audit and Compliance Committee should be delegated authority to approve audit and compliance related action items or if those items should be presented to the full Board of Trustees for approval. Trustee Jenks and General Counsel Galvano agreed further discussion of the approach was merited. Trustee Christaldi requested the CAE create a summary of the types of items that required Trustee approval. The CAE would then organize a meeting with Trustee Christaldi, Counsel Galvano and President Corcoran to form a recommendation for Board of Trustee consideration.

**Adjournment at 1:09pm**