



**New College of Florida Board of Trustees
Audit and Compliance Committee Meeting
August 08, 2025 at 4:30pm**

Meeting Agenda

1. Call to Order

- A.** Confirm Public Notice of Meeting
- B.** Roll Call
 - Lance Karp, Chair
 - Mark Bauerlein
 - Matthew Spalding
 - Ron Christaldi
 - Debra Jenks (Ex Officio)
- C.** Establish Quorum

2. Consideration of Draft June 16, 2025 Meeting Minutes

- A. Committee Action:** Approve minutes.

3. Approve FY 2024-2025 Annual Report of Internal Audit and Compliance Activities

- A. Committee Action:** Approve the FY 2024-2025 Annual Report of Internal Audit and Compliance Activities.

4. 2025 Executive Procurement Card (Pcard) Activity Review Report

- A. Information Item:** Review the annual review of executive Pcard expense activity.

5. Annual Whistleblower Hotline Notice

- A. Information Item:** Review Office of Internal Audit and Compliance's annual Whistleblower Hotline notice to all faculty and staff.

6. Succession Planning Analysis

- A. Information Item:** Review the results of the senior management succession planning analysis performed by the Office of Internal Audit and Compliance.

7. Attractive Assets Audit Report

- A. Information Item:** Review the findings and recommendations of the Attractive Assets audit report.

8. Student Credit Hours Complaint

- A. Information Item:** Review results of the investigation into a complaint involving compliance with the university's award of student credit hours.

Other Business

Adjournment



**New College of Florida Board of Trustees
Audit and Compliance Committee
Meeting Minutes for June 16, 2025
Approval Pending**

Meeting Agenda

1. Call to Order

Chair Karp called the meeting to order at 4:59p.m. over a Zoom conference call. Roll call confirmed that a quorum was present. The Public Notice of the meeting was confirmed by Alexander G. Tzoumas.

Committee Members in Attendance:

Lance Karp, Chair
Mark Bauerlein
Debra Jenks, Ex Officio

Committee Members Not in Attendance:

Ron Christaldi
Matthew Spalding

Other Board of Trustees in Attendance:

Kyla Baldonado, President of the New College Student Alliance

Participating University Staff: Vice Provost for Strategic Initiatives David Rancourt; Chief Audit Executive (CAE)/Chief Compliance Officer Alexander G. Tzoumas; VP for Legal Affairs David Brickhouse; Chief of Staff Christie FitzPatrick; Chief Information Systems Officer Ben Foss, and Controller Melissa Shippee.

Participating Board of Governors Staff: None

2. Consideration of Draft Minutes of the January 31, 2025 Meeting

A. Committee Action: The January 31, 2025 Audit and Compliance Committee meeting minutes were submitted for approval. Motion to approve by Trustee Debra Jenks and second by Trustee Mark Bauerlein. Motion was unanimously approved.

3. Approve FY 2025-26 Internal Audit and Compliance Work Plan

A. Committee Action: Approve the FY 2025-26 Internal Audit and Compliance annual work plan and budget. Motion to approve by Trustee Mark Bauerlein and second by Trustee Lance Karp. Motion was unanimously approved.

4. 2025 Identity Theft and Red Flags Annual Report

A. Information Item: The CAE reviewed the annual Identity Theft and Red Flags audit report. The CAE was working with the Human Resources Department to enhance employee compliance and security training.

5. State of Florida Auditor General Operational Audit Follow-up

A. Information Item: The CAE reported all the State Operational Audit findings had been remediated by management.



**New College of Florida Board of Trustees
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6. Record Management and Retention Training

- A. Information Item:** The CAE informed the Committee of the records management and retention training provided to faculty and staff by the Florida State Division of Library and Information Services. One of the goals of the training was to help record managers avoid the premature destruction of records contrary to the Florida State record retention guidelines.

7. Foreign Influence Operational Audit Report

- A. Information Item:** The CAE reviewed the results of the Foreign Influence Operational Audit Report.

8. Athletics Financial Aid Audit Report

- A. Information Item:** The CAE reviewed the Student Athlete Financial Aid audit report. Trustee Bauerlein noted that use of the word gender is not compliant with Title IX requirements. The report should instead reference the allocation of financial aid relative to the students' sex. Trustee Baldonado asked for information regarding the number of student athletes who received financial aid and amounts involved, as well as the method used to include an athlete in the report to the NAIA.

9. Students Admitted with Exceptions Retention Report

- A. Information Item:** The CAE presented a report of the retention rate for students admitted with an enrollment exception. The report showed students admitted with an enrollment exception had a higher retention rate for the 2023-24 fiscal year than the average for the student body as a whole.

10. Cyber Security Penetration Test Report (Closed Session with Trustees, CISO, and General Counsel)

- A. Information Item:** The CAE presented the results of an independent third party's performance of External Penetration and Social Engineering tests. The tests were intended to help the university improve its security of protected information thus reducing the risk of a system breach by an unauthorized third party. Trustee Jenks discussed her recent attendance of a conference which emphasized the increasing number of cyber-attacks and fraud. The CISO provided the Committee members with additional insights into the security measures and analytics the university had in place and was exploring to further improve its cyber security.

11. Worker Compensation Investigation Report (Closed Session with Trustees and General Counsel)

- A. Information Item:** The CAE provided an overview of a recent investigation into employee workers compensation overpayments. The CAE expressed his confidence in the ability of new Human Resources Department leadership to avoid a repeat of the breakdown in controls over the authorization of an employee's return to work after an incident.

Other Business – The Committee Chair expressed his appreciation for the efforts being made by the other Committee members and that of the CAE. The VP of Legal Affairs noted the Board of Governor's Inspector General was complimentary of the work being performed by the CAE

Adjournment at 5:51p.m.



New College
THE HONORS COLLEGE of Florida

Annual Report of Internal Audit and Compliance Activities

Fiscal Year 2024-2025

Distribution list:

Richard Corcoran, President
NCF Board of Trustees
Board of Governors

Prepared by:

Alexander G. Tzoumas, CIA, CFE, CISA, CRMA, CDPSE
Chief Audit Executive and Chief Compliance Officer

Introduction –

Alexander G. Tzoumas assumed responsibilities as the Chief Audit Executive (CAE) and Chief Compliance Officer (CCO) for the New College of Florida in December 2020. Mr. Tzoumas is responsible for all the Internal Audit, Compliance, Enterprise Risk Management, and Title IX Hearing activities. Mr. Tzoumas has brought the internal audit work in-house with the exception of the Performance Based Funding Audit and Cyber Security Penetration Testing. Mr. Tzoumas utilizes a risk-based audit program to identify and schedule audits of the highest risk areas of the university and its direct service organizations. Mr. Tzoumas accomplished the identification of high-risk areas through the implementation of a Committee of Sponsoring Organization (COSO) Enterprise Risk Management Program and a Certified Fraud Examiners Association published Fraud Risk Assessment. Mr. Tzoumas has also commenced the review of compliance with university regulations, federal laws, and state statutes while supporting the introduction of new regulations to assure compliance and conformity with the Florida State University System Board of Governors regulations and federal laws.

The following Annual Report of Internal Audit and Compliance Activities is intended to fulfill the Board of Governors (BOG) regulation 4.002 State University System Chief Audit Executives requirement that an annual report summarizing the activities of the Office for the preceding fiscal year be provided to the university President, Board of Trustees, as well as the State University System Board of Governors.

Summary of Activities

I. Risk Management

1. To support the achievement of the university's strategic plan and develop a risk-based audit program, the Office of Internal Audit and Compliance (Office) maintains a COSO based Enterprise Risk Management (ERM) program. The ERM program identifies and quantitatively rates material risks to the achievement of the university's key strategic objectives and presents management's planned mitigation strategies. Changes to risk rankings are continuously monitored and provided to the Audit and Compliance Committee at each meeting. The ERM framework was implemented with zero cost to the university for external consultant support. The program includes risk assessments of the following key strategic objectives:
 - Avoiding Adverse Legal Action
 - Cyber Security Effectiveness
 - Adequacy of Insurance Coverages
 - Human Resources
 - Code of Conduct and Regulatory Compliance
 - Environmental Safety and Emergency Management
 - Faculty Development

- Campus Facilities – Housing
 - Revenue
 - Business Continuity
 - Economic and Political Risk
 - Strategic Growth Initiatives
 - Campus Safety and Security
 - Financial Reporting
2. The Office worked with the Associate Vice President of Human Resources to study the effectiveness of succession planning for key university positions.

II. Internal Audit & Control Activities

1. The Office completed a follow-up on the internal audit findings reported in the Post Tenure Faculty Review audit to confirm compliance with Board of Governors Regulation 10.003, *Post-Tenure Faculty Review*.
2. The Office managed the Mauldin & Jenkins annual Performance-based Funding Program Audit dated September 30, 2024, as per Board of Governors requirements. Because audit in prior years had not identified any significant data submission errors, the audit approach and scope were modified to rotate coverage of each of the metrics every three years at a substantial cost savings.
3. The Office assisted the State of Florida Auditor General with the completion of the annual Financial Statement Audit.
4. The Office performed a follow-up review of management's remediation of the findings reported in the latest State of Florida Auditor General's Operational Audit Report.
5. The Office assisted the State of Florida Auditor General with the completion of the Federal Awards Audit.
6. The Office completed the annual Florida State required Driver and Vehicle Information Data Base (DAVID) Audit which enables the university to continue to have access to vehicle owner identification and information used to prevent parking abuse and assure student safety.
7. The Office performed follow-up audits on all prior year internal and external audit report findings to confirm the timely implementation of corrective action in accordance with management's responses including the Florida Bureau of Risk Financing and Loss Prevention Audit and the Student Exception Admits Report Audit, which required an

Admit Students Retention and Graduation Rates Report to be submitted to the Board of Trustees each year.

8. The Office completed an internal audit of the Accounts Payable Vendors.
9. The Office completed an internal audit of the Athletics Department compliance with Title IX and NAIA Financial Aid compliance requirements.
10. The Office worked with the Chief Information Security Officer and an expert consulting firm to conduct Penetration and Social Engineering Tests of the university's cyber security defenses.
11. The Office completed an annual audit of university executive Procurement Card activity.
12. The Office completed an internal audit of controls over Attractive Assets.
13. The Office completed a Foreign Influence Operational audit.

III. Compliance

1. The Office supported the university's Office of Prevention and Health Promotion with publishing of the annual Drug Free Schools and Campuses Act notice and completion of the Biennial Review. The notice informs the university community of resources that support a drug and alcohol-free campus, as well as regulations and sanctions involved with drug and alcohol use.
2. The Office worked with management to provide campuswide Family Education Rights and Privacy Act (FERPA) training.
3. The Office supported the Red Flags Program compliance team to help ensure the university has an effective identify theft prevention program in place.
4. The Office worked with Student Affairs and the Office of General Counsel to revise the *Student Code of Conduct*.
5. In order to maintain a strong relationship with the Office of the Inspector General and Director of Compliance for the Board of Governor's (BOG) Auditor General, and build a university culture of regulatory compliance, the Office worked with the new Director of the Office of Research and Grants to implement the new House Bill 7017 requirements for monitoring Research Foreign Influence and Conflict of Interest reporting requirements.

6. To support compliance with Board of Governors regulation 4.002, *State University System Chief Audit Executive*, the Office evaluated the university's fraud risk by updating an enterprise-wide Fraud Risk Assessment using the Association of Certified Fraud Examiners framework. The assessment was used to identify areas where additional internal controls and fraud prevention efforts were required. The Fraud Risk Assessment update found eight of the 15 processes showed improvement year-over-year with the average score increasing from 90% to 92%. The Office will continue to work with management to implement effective internal controls and fraud prevention efforts to further decrease the risk of fraud.
7. The Office worked with the Compliance Liaisons from fourteen departments to create annual Compliance Partner Reports which highlight successes and challenges involved with achieving regulatory compliance requirements. The departments include: Academic Affairs, Communications, Counseling and Wellness Center, Enrollment and Financial Aid, Facilities, Finance, Human Resources, IT, Police, Procurement, Registrar, Research and Grants, Student Affairs, and Title IX.
8. The Office communicated the ways to report fraud, waste, or abuse and key aspects of the Whistleblower Hotline to the campus community.
9. The Office organized training for university personnel to support efforts to comply with Florida State Records Retention requirements.
10. The Office worked with the Office of General Counsel and Human Resources to enhance compliance with the Federal Equal Opportunity Act in support of Federal contracts, financial aid, and grant awards.
11. The Office confirmed the accuracy and functionality of information and links to information required to be provided to the public on the Consumer Information website.
12. The Office completed and filed the annual Specialty License Plate Funds Report as required by the Florida Department of Highway Safety and Motor Vehicles' Bureau of Motor Services.
13. The Office worked with Student Affairs, the Office of General Counsel, and the campus Police Department to develop and implement a Hazing Policy in compliance with BOG 6.021, *Hazing Prohibited*, and Florida Statute Section 1006.63, *Hazing Prohibited*.
14. The Office worked with the Office of General Counsel and the Office of Research Programs and Services on a Conflict-of-Interest Program and the updating of the university's regulation 3-4002, *Conflict of Interest*.

15. The Office managed the maintenance of the Florida Commission on Ethics filer information and provided filers with support in the form of an E-Filing Toolkit.
16. The Office supported the Title IX Officer in a Hearing request. During the coordination of the Hearing with the parties involved, the Office was able to resolve the two complaints using an Informal Resolution Agreement.
17. The Office worked with Athletics, the Office of Environmental Health and Safety, and the Office of General Counsel on the initiation of a Summer Camps program.
18. The Office worked with the Research Integrity Officer to complete the Report on Foreign Travel to Countries of Concern as required by Board of Governors Regulation 9.012, *Foreign Influence*.
19. The Office supported the Board of Governors' Office of Inspector General and Director of Compliance's Compliance Review of the university's Grandparents Tuition Waivers Program.
20. The Office supported the Board of Governors' Office of Inspector General and Director of Compliance's Compliance Review of the university's Foreign Gifts Reporting.

IV. Investigations

1. The Office conducted an independent investigation into the facts and circumstances surrounding what appeared to be a multimillion-dollar New College Foundation operating deficit, with particular attention to any improper use or "borrowing" of restricted funds.
2. The Office completed an investigation of a complaint concerning the inappropriate use of state appropriations, use of rollover funds, use of state appropriations for student housing repair, inappropriate payment of incentive bonuses, inappropriate scholarship awards, violations of Admissions policy, inappropriate use of state appropriations for Athletics, and the President's inappropriate granting of an honorary degree. The complaint was determined to be neither significant nor credible; however, an Athletics compliance audit was scheduled on the Internal Audit Work Plan for the 2024-25 fiscal year.
3. The Office evaluated and responded to a complaint concerning the methodology the university uses to measure the number of credit hours a student earns for each hour in class and other assigned activities.

V. Management Assists

1. The Chief Audit Executive evaluated the New College Foundation's internal controls over the Accounts Payable and Cash Receipts processes at the request of the NC Foundation Chief Financial Officer.
2. The Office supported management's compliant implementation of the Recruitment Retention bonus program.
3. The Office worked with the Office of Research Programs and Services and the Procurement Department to enhance procurement processes.
4. The Office worked with the Office of General Counsel and the Human Resources Department to add the requirements of the new Board of Governors regulation on Foreign Influence to the Search Committee member training materials. The Office also distributed a notice to all faculty and staff on the new requirements of the Foreign Influence Regulation.
5. The Office worked with the Human Resources Department on the identification of personnel requiring background checks and fingerprinting.
6. The Office evaluated the effectiveness of payroll timesheet controls at the request of the Chief Human Resources Officer.
7. The Office supported the university's responses to the Florida Department of Government Efficiency (DOGE) information requests.
8. The Office developed and delivered an Artificial Intelligence (AI) Ethical Use Presentation at the request of faculty.
9. The Office developed and delivered Financial Literacy workshops to university athletes at the request of the Provost's Office and Athletics Department.

VI. Administration

1. In order to maintain a strong understanding of current auditing and compliance issues, trends, and best practices, the Chief Audit Executive (CAE) completed seventy hours of continuing education. After completing the required level of continuing education, the CAE renewed the Certified Internal Auditor, Certified Fraud Examiner, Certificate in Risk Management Assurance, Certified Data Privacy Solutions Engineer, and Certified Information Systems Auditor designations for another year.

2. The Chief Audit Executive developed a 2025-2026 risk based Internal Audit and Compliance work plan for Board of Trustee approval.
3. In order to ensure the compliant and effective operation of the Audit and Compliance Committee of the Board of Trustees, the Office managed the creation of meeting minutes, public postings, and agendas; as well as fulfilling committee member requests and inquiries.
4. The Chief Audit Executive attended the Florida State University System Chief Audit Executive consortium and Chief Compliance Officer consortium in-person meetings to build relationships with the other SUS universities and the Board of Governors' Office of the Inspection General and Director of Compliance.

Contact Information

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New College of Florida

The Honors College

Office of Chief Audit Executive and Chief Compliance Officer

Date: June 6, 2025

To: Lance Karp, Chair Audit and Compliance Committee
New College of Florida
Sent via email to lkarp@yahoo.com

From: Alexander G. Tzoumas, Chief Audit Executive and
Chief Compliance Officer
New College of Florida

Subject: Executive Procurement Card Activity Review

Dear Chair Karp,

Annually, the Internal Audit Department reviews New College of Florida (University) Executive Team Procurement Card (Pcard) expense activity for compliance with Florida Statutes, guidance from the Florida Chief Financial Officer, and active State University System Board of Governor regulations. The scope of the review this year was activity occurring during the period from July 1, 2024 through May 28, 2025.

Pcards are issued to the Executive Team and other members of the University to improve purchasing efficiency, obtain card issuer rebates, and limit the amount and type of purchases made. Monthly, the Procurement Department reviews all Pcard statements to confirm they have been reviewed and signed by the respective department Office Manager and the employee responsible for the Pcard. While controls over Pcard activity are effectively designed, it is important the University periodically confirm management override by a senior official has not occurred. As such, the Internal Audit Department reviews the Pcard activity for senior officials and receipts associated with their significant purchases.

Once again, our review found the Executive Team only used the Pcard assigned to them for compliant purchases.

Kind regards,

cc: Richard Corcoran, President
Sent via email to: rcorcoran@ncf.edu



Alexander Tzoumas <atzoumas@ncf.edu>

Annual Whistleblower Hotline Notice

Alexander Tzoumas <atzoumas@ncf.edu>

Wed, Jun 18, 2025 at 2:03 PM

To: Faculty <faculty@ncf.edu>, Staff <staff@ncf.edu>

All,

As a reminder, the New College of Florida (New College) has established a Whistle-blower Hotline. Information about the Hotline can be found on the Reporting Complaints Beyond New College website at: <https://www.ncf.edu/about/departments-and-offices/office-of-the-general-counsel/report-a-problem/>.

Information on the State of Florida's Whistle-blower's Hotline is also available on the Governor's Office website at: <https://www.flgov.com/eog/info/report>.

If a New College employee suspects a violation of law, gross mismanagement, gross waste of funds, neglect of duty, or retaliation for reporting misconduct they can contact Alex Tzoumas, the Chief Audit Executive and Chief Compliance Officer either directly at atzoumas@ncf.edu or anonymously using the complaints@ncf.edu e-mail address.

Campus leadership is counting on your help and diligence. Effectively fighting fraud, waste, abuse, and other unlawful activity will take the whole community working together.

Thank you for your consideration and support,

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Alex Tzoumas, CIA, CISA, CFE, CRMA, CDPSE
Chief Audit Executive & Chief Compliance Officer
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Cook Hall - Room 230
Office: 941-487-4441
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New College of Florida
The Honors College

Office of Chief Audit Executive and Chief Compliance Officer

Date: June 10, 2025

To: Erin Fisher, Associate Vice President for Human Resources
New College of Florida
Sent via email to erfisher@ncf.edu

From: Alexander G. Tzoumas, Chief Audit Executive and
Chief Compliance Officer
New College of Florida

Subject: Succession Planning Analysis

Dear AVP Fisher,

As per our discussions, attached please find a high-level succession planning analysis for your consideration. As you know, succession planning is important to ensure the continuity of operations in the event of key personnel turnover. I hope the attached analysis not only helps you recognize potentially at-risk leadership positions, but also helps you gain continued support for the investment in, and retention of, these mission critical managers and their successors.

One of the other benefits of performing a succession planning analysis is that the effort helps us recognize the number of all-star performers we have at the New College of Florida. The six managers with higher succession risk ratings have all been essential to maintaining a strong internal control environment.

I have only completed the analysis for the Executive Team direct reports. I would be happy to extend the analysis to the next level of management if such would be helpful. In addition, please feel free to let me know if you would like the analysis to be augmented in some way.

Kind regards,

cc: Richard Corcoran, President
Sent via email to: rcorcoran@ncf.edu



Attractive Assets Audit Report Draft

June 5, 2025

I. Background

As per the Florida State University Board of Governors' Regulation 9.002, Recording and Marking of Property, all tangible personal property with a value or cost equal to, or in excess of, the university's tangible asset threshold, which should not be greater than the amount set forth by the U.S. Office of Management and Budget's (OMB) Uniform Guidance, and having a projected useful life of one year or more, shall be recorded in the financial system as property for inventory purposes. As per New College of Florida Regulation 3.1010, Procurement Services, property items, comprised of two categories, those that are capitalized (have a value greater than the amount set forth by the Uniform Guidance published by the U.S. Office of Management and Budget and a useful life of at least one year), and other property items that are not capitalized, but are tracked for insurance purposes. As per the Florida Chief Financial Officer, Attractive Assets (Assets) is property with a cost less than the capitalization threshold, presently \$10,000, but should still be tracked and inventoried for insurance coverage and the following reasons:

- The Assets contain sensitive data,
- The Assets are portable and easy to remove,
- The Assets are readily marketable, or
- The Assets have a history of being stolen.

Attractive Assets can be purchased through the Procurement Department, Information Technology, or reimbursed through Accounts Payable. To an extent, a Procurement Card (Pcard) may also be utilized to purchase assets within defined parameters. Since Attractive Assets have a higher risk or impact of loss, it is essential that The New College of Florida (University) track the purchase, release for use, and return of these Assets (i.e. inventory). Presently, the University relies upon the decentralized department Administrative Assistants, Executive Assistants, and Office Managers (Office Managers) to manage and inventory Attractive Assets. However, Office Managers often have a number of demands on their time, may leave the University's employment without an overlap of coverage with their replacements, or generally lack experience or training with asset management. While the Office Managers have received guidance during Finance meetings, emails, and in the NCF Fiscal Liaison Guidebook and draft Procedures for Safeguarding Attractive Assets on the maintenance of Attractive Asset ledgers and periodic inventories, they have not yet received training or an official Attractive Asset Policy or Regulation detailing internal control requirements. In addition, Office Managers reporting to the decentralized department managers and do not have reporting requirements to the Offices of Finance and Administration or Environment Health & Safety.

II. Scope

The scope of the Attractive Assets audit will include an evaluation of University internal controls in place at the start of the audit, compliance with active Florida State University System (SUS) regulations and Florida Statutes, and confirmation of the appropriate ledgering and present location of a sample of the Attractive Assets purchased during the 2024 calendar year.



Attractive Assets Audit Report Draft

June 5, 2025

III. Strategic Audit Objectives

1. Confirm the University is not experiencing a material loss of Attractive Assets.
2. Evaluate the effectiveness of controls in place to protect Attractive Assets.
3. Heighten the Office Manager's awareness and compliance with Attractive Asset guidance.

IV. Process Risks

1. University funds are used to purchase Attractive Assets for personal use.
2. Attractive Assets are not ledgered and periodically inventoried resulting in their undetected loss or unnecessary duplicate purchase.
3. State Auditor Operational Audit reports the University's inappropriate control over Attractive Assets reducing confidence in the University stewardship of Florida State property.

V. Finding Summary

While internal controls over Attractive Assets are not well established or consistently applied, we were able to locate all the Attractive Assets selected in our verification sample. Our ability to locate all the assets in an unstable control environment speaks to the integrity of the Office Managers and University personnel. It is, however, important for the University, as a State of Florida agency, to demonstrate a consistent level of cost-effective internal controls over Attractive Assets to prevent their misappropriation, misuse, and/or loss. Control inconsistencies primarily involved the ledgering and inventory of Attractive Assets. We would like to note that management has already identified the need to develop and publish guidance to support the decentralized Office Managers; however, we believe more supervision is needed to ensure the expected control environment is in place and operating as anticipated.

FINDINGS

Finding No. 1

At the Commencement of the audit, the University was in the process of developing a Capital and Attractive Asset Policy (Policy). Absent an Attractive Asset Policy mandating specific Attractive Asset management requirements and internal controls, the Office Managers have the discretion to develop their own individual approaches to the management and inventory of Attractive Assets which can lead to inconsistencies and weaknesses in the internal control environment.

Recommendation No. 1

Since management is in the process of developing a policy, we recommend the publishing and training on the Policy at the earliest opportunity. In addition to the Policy, we recommend the



Attractive Assets Audit Report Draft

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University develop a standard Attractive Assets inventory listing format similar to the Property Inventory outlined in Board of Governors regulation 9.003, Property Inventory. We further recommend the listing for each department be maintained in a single location, such as a Google drive, in that the listing survives Office Manager turnover.

Management Response to No. 1

An Attractive Asset Policy will be approved and published by July 31, 2025.

Finding No. 2

The University's present practice is for each department's Office Manager to determine which asset purchases qualify as Attractive Assets and should be included on an Attractive Asset listing. The decentralized responsibility for Attractive Assets also allows the respective Office Managers the discretion to decide if or when an Attractive Asset inventory will be performed. As a result of the decentralized structure, we identified the following inconsistencies:

- A. The Attractive Assets inventory listing for one department was last updated in February of 2024. In reviewing the inventory listing that was available, we noted the listing contained a column for location of the asset, but the column was often blank or contained a date instead of the location. \$1,412.22 in training equipment purchased on February 22, 2024 from Amazon was selected in our sample for verification but was not listed on the Attractive Assets inventory listing. The asset was eventually located by the Department Director.
- B. The Attractive Assets inventory listing for one department prior to January 2025 could not be located. Starting in January 2025, a new Attractive Assets inventory listing was created; however, the new listing does not indicate the location of the assets or who is responsible for the assets. One Attractive Asset in our verification sample was not originally included on the inventory listing, but was subsequently added after confirming it was on hand.
- C. The Attractive Assets inventory listing for one department was not maintained during the 2024 calendar year.
- D. The Attractive Assets inventory provided by one department was incomplete. Some Attractive Assets were not immediately tagged and added when purchased. However, the assets we selected in the verification sample were located and added to the inventory after our inquiry.
- E. The current Office Manager for one department had not been informed of the need for an Attractive Assets inventory listing. While the Attractive Asset selected in our verification sample was located, an Attractive Asset inventory listing could not be located and was not being maintained.
- F. The Attractive Assets listing for one department was not accurate because some assets were thrown away by prior management without informing the Office Manager.



Attractive Assets Audit Report Draft

June 5, 2025

G. The Attractive Assets inventory for one department had not been maintained for several years and the assets selected for verification and recently purchased had not been added to the existing inventory.

H. The Attractive Assets inventory for one department did not include the assets in the verification sample; however, the assets were on-hand and were subsequently added to the inventory listing.

Recommendation No. 2

We recommend all existing Office Managers, and new Office Managers when appointed, receive training on the new Attractive Assets policy. In addition, we recommend a centralized authority be appointed to periodically confirm all Office Managers are complying with the new Attractive Assets policy. In those instances where an Office Manager fails to comply with policy requirements, we further recommend the centralized authority be able to denote the Office Manager's non-compliance in their annual performance review.

Management Response to No. 2

The Office of Finance and Administration and Director of Environmental Health and Safety will prepare appropriate training documentation and provide Attractive Assets Management training sessions for all Office Managers before September 30, 2025. The Director of Environmental Health and Safety, who is responsible for the university's property insurance coverage, will immediately assume the role of a central authority over Attractive Assets management. The Human Resources Department will assist the Director of Environmental Health and Safety track and document the training status of applicable employees.

Finding No. 3

While the University has established a policy requiring the use of an Off Campus Use form to check-out Attractive Assets for off campus/home use, the form is not provided to Human Resources as a tickler to recover the equipment when an employee is terminated or the Director of Environmental Health and Safety for insurance purposes. Considering the level of Office Manager turnover, employee department transfers, and absence of an Off Campus Use centralized equipment record, maintaining the form at the department level does not appear to provide a meaningful tickler or internal control to assure the recovery of Attractive Assets when an employee terminates their employment.

Recommendation No. 3

We recommend a copy of all Off Campus Use forms be provided to the Human Resources Department to act as a recovery tickler when an employee leaves the University and to the Director of Environmental Health and Safety for insurance purposes. In addition, the present policy requires the Off Campus Use form be completed annually for the same employee using the same equipment. We recommend the Off Campus Use form only be completed once for each employee's continual off campus use of a specific piece of equipment to improve efficiency.



Attractive Assets Audit Report Draft

June 5, 2025

Management Response to No. 3

The Off Campus Use Dynamic form routing will be modified to include the forwarding of the supervisor approval forms to the Human Resources Department for the employee's personnel file and the Director of Environmental Health and Safety for insurance records.

Finding No. 4

The majority of the department Office Managers do not conduct an annual Attractive Asset inventory to confirm the whereabouts of the assets are known and the assets are still functional.

Recommendation No. 4

We recommend an annual inventory of all Attractive Assets be performed by the Office Managers in parallel with the University's annual Capital Assets inventory on June 30th of each fiscal year.

Management Response to No. 1

Effective immediately, the Director of Environmental Health and Safety will coordinate an annual inventory of Attractive Assets as of June 30th of each year.