



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON AUDIT AND COMPLIANCE
COMMITTEE MINUTES**

March 22, 2018

President's Room 215B, Emerson Alumni Hall

University of Florida, Gainesville, FL

Time Convened: 9:30 a.m. EDT

Time Adjourned: 10:05 a.m. EDT

1.0 Verification of Quorum

A quorum was confirmed with all members present with the exception of Trustee Meyers.

Members present were:

Marsha D. Powers (Chair), James W. Heavener, David M. Quillen, and Robert G. Stern.

Others present were:

The Board of Trustees, President W. Kent Fuchs, members of the President's Cabinet, Chief Audit Executive Brian Mikell, Executive Associate Vice President Elizabeth Ruszcyk, Assistant Vice President/Controller Alan West, Florida Auditor General Audit Supervisor Denita Tyre, and OIA Audit Director Joe Cannella.

2.0 Call to Order

Marsha D. Powers, Committee Chair, called the meeting to order at 9:30 a.m. EDT and welcomed all Trustees and everyone in attendance at the meeting.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the December 14, 2017 Committee meeting, which was made by Trustee Stern, and a second, which was made by Trustee Quillen. The Committee Chair asked for further discussion, and then all in favor of the motion and any opposed, and the motion was approved unanimously.

The Committee next considered the one Action Item that it had to address.

4.0 Action Item(s)

AC1. University of Florida Annual Financial Report for the Fiscal Year ended June 30, 2017

On February 22, 2018 the State of Florida Auditor General issued its report on the audit of the financial statements of the University of Florida for the Fiscal Year ended June 30, 2017. The Auditor General issued a clean, “unmodified” opinion on the financial statements. Subsequent to the release and receipt of the opinion, the university published its Annual Financial Report (AFR) on February 27, 2018, which included the Auditor General’s report. Assistant Vice President/Controller West presented the AFR to the Committee, provided them a printed copy and demonstrated the online version and illustrative guide of the report, developed to enhance readability. Trustee Mori Hosseini complimented Mr. West on the report and asked, at a future meeting, that he could present a big picture comparison to the prior 5 years.

The Committee Chair asked for a motion to approve Committee Action Item AC1 for recommendation to the Board for its approval on the Consent Agenda, which was made by Trustee Stern, and a second, which was made by Trustee Quillen. The Committee Chair asked for any further discussion, and then asked for all in favor of the motion and any opposed and the motion was approved unanimously.

The following Discussion/Informational Items were the addressed by the Committee:

5.0 Discussion/Information Items

5.1 Update on External Audits

Denita Tyre of the Auditor General’s Office appeared before the Committee and provided a report on external audit activity as follows:

- The Operational Audit for the University of Florida, covering the calendar year 2016, and selected subsequent transactions, is almost complete. This audit is conducted at least every three (3) years, per statute. Preliminary and tentative findings have been delivered to the University, and the report will be released after receipt of the University’s formal responses.
- Financial Statement Audit for the 2016-2017 fiscal year has been completed. This audit is conducted as part of a statewide audit, but a separate report is issued for the University of Florida. This report was presented earlier, along with the University’s Annual Financial Report.
- Federal Audit for the 2016-2017 fiscal year: This federal compliance audit is conducted and reported as part of a statewide audit. The report for the state, which includes any findings at the University of Florida, will likely be released by the end of March.

- Florida Bright Futures Audit: This audit covers compliance with state regulations relative to the Bright Futures program. The current project, covering the 2015-2016 and 2016-2017 fiscal years, is expected to be issued in March or April.
- Planned work to be conducted covering the 2017-2018 fiscal year will include the statewide financial and federal audits.

5.2 Compliance Program Update

Executive Associate Vice President Elizabeth Ruszczyk updated the Committee on the elements and objectives of the Compliance Program. She indicated that the University has met 17 of 18 compliance requirements, and the office is on its way toward completing the 18th, system-wide training, which is expected to be done by November.

5.3 Audits and Other Reviews

Chief Audit Executive Brian Mikell presented the following internal audit projects that had been issued since the last Committee meeting:

- 1) University of Florida Foundation Endowed Restricted Gifts
- 2) University of Florida Foundation Non-Endowed Restricted Gifts
- 3) Electronic Funds Transfers
- 4) University Athletic Association Ticket Office

The reports and summaries, which had been previously provided to the Committee for detailed review, were briefly discussed and questions were answered.

5.4 Quarterly Follow-up

CAE Mikell reported on the follow-up status of comments and action plans from previously issued internal and other audits. Mr. Mikell explained the purpose and objectives for the follow-up process and discussed some of the more significant action plans in detail.

5.5 Audits of Affiliated Organizations

Assistant Vice President and University Controller West provided information relating to audits of university affiliated organizations. This information was compiled by the general accounting and financial reporting department of the Office of the Controller. Mr. West discussed additions to the schedules since the last committee meeting and answered questions from the Committee.

6.0 New Business

No new business was brought before the Committee.

7.0 Adjourn

After asking for any further discussion and hearing none, Committee Chair Powers asked for a motion to adjourn, which was made by Trustee Stern, and a second, which was made by Trustee Quillen and, with no further discussion desired, the motion was passed unanimously and the University of Florida Committee on Audit and Operations Review meeting was adjourned at 10:05 a.m. EDT.