

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
AUDIT AND COMPLIANCE COMMITTEE MEETING  
FLORIDA STATE UNIVERSITY  
TALLAHASSEE, FLORIDA  
JANUARY 20, 2016

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and its Committees are accessible at <http://www.flbog.edu/>.*

Chair Alan Levine convened the meeting of the Audit and Compliance Committee at 2:57 p.m., at the Turnbull Center on the Florida State University campus, in Tallahassee, Florida. The following Audit and Compliance Committee members were present: Wayne Huizenga, Tom Kuntz, Ed Morton, Ned Lautenbach, and Fernando Valverde. The following members of the Board were also present: Richard Beard, Dean Colson, Daniel Doyle, Patricia Frost, Tonnette Graham, Mori Hosseini, Wendy Link, Pam Stewart (by phone), and Norman Tripp.

1. Call to Order

Mr. Levine called the meeting to order.

2. Approval of Minutes

Mr. Lautenbach motioned that the Committee approve the minutes of the Audit and Compliance Committee held June 18, 2015, as presented. Mr. Kuntz seconded the motion. The minutes were approved.

3. Discussion, Quality Assessment Review of the Office of Inspector General and Director of Compliance (OIGC)

Mr. Maleszewski reported the results of the Auditor General Office's quality assessment review of the OIGC, which was conducted this past fall. The AG's assessment concluded OIGC operations conform to statutory requirements and professional audit standards.

4. Update, Florida Polytechnic University - Auditor General Audit Reports

Mr. Maleszewski reviewed the Board of Governors requirements that Florida Polytechnic University must meet by December 31, 2016. He confirmed that, as of December 2015, the university has completed 13 of the 20 items the

university is tracking. The university has reported that the remaining seven items are on track to be completed by the 2016 deadline. Once the criteria have been met, the university's board of trustees will notify the Board of Governors, who shall conduct a final review to confirm the criteria have been met.

Mr. Maleszewski then discussed the AG's recent financial and operational audits of the university. For the annual financial audit, the AG concluded the financial statements were presented fairly and in accordance with prescribed financial reporting standards. Additionally, the AG concluded there were no internal control deficiencies or instances of noncompliance.

Regarding Florida Polytechnic University's operational audit (conducted at least every three years), Mr. Maleszewski provided a brief summary of the eight findings as well as the university's responses and corrective action plans. Mr. Levine stated that the audit scope and findings were significant enough to be brought before the Committee. Mr. Levine requested Mr. Maleszewski provide an update on the university's progress at the next meeting.

5. Discussion, SUS Cybersecurity Risk Assessment

In March and September 2015, Governor Levine had asked that Mr. Maleszewski conduct a System-wide cybersecurity risk assessment. Mr. Maleszewski discussed the Board Office's work on this project to date, which includes the identification of potential partners and possible goals.

One of the concerns that makes this project difficult to achieve is that there is currently no statutory exemption for this sensitive information. Complying with current public records and open meeting requirements could mean revealing IT vulnerabilities. Mr. Levine stated that the Board's General Counsel, Vikki Shirley, is working on a statutory exemption to be considered this legislative session.

6. Updates, Office of Inspector General and Director of Compliance

Mr. Levine addressed the delay in the presentation of the four draft regulations discussed in the last several audit committee meetings. He said the process has been slowed down to allow for further collaboration and input. Mr. Maleszewski said one of our goals is to provide an in-person meeting or workshop for those interested to discuss the drafts in detail.

Mr. Maleszewski provided the following updates for the Committee:

- a) We are on track to receive SUS Performance-based Funding Data Integrity audit reports and certifications to present to the Committee at its March 2016 meeting. Mr. Levine reiterated the confidence we can have in the data integrity used for these certifications as the process has been well-planned.
- b) The OIGC is following up with Florida A&M University regarding the status of their Intercollegiate Athletics Cash Deficit Reduction Plan. University staff expect to present the plan to the university's board of trustees in March 2016. We will review the plan and provide a report to the audit committee at the June 2016 meeting.
- c) The Board Office's Auditor General operational audit is expected to be initiated early this year. There is still no set date.
- d) Mr. Maleszewski stated that he has participated in the New Trustee Orientation hosted by the Board of Governors. He has provided information related to audit and compliance-related issues.
- e) The OIGC is tracking a number of bills this legislative session. They are related to the Whistle-blower's Act, Public Records, and Information Technology/Cybersecurity. Mr. Maleszewski will update the Committee after the end of the Legislative Session.
- f) Regarding the bills being considered regarding exemptions from public records or open meetings for certain records held by state agencies that identify detection, investigation, or response practices for suspected or confirmed information technology security incidents, Mr. Levine said the Board's General Counsel is working on language that would grant universities (which are not considered state agencies) such an exemption.
- g) Mr. Kuntz motioned for approval of, and Mr. Morton seconded this motion for the board to consider:

Motion to recommend that the full Board support Senate Bill 1588 regarding an exemption from Public Records and Meeting requirements for certain data and information collected for Cybersecurity measures.

7. Concluding Remarks and Adjournment

The meeting of the Audit Committee was adjourned at 3:30 p.m.

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Alan Levine, Chair

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Lori Clark, Compliance and Audit Specialist