

Florida Board of Governors  
Office of Inspector General and Director of Compliance

**ANNUAL REPORT**  
**Fiscal Year 2023-2024**



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## Introduction

In compliance with Florida’s Inspectors General Act,<sup>1</sup> the Office of Inspector General and Director of Compliance (OIGC) has prepared this annual report to summarize the office’s activities for the 2023-2024 fiscal year.

## Authority, Standards, and Functions

### Authority

As authorized by state law,<sup>2</sup> the Board of Governors (Board) established the OIGC in July 2007 to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

To achieve and maintain independence and objectivity, the inspector general and director of compliance (inspector general) reports functionally to the Board, through the chair of the audit and compliance committee (AACC), and administratively to the chancellor.

### Standards

All audit and investigative work in the OIGC is conducted in accordance with the *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General. Audit engagements are also performed in accordance with the *International Professional Practices Framework (Standards for the Professional Practice of Internal Auditing)*, published by the Institute of Internal Auditors, Inc.

### Functions

The OIGC’s three main areas of responsibility are audits, investigations, and compliance. The office also provides staff support to the AACC.

#### *Audits*

The OIGC promotes integrity, accountability, and process improvements by providing objective, timely, sufficient, and value-added audit services. The OIGC conducts audits of the Board Office and communicates the results of those audits in accordance with audit standards. The inspector general determines the scope and assignment of audits;

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<sup>1</sup> Section 20.055, Florida Statutes

<sup>2</sup> Sections 20.055(2) and 20.155(5), Florida Statutes

however, the AACC chair and the chancellor may at any time direct the inspector general to perform an audit of a special program, function, or organizational unit.

### *Investigations*

The goal of the OIGC's investigative function is to deter, detect, and investigate internal and external fraud, waste, mismanagement, misconduct, and other abuses in the Board Office. The OIGC also has the authority to investigate waste, fraud, or financial mismanagement within the 12 universities that make up the State University System of Florida (System). The OIGC's investigative function is accredited through the Commission for Florida Law Enforcement Accreditation, Inc.

### *Compliance*

The OIGC is responsible for promoting and supporting a culture of compliance, risk management, and accountability within the Board Office by conducting compliance reviews and providing training. The office assists in the prevention and detection of conduct that is contrary to applicable laws, regulations, rules, policies, or procedures; and promotes a culture that encourages a commitment to compliance.

### *Support for the Audit and Compliance Committee*

The OIGC provides staffing support for the Board's AACC, which meets face-to-face or by conference call at least four times per year. Activities in support of the AACC routinely include:

- Participating in one-on-one briefings with Board members prior to Board meetings to discuss agenda topics.
- Preparing meeting materials and presentations for the AACC meetings.
- Communicating with the AACC chair for guidance in handling concerns under the committee's purview.
- Assisting AACC members in staying abreast of applicable regulations and statutes.

## **Audit Activities**

During the 2023-2024 fiscal year, we completed the following internal audit-related projects:

- Two Internal Audits;
- Internal Quality Assessment Review; and
- OIGC Audit Follow-up Activities.

## Internal Audits

### *System Educational Plant Survey Process*

The OIGC conducted an operational audit of the Board office's administration and oversight of the educational plant survey (EPS) process to evaluate its efficiency and compliance with state laws, rules, regulations, and agency policies and procedures. During the engagement, we identified and reviewed applicable state statutes, Board regulations, and internal policies and procedures; interviewed Board office staff; reviewed data applications and agency documentation.

We concluded that due to the Board Office's administration and oversight of the EPS process, all the System universities have completed an EPS at least every five years as required by state law, and the EPS's were conducted per the criteria and requirements of section 1013.31, Florida Statutes. We identified two areas in which the Board Office could enhance its administration and oversight of the EPS process and strengthen access controls concerning the Board Office EPS application and made two recommendations. Opportunities for improving the EPS process included the development of a regulation governing the EPS process for the Board's consideration, and as a best practice, the monitoring of the EPS application's user privileges to ensure they are appropriate.

Management concurred with the findings and recommendations and committed to implementing corrective actions to enhance their processes, administration, and oversight.

### *Board Office's Records Management Program*

The OIGC conducted an operational audit to evaluate the Board office's implementation and oversight of its Records Management Program. During the engagement, we identified and reviewed applicable state statutes, Florida Administrative Code (FAC) Rules, and internal policies and procedures; interviewed Board Office staff; conducted site visits to off-site storage areas; and reviewed pertinent Department of State Division of Library and Information Services and Board Office documentation and records.

We concluded Board Office staff established a records management program, selected a records management liaison officer as required by Florida Statutes, and implemented processes designed to ensure compliance with statutory requirements and FAC Rules. We identified three areas in which Board Office staff could enhance the overall administration and oversight of its records management program and made four recommendations. Opportunities for improving the records management program included strengthening the Board Office's policies, procedures, and training related to

its records management program; enhancing the office's ownership, guidance, and oversight of the program; and improving the office's maintenance of records stored off-site.

Management concurred with the findings and recommendations and committed to implementing corrective actions to enhance their processes, administration, and oversight.

## Internal Quality Assessment Review

As part of the OIGC's Quality Assessment and Improvement Program (QAIP), the OIGC conducted an internal, self-assessment of its compliance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards). The self-assessment reviewed the OIGC's policies and practices in effect between July 2022 and June 2023 and concluded that the quality assurance program related to the OIGC's internal audit activity is adequately designed and generally conforms with the *Standards for the Professional Practice of Internal Auditing*, as well as the Institute of Internal Auditor's Core Principles, Code of Ethics, and Definition of Internal Auditing.

## OIGC Audit Follow-up Activities

The OIGC is required by law<sup>3</sup> and professional auditing standards to establish and maintain a system to monitor the disposition of results communicated to management in a prior audit or review. The OIGC's monitoring process consists of bi-annual meetings or communications to evaluate the progress and status of corrective actions of all audit recommendations, including those issued by external parties such as the Auditor General.

The OIGC is also required<sup>4</sup> to identify significant recommendations made to the Board that were described in previous annual reports on which corrective action has not been completed. We did not identify any such recommendations.

## Investigative Activities

During the 2023-2024 fiscal year, the OIGC engaged in the following investigative-related activities:

- Complaints, Notifications, and Requests;

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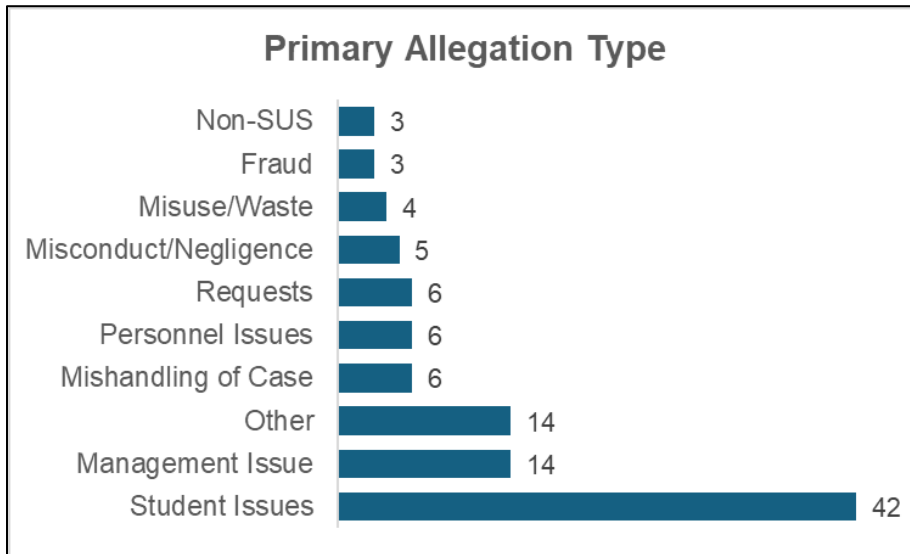
<sup>3</sup> Section 20.055, Florida Statutes

<sup>4</sup> Section 20.055(8)(c), Florida Statutes

- Investigations and Other Investigative Activities; and
- Whistle-blower Activity.

## Complaints, Notifications, and Requests

The OIGC typically receives complaints, notifications, and requests for information by telephone, letter, or e-mail. The OIGC opened 103 new cases related to complaints, notifications, and requests for information during the 2023-2024 fiscal year. The following graph provides an overview of the types of primary allegations associated with those new cases.



Of the 103 new cases opened during the year as described above, the OIGC closed 94 in the following ways:

- Referred 65 to the appropriate university or agency for handling and monitored the outcome, if necessary;
- Processed 4 within the OIGC; and
- Determined 25 required no referral as they were either previously or concurrently being addressed by other appropriate entities.

Additionally, the OIGC closed five historical cases related to complaints and notifications that carried over into the 2023-2024 fiscal year from the previous fiscal year.

## Investigations and Other Investigative Activities

The OIGC conducts investigations and other investigative activities (which may include consultations, preliminary inquiries, and external investigative oversight), as needed. During the 2023-2024 fiscal year, the OIGC opened four new other investigative activity

cases. Two of those cases were closed during the fiscal year and are summarized below.

### *Review of the FAU Presidential Search and Selection Process*

On June 30, 2023, Chancellor Ray Rodrigues began receiving concerns about the Florida Atlantic University (FAU) presidential search. He subsequently requested the Board inspector general's assistance in conducting an investigative review of the FAU presidential search process, including an assessment of the process's compliance with laws, regulations, and university policies and a review of alleged anomalies.

The OIGC conducted its work between July 10, 2023, and November 9, 2023, which included reviewing relevant laws, regulations, and policies; conducting interviews; and reviewing records and documentation from the university and its contractor.

Overall, the FAU presidential search was found to be non-compliant with certain aspects of Florida's Government in the Sunshine Law and Board of Governors Regulation 1.002, *Presidential Search and Selection*. It was recommended that the Board require FAU to restart its search for its next president and require a different individual to serve as the chair. Additionally, it was recommended that the Board consider updating Board of Governors Regulation 1.002 to provide more detailed direction to university boards of trustees related to presidential searches to address the identified deficiencies.

The inspector general presented the results of the investigative review to the Board's AACC on December 14, 2023. After the AACC meeting, the full Board met to discuss the results and required FAU to restart its presidential search. Additionally, action was taken to amend Board of Governors Regulation 1.002 at the next regularly scheduled meeting to incorporate the investigative review recommendations.

### *Review of Alleged Anti-Semitic Activity at the University of South Florida*

In November 2023, Chancellor Rodrigues received concerns about alleged anti-Semitic activity at the University of South Florida (USF). Based on those concerns, he asked the OIGC to investigate the alleged activity. The Board office retained the law firm of Alston & Bird LLP to assist with the investigation, and the OIGC provided external investigative oversight.

The investigative scope included allegations of anti-Semitic activity occurring on USF's Tampa campus or involving USF students, faculty, administrators, or student organizations during the Fall 2023 academic semester. The investigation included a review of various sources of information provided by USF administrators, faculty, and staff; USF law enforcement; students; and other witnesses.



The events and concerns communicated during the investigation demonstrated that although there were different perspectives on recent and historic events, opportunities existed to foster a safer and more supportive environment for Jewish students at USF. For that to happen, several recommendations were made for university leaders, Jewish student organizations, and Jewish students to consider, such as enhanced communication concerning alleged acts of anti-Semitism; a review of university policies and procedures to clarify and reiterate student-related conduct expectations; and enhanced collaboration and professionalism between university, student organization and community leaders.

On June 14, 2024, the OIGC transmitted its final report to Chancellor Rodrigues for his review and dissemination to affected university and community leaders.

## Whistle-blower Activity

The OIGC assesses every complaint it receives to determine whether provisions of Florida's Whistle-blower's Act might apply. The OIGC did not receive any complaints from the Board Office that would fall under the Whistle-blower's Act.

If the OIGC receives a university-related complaint that may fall under the provisions of the Whistle-blower's Act, the OIGC refers it to the appropriate university chief audit executive for primary handling per Board of Governors Regulations 4.001<sup>5</sup> and 4.002<sup>6</sup>. The OIGC referred 13 of the complaints opened during the fiscal year to seven university chief audit executives for whistle-blower determination. None of the complaints were determined to meet the criteria in section 112.3189(3), F.S., to be handled under the Whistle-blower's Act.

## Compliance Activities

During the 2023-2024 fiscal year, the OIGC completed the following compliance-related activities:

- Two Compliance Reviews;
- Inaugural Annual Compliance Newsletter; and
- Compliance Training.

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<sup>5</sup> University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement

<sup>6</sup> State University System Chief Audit Executives

## Compliance Reviews

### *University Honorary Degrees, Regulation 3.004*

This compliance review evaluated the compliance by universities and Board Office staff with the regulation's requirements for university boards of trustees to establish policies and procedures related to the awarding of honorary degrees. Once established, universities were to provide a copy to the Board of Governors Office.

We found that all universities complied with the regulation's requirement that they establish policies and procedures for awarding honorary degrees. We recommended that Academic and Student Affairs staff consider possible revisions to the regulation that may include clarifying the role of the university's board of trustees in establishing the university's policy and awarding of honorary degrees. Additionally, we recommended staff consider a centralized location to retain university documentation that demonstrates regulatory compliance.

Management agreed to look at the process and review the regulation.

### *Foreign Gifts Inspection*

In accordance with state law,<sup>7</sup> we conducted a random inspection of at least five percent (5%) of the foreign gifts disclosed by institutions of higher education<sup>8</sup> (IHEs) affiliated with the System. The purpose of the inspection was to evaluate the System IHEs' compliance with the statutory reporting requirements related to foreign gifts and agreements.

We determined all the foreign gift disclosures were made in a timely manner in accordance with the prescribed method and were determined compliant with the statutory reporting requirements. Additionally, we noted a couple of observations that related to a gift amount being overreported and a contract submitted in a foreign language without an English translation.

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<sup>7</sup> Section 1010.25(3)(d)2., Florida Statutes

<sup>8</sup> Institutions of Higher Education ("IHE") are defined in section 1010.25(1)(g), F.S., as a state university, an entity listed in subpart B of part II of chapter 1004 that has its own governing board, a Florida College System institution, an independent nonprofit college or university that is located in and chartered by the state and grants baccalaureate or higher degrees, any other institution that has a physical presence in the state and is required to report foreign gifts or contracts pursuant to 20 U.S.C. s. 1011f, or an affiliate organization of an institution of higher education.

Our office continues to work with the System IHEs to ensure the interpretation and application of the law, as well as the System IHEs' reporting practices, are consistent across the System.

## Compliance Newsletter

In July 2023, the OIGC issued a compliance newsletter, "Compliance and You!" The newsletter included general compliance information for Board Office staff to promote awareness of the importance of a culture of compliance.

## Compliance Training

The OIGC co-hosted a compliance training event with the general counsel for all Board Office staff in May 2024. The general counsel, who serves as the Board Office's ethics officer, presented a summary of the state's code of conduct for employees and ethics requirements, which is statutorily required each year. OIGC staff presented a compliance overview for the Board Office that provided education on elements of the Board Office compliance program.

## Other OIGC Activities

### Support for the Audit and Compliance Committee

The Board's inspector general is responsible for keeping the AACC informed of the OIGC's activities. The inspector general provides information or updates on any other topics as requested by AACC members. Presentations made to the AACC during the year included the following topics:

- System Audits Summary, FY 2022-2023. The summary described the results of all audits conducted on the 12 System institutions.
- Summary of the investigative review of the FAU Presidential Search Process.
- University Performance Based Funding (PBF) and Preeminence Audit Results. This presentation is annually provided to the AACC in March and provides a summary of the results of each System institution's audit results and corrective actions related to the internal controls surrounding the integrity of the data used for PBF or preeminence metrics.
- Final Progress Reports on the External Financial Controls Review of University Direct Support Organizations. These progress reports were provided at each AACC meeting to update them on the progress of corrective actions status.

## State University Audit Council

The inspector general represents the Board on the State University Audit Council (SUAC), composed of System universities' chief audit executives. SUAC meets monthly to provide an opportunity for System chief audit executives to share information and best practices.

## System Compliance and Ethics Consortium

The inspector general also represents the Board on the System's Compliance and Ethics Consortium (Consortium), which is composed of System universities' chief compliance officers and other compliance partners from the respective universities. The compliance and audit specialist also participates in the Consortium. The Consortium held quarterly meetings during the reporting year to discuss topics relating to their compliance and ethics programs, such as federal and state laws, Board of Governors regulations, best practices, and issues they may be facing.

## Whistle-blower Training Provided

To support the chief audit executives in fulfilling their responsibilities under Florida's Whistle-blower Act, the OIGC offers training on the components and requirements of the Act. On February 6, 2024, the OIGC's investigations and audit manager provided this training to representatives from Florida Agricultural and Mechanical University and Florida State University. Among the attendees were individuals from the universities' legal offices, internal audit departments, human resources, and/or institutional equity offices.

## OIGC Newsletter

The OIGC periodically publishes the *OIGC News* during each year. The newsletter is designed to supplement Board meetings to keep the AACC informed regarding OIGC activities and updates. The most current OIGC newsletter is available at:

<https://www.flbog.edu/about-us/inspector-general/>

## Professional Development and Associations

OIGC staff develop and maintain their professional knowledge, skills, and abilities through professional development opportunities, which develop and hone their expertise in a variety of disciplines. Employees are qualified in auditing, financial matters, investigations, fraud, compliance, and information technology. Collectively, OIGC staff have obtained 12 professional certifications and are members of the following professional organizations:

- Association of Inspectors General (National and State Chapters);
- Institute of Internal Auditors (National and Tallahassee Chapters);
- ISACA (National and Tallahassee Chapters);
- Association of Certified Fraud Examiners; and
- Society for Corporate Compliance and Ethics.

## **OIGC Staff Biographies**

### **Julie M. Leftheris, CPA, CIG, CFE, CIA, CISA Inspector General and Director of Compliance**

Julie has over 30 years of audit and investigative experience and has served as the inspector general and director of compliance for the Board of Governors since July 2018. Julie is a graduate of Florida State University with degrees in both Finance and Accounting. She currently serves as a board member of the Florida Association of Inspectors General, a member of the Leon County School Board Audit Committee, and a Commissioner for the Florida Commission for Law Enforcement Accreditation.

### **Rebekah Weeks, CIGI, CIA Investigations and Audit Manager**

Rebekah joined the OIGC staff in October 2015. She previously worked in the Executive Office of the Governor's Office of the Chief Inspector General. Rebekah has a Bachelor of Science degree in Social Welfare from the University of Albany and two master's degrees from Florida State University (Public Administration and Social Work). She holds the professional certification of Certified Inspector General Investigator (CIGI) through the Association of Inspectors General and serves as the Accreditation Manager for the OIGC's investigations section. She is also a Certified Internal Auditor (CIA) through the Institute of Internal Auditors.

### **Lori Clark, CIGA, CCEP, CGAP Compliance and Audit Specialist**

Lori joined the Board of Governors office in August 2006 as an educational policy analyst in the Board office's Academic and Student Affairs unit, transferring to the OIGC in August 2008. She earned her bachelor's and master's degrees in French Language and Literature from Florida State University and has over 30 years of experience in postsecondary education, including teaching, student services administration, program implementation, auditing, and compliance.

**Currently Vacant**  
**Investigations and Audit Specialist**

Christine LeClere held the position of investigations and audit specialist from July 1, 2023, through March 31, 2024. This position has been vacant since she departed from the OIGC for professional advancement at a private university in the State of Florida.



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