STATE OF FLORIDA

FLORIDA A&M UNIVERSITY

IN RE: AUDIT & COMPLIANCE COMMITTEE MEETING

DATE: MARCH 3, 2016

TIME: 10:04 a.m. - 10:26 a.m.

COMMITTEE MEMBERS: TRUSTEE NICOLE T. WASHINGTON, CHAIR (PRESENT) TRUSTEE ROBERT WOODY TRUSTEE TONNETTE GRAHAM

LOCATION: PRESIDENT'S CONFERENCE ROOM FOURTH FLOOR LEE HALL

REPORTED BY: YVONNE LAFLAMME, FPR COURT REPORTER and NOTARY PUBLIC
TRUSTEE WASHINGTON: Good morning, everyone.

This is the special meeting for the Audit and Compliance Committee. We are pending one additional trustee coming on the line, so if you could please have patience with us for a couple of minutes while we try to locate people to make sure we have a quorum.

Thank you.

TRUSTEE LAWSON: Excuse me. We're waiting on Trustee Graham; is that the situation?

TRUSTEE WASHINGTON: Yeah.

TRUSTEE LAWSON: You can start the meeting but just not close it until you get a quorum. But as the chair, it's your decision.

TRUSTEE WASHINGTON: Okay. Well, thank you for that, Trustee Lawson.

I will hope -- I would begin and hope that we can get Trustee Graham on before we actually close, so I am going to call the meeting, the special meeting of Audit and Compliance Meeting or Committee to order.

Ms. Barrington, can you please call the roll?

MS. BARRINGTON: Good morning to everyone.

Trustee Nicole Washington?

TRUSTEE WASHINGTON: Here.

MS. BARRINGTON: Trustee Tonnette Graham?
Trustee Gary McCoy?

Trustee Craig Reed?

Trustee Robert Woody?

TRUSTEE WOODY: Here.

MS. BARRINGTON: Chair Washington, we do not have a quorum.

TRUSTEE WASHINGTON: Thank you, Ms. Barrington.

MS. BARRINGTON: You’re welcome.

TRUSTEE WASHINGTON: And I am aware we do not have a quorum. We are trying to locate one of the other trustees to insure that we do have a quorum before taking this vote.

This should be a relatively short meeting. We only have one action item. It is, in fact, the acceptance of the performance-based funding data integrity report. It's -- this report is required by the Board of Governors. It was distributed to the committee members and the full board for your review prior to the meeting, and I would now ask VP Givens to give a review of the report.

VP GIVENS: Good morning.

TRUSTEE WOODY: Good morning.

VP GIVENS: This audit is required by the Board of Governors. It's required of all of the State University System universities, and it's -- the goal
is to provide the Board of Governors with the assurance that it wants to insure that the data it receives from the universities, that they rely upon for performance-funding based metric is accurate and complete.

So, we performed the audit. We have issued the report, and the conclusion of the audit is the University does have adequate processes and controls in place and the data submitted to the Board of Governors for performance funding metrics was accurate and complete.

In doing the audit, we did have a couple of observations. The first of these had to do with we noted that there was some inappropriate or unnecessary IT access privileges within the iRattler system. And corrective action on this has already been implemented or has begun, and the ITS subject matters experts are working with the users from the various offices to determine what access is needed for each level of duty and then a metric will be developed to include an appropriate set of duties.

The second step would then be to do an annual user roll recertification project, which would include completion of the testing application; and then secondly, to review and update the description of
access rules with the subject matter experts and then
to execute an annual test, which would generate
reports, so that it would be done on an annual basis.
The implementation of this step is expected to be
completed in October of 2016.

The second observation was data submissions were
not submitted by the required due date in certain
instances. Corrective action plans have already begun
on this observation as well by providing training to
those who input data with the expectation that they
put down on the amount of input errors, and also
consider maintaining some space facility in PeopleSoft
rather than Legacy to expedite pulling that
information out of that system. The implementation
date of this is expected to be summer term of 2016.

We also noted in connection with the late
submission of reports that the University could
automate some processes which would help the data and
been able to provide the data on a timely basis and
cut down errors.

So, the next step would be for the Audit
Committee to accept the report, and then they will go
to the full board at the next meeting for acceptance
by the full board, and then the report will be
submitted to the Board of Governors.
Madam Chairman, that concludes my report.

TRUSTEE WASHINGTON: Thank you very much, VP Givens. I'm just going to take a point of privilege to note there is a lot of feedback on the line, so I don't know -- if you're not speaking, if you could mute your line. Or if there's mumbling going on around the conference table, if you could keep that to a minimum.

Thank you.

So I just have one question. VP Givens, it's my understanding that this is the second year for the observations that you mentioned; is that correct?

THE WITNESS: Yes, that's correct.

Yes, that's correct.

TRUSTEE WASHINGTON: That is correct. So both, we have the data integrity issues and the -- (unintelligible) -- issues last year.

If it's possible, if there's somebody from the Provost's Office, could you explain how or what happened that these were not corrected last year?

DR. PALM: I'm sorry. Again, this is Donald Palm. Can you repeat your question?

TRUSTEE WASHINGTON: I just asked what happened last -- this is the second year of these corrections, and I'm not sure if there's any penalties or anything,
but I'm just trying to figure out what happened last year that we did not in fact make the corrective action last year in that we had these findings again for the second year?

DR. PALM: Okay. So, with the data integrity, we actually switched from last year and this year to a new system, especially with regards to our student hours-to-degree file, and we're using our academic advisement module for that. And so this year -- again, some of the issues were that all of the departments were not utilizing the academic advisement module, and so a directive went out from the Provost's Office last week -- excuse me, this week -- to provide training for those departments that are not utilizing academic advisement module.

This academic advisement module will insure the accuracy of our students, who degree audits were done, and it was creating a lot of issues with -- and there were various issues for the various students, but it was due to the fact that we switched over to an academic advisement module that will be utilized for the hours of degree file.

Now, last year, that was not in place and so some of the errors actually have decreased. But again, the reason for this year was the fact that all of the
various departments were not utilizing this academic
advisement module to do the degree audits for our
students. And so we know who those departments are,
we have identified them, and we're providing training
for those various departments.

TRUSTEE WASHINGTON: Okay. And then that was one
issue, and then the second was the data or the folks
having inappropriate access to the data. Can you
speak to that?

DR. PALM: Yeah.

VP GIVENS: That's more of an issue for the
finance and administration; rather, the Provost
doesn't oversee those areas.

TRUSTEE WASHINGTON: Okay.

VP GIVENS: I can say this. When we did the
audit, we talked with ITS personnel that they have
started working on this already. They have removed
some inappropriate access already where they were easy
to identify. So say someone was no longer in a
position, and so now they're able to do that. And now
they're into the more time-consuming part of going
through and identifying the users, not only within a
particular department but also users outside of that
department who may have some access to a particular
role. Just to evaluate who needs what type of access
to do their job. So that -- they are in the process
on that.

TRUSTEE WASHINGTON: Okay. Thank you.

TRUSTEE WOODY: Madam Chair, this is Trustee
Woody.

TRUSTEE WASHINGTON: Yes, Trustee Woody?

TRUSTEE WOODY: Question for VP Givens. Have we
started the training? Has staff started training on
all of the corrective actions and the new procedures
or new process?

VP GIVENS: Yes. As a matter of fact, as far as
the system for the academic advising, I believe most
departments have already undergone the training. So
they're redoubling that effort, and with the Provost's
backing, they will start using that system. And we
recognize it's not going to be a painless effort,
because they -- to get the information in the academic
advising module it has to be accurate, it has to be
verified so that when they run the graduation checks
it provides good information.

But I will say, by doing that, it's going to
provide a couple of more benefits that affect the
performance metric in that it will give the advisors
an ongoing way to monitor progress, and it will give
the students to look at their progress and see how
they're going towards graduation.

TRUSTEE WOODY: So we're comfortable -- are you comfortable with the recommendation that you've made as it relates to the audit results?

VP GIVENS: Yes.

TRUSTEE WOODY: Okay.

VP GIVENS: And I believe that everybody involved that's got a role in providing the corrective actions have started working on it.

TRUSTEE WOODY: One last question, though. I think I already know this answer but maybe I want to hear someone say it.

Who is ultimately going to be responsible to make sure that the correction action is done and the training is done and the information is correct in the system?

VP GIVENS: Well, the departments are the ones responsible for implementing and we -- I shouldn't say "we" -- the Division of Audit and Compliance should do a follow-up. And in the process of developing an ongoing way to follow-up on all of the audit findings, where we will be providing to the senior leadership team a list of outstanding findings. And Dr. Mangum has indicated that she intends to follow-up with the responsible people to be sure that action is being
taken and it's not just going to be put on the back
burner.

TRUSTEE WOODY: Okay, thank you.

Thank you, Madam Chair.

TRUSTEE WASHINGTON: Thank you, Trustee Woody.

Any other questions?

TRUSTEE GRABLE: Madam Chair, this is Trustee
Grable. I'm not on the committee but I have a
question.

TRUSTEE WASHINGTON: Are you recognized Trustee
Grable. Good morning.

TRUSTEE GRABLE: Good morning and thank you,

Trustee Washington.

My question is for Vice President Givens. I, of
course, I have great confidence in Vice President
Givens -- shocked -- but I did want to ask when we
look around the State University System, it's the norm
that we use our internal auditors to do the work on
making sure that this data is valid and reliable?

VP GIVENS: Yeah, I think typically that's done
by the internal auditors. I believe there's one
University, Florida Gulf Coast University, is the only
one that hires an external firm to come in and do the
audit just because they don't have sufficient staff to
do it. Because this audit takes quite a bit of hours.
We have probably spent about 2500 hours on the audit to do it. But as far as I know, there's only one university that goes outside to have the audit done.

TRUSTEE GRAHAM: Good morning. This is Trustee Graham. I apologize for my delay. I am leaving a doctor's appointment.

TRUSTEE GRABLE: And Trustee Washington, I had one follow-up to that?

TRUSTEE WASHINGTON: Sure, Trustee Grable.

Welcome, Trustee Graham.

TRUSTEE GRABLE: I'm curious, once we submit this to the Board of Governors, do they have processes in place where they then in turn verify what we submit? And I would like to know how that works.

VP GIVENS: Yeah. They could have a process. They review reports, and last year they called and had questions on a couple of issues -- primarily when we reported the inappropriate access last year -- and we provided some information as to how we evaluated that in terms of reaching our conclusion that the data is accurate and they were satisfied with it.

So they review reports and they -- there has been some talk within the Board of Governors' Audit Committee that the Board of Governors Inspector General may come do work paper inspections as well to
just insure that the work that's being done is meeting
the specifications that they intended and that is
accurate. Now, they have not done that to my
knowledge, but they have indicated that is a
possibility.

TRUSTEE GRABLE: So for this current report?
VP GIVENS: That's correct, yes.
TRUSTEE GRABLE: All-righty.
Thank you, Trustee Washington.
And thank you, VP Givens.
TRUSTEE WASHINGTON: Thank you, Trustee Grable.
Do we have any other questions before the committee?
I take that as a no.
Ms. Barrington, can you do the roll one more time
to verify that we have a quorum?
MS. BARRINGTON: Yes, ma'am, thank you.
Trustee Washington?
TRUSTEE WASHINGTON: Here.
MS. BARRINGTON: Trustee Graham? Trustee Graham?
TRUSTEE WOODY: She's not on the committee.
TRUSTEE WASHINGTON: She is on the committee.
TRUSTEE WOODY: She is?
TRUSTEE WASHINGTON: Yes. She was just here.
MS. BARRINGTON: Trustee Graham?
Trustee McCoy?
Trustee Reed?

Trustee Woody.

TRUSTEE WOODY: Here.

TRUSTEE WASHINGTON: All right. We need Trustee Graham, and then we can take a motion. Can we try to locate her? Did she drop off of the call? Do we know?

DR. STARLING: Yeah, she dropped off of the call.

TRUSTEE WASHINGTON: Trustee Graham, are you there? Vice Chair Lawson, if we cannot get Trustee Graham --

TRUSTEE LAWSON: Yeah, if we can't get Trustee Graham, because she's an official member of your committee, we will have to suspend the activity and then we will have to take up your committee meeting at the body meeting, next week, and then bring this item before with the motion, second, and a full vote.

TRUSTEE WASHINGTON: Okay. I just heard from Trustee Graham that she is trying to dial in.

TRUSTEE LAWSON: Okay, well, we can wait a minute for her to dial in.

TRUSTEE WASHINGTON: Thank you all for your patience.

MS. BURY: She's back on now.

TRUSTEE WASHINGTON: Okay, Ms. Barrington, can
you call the roll one more time?

MS. BARRINGTON: Yes, ma'am.

Trustee Washington?

TRUSTEE WASHINGTON: Here.

MS. BARRINGTON: Trustee Graham?

TRUSTEE GRAHAM: Here.

MS. BARRINGTON: Trustee McCoy?

Trustee Reed?

Trustee Woody?

TRUSTEE WOODY: Here.

MS. BARRINGTON: Chair Washington, we now have a quorum.

TRUSTEE WASHINGTON: Thank you, Ms. Barrington.

MS. BARRINGTON: You're welcome.

TRUSTEE WASHINGTON: And thank you, VP Givens for your thorough review and committee members. And others for all of your comments, if there are no other questions or comments, can I have a motion to accept this report?

TRUSTEE GRAHAM: So moved.

TRUSTEE WOODY: Second.

TRUSTEE WASHINGTON: Thank you.

Moved by Trustee Graham and seconded by Trustee Moore. Are there any other discussions before the committee?
TRUSTEE WOODY: Woody.

TRUSTEE WASHINGTON: Trustee Woody, sorry. My apologies.

TRUSTEE WOODY: No problem.

TRUSTEE WASHINGTON: All in favor say "aye."

(All answer affirmatively.)

TRUSTEE WASHINGTON: All opposed, like sign? The motion carries.

Is there any other business to come before the committee that concludes our formal agenda? If there is no other business before the committee, the Audit Committee is adjourned.

(Meeting adjourned.)
CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, Yvonne LaFlamme, Florida Professional Reporter and Notary Public, certify that I was authorized to and did stenographically report the foregoing proceeding; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the outcome of this case.

Dated this 9th day of APRIL 2016.

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Yvonne LaFlamme, FPR
Court Reporter
Notary Public
State of Florida at Large