1. Welcome to Attendees

2. Approval of September 4, 2018 Committee Minutes 1-4

3. Office of Compliance and Ethics
   a. Office Activities
   b. Status of Implementation of BOG Regulation 4.003 5-8

4. Office of Inspector General Services
   b. FSU Foundation request for approval for RSM to extend its auditing contract for 5 years, including the rotation of RSM's lead audit partner as required by BOT Regulation 2.025. This will be on the consent agenda for the FSU BOT 10-12
   c. Timeliness of Submission of DSO Audit Reports to the University as Required by BOT Regulation 2.025 13-14
   d. Performance Based Funding Audit – Chairman Burr and President Thrasher approval of PBF Audit Scope and Objectives 15-30
   e. Follow up Audit Report for the Period 1-1-18 to 6-30-18
   f. Capital Project Certification required by the BOG and Auditor General Inquiries 31-36
   g. New Staff Member - Sudeshna Aich
   h. Status Report of OIGS Audits as of June 30, 2018 37

5. Motion to Adjourn
Audit and Compliance Committee Meeting

September 4, 2018
10:00 am

Florida State University
Turnbull Conference Center
Room 215
Tallahassee, Florida

Trustee Members Present: Jorge Gonzalez, Brent Sembler, Max Alvarez, Jim Henderson and Stacey Pierre. In addition, Trustee Todd Adams was present and participated in the meeting.

1. Call to Order and Welcome
   Mr. Jorge Gonzalez, Chairperson, called the meeting to order at 10:00 am.

2. Audit and Compliance Committee minutes were approved for the meeting held June 7, 2018.

3. 2018-19 Office of Inspector General Services Audit Plan – Discussion and Committee Recommendation for Approval on the Board of Trustees Consent Agenda
   Mr. McCall explained that letters were sent to the BOT, the President, and the President’s Cabinet to request audit topics for the 2018-19 fiscal year. He also met with President Thrasher, David Coburn and Kyle Clark to discuss the audit plan. He also spoke with Chairman Gonzalez over the phone to discuss and obtain guidance relating to the audit plan. Mr. McCall then discussed with the Committee projects that were carried forward from the 2017-18 fiscal year. Trustee Sembler requested an explanation of how hours are determined for the work plan. Mr. McCall explained that the OIGS plans hours for the positions that are filled. There were two vacancies in the 2017-18 fiscal year. Mr. McCall explained that more hours were budgeted for the 2018-19 fiscal year, as the OIGS will be fully staffed in October. Mr. McCall explained that some hours from the 2018-19 fiscal year may still be carried forward for projects started in 2018-19 and to be completed in 2019-2020. He discussed hours dedicated to each project and why. Mr. McCall discussed the hours set aside for audit administration, leave and holidays, and training for auditors. Mr. McCall then discussed new projects and the hours budgeted for each project. President Thrasher had an interest in the College of Medicine, the College of Law, the Magnetic Lab, and Athletics due to their importance and size. He explained that the College of Law and Athletics were added to the work plan for the 2018-19 fiscal year. Mr. McCall further explained that some university entities are outside of Tallahassee and the OIGS plans to spend time in the Republic of Panama evaluating internal controls and conducting training. Mr. McCall and Trustee Sembler also discussed depreciation of assets.
for the College Town financial statements. Mr. McCall also explained that the OIGS has zero contingency hours for this fiscal year because they are being applied to project hours. If there were contingency hours, they would be applied to the Spearmart program and Sponsored Research. He also explained that the OIGS has a full time investigator. Chairman Gonzalez mentioned that the work plan is comprehensive and asked whether the OIGS has enough resources. Mr. McCall explained that the OIGS has very competent staff. With Committee approval, the work plan will be on the BOT Consent Agenda. The motion was approved.

4. Office of Compliance and Ethics Program – Discussion and Committee Recommendation for Approval on the Board of Trustees Consent Agenda
Ms. Jackson explained the development of the program plan and its structure around the seven elements for Compliance programs based on federal sentencing guidelines. Trustee Sembler discussed with Ms. Jackson that, as a State institution, FSU is required to have 90% Floridians in attendance. Trustee Sembler asked Ms. Jackson if there was room for its mention in the program. Ms. Jackson agreed that it is part of FSU’s mission and values and is a product of what the Office of Compliance and Ethics (OCE) is trying to create. Ms. Jackson also explained that part of the program plan is the establishment of the Compliance Alliance, which consists of the Cabinet and Compliance Managers within different aspects of the University. She further discussed the need for flexibility in having authority to recommend Compliance Committee members as new leadership arrives. She further explained that policy approval would still go to the Cabinet. With Committee approval, the program will be on the BOT Consent Agenda. The motion was approved.

5. Approval of Audit Firm to audit the FSU International Programs Association, Inc., a Direct Support Organization, for Approval on the Board of Trustees Consent Agenda
Mr. McCall explained that James Moore & Company has been chosen as the firm to audit the FSU International Programs Association, Inc. Mr. McCall further explained they would like to enter into a five-year contract with the firm with an option to renew for an additional five years with a new lead partner for the second term. Mr. McCall explained that BOT Regulation 2.02S states that every five years they have to come before the BOT for approval. Mr. McCall has made them aware they cannot automatically renew for five years. They must first make a decision to renew, and then come back to the BOT for approval. Mr. McCall explained that International Programs responded they would come back after the first five years to request renewal through the BOT should they decide to renew the contract. With Committee approval, the item will be on the BOT Consent Agenda. The motion was approved.

6. Approval of Audit Firm to audit the FSU Athletic Association, Inc., a Direct Support Organization, for Approval on the Board of Trustees Consent Agenda
Mr. McCall explained that Thomas, Howell, Ferguson has been chosen as the firm to audit the FSU Athletics Association, Inc. Mr. McCall explained that the request is for Thomas, Howell, Ferguson to conduct the audit for one year only. He further explained that, next
year, an RFP would be sent out that coincides with the Department of Athletics audit so the timeframe for both audits will be the same. With Committee approval, the item will be on the BOT Consent Agenda. The motion was approved.

7. Discussion of Audit Issues Time Permitting
   a. 2019 Audit of Performance Based Funding
      Mr. McCall explained that this audit has been conducted for the past four years by every state university. The audit of Performance Based Funding is directed by the BOG and is mandatory. Mr. McCall also explained that this year there is a twelfth certification. Mr. McCall commended Kitty Aggelis, Heather Harrell and Janice Foley for their hard work on the project each year.

   b. Update on Seminole Boosters 2017-18 Financial Statement Audit
      Mr. McCall explained that, in June 2018, the BOT discussed the Boosters financial statements noting the auditing firm (RSM) identified a significant deficiency and a material weakness in internal control over financial reporting. Mr. McCall updated the Committee and informed them that this year Kyle Clark is receiving weekly reports from the Boosters about audit progress. Mr. McCall informed the Committee that the Boosters have reached out to him and intend to reach out to the BOG Inspector General to keep them informed and updated as to the Boosters financial statements to make sure they are submitted timely this fiscal year. The BOT deadline is October 31, 2018.

   c. Audit of Title IX Compliance
      Mr. McCall informed the Committee that this report was issued in August 2018. He explained that there is now a Title IX Director and there had been four people in that position in the last 2 or 3 years. He explained that Title IX issues are also addressed by Human Resources and the Florida State University School. The audit concluded that there should be more coordination and communication of those entities and that all Title IX issues (allegations) should be brought to the attention of the University Title IX Coordinator.

   d. Investigation of the Center for Prevention and Early Intervention Policy (CPEIP)
      Mr. McCall explained that, back in March 2018, the OIGS issued a report and the Director of the program sent an email to the BOT, BOG IG, the President and many other people stating that the OIGS misrepresented the program and the audit contained inaccuracies, misleading information and a nefarious tone. Mr. McCall explained that he spoke with Trustee Gonzalez and chose not to bring his response to the attention of the BOT, but wanted to make the A&C Committee aware of subsequent actions by the University Provost. He explained that on July 26, 2018, the Provost sent a letter of reprimand concluding the OIGS' findings were accurate. This was not the first occurrence of violating university policies by the Director of the CPEIP.
e. Joint FSU/FAMU Audit of the College of Engineering
Mr. McCall explained that the audit was on the OIGS’ audit plan last fiscal year. Mr. McCall explained that the OIGS began preliminary work, and quickly found out it was not possible to separate transactions of FAMU and FSU’s College of Engineering. He further explained that FAMU would have on its next BOT agenda a recommendation for a joint audit by the FSU and FAMU offices. Mr. McCall explained the joint audit with the intent of working with the FAMU Inspector General to issue one report.

8. Status Report of OIGS Audits as of June 30, 2018
Mr. McCall briefly explained the audits in progress.

9. Adjournment
Trustee Gonzalez adjourned the meeting at 11:12 am.
SUS Compliance Program Status Checklist

Instructions: For the four area tables below, please complete the Description and Progress Indicator columns for each Regulation Component, which align with Board of Governors Regulation 4.003 (effective November 3, 2016). Then complete the Program Status Summary table immediately below. Please note that the status date for “Good Progress” has passed and this category should not be used.

Return completed checklists to BOGInspectorGeneral@flbog.edu.

For assistance, please contact the Board of Governors Office of Inspector General and Director of Compliance at joseph.maleszewski@flbog.edu or 850-245-9247.

<table>
<thead>
<tr>
<th>Area</th>
<th>Regulation Components</th>
<th>Completed</th>
<th>Good Progress</th>
<th>Slow Progress</th>
<th>Poor Progress</th>
<th>N/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - University-wide Compliance Program</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>B - Program Plan</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C - BOT Committee</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D - Chief Compliance Officer</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19</strong></td>
<td><strong>7</strong></td>
<td><strong>0</strong></td>
<td><strong>12</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Legend:

- **✓** Indicates that the university president and board chair assert that the regulation components making up this area are fully implemented in accordance with Board of Governors Regulation 4.003.

- **•** Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2017.

- **•** Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2018 (completion of items beyond this date constitute non-compliance with Board of Governors Regulation 4.003).

- **•** Indicates that the university president and board chair anticipate regulation components making up this area to be completed by May 3, 2019 (six months beyond the period established in Board of Governors Regulation 4.003).

- **N/B** Indicates that the university president and board chair acknowledge that the university has not begun implementing the regulation components making up this area. The “N/B” indicator should be used in conjunction with one of the green/amber/red light indicators to communicate anticipated completion periods for items not yet begun.
<table>
<thead>
<tr>
<th>Area A - University-wide Compliance Program</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 - University-wide Compliance Program implemented consistent with Code of Ethics for Public Officers and Employees (Part III, Chapter 112, F.S.) and the Federal Sentencing Guidelines Manual, Chapter 8, Part B [4.003(1) &amp; (2)(b)]</td>
<td>November 2018: The Program Plan was approved by the Board of Trustees at the September 2018 meeting. Work on implementation of the Program Plan is ongoing. The CCO has taken over responsibilities as the Ethics Officer for purposes of the Federal Sentencing Guidelines.</td>
</tr>
<tr>
<td>A2 - CCO reports to the BOT at least annually on Program effectiveness (copy to BOG) [4.003(7)(g) 8.]</td>
<td>November 2018: Office of Compliance and Ethics charter and revised BOT Audit and Compliance Committee charter provide for reporting annually; charters approved by BOT June 7-8, 2018. CCO provides quarterly updates to the Committee on compliance issues and initiatives.</td>
</tr>
<tr>
<td>A3 - External Program design and effectiveness review every 5 years (copy to BOG) [4.003(7)(e)(b)]</td>
<td>November 2018: Office of Compliance and Ethics charter and revised BOT Audit and Compliance Committee charter provide for external review every 5 years; charters approved by BOT June 7-8, 2018. (NOTE: external program review itself will not occur until five-year mark)</td>
</tr>
<tr>
<td>A4 - Process established for detecting and preventing non-compliance, unethical behavior, or criminal conduct [4.003(7)(b)(i)]</td>
<td>November 2018: Current policies in place at the University provide for detection and prevention of non-compliance, unethical behavior, or criminal conduct. Responsibilities transferred to CCO via Program Plan.</td>
</tr>
<tr>
<td>A5 - Due diligence steps for not including individuals who have engaged in conduct not consistent with an effective Program [4.003(6)]</td>
<td>November 2018: Current policies in place at the University provide for detection and prevention of non-compliance, unethical behavior, or criminal conduct. Responsibilities transferred to CCO via Program Plan.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area B - Program Plan</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 - Compliance and Ethics Program Plan approved by BOT (copy to BOG) [4.003(7)(a)]</td>
<td>November 2018: Program Plan approved by BOT in September 2018. Copy of the Program Plan is attached.</td>
</tr>
</tbody>
</table>

Page 2 of 4
<table>
<thead>
<tr>
<th>Area C - BOT Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C1 - BOT Committee provides oversight to Compliance and Ethics Program [4.003(3)]</strong></td>
</tr>
<tr>
<td><strong>C2 - BOT Audit and Compliance Committee Charter [4.003(3)]</strong></td>
</tr>
<tr>
<td><strong>C3 - Routine CCO meetings with BOT Committee – please describe the nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) [4.003(7)(a) &amp; 7(g)(3)]</strong></td>
</tr>
<tr>
<td><strong>C4 - Routine CCO meetings with President – please describe nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) or whether the</strong></td>
</tr>
</tbody>
</table>
CCO participates in other regularly held direct reports or leadership meetings [4.003(7)(a) & 7(g)(2)] and Administration, weekly with the University President’s Chief of Staff and Title IX Director, and regularly with the General Counsel (this item unchanged from May 2018 report).

<table>
<thead>
<tr>
<th>Area D - Chief Compliance Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D1 - Appointed Chief Compliance Officer (CCO) [4.003(4)]</strong></td>
</tr>
<tr>
<td><strong>D2 - CCO reports functionally to the Board and administratively to the President [4.003(5)]</strong></td>
</tr>
<tr>
<td><strong>D4 - CCO independence, objectivity, and access, (provide details of resolution of barriers [4.003(7)(g)(5) &amp; (7)(g)(7)]</strong></td>
</tr>
<tr>
<td><strong>D5 - CCO authority and resources (provide details of both staffing and budget) [4.003(7)(g)(2)]</strong></td>
</tr>
</tbody>
</table>

I certify that all information provided is true and correct to the best of my knowledge.

Certification: ________________________________ Date ____________________

President

I certify that all information provided is true and correct to the best of my knowledge.

Certification: ________________________________ Date ____________________

Board of Trustees Chair
Office of Inspector General Services

Annual Report

2017-2018
MEMORANDUM

TO: President John Thrasher

FROM: Sam M. McCall, Chief Audit Officer

Date: October 30, 2018

SUBJECT: Agenda Item for the November 16, 2018 BOT Meeting:

   FSU Foundation request for approval for RSM to extend its auditing contract for 5 years, including the rotation of RSM’s lead audit partner as required by BOT Regulation 2.025

   Request for Approval to be placed on the BOT Consent Calendar

Please find enclosed the FSU Foundation’s request for approval for the above audit firm to extend its contract for 5 years, including the rotation of its lead audit partner. I respectfully request this item to be included on the BOT Consent Agenda for the November 16, 2018 BOT meeting.

Thank you

Attachment

Phone: (850) 644-6031 · FAX: (850) 644-2576 · www.igs.fsu.edu
From: Michael Williams  
Sent: Thursday, October 25, 2018 3:33 PM  
To: Sam McCall  
Cc: Holly Newell (hnewell@foundation.fsu.edu)  
Subject: FW: BOT Meeting Agenda Items  

Sam,

See attachment.

Michael

Michael Williams, CPA  
Associate Vice President  
Florida State University  
850.644.7351

---

From: Michael Williams  
Sent: Thursday, October 25, 2018 3:31 PM  
To: Sam McCall <srmccall@fsu.edu>  
Cc: Holly Newell (hnewell@foundation.fsu.edu) <hnewell@foundation.fsu.edu>; Michael Williams <mswilliams@fsu.edu>; Kyle Clark <kyle.clark@fsu.edu>  
Subject: BOT Meeting Agenda Items

Sam,

In compliance with FSU-2.025 Direct Support Organizations, the FSU Foundation is seeking BOT approval for a 5 year contract extension for their independent auditor, RSM. This includes the rotation RSM's lead audit partner. Per regulation, this extension must be approved by the FSU President and BOT. We will follow up with a memo, formally requesting approval but wanted to get this on the Audit Committee's agenda.

Please let me know if you have any questions or wish to discuss this in more detail.

Thank you,

Michael

Michael Williams, CPA  
Associate Vice President  
Florida State University  
850.644.7351
To: Sam McCall, Chief Audit Officer
From: Michael Williams, Associate Vice President F&A
Date: October 29, 2018
Subject: Request Approval for Contract Extension of Independent Auditor

The Florida State University Foundation Board of Trustees recently approved a five-year contract extension with a rotation in lead audit partner for RSM as their independent auditor. As required under regulation FSU-2.025 Direct Support Organizations, the contract extension must be approved by the Florida State University President and then forwarded to the Florida State University Board of Trustees for review and final approval.

Please accept this memo as our formal request for the Florida State University President to approve the contract extension for RSM for an additional five-year period with a rotation in lead audit partner on behalf of the Florida State University Foundation. Upon the President's approval, we request that you submit this to the Florida State University Board of Trustees for their final review and approval.
<table>
<thead>
<tr>
<th>Name of Direct Support Organization</th>
<th>(1) Fiscal Year End (2) Date of Auditor's Report (3) Date to BOG, AG &amp; OIGS</th>
<th>Name of Audit Firm Conducting the Audit</th>
<th>Auditor Report on (1) Financial Statements (2) Internal Control/Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>John and Mable Ringling Museum of Art Foundation, Inc.</td>
<td>June 30, 2018&lt;br&gt;Sept. 28, 2018&lt;br&gt;Oct. 23, 2018</td>
<td>Hill, Barth &amp; King, CPAs</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>FSU Alumni Association</td>
<td>June 30, 2018&lt;br&gt;Sept. 24, 2018&lt;br&gt;Sept. 27, 2018</td>
<td>RSM US LLP</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>FSU College of Business Student Investment Fund, Inc.</td>
<td>June 30, 2018&lt;br&gt;Sept. 21, 2018&lt;br&gt;Oct. 5, 2018</td>
<td>Carroll and Company</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>The FSU Foundation, Inc.</td>
<td>June 30, 2018&lt;br&gt;Sept. 24, 2018&lt;br&gt;Sept. 27, 2018</td>
<td>RSM US LLP</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>The FSU Foundation – Collegiate License Plate Program</td>
<td>June 30, 2018&lt;br&gt;Sept. 24, 2018&lt;br&gt;Sept. 27, 2018</td>
<td>RSM US LLP</td>
<td>An in Relation to (the FSU Foundation) Report on Supplementary Information – No exceptions noted. For the Florida Single Audit Act - no exceptions were noted.</td>
</tr>
<tr>
<td>FSU International Programs Association, Inc.</td>
<td>Sept. 30, 2018&lt;br&gt;Due Jan. 31, 2019</td>
<td>James Moore CPA and Consultants</td>
<td>To be determined</td>
</tr>
<tr>
<td>FSU Magnet Research and Development, Inc.</td>
<td>June 30, 2018&lt;br&gt;Sept. 27, 2018&lt;br&gt;Oct. 24, 2018</td>
<td>James Moore CPA and Consultants</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>FSU Real Estate Foundation, Inc.</td>
<td>June 30, 2018&lt;br&gt;Sept. 7, 2018&lt;br&gt;Oct. 4, 2018</td>
<td>Thomas Howell Ferguson, P.A.</td>
<td>(1) Unmodified&lt;br&gt;(2) No reported internal control or compliance findings.</td>
</tr>
<tr>
<td>Name of Direct Support Organization</td>
<td>(1) Fiscal Year End (2) Date of Auditor’s Report (3) Date to BOG, AG &amp; OIGS</td>
<td>Name of Audit Firm Conducting the Audit</td>
<td>Auditor Report on (1) Financial Statements (2) Internal Control/Compliance</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

Notes:

1. An unmodified report is issued when the independent auditor concludes the financial statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP). All of the above DSO’s received unmodified reports on their financial statements, the highest-level opinion that can be issued by the DSO auditor.
July 12, 2018

MEMORANDUM

To: Chairs, University Boards of Trustees
    University Presidents

From: Ned Lautenbach, Chair

Subject: Performance Based Funding
        Data Integrity Certification Process and Audit

Since it was approved by the Board of Governors in January 2014, the Performance Based Funding Model has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the SUS Strategic Plan goals. Over the past five years, the Performance Based Funding state investment has totaled approximately $985 million in additional state funding, demonstrating unprecedented support for the System. This is a great testament to the value of the state university system to educational and economic growth of this great state. These investments have allowed the system to keep tuition flat for our students.

For the 2018-2019 fiscal year, the investment into performance based funding has grown to an all-time high of $560 million including $265 million in state investment and $295 million in institutional investment. With this investment, universities have demonstrated the ability to achieve excellence and improvements in the 10 key metrics, including graduation and retention rates. The U.S. News & World Report released March 9, 2018, ranked Florida as the best state for higher education for the second year in a row. The Performance Based Funding Model works!

In November 2017, the Board of Governors evaluated the model’s metrics and approved changes to metrics 4 and 7. Changes to these metrics align with Senate Bill 4, signed into law during the 2018 Legislative Session. Metric 4 is now focused on four-year graduation rates rather than six-year graduation rates. Metric 7, regarding university access rates, now has differentiated benchmarks and scoring based on the varying access rate levels among our universities.
A key component of the model’s success is the ability of the Board of Governors to rely on information you provide for Performance Based Funding decision-making. I would like to commend you, your data administrators, and the many university staff responsible for ensuring reliable, accurate, and complete information is timely submitted to the Board of Governors. I would also like to thank your chief audit executives for focusing a significant portion of their office’s resources to auditing your university’s Performance Based Funding-related controls, processes, and data submissions. Collectively, these efforts allow you to confidently certify data submissions to the Board of Governors and enhance public trust and confidence in this process.

As a result, I am asking that each university president again complete a Data Integrity Certification (attached). When completing this certification, you should evaluate each of the 12 prepared representations. If you are able to affirm a representation, do so. If you are not able to make a representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the president and board of trustees chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance.

To make such certifications meaningful, university boards of trustees shall direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university’s processes that ensure the completeness, accuracy, and timeliness of data submissions. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.

The scope and objectives of the audit should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

The results of this audit shall be provided to the Board of Governors after being accepted by the university’s board of trustees. The audit report shall include the university’s corrective action plan designed to correct any audit findings. The audit results shall support the president’s certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be
June 29, 2018
Page 3

submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2019.

I ask that you consider this deadline when establishing dates for your 2019 board of trustees meetings as we will need these audits and certifications included in our March Board of Governors meeting materials.

We appreciate your cooperation and assistance in ensuring the integrity of the performance funding process.

If you have questions regarding these requirements, please do not hesitate to contact the Board of Governors Inspector General at BOGInspectorGeneral@flbog.edu or 850-245-0466.

NCL/jkm

Attachment
University Name: _________________

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university’s collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>3. In accordance with Board of Governors Regulation 1.001(3)(i), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.</td>
<td>☐</td>
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</tr>
</tbody>
</table>
# Performance Based Funding Data Integrity Certification

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.</td>
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</tr>
<tr>
<td>7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.</td>
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<tr>
<td>8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.</td>
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<tr>
<td>9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, “Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007.”</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.</td>
<td>☐</td>
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</tr>
<tr>
<td>11. I recognize that the Board’s Performance Based Funding initiative will drive university policy on a wide range of university operations - from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university’s operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.</td>
<td>☐</td>
<td>☐</td>
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</tr>
<tr>
<td>12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
Performance Based Funding
Data Integrity Certification

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations, Signatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.</td>
</tr>
<tr>
<td>Certification: __________________________ Date: ________________</td>
</tr>
<tr>
<td>President</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.</td>
</tr>
<tr>
<td>Certification: __________________________ Date: ________________</td>
</tr>
<tr>
<td>Board of Trustees Chair</td>
</tr>
</tbody>
</table>
Sam McCall

From: Sam McCall
Sent: Wednesday, October 24, 2018 9:24 AM
To: 'Edward Burr'; John Thrasher
Cc: Kitty Aeggis
Subject: Requested Approval of the 2019 PBF Audit Scope and Objectives
Attachments: Letter from Chair re PBF Data Integ Cert.docx; 2018-2019_PBF_Certification Form Final.docx; PBF Data Integrity Certification Audit Planning Memo - Audit Program 2018-19 to Sam.docx

Chairman Burr and President Thrasher:

The purpose of this e-mail is to obtain your comments, suggestions, and approval of the proposed scope and objectives for the 2019 Performance Based Funding (PBF) audit to be conducted by the Office of Inspector General Services. To assist, I have enclosed above (the first attachment) the July 12, 2018 letter from BOG Chair Ned Lautenbach that requires the scope and objectives of the PBF audit to be jointly set by the university board of trustees chair and the university chief audit officer. As you are aware, the Data Integrity Certification is completed by the President and signed by both the President and the Chair on behalf of the Board. Unlike prior years, this year’s Certification contains a 12th requirement as follows: “I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit officer” (attachment 2 above). I have spoken to the BOG Inspector General and we both agree that to be a complete as possible, it would be good for both the Chair and the President to agree on the audit scope and objectives. Therefore, please review the Audit Planning Memo above (attachment 3) for your comments, suggestions, and approval.

The most efficient way to respond would be a return e-mail providing your approval of the audit scope and objectives. If you need to speak with me please call 850 6440651 or as needed, I would be pleased to come to your office to discuss the audit in more detail. As in prior years, I believe the above planning memo addresses all of the information needs of the BOG for the PBF audit.

Regards,
Sam McCall

Sam M. McCall, PhD, CPA, CGFM, CIG, CIA, CGAP
Chief Audit Officer
Office of Inspector General Services
Florida State University
Suite 407 Westcott Building
222 South Copeland Street
P.O. Box 3061390
Tallahassee, FL 32306-1390
Phone: 850-644-0651
Office: 850-644-6031
Fax: 850-644-2576
Email: smc@fsu.edu Web: www.igs.fsu.edu
Good Afternoon Sam, This email is to confirm Chairman Burr and President Thrasher have reviewed your materials and approved the proposed scope and objectives for the 2019 Performance Based Funding Audit to be conducted by the Office of Inspector General Services.

Please let me know if you have any questions.

Thank you.

- liz

Elizabeth E. Hirst,
Deputy Chief of Staff, Office of the President
850.645.0152 office
850.509.3834 cell

From: Sam McCall <srmccall@fsu.edu>
Date: October 24, 2018 at 9:23:59 AM EDT
To: Edward Burr <eburr@greenpointecc.com>, John Thrasher <jthrasher@fsu.edu>
Cc: Kitty Aggelis <KAggelis@admin.fsu.edu>
Subject: Requested Approval of the 2019 PBF Audit Scope and Objectives

Chairman Burr and President Thrasher:

The purpose of this e-mail is to obtain your comments, suggestions, and approval of the proposed scope and objectives for the 2019 Performance Based Funding (PBF) audit to be conducted by the Office of Inspector General Services. To assist, I have enclosed above (the first attachment) the July 12, 2018 letter from BOG Chair Ned Lautenbach that requires the scope and objectives of the PBF audit to be jointly set by the university board of trustees chair and the university chief audit officer. As you are aware, the Data Integrity Certification is completed by the President and signed by both the President and the Chair on behalf of the Board. Unlike prior years, this year’s Certification contains a 12th requirement as follows: “I certify that I agreed to the scope of work for the Performance
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The most efficient way to be respond would be a return e-mail providing your approval of the audit scope and objectives. If you need to speak with me please call 850 6440651 or as needed, I would be pleased to come to your office to discuss the audit in more detail. AS in prior years, I believe the above planning memo addresses all of the information needs of the BOG for the PBF audit.

Regards,

Sam McCall

Sam M. McCall, PhD, CPA, CGFM, CIG, CIA, CGAP
Chief Audit Officer
Office of Inspector General Services
Florida State University
Suite 407 Westcott Building
222 South Copeland Street
P.O. Box 3061390
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Phone: 850-644-0651
Office: 850-644-6031
Fax: 850-644-2576
Email: sammccall@fsu.edu Web: www.igp.fsu.edu
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

Scope and Objectives

In his July 12, 2018 memorandum to University Boards of Trustees’ Chairs, the Chair of the State University System (SUS) of Florida Board of Governors (BOG) directed the President of each University to complete a Performance-Based Funding (PBF) Data Integrity Certification.

_When completing this certification, you should evaluate each of the prepared representations. If you are able to affirm the representation, do so. If you are not able to make the representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the President and board of trustees Chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance._

To make such certifications meaningful, university boards of trustees shall direct the university Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.

_The scope and objectives of the audit should be set jointly between the Chair of the university board of trustees and the university Chief Audit Executive. The audit shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc._

_The results of this audit shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit report shall include the university's corrective action plan designed to correct any audit findings. The audit results shall support the President's certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2019._

This is the fifth consecutive year the BOG has called for such an audit. Florida State University has decided upon the following scope and objectives for the audit.

Scope:

The overall purpose of the audit is to report on the controls and processes established by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the University’s PBF Metrics, and to provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations included in the

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1 This is a reference to the BOG’s Office of Inspector General and Director of Compliance.
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

Performance-Based Funding – Data Integrity Certification, which will be submitted to the University’s Board of Trustees and filed with the BOG by March 1, 2019. This audit will include an evaluation of the key controls that support these processes, as well as testing of the actual data upon which the University’s PBF Metrics are based.

The Performance-Based Funding 2018 Metric Definitions, as of April 3, 2018, published on the BOG website include the following:

1. Percent of Bachelor’s Graduates Enrolled or Employed ($25,000+) One Year After Graduation

This metric is based on the percentage of a graduating class of bachelor’s degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida employment data from 41 states and districts, including the District of Columbia and Puerto Rico.
Sources: State University Database System (SUDS), Florida Education and Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).

2. Median Wages of Bachelor’s Graduates Employed Full-Time One Year After Graduation

This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor’s recipients. This data does not include individuals who are self-employed, employed by the military, those without a valid social security number, or making less than minimum wage. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico.
Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).

3. Cost to the Student (Net Tuition & Fees for Resident Undergraduates per 120 credit hours)

This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as First Time in College (FTIC) and graduated with a bachelor’s degree for programs that require 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students).
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

Source: State University Database Systems (SUDS), the Legislature’s annual General Appropriations Act, and university required fees.

4. Four Year First Time in College (FTIC) Graduation Rate

This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes ‘early admits’ students who were admitted as a degree-seeking student prior to high school graduation.
Source: State University Database Systems (SUDS).

5. Academic Progress Rate (Second Year Retention with Grade Point Average (GPA) Above 2.0)

This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year and had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).
Source: State University Database System (SUDS).

6. Bachelor’s Degrees within Programs of Strategic Emphasis

This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as “Programs of Strategic Emphasis.” A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).
Source: State University Database System (SUDS).

7. University Access Rate (Percent of Undergraduates with a Pell grant)

This metric is based on the number of undergraduates, enrolled during the Fall term, who received a Pell grant during the Fall term. Unclassified students, who are not eligible for Pell grants, were excluded from this metric.
Source: State University Database System (SUDS).

8. Graduate Degrees within Programs of Strategic Emphasis

This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as “Programs of Strategic Emphasis.” A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

Source: State University Database System (SUDS).

9. Percent of Bachelor’s Degrees Without Excess Hours (Board of Governors’ Choice Metric)

This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the “Excess Hour Surcharge” (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandate 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (i.e., accelerated mechanisms; remedial coursework; non-native credit hours that are not used toward the degree; non-native credit hours from failed, incomplete, withdrawn, or repeated courses; credit hours from internship programs; credit hours up to 10 foreign language credit hours; and credit hours earned in military science courses that are part of the Reserve Officers’ Training Corps (ROTC) program).
Source: State University Database System (SUDS).

10. National Rank Higher than Predicted by the Financial Resources Ranking, Based on U.S. News and World Report (FSU’s Board of Trustees Choice Metric)

This metric is based on the difference between the Financial Resources rank and the overall University rank. U.S. News measures financial resources by using a two-year average spending per student on instruction, research, student services, and related educational expenditures—spending on sports, dorms and hospitals does not count.
Source: U.S. News and World Report’s annual National University rankings.

This audit solely addresses the integrity of the University’s data submissions to the BOG that support the University’s Performance-Based Funding Metrics for the 2017-18 Annual Accountability Report. In the event certain of these data are not yet available when we conduct testing, we plan to use the most recent data for the pertinent metrics. The BOG extracts data from the files provided it by the University and performs additional calculations to derive the final PBF Metrics data published by the BOG. The University is not involved in these extractions or additional calculations by the BOG.
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

Objectives:

1. Determine if there were any changes since our conclusion in the 2017-18 PBF audit concerning the Data Administrator’s appointment and the duties and responsibilities in his official position description that:

   Dr. Burnette has been officially appointed by the University President as the Data Administrator and his Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.

   We had no recommendations for Objective #1.

2. Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

   In our 2017-18 PBF audit we concluded that:

   ...the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data.

   We had no recommendations for Objective #2.

3. Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess their adequacy for ensuring data integrity for University PBF data submissions to the BOG.

   In our 2017-18 PBF audit we concluded that:

   Institutional Research’s available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.

   We had no recommendations for Objective #3.

4. Determine the current status since our conclusion in the 2017-18 PBF audit concerning system access controls and user privileges that:

   System access controls and user privileges for the University’s Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.

   We had no recommendations for Objective #4.
Florida State University
Audit Scope and Objectives
Performance-Based Funding – Data Integrity Certification Audit 2018-19

5. Determine the current status since our conclusion in the 2017-18 PBF audit concerning audit testing of data accuracy that:

Based on our continued review of the University’s internal controls as a whole over data pertaining to the University’s PBF metrics and our data accuracy testing for the metrics, we determined the University’s data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

We had no recommendations for Objective #5, which addresses the completeness and accuracy of data file submissions to the BOG for PBF Metrics 1 through 10.

6. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

In our 2017-18 PBF audit we concluded that:

We found no evidence that the University’s data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were inconsistent with BOG reporting requirements for these data elements, and no files were resubmitted to correct or change data in these fields, other than a resubmission of the 2016-17 Student Financial Aid File, which was due to a late change in reporting requested by the BOG to add third-party payments to the file, which had not been done before. The resubmission was made in a timely manner, prior to the BOG’s need for the data for its PBF metrics calculations.

We had no recommendations for Objective #6.

7. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the University Data Administrator’s data resubmissions to the BOG that:

We determined that resubmissions by the University have been very rare, are both necessary and authorized, and have had no FSU-generated effect on the University’s Performance-Based Funding Metrics (i.e., BOG called for a change in reporting).

We had no recommendations for Objective #7.

8. Provide an objective basis of support for the President and Board of Trustees Chair to sign the representations made in the Performance-based Funding – Data Integrity Certification.

In our 2017-18 PBF audit we concluded that, overall:

…the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the Board of Governors. In addition, we can provide an objective
basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification which the BOG requested to be filed with it by March 1, 2018.

We had no recommendations for Objective #8.
September 19, 2018

Dear Boards of Trustees Chairs and Presidents:

In addition to the independent review of university financial controls and processes that will be conducted by an outside firm, we are requesting each university to undertake a review of the funding sources for all university capital projects approved by a board of trustees since July 1, 2008 to the present. Similar to the process the University of Central Florida is implementing, we ask that the President, the Chief Financial Officer, and the General Counsel certify to the board of trustees and to the Board of Governors that the funding sources used were legally available for the projects as authorized in chapter 1013, Florida Statutes, or as otherwise authorized in the General Appropriations Act.

Thank you for your assistance with this important endeavor. If you have any questions, please do not hesitate to contact Chancellor Criser.

Respectfully,

[Signature]

Ned C. Lautenbach
Chair, Florida Board of Governors

c: Board of Governors Members
  Marshall M. Criser III, Chancellor
  Tim Jones, Vice Chancellor, Finance and Administration
  Vikki Shirley, General Counsel
  University Chief Financial Officers
  University General Counsels
CERTIFICATION OF FUNDING SOURCES FOR CAPITAL PROJECTS

Since July 1, 2008 to the present, the university has constructed ____ new capital projects, including new projects adding more than 10,000 gross square feet of space and exceeding $2 million in cost. For each capital project, we have reviewed university records, such as project budgets and expenditures, educational plant surveys, project programs, and project funding sources, necessary to determine that each project was constructed with funding from legally available and authorized sources.

Based upon our review, we hereby certify to the ____________ Board of Trustees and the Board of Governors, that each project was constructed with funds from legally available and authorized sources.

[Alternative paragraph to use if projects have been funded with funds that were not legally available and authorized]:

Based upon our review, we hereby certify to the ____________ Board of Trustees and the Board of Governors, that each project was constructed with funds from legally available and authorized sources, except for the following projects:

(List name of facility, specify sources of all funds used, time period of construction, year added to the inventory).

(Name of University)

__________________________
(Name/title of President)

__________________________
(Name/title of CFO)

__________________________
(Name/title of General Counsel)
MEMORANDUM

DATE: October 25, 2018

TO: Kyle Clark, Vice President – Finance and Administration
    Tom Jennings, Vice President – University Advancement
    Gary Ostrander, Vice President – Research
    Gregory Boebinger, Director – NHMFL
    James Pitts, Director - Admin Services

FROM: Craig Pohlmann, Auditor General Staff

SUBJECT: Legislative Approval of Certain University-related Facility Acquisitions

We are currently performing the Operational and Compliance audit of Florida State University (University) for the calendar year ending December 31, 2017. In order to fulfill our audit objectives, we request your response to questions regarding the University’s compliance with s.1013.78, F.S., titled, “Approval required for certain university-related facility acquisitions.”

Section 1013.78(1), Florida Statutes, states that “No university or university direct-support organization shall construct, accept, or purchase facilities for which the state will be asked for operating funds unless there has been prior approval for construction or acquisition granted by the Legislature.” Subsection (2) exempts certain construction from requiring legislative approval.

We have identified several construction projects that were active during the 2017 calendar year. For each project below, please respond to this memo stating whether or not legislative approval was obtained:

1. University Housing Replacement Ph 2, Project ID: CB1522100.

   Legislative approval was obtained. Documentation evidencing the approval is attached.

   Legislative approval was NOT obtained. See explanation below.


   Legislative approval was obtained. Documentation evidencing the approval is attached.

   Legislative approval was NOT obtained. See explanation below.
3. Doak Campbell Stadium Improvements, Project ID: CC1521800

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.


   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.

5. Doak Campbell Stadium Scoreboard Improvements, Project ID: CC16218B0

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.

6. Ringling, Kotler-Coville Glass Pavilion, Project ID: CM1629400

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.
7. Smith Hall, 0102, Building Demolition, Project ID: CM1700002

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.

8. Flying High Circus, G010, Haskin Circus Complex Circulation Improvements, Project ID: CM1700068

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.

9. Infant and Childcare Facility, 4033, Renovate Building, Project ID: CM1700053

   Legislative approval was obtained. Documentation evidencing the approval is attached.
   Legislative approval was NOT obtained. See explanation below.

10. Langford Green, Renovation and Remodeling, Project ID: CC17218C0

    Legislative approval was obtained. Documentation evidencing the approval is attached.
    Legislative approval was NOT obtained. See explanation below.

11. Seminole Dining Improvements, Project ID: CM1700347

    Legislative approval was obtained. Documentation evidencing the approval is attached.
    Legislative approval was NOT obtained. See explanation below.
12. Civic Center Renovations and Improvements, Project ID: CC1325300

Legislative approval was obtained. Documentation evidencing the approval is attached. Legislative approval was NOT obtained. See explanation below.

13. Shores, Shores Innovation Hub, Project ID: CM1700091

Legislative approval was obtained. Documentation evidencing the approval is attached. Legislative approval was NOT obtained. See explanation below.

14. Mag Lab, 0022, Ahu 10 & 11 Replacement, Project ID: CM1700197

Legislative approval was obtained. Documentation evidencing the approval is attached. Legislative approval was NOT obtained. See explanation below.

Signature

Date

Please complete, sign, and return this memorandum to me by Friday, November 2, 2018. If you have any questions or concerns, you can reach me at (850) 644-8151 or via email - craigpohlmann@aud.state.fl.us. Thank you for your assistance.

C: Sam McCall - Chief Audit Officer
### Status Report for 2018-19

<table>
<thead>
<tr>
<th>Issued Reports</th>
<th>Status</th>
<th></th>
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<tbody>
<tr>
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<td>Planning</td>
<td>Field Work</td>
<td>Writing</td>
<td>In Review</td>
<td>Out for Response</td>
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</tr>
<tr>
<td>AR 19-01 Title IX</td>
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<th>Reports in Progress</th>
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<tr>
<td>Student Tuition and Fee Waviers - Undergraduate Business Practices Enhancement Program (BPEP) - Ringling Chemical Inventory Controls Graduate Tuition Waivers OBS Contract Management Center for Leadership and Social Change EAOS Capital Projects IT Disaster Recovery and Business Continuity Performance Based Funding Athletics Financial</td>
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