



# FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

*Audit and Compliance Committee*



FLORIDA STATE UNIVERSITY  
BOARD OF TRUSTEES  
*Audit and Compliance Committee*

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MEETING AGENDA

Thursday, September 7, 2023

11:00 am – 12:30 pm

Augustus B. Turnbull Conference Center  
555 W Pensacola St, Tallahassee, FL 32306  
Room 215

*The agenda will be followed in subsequent order and items may be heard earlier than the scheduled time.*

- I. **Call to Order and Welcome**  
*Trustee Jim Henderson*
- II. **Approval of Minutes**  
*June 15, 2023, Meeting Minutes*
- III. **Office of Compliance and Ethics**
  - a. **Information Items**
    - Screening of Foreign Researchers
    - International Travel
    - Foreign Gift Reporting
    - Form 1
- IV. **Office of Audit and Advisory Services**
  - a. **Action Items for Consideration of Recommendation to the Board of Trustees:**
    - **Action Item I: Request for Approval:** OAAS Charter and A&C Committee Charter
    - **Action Item II: Request for Approval:** FSU International Programs Association, Inc. (FSUIPA) 5-year contract renewal with James Moore & Co.
    - **Action Item III: Request for Approval:** The Collegiate School at FSU Panama City is requesting a 3-year contract with an option to renew for two (2) one-year periods with BKHM CPA
  - b. **Information Items**
    - Status Update – OAAS Audits
    - Board of Governors (BOG) Regulation 4.002(8) – Annual Report
- V. **Open Forum for Trustees**
- VI. **Adjournment**



FLORIDA STATE UNIVERSITY  
BOARD OF TRUSTEES  
*Audit and Compliance Committee*

# MEETING MINUTES

June 15, 2023



# FLORIDA STATE UNIVERSITY

## BOARD OF TRUSTEES

### *Audit and Compliance Committee*

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#### MEETING MINUTES (DRAFT)

Thursday, June 15, 2023  
11:00 a.m. – 12:00 p.m.

Virtual Meeting via Zoom

**Attended via Zoom:** Jim Henderson (*chaired the meeting in Trustee Alvarez's absence*), BOT Chair Peter Collins, BOT Vice-Chair Bob Sasser, Kathryn Ballard, Vivian de las Cuevas-Diaz, Jorge Gonzalez, Jack Hitchcock, Justin Roth, Deborah Sargeant, Drew Weatherford.

**Trustees absent:** Trustee Max Alvarez (committee chair), John Thiel.

**Staff:** Undra Baldwin, Chief Audit Officer and Interim Chief Compliance and Ethics Officer, and other university staff.

#### **I. Call to Order and Welcome**

Trustee Henderson called the meeting to order at 11:02 a.m. There was a quorum.

#### **II. Approval of Minutes**

*Chairman Collins moved to approve the committee meeting minutes from February 23, 2023. Trustee Henderson seconded the motion, and the minutes were approved unanimously by all committee members present on the call.*

#### **III. Office of Compliance and Ethics**

##### **a. F.S. 1010.35, Screening of Foreign Researchers**

Mr. Baldwin explained the Office has been very active over the last several months processing foreign candidates as it has touched over 130 applications since he has taken over as Interim Chief Compliance and Ethics Officer. The process consists of reviewing 12 pieces of information as required by the Statute.

b. **F.S. 1010.36, International Travel (July 31, 2022, Report)**

Mr. Baldwin explained that the Office has also been busy approving several International Travel Attestation Forms for international travelers. As a reminder, the biannual report will be issued in July 2023. This is our 2nd year of reporting for this Statute.

c. **Foreign Gift Reporting (July 31, 2022, Report)**

Mr. Baldwin reminded the Committee that the biannual report for contracts and agreements of \$50,000 or more will be issued to the BOG and of \$250,000 or more for the DOE in July 2023.

d. **Form 1 Filing**

Mr. Baldwin explained that Form 1 letters from the Florida Commission on Ethics should have been mailed out and are due by July 3, 2023.

**IV. Office of Inspector General Services**

a. **Action Item I: Request for Approval of the FSUMRD Contract**

Mr. Baldwin explained that the FSU Magnet Research and Development, Inc. (FSUMRD) is requesting approval of a 5-year contract with James Moore & Co. for their annual audit. The cost of the contract will be \$75,000, or an average of \$15,000 over 5-years. The FSUMRD Board of Directors approved the contract proposal on May 31, 2023. The final audit is due on October 16, 2023.

*Trustee Henderson moved to approve Action Item I. The motion was seconded by Chairman Collins and the motion was approved unanimously by all committee members present on the call.*

b. **Action Item II: Request for Approval of the FY 2023-24 OIGS Audit Plan**

Mr. Baldwin requested approval of the FY 2023-24 OIGS Audit Plan. Included in the audit plan are 20 operational projects, and 6 information technology projects.

*Trustee Henderson moved to approve Action Item II. The motion was seconded by Chairman Collins and the motion was approved unanimously by all committee members present on the call.*

c. **Status Update – OIGS Audits**

Mr. Baldwin explained that as of May 22, 2023, OIGS has issued 15 audit reports and 4 additional reports will be issued by June 30, 2023.

d. **Department Rebranding**

Mr. Baldwin explained that the Department will change its name from the Office of Inspector General Services (OIGS) to the Office of Audit and Advisory Services (OAAS) effective July 1, 2023. The goal for rebranding is to more closely relate to audit and advisory services provided by the department.

*Chairman Collins moved to approve the Department Rebranding. The motion was seconded by Trustee Henderson and the motion was approved unanimously by all committee members present on the call.*

e. **Commission for Florida Law Enforcement Update – Reaccreditation**

Mr. Baldwin explained that OIGS passed the reaccreditation review and is in compliance with all 39 standards. OIGS' previous accreditation dates were June 2017 and July 2020. The awards ceremony for the 2023 reaccreditation will be held on June 29, 2023.

V. **Open Forum for Trustees**

Trustee Henderson opened the floor for any additional items that needed to be discussed. There were no items presented for discussion.

VI. **Adjournment**

*Chairman Collins moved to adjourn the meeting. Trustee Henderson seconded the motion, and the meeting was adjourned at 11:25 a.m.*

DRAFT



**FLORIDA STATE UNIVERSITY**  
OFFICE OF AUDIT AND ADVISORY SERVICES

	Report No.	Audit Status as of September 2023	Fiscal Year					
				Planning	Fieldwork	Reporting	Issued	Cancelled
1	N/A	Florida State University Schools	FY2023-2024	X				
2	N/A	Graduate School	FY2022-2023		X			



FLORIDA STATE UNIVERSITY  
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# ACTION ITEM I





FLORIDA STATE UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES

**MEMORANDUM**

**TO:** Richard McCullough, President

**FROM:** Undra Baldwin, Chief Audit Officer and Interim Chief Compliance and Ethics Officer

**Date:** August 21, 2023

**SUBJECT:** Consent Agenda Item for the September 8, 2023, BOT Meeting

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Please find enclosed the Office of Audit and Advisory Services request for approval of the OAAS Charter and the A&C Committee Charter.

I respectfully request this item be placed on the BOT Consent Agenda for the September 8, 2023, BOT meeting.

Thank you.

Attachment



**Office of Audit and Advisory Services  
Audit Charter**

**1. Introduction**

The Office of Audit and Advisory Services at Florida State University (hereafter referred to as “OAAS” and the “University,” respectively) has prepared this Charter to serve as a guide in the performance of its duties. The Charter does not include, nor is it intended to include, all the duties and responsibilities of OAAS.

Investigations are performed to address alleged fraud, waste, abuse, or other wrongdoing, which could result in the loss or misuse of University resources. Such wrongdoing may come to the attention of OAAS during an audit or investigation or through reporting by University faculty, staff, students, or the general public.

**2. Authority for the Office**

The Florida State University President (hereafter referred to as “President”) and Board of Trustees (hereafter referred to as “BOT”) initially approved a charter for the Office of Audit Services in September 2003. In November 2016, the Board of Governors (hereafter referred to as “BOG”) adopted Regulation 4.002 – State University System Chief Audit Executives. The charter was reaffirmed by the BOT in June 2021.

**3. Purpose**

OAAS helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. OAAS works in conjunction with other offices and departments to monitor the risk management processes and provide assistance as needed. OAAS assists employees of the University in the effective discharge of their responsibilities, thereby protecting the resources and the students it serves.

**4. Mission**

OAAS’ mission is to:

- Provide an independent, objective, and comprehensive program of auditing and investigations.
- Improve the University’s operations through the provision of assurance and consulting services and investigations.
- Actively work with University Boards and Committees, management, faculty, and staff.
- Identify risks, evaluate controls, and make recommendations that promote economic, efficient, effective, unbiased, and ethical delivery of services.
- Evaluate and improve the effectiveness of risk management, control, and governance processes.



## 5. Vision

OAAS' vision is to add value and be trusted advisors for the University and the Board of Trustees. We will accomplish our vision by being an exemplary, professional audit and investigative organization that implements innovative processes, utilizes automation, performs robust risk-based assessments, and promotes ethical behavior.

## 6. Core Values

OAAS' core values are:

- Integrity – Ensure projects are performed with confidentiality, fairness, and objectivity. The basis of our existence, credibility, and effectiveness.
- Quality and Accuracy – Demonstrate excellence by performing audits/investigations that are accurate and timely and provide results and recommendations which will enhance operations.
- Innovative – Utilize automation and data analytics to support our systematic, disciplined approach of completing audits/investigations.
- Teamwork – Accomplish goals and objectives through collaborative efforts with faculty, staff, and external teams.
- Value Added – Identify process improvements and promote efficiencies that will result in the overall improvement for the University and/or quantifiable cost savings.

## 7. Organization

OAAS, headed by the Chief Audit Officer (hereafter referred to as “CAO”), provides a central point in the University for coordinating and carrying out activities that promote accountability, integrity, and objectivity. The Chief Audit Officer will report directly and administratively to the President, functionally to the Chair of the BOT Audit and Compliance Committee (hereafter referred to as “Chair A&C”) and shall have unrestricted access to the BOT.

The Chair A&C works in concert with the President prior to any action to hire or terminate the CAO. Any allegations related to wrongdoing by the CAO shall be reported to the BOG, President, Chairman of the BOT, and Chair A&C for their review and disposition.

## 8. Code of Ethics

All OAAS staff shall abide by the Florida Code of Ethics for Public Officers and Employees as provided for in Florida Law, any additional code of ethics or conflict of interest policy of the University, and the Code of Ethics issued by the Institute of Internal Auditors (IIA), Association of Certified Fraud Examiners (ACFE), the Association of Inspectors General (AIG), and the Information Systems Audit and Control Association (ISACA).



## 9. Independence and Objectivity

- a. To permit independence and objectivity in mental attitude and appearance, OAAS will remain free from interference from any element in the University to include matters of topic selection, scope, procedures, frequency, timing, report content, and report issuance. OAAS will have no direct authority or responsibility over any of the activities audited. OAAS will not implement internal controls, develop and write policies or procedures, design or install systems, or engage in any activity that may impair independence or objectivity.
- b. OAAS may review management initiated projects and provide advice and counsel to University departments. Management assistance activities that OAAS may perform shall meet professional auditing standards and result in management accepting responsibility for actions taken in response to accepted recommendations.
- c. OAAS staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activities or processes being examined.
- d. OAAS staff will make a balanced assessment of all relevant circumstances and not be unduly influenced by their own interests, or those of others, in forming conclusions on engagement results.

## 10. Authority and Access to Records

OAAS provides audit and investigative services to all entities of Florida State University, including schools, colleges, departments, auxiliary enterprises, and Direct Support Organizations (DSOs). Accordingly, OAAS is authorized to:

- a. Have unlimited and unrestricted access to all data, books, records, files, property, information systems, and personnel of Florida State University and its DSOs and component units as deemed necessary to carry out its duties and responsibilities.
- b. Have “right-to-audit” language in all University contracts.
- c. Allocate resources, establish schedules, select subjects, determine scopes of work, and apply techniques required to accomplish objectives.
- d. Obtain essential assistance and cooperation from personnel in areas of the University where audits and investigations are performed.

The President and the Chair A&C have the authority to request audits and advisory services to be added to the audit plan at their discretion. Decisions to amend the approved audit plan are made in light of the University’s risk profile and available audit resources. Additionally, the CAO has the authority to direct OAAS to audit specific areas of the University.



## 11. Standards and Professionalism

Audit and compliance activities will be governed by adherence to the IIA's Professional Practices Framework, which is composed of the Core Principles, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. Other professional auditing standards may be followed, as applicable to OAAS.

Investigative services will be governed by adherence to Principles and Standards for Offices of Inspector General issued by the Association of Inspectors General, the Standards for Complaint Handling and Investigations for the State University System of Florida, and the Commission for Florida Law Enforcement Accreditation Standards for Inspectors General.

OAAS will adhere to and be guided by applicable Florida law, as well as State University System Board of Governors, BOT, and University regulations, policies, and procedures.

## 12. Duties and Responsibilities

OAAS' responsibilities include, but are not limited to, the examination and evaluation of the adequacy and effectiveness of the University's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives. This includes, but is not limited to, the following:

- a. Develop an internal audit workplan based on a prioritization of the audit universe using a risk-based methodology, including input from the BOT, President, and Executive Management.
- b. Perform assurance and consulting engagements and investigations in accordance with the annual workplan taking into consideration any special tasks or projects requested by the President, the BOT A&C, and University management.
- c. The CAO will review and adjust the plan as necessary in response to changes in the University's activities, risks, operations, programs, systems, and controls. Any significant deviation from the approved audit workplan will be discussed with the President and BOT Audit Committee and communicated, as appropriate, to the BOT. In addition, the CAO will communicate the impact of resource limitations and significant audit plan changes to the BOT A&C.
- d. Provide the approved workplan to appropriate University management and the BOG's Office of Inspector General. The workplan will be revised as needed to meet the requests and needs of the President, BOT, and the University.
- e. Conduct follow-up activities for OAAS issued audits annually. As warranted by the specific issues, follow-up activities may occur at any time to protect University financial and program operations.



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- f. Periodically report in writing and verbally upon request to the BOT, President, and Executive Management on OAAS activities as well as its performance relative to: its workplan; significant risk exposures and control issues, including fraud/abuse, risk, and governance issues; and other matters as needed or requested.
- g. Report at every BOT A&C meeting or at other times, depending on whether there are significant issues the Committee should be made aware of for their information, discussion, direction, and/or disposition.
- h. Recruit, develop, and retain professional staff with sufficient knowledge, skills, and experience, and professional certifications to fulfill the responsibilities of OAAS and ensure appropriate and required training and education are provided to staff in accordance with applicable professional education standards.
- i. OAAS staff will maintain confidentiality of all audit working papers and notes related to an audit and all information received, produced, or derived from an investigation, until such time as a final audit or investigative report is issued in accordance with applicable law.
- j. Maintain a reporting system that includes mechanisms available for anonymity or confidentiality, whereby University employees, students, vendors, contractors, and other interested parties may report or seek guidance regarding significant abuse, fraud, or criminal conduct, without fear of retaliation. In cases where a component of the reporting system is managed by another operational unit, the CAO shall have access to reported information.
- k. Work cooperatively with the University Compliance and Ethics Officer in the determination of issues that can be addressed most appropriately and efficiently jointly, or by one Office or the other.
- l. Provide training to the University community on internal control, risks management, fraud, abuse, administrative investigations, and other matters for which OAAS has expertise.
- m. Review all DSO financial statements and the related external audit reports issued for completeness and compliance with applicable Generally Accepted Accounting Principles, Generally Accepted Government Auditing Standards, and applicable laws, rules, and regulations.
- n. Review management's follow-up activities intended to address observations or recommendations of external audit or regulatory agencies to include any reports issued by the Auditor General, the Office of Program Policy Analysis and Government Accountability, a federal audit organization or its subcontractors, DSO external auditors, or others.
- o. Assist and provide technical advice and support to the BOT A&C in its selection of any external auditors/consultants to perform work within the University.



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- p. OAAS will have primary responsibility for implementing, coordinating, and managing contracts involving external financial, performance, or compliance audits. OAAS will assist and provide technical advice and support to the BOT A&C in its oversight of DSOs that select external auditors/consultants to perform work for them.
- q. Distribute to the Board of Governors, BOT, President, and Executive Management an Annual Report that describes OAAS' accomplishments and significant audits and investigations conducted during the preceding year. The report shall be issued by September 30 following the end of each fiscal year.

**13. OAAS performs three types of projects:**

**a. Audits**

Audits are assurance services defined as examinations of evidence for the purpose of providing an independent assessment of governance, risk management, and control processes for the organization. Examples include:

- Operational – designed to evaluate the effectiveness, efficiency, and reasonableness of a department's operational processes.
- Compliance – designed to determine if activities are in compliance with applicable regulations, policies, procedures, and practices.
- Financial – designed to examine the accounting and reporting of financial transactions.
- Information Systems – designed to examine the accuracy, reliability, access controls, and security of information systems.

**b. Advisory and Consulting Services**

Advisory and consulting services are designed to add value to and improve the University's risk management and control processes. These engagements are performed upon request by Executive Management or departmental managers. Consulting services offered by OAAS include risk and internal control assessments, workshops, and other services, as requested.

**c. Investigations**

Investigations are independent evaluations of allegations generally focused on improper organization activities including misuse of University resources, fraud, financial irregularities, significant internal control weaknesses, and unethical behavior or actions. Examples of other duties are as follows:

- Investigate allegations of suspected abuse/fraudulent activities within the University and provide to the BOG, President, University management, and the BOT A&C investigative reports issued. The final OAAS investigative report may also be distributed to any other parties deemed necessary by the CAO.



- Address allegations of waste, fraud, or financial mismanagement. The CAO will use professional judgment in assessing materiality such that it would be appropriate to inform the BOG Office of Inspector General and Director of Compliance of such allegations. Significant and credible allegations shall be addressed to meet the requirements of BOG Regulation 4.001.
- Investigate complaints received under the State Whistle-blowers Act pursuant to sections 112.3187-112.31895, Florida Statutes, as applicable.
- Report allegations received by OAAS that the CAO has reason to believe involve potential violations of criminal law to the University Police, other law enforcement agencies, and other responsible state or federal agencies, as appropriate.
- Report information received of known or suspected child abuse, abandonment, or neglect committed on the property of the University or during an event or function sponsored by the University to the Florida Department of Children and Families.
- Assist University Police and other law enforcement organizations with criminal financial and other investigations as requested.

**14. Quality Assurance and Improvement Program**

OAAS will maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit process. The program will include an evaluation of OAAS’ conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether staff comply with the *Code of Ethics*. The program also assesses the efficiency and effectiveness of OAAS activity and identifies opportunities for improvement.

The CAO will communicate to the President, Chair A&C, and Executive Management on OAAS’ quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

President, Florida State University	Date
Board of Trustees’ Chair, Audit and Compliance Committee	Date
Chief Audit Officer, Florida State University	Date

History: 9-2003; revised: 8-18-2010; 11-19-2012; 3-4-2016; 6-7-2018; 6-6-2019, 8-30-2023  
Note: Charter not changed but reaffirmed: 2-21-17, 6-3-2020



# **Florida State University**

## **Audit and Compliance Committee Charter**

### **1. Purpose**

The Audit and Compliance Committee (the Committee) is a standing committee of the Florida State University Board of Trustees (BOT). The purpose of the Committee is to provide assurances to the BOT regarding University risk management, control, and governance processes thereby assisting the BOT in fulfilling its statutory, fiduciary, and oversight responsibilities. Additionally, the Committee shall provide oversight and direction to the Office of Audit and Advisory Services (OAAS) and the Office of Compliance and Ethics (OCE).

### **2. Authority**

The Board authorizes the Committee to:

- 2.1 Perform activities within the scope of this charter.
- 2.2 Participate, through the Chair, in the process of appointment, evaluation, and/or dismissal of the Chief Audit Officer (CAO) or the Chief Compliance and Ethics Officer (CCEO).
- 2.3 Have unrestricted access to management, faculty, and employees of the university and its component units, all of whom are directed to cooperate with the Committee's request.
- 2.4 Meet as needed with those persons responsible for university compliance with state and federal laws and applicable rules, regulations, and policies.
- 2.5 Have access to all books, records, and facilities thereof of the University.
- 2.6 Study or investigate any matter related to audit, compliance, or related concerns such as potential fraud or conflicts of interest that the Committee deems appropriate.
- 2.7 Retain independent counsel, or others to advise the Committee or assist in the conduct of an investigation upon approval of the BOT.
- 2.8 Meet with the University's General Counsel to review any legal matters that may have a significant impact on the University's overall finances, operations, and compliance with regulatory agencies.
- 2.9 Provide oversight and direction to the OAAS and the OCE to include reviewing and recommending BOT approval of the annual work plan.
- 2.10 Provide oversight of audits performed of the University and its component units by state and federal auditors, to include the Auditor General, as well as external auditors.
- 2.11 Review this Charter at least once every three (3) years for consistency with applicable law, BOG, and University regulations and policies, professional standards, and best practices.
- 2.12 Nothing in this Charter shall be construed to limit the authority of the BOT or the Committee.

### **3. Organization**

Composition

- 3.1 The Committee shall be appointed and comprised of members of the Florida State University Board of Trustees as provided for in the BOT Operating Procedures.

- 3.2 The members will be free from any financial, family, or other material personal relationships, including relationships with members of university management, University Office of Audit and Advisory Services and Office of Compliance and Ethics staff, and other professional consultants that would interfere with the exercise of his or her independence to perform assigned duties and responsibilities.
- 3.3 The majority of the Committee members will be financially literate and collectively having experience in accounting, finance, business, internal controls, risk management, and ethics.
- 3.4 If possible, the Committee will include at least one member who is considered an accounting or financial expert having an understanding of generally accepted accounting principles and financial statements, internal controls, and the role and responsibilities of internal and external auditors.

#### Meetings

- 3.5 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.
- 3.6 The Committee will meet during regularly scheduled BOT meeting days, or at a minimum of three times per year. Additional meetings may occur as circumstances dictate.
- 3.7 The Committee Chair will approve the meeting agenda prior to each meeting subject to amendment at the Committee meeting.
- 3.8 The Committee shall maintain written minutes of meetings.
- 3.9 The Committee will look to the CAO and the CCEO for staffing and other administrative needs relating to Committee operation.

#### **4. Internal Controls**

The Committee will:

- 4.1 Evaluate the overall effectiveness of the University's system of internal control to include the control environment, risk assessment, control activities, information and communications systems, and monitoring thereof.
- 4.2 Provide oversight of the University's internal control structure and the processes in place to ensure the effectiveness and reliability of business, financial and information systems controls.
- 4.3 Understand the internal control system implemented by management for the University and each component unit for the approval of transactions and the recording and processing of financial data.

#### **5. Risk Management**

The Committee will:

- 5.1 Provide oversight of the University's enterprise risk management process by reviewing procedures in place to assess and minimize significant risk.
- 5.2 Review and consider the effectiveness of the University's process for identifying significant financial, operational, reputational, strategic, compliance and regulatory risk or exposure and management's plans and efforts to control and monitor such risks.

- 5.3 Obtain management assurances that internal controls have been established to mitigate major identified risks.
- 5.4 Evaluate the University's monitoring of insurance coverage and the process used to identify and manage any uninsured risks.

## **6. Compliance with Laws, Rules, Regulations, Contracts, and Agreements**

The Committee will:

- 6.1 Review the effectiveness of management's system for monitoring compliance with laws, rules, regulations, contracts and agreements and for follow-up on any reported non-compliance, fraud, abuse, or ethics violations.
- 6.2 Obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the University's operations, financial statements, programs, or ethics policies.
- 6.3 Review and discuss any significant results of compliance audits; any significant matters of litigation or contingencies that may materially affect the University's financial statements; and any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.
- 6.4 Ensure that significant compliance findings and recommendations made by the university compliance officer or audit officer are received, discussed, and appropriately acted upon.
- 6.5 Review the effectiveness of the system for monitoring compliance with laws and regulations and follow-up (including disciplinary action) of significant wrongful acts or non-compliance.
- 6.6 Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.
- 6.7 Obtain reports concerning financial fraud resulting in losses in excess of \$10,000 or of any amount involving a member of senior management.
- 6.8 Obtain regular updates from the CCEO and CAO regarding compliance matters that may have a material impact on the organization's financial statements, compliance program, conflict of interest, or ethics policies.
- 6.9 Review and approve procedures for the receipt, retention, and treatment of complaints regarding financial, compliance, ethics, and conflict of interest matters.
- 6.10 Review the University's monitoring of compliance with University policies and standards of ethical conduct and conflict of interest policies.
- 6.11 Review findings of any examinations by state and federal regulatory agencies.
- 6.12 Review the University's process for monitoring contracts and agreements significant to university operations.

## **7. Ethics and Business Conduct**

The Committee will:

- 7.1 Review University processes to ensure actual or potential conflicts of interest are clearly defined.

- 7.2 Review the process followed to assure the University's code of conduct and is communicated to all employees on an annual basis.
- 7.3 Review University processes to require the reporting and approval of outside businesses involvement, employment, and consulting services.
- 7.4 Review University policies relating to ethics and business conduct, financial disclosure, and environmental health and safety.

## **8. Financial Reporting**

### Financial Statements and Reports

Management is responsible for the preparation, presentation, and integrity of the University's financial statements and for the appropriateness of the accounting principles and reporting policies used by the University. The following shall be the principle duties and responsibilities of the Committee regarding financial statements:

- 8.1 Review the annual audited financial statements and ensure that significant findings and recommendations made by the auditors and management's response are received, discussed, and appropriately acted upon.
- 8.2 Make inquiries of management and auditors concerning the adequacy and effectiveness of the University's systems of financial reporting and internal control and compliance.
- 8.3 Discuss with management, the State Auditor General, and/or other external auditors the appropriateness of accounting principles used by the University and component units.
- 8.4 Review the audit report on Federal Awards as required by OMB Circular A-133 and State Awards required by Section 215.97, Florida Statutes.
- 8.5 Review the annual audit reports of component units, including management responses and corrective action plans to address the resulting recommendations.
- 8.6 Review significant accounting and reporting issues and recent professional regulatory pronouncements, and the impact on the financial statements of the University.
- 8.7 Review compliance with federal and state guidelines for financial reporting.

## **9. External Auditors**

- 9.1 Monitor the work of the State Auditor General and other external auditors engaged to perform work within the University.
- 9.2 Review and assist in resolution of any disagreements between management and the external auditors regarding financial reporting.
- 9.3 Inquire of management as to whether external audits of DSO's are being acquired in accordance with BOT Regulation 2.025.
- 9.4 Inquire of management as to whether external audits of auxiliaries are being acquired within the spirit and intent of BOT Regulation 2.025 that is applicable to DSO's.
- 9.5 Provide oversight of component units (DSO's and auxiliaries) that select external auditors to perform audit work.

## **10. Office of Audit and Advisory Services**

- 10.1 Review and approve the annual work plan, ensuring it addresses key areas of risk.

- 10.2 Approve and periodically review the charter, staffing, and activities of the OAAS.
- 10.3 Review a summary of significant findings and recommendations of completed work including management's response and time frame for corrective actions and the appropriateness of proposed actions.
- 10.4 Obtain periodic progress reports on the status of execution of work plans.
- 10.5 Review significant changes or deviations from approved work plans.
- 10.6 Determine the degree of implementation of past recommendations and the sufficiency of actions taken in addressing those recommendations.
- 10.7 Ensure there are no unjustified restrictions or limitations on the scope of work.
- 10.8 Through the Chair and with Committee input, provide the President an annual assessment of the performance of the CAO.
- 10.9 Discuss with the CAO any difficulties encountered in the course of work, including restrictions on the scope of work or access to required information, and any lack of cooperation.
- 10.10 Review the results of periodic quality assurance reviews performed by external organizations that assess whether work of the OAAS meets professional standards.
- 10.11 Identify areas warranting policy changes, if any, and make recommendations to the BOT.
- 10.12 Meet with the CAO to discuss any issues of concern.
- 10.13 Review controls and guidelines for receiving and investigating reported fraud waste, or abuse.
- 10.14 Review guidelines for the CAO receiving and investigating complaints relating to the Whistle-blower's Act pursuant to Chapter 112, Florida Statutes.
- 10.15 Require the CAO to annually report in writing on the activities of the OAAS.

## **11. Office of Compliance and Ethics**

- 11.1 Provide governance oversight of the compliance program.
- 11.2 Review at least every three (3) years and approve the OCE charter and any subsequent revisions.
- 11.3 Review and approve the OCE Program Plan and any subsequent changes.
- 11.4 Review a summary of significant findings and recommendations of completed work including management's response and time frame for corrective actions and the appropriateness of proposed actions.
- 11.5 Review the independence, qualifications, activities, resources, and structure of the compliance and ethics function and ensure no unjustified restrictions or limitations are made.
- 11.6 Determine the degree of implementation of past recommendations and the sufficiency of actions taken in addressing those recommendations.
- 11.7 Through the Chair, and with input from the Committee provide the President an annual assessment of the performance of the CCEO.
- 11.8 Review the CCEO's annual report on the effectiveness of the compliance program.

- 11.9 Review the effectiveness of the University’s efforts to comply with BOG regulations and any applicable federal, state, and local laws, rules, and regulations.
- 11.10 Review the effectiveness of the compliance and ethics program in preventing and detecting noncompliance, unethical behavior, and criminal misconduct and ensure that it has appropriate standing and visibility across the University.
- 11.11 Identify areas warranting policy changes, if any, and make recommendations to the BOT.
- 11.12 Obtain regular updates from the CCEO regarding compliance and ethics matters that may have a material impact on the University’s financial statements or compliance policies.
- 11.13 Review controls and guidelines for receiving and investigating reported compliance, or ethics complaints.
- 11.14 Review guidelines relating to CCEO responsibilities under applicable sections of the Federal Sentencing Guidelines.
- 11.15 Require the CCEO to annually report in writing on the activities of the OCE.
- 11.16 Review at least once every five years, an external evaluation of the OCE program’s design and effectiveness and approve any recommendations for improvement.

This Audit and Compliance Committee Charter is hereby adopted on July 1, 2023.

\_\_\_\_\_  
Board of Trustee Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Audit and Compliance Committee Chair

\_\_\_\_\_  
Date



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

*Audit and Compliance Committee*

# ACTION ITEM II



FLORIDA STATE UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES

**MEMORANDUM**

**TO:** Richard McCullough, President

**FROM:** Undra Baldwin, Chief Audit Officer and Interim Chief Compliance and Ethics Officer

**Date:** August 21, 2023

**SUBJECT:** Consent Agenda Item for the September 8, 2023, BOT Meeting

---

Please find enclosed FSU International Programs Association, Inc. (FSUIPA) request for a 5-year contract renewal with James Moore & Company.

I respectfully request this item be placed on the BOT Consent Agenda for the September 8, 2023, BOT meeting.

Thank you.

Attachment





Florida State University

INTERNATIONAL PROGRAMS ASSOCIATION, Inc.

August 22, 2023

**To: FSU Board of Trustees**

**From: Florida State University International Programs Association, Inc.**

**Request to Approve Extension of 5-Year Contract with James Moore for the Audit of the Florida State University International Programs Association (FSUIPA), Inc.**

The Board of Florida State University International Programs Association (FSUIPA), Inc., a 501 (c)(3) not-for-profit direct support organization of the University approved the extension of the contract for audit services by the firm of James Moore on 8/22/2023. The terms of the extension include a change in the lead partner from Kevin Warren to Katie Davis as allowed under by FSU BOT Rule 2.025.

This contract includes fees for the audit as follows:

2023	\$26,000
2024	\$27,000
2025	\$28,000
2026	\$29,000
2027	\$30,000

The Board of FSUIPA, Inc. respectfully requests that the FSU Board of Trustees confirm and approve the extension.



FLORIDA STATE UNIVERSITY  
BOARD OF TRUSTEES  
*Audit and Compliance Committee*

# ACTION ITEM III



FLORIDA STATE UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES

**MEMORANDUM**

**TO:** Richard McCullough, President

**FROM:** Undra Baldwin, Chief Audit Officer and Interim Chief Compliance  
and Ethics Officer

**Date:** August 21, 2023

**SUBJECT:** Consent Agenda Item for the September 8, 2023, BOT Meeting

---

Please find enclosed the FSU Collegiate School's request to enter into a 3-year contract with BKHM CPA with an option to renew for two (2) one-year audit periods.

I respectfully request this item be placed on the BOT Consent Agenda for the September 8, 2023, BOT meeting.

Thank you.

Attachment

**From:** [Candace Tibbetts](mailto:Candace.Tibbetts@fsu.edu)  
**To:** [Candace Tibbetts](mailto:Candace.Tibbetts@fsu.edu)  
**Subject:** FW: The Collegiate School at FSU Panama City - Audit Firm BOT approval  
**Date:** Wednesday, August 23, 2023 12:48:18 PM

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**From:** Michael Williams <[mwilliams@fsu.edu](mailto:mwilliams@fsu.edu)>  
**Sent:** Thursday, August 17, 2023 8:52:30 AM  
**To:** Undra Baldwin <[ub22@fsu.edu](mailto:ub22@fsu.edu)>  
**Cc:** Kyle Clark <[kyle.clark@fsu.edu](mailto:kyle.clark@fsu.edu)>; Steven Conner <[sconner@fsu.edu](mailto:sconner@fsu.edu)>; Daniel Nix <[dnix@pc.fsu.edu](mailto:dnix@pc.fsu.edu)>  
**Subject:** FW: The Collegiate School at FSU Panama City - Audit Firm BOT approval

Undra,

The Collegiate School at FSU Panama City is recommending a contract with BKHM CPA for three fiscal years with an option to renew for two (2) one-year audit periods which was approved by their Board on June 27, 2023. Per regulation FSU-2.025 Direct Support Organizations, the contract must be approved by the Florida State University President and then forwarded to the University Board of Trustees for review and final approval. If approved, the fees for the initial three years are provided below:

<u>Engagement Period</u>	<u>Audit Fee</u>	<u>Form 990 Fee</u>
Fiscal Year ending June 30, 2024	\$15,000 - \$16,000	\$3,000 - \$4,000
Fiscal Year ending June 30, 2025	\$16,000 - \$17,000	\$3,250 - \$4,250
Fiscal Year ending June 30, 2026	\$17,000 - \$18,000	\$3,500 - \$4,500
Total (3 Years)	<u>\$48,000 - \$51,000</u>	<u>\$9,750 - \$12,750</u>

Please accept this email as The Collegiate School at FSU Panama City's formal request for Board of Trustees approval during their next meeting.

Thank You,

*Michael*

**Michael Williams, CPA**  
Associate Vice President  
Florida State University  
850.644.7351



**From:** Daniel Nix <[dnix@pc.fsu.edu](mailto:dnix@pc.fsu.edu)>  
**Sent:** Thursday, August 03, 2023 6:06 PM  
**To:** Michael Williams <[mwilliams@fsu.edu](mailto:mwilliams@fsu.edu)>  
**Cc:** Steven Conner <[sconner@fsu.edu](mailto:sconner@fsu.edu)>  
**Subject:** Audit Firm BOT approval

Michael,  
Below is the information you requested for the BOT approval for TCS audit firm. I have also included the following attachments:

- RFP document sent to 6 firms
- Copies of emails sending RFP to 6 firms
- Responses received from 3 firms
- TCS Board Approval
- Request for FSU BOT approval

If you have time tomorrow, I would like to discuss a possible issue with BKHM's proposal. Let me know if you have time tomorrow for a zoom call.

Thanks,  
Dan

*The Collegiate School at FSU Panama City are recommending a contract with BKHM CPA for three fiscal years with an option to renew for two (2) one-year audit periods which was approved by their Board on June 27, 2023. Per regulation FSU-2.025 Direct Support Organizations, the contract must be approved by the Florida State University President and then forwarded to the University Board of Trustees for review and final approval. If approved, the fees for the initial three years are provided below:*

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Total (3 Years)	<u>\$48,000 - \$51,000</u>	<u>\$9,750 - \$12,750</u>

*Please accept this email as The Collegiate School at FSU Panama City's formal request for Board of Trustees approval during their next meeting.*