



Item: AC: A-M

Audit and Compliance COMMITTEE

Tuesday, May 16, 2017

SUBJECT: ROLL CALL AND APPROVAL OF THE MARCH 14, 2017 MINUTES

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation, ensure quorum, and approve the Minutes of March 14, 2017 meeting.

COMMITTEE MEMBERS

Mr. Shaun Davis, Chair	_____
Mr. Thomas Workman, Jr., Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mrs. Mary Beth McDonald	_____
Mr. Daniel Cane (ex-officio)	_____

PARTICIPATING BOT MEMBERS

Dr. Michael Dennis	_____
Dr. Malcolm Dorman	_____
Dr. Jeffrey Feingold	_____
Ms. Emily Lawless	_____
Mr. Abdol Moabery	_____
Mr. Robert Rubin	_____
Mr. Robert Stilley	_____
Dr. Kevin Wagner	_____



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AC: A-M. Roll Call

Mr. Shaun Davis, Chair of the Board of Trustees Audit and Compliance Committee, convened the meeting. Roll call commenced with the following committee members, in addition to Mr. Davis, participating: Mr. Thomas Workman, Vice Chair; Mr. Anthony Barber (ex-officio), Mr. Daniel Cane (ex-officio), and Ms. Mary Beth McDonald.

Other Trustees attending the meeting included: Dr. Christopher Beetle, Dr. Michael Dennis, Mr. Michael Cairo, Dr. Malcolm Dorman, Mr. Robert Rubin, and Mr. Robert Stilley.

AC: I-1a. Review of the Financial Statements for FAU Direct Support Organizations: HBOI Foundation

Mr. Art Kite presented the financial statements and noted a loss of \$1.3M from a property sale which was closed in October 2015. He also noted that the investments were down \$3M in 2016 from the previous year because they were at unrealized at fair market value. The same investments are up \$4.8M this year.

Upon question, the CPA who performed the audit, stated that the revenue can vary based on the timing of the grants and the performance of the investments. He noted that this is not a cause for concern. Eric stated that the committee issued unmodified opinion and it had no compliance findings, material weakness, or significant deficiencies. He provided recommendations such as keeping license plate revenue at the HBOI Foundation to earn interest and dividends, which were accepted by the Foundation.

AC I-2. Review of the FAU Financial Audit for Fiscal Year Ended June 30, 2016

Mr. Kite presented the financial audit statements. He noted that the fund balance increased \$22M year-over-year and the net operating revenue was up \$27M.

Upon question, Ilene Gayle, an auditor from the State of Florida Auditor General's Office, stated that there were no findings during the audit and it was a clean opinion.

AC I-3. Background on Compliance



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Ms. Stacy Volnick stated that the requirements have been met for the Chief Compliance Officer to report to the President and the formation of this new committee.

Ms. Morgan Kim provided background on the compliance and ethics program. Ms. Kim has been with FAU for 1.5 years and has over 20 years in experience with compliance and ethics. She stated that first review of the program does not take place for 5 years and FAU has made great progress with the program by making organizational changes for direct reporting. There have been new policies and procedures created to target high risk areas to insure HIPAA compliance. Mr. Davis asked if there was a hotline implemented. Ms. Kim stated that they are looking into providing a hotline and stated that there is an anonymous contact available right now.

With no further questions or comments put forth, a motion was made and seconded to adjourn the meeting.