




Florida Board of Governors
State University System of
Florida

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JLAC Received
5-3-23

MEMORANDUM

TO: Ray Rodrigues, Chancellor

FROM: Julie Leftheris, Inspector General and Director of Compliance 

DATE: May 3, 2023

RE: Six-month Follow-up: 2019 Board of Governors Operational Audit (2023-049)

The following information constitutes our six-month follow-up report required by section 20.055(6)(h), Florida Statutes. I have organized the information by finding and included the original management response and an update regarding corrective actions taken or planned.

UNIVERSITY EDUCATION AND GENERAL CARRYFORWARD SPENDING PLANS

Finding 1: BOG procedures did not always provide for effective review, approval, and amendment of State University Educational & General (E&G) carryforward spending plans or effective monitoring of State university use of E&G appropriation carryforward funds.

Recommendation: BOG procedures for monitoring university E&G carryforward spending plans should be enhanced to require and ensure that the plans limit prospective expenditures to purposes established in State law and are appropriately reviewed, amended, and approved; planned FCO expenditures in the plans are reasonably consistent with university FCO budgets; and universities use the BOG-approved plans to help monitor expenditures of E&G carryforward resources.

Board Response: The Board Office concurred with the recommendation, and committed to work on additional guidance that bridges the gap between the current year carryforward spending plans for FCO and the FCO budgets and to review the current regulation on carryforward spending plan for an opportunity to encourage the universities to use the Board of Governors approved plan to help monitor expenditures of E&G carryforward resources.

Six-month Follow-up: The Board has publicly noticed changes to Regulation 9.007 State University System Operating Budgets and Requests to address the audit recommendations. Specifically, the proposed changes will provide universities additional guidance on the use of carryforward to address fixed capital reserves adopted by the Board in January 2022 and memorialized in Regulation 14.002 – Reserves for New Construction and s. 1001.706(12)(c)1 Florida Statutes and instructs the universities to track expenditures to ensure compliance with the spending plans. Final implementation of the amendment to Regulation 9.007 State University System Operating Budgets and Requests is subject to full Board approval at the May 10, 2023, Board of Governors meeting.

MONITORING AND OVERSIGHT OF UNIVERSITY BONUS SCHEMES

Finding 2: BOG regulations and guidance could be enhanced to ensure that State universities and the BOG comply with the statutory requirements governing the implementation and approval of bonus schemes for SUS employees.

Recommendation: BOG regulations and guidance should be reviewed and revised as appropriate to ensure that university bonus schemes are not implemented until submitted to and approved by the BOG pursuant to State law.

Board Response: The Board Office concurred with the recommendation committed to work to ensure alignment between regulations and section 1012.978, Florida Statutes, with respect to university bonus plans.

Six-month Follow-up: We are working with the Legislature to amend section 1012.978, Florida Statutes.

C: Brian Lamb, Board of Governors
Aubrey Edge, Chair, Audit and Compliance Committee, Board of Governors
Michael A. Caruso, Alternating Chair, Joint Legislative Auditing Committee
Jason W.B. Pizzo, Alternating Chair, Joint Legislative Auditing Committee
Sherrill Norman, Florida Auditor General