BOT Audit and Compliance Committee Chair Bob Jones called the meeting to order at 3:04 p.m.

Committee Member Trustee Bob Sires joined by teleconference. Trustee Dick Baker was absent.

BOT Chair Dave Cleveland was present and Trustee Greg Britton joined by phone.

Others in attendance:
President Martha D. Saunders; Ms. Betsy Bowers, VP, Finance & Administration; Ms. Pam Langham, General Counsel; Dr. Ed Ranelli, AVP and CEO, BEI; Ms. Megan Gonzalez, Executive Director, Institutional Communications; Ms. Cindy Talbert, Interim Director, Internal Auditing & Management Consulting; Mr. Jeffrey Djerlek, University Controller; Mr. Thomas St. Myer, Institutional Communications.

CHAIR’S GREETING

Chair Jones welcomed all those present and explained that the only item on the agenda was to receive an update on the Complete Florida Plus Program Audit.

Chair Jones invited President Martha Saunders to make comments.

President Saunders thanked Chair Jones and provided the following report:

At UWF, we are proud to be a key partner institution in Florida’s nationally respected and top-rated State University System. For 50 years we have been diligent and vigilant in embracing our responsibilities to our mission of providing a top-quality education for our hard-working, diverse students – to best prepare them for their lives and careers in an increasingly competitive global economy.

The high standards that we hold at UWF apply to our students, faculty, and staff. The caliber of character that we seek to reflect in our university community is intended to build and strengthen our public trust – every day, in every way.

We are a highly unusual university in many ways. In recent years, we have hit meteoric heights in cutting edge program development such as cybersecurity, in the state’s performance-based
funding metrics, and in athletics. Undergirding these successes is an unblemished reputation as a good steward of our resources.

President Saunders continued by stating that questions about possible problems in the Complete Florida program prompted us to undertake a joint audit of the program with the SUS Board of Governors. We’re working closely with Chancellor Marshall Criser and are grateful to him and his staff in helping us ensure that the audit is thorough and complete. When it is done, I am confident that it will demonstrate the simple facts and truth: that UWF has applied great care to how we administered those public funds.

If any mistakes are found, we will own them. But to date, nothing has been revealed to me that indicates the university has violated any law, rule or regulation in the collection of the costs of the program.

That said, we are motivated to embrace any and every opportunity to find better ways to serve. We must never be complacent about what we do and how we do it. So all of this has got me thinking.

Last September in my State of the University Address I challenged our campus to reach higher than we ever imagined we could. By employing the same skills we have used to move from the bottom of the performance metrics to the top for three year in a row, and by moving a brand new football program to a national championship in four years-- we can be setting the highest standard in the Sunshine State for how we, as one of the state’s great universities, effectively and efficiently serve as most careful stewards over any and all funding entrusted to our care. Fiscally speaking, I propose a “moon shot” – one that will make UWF widely known as the place in higher education that is all about smart dollar management.

Standing on a 50-year reputation of good stewardship, can we go beyond mere compliance to a leadership role as stewards of the public trust? I think we can.

I was in Tallahassee this week, and as I made my calls on key leadership on behalf of UWF, it occurred to me that we don’t say thank you nearly enough. Our state has many needs. Higher education is one of them. We have been supported by our state for more than 50 years. Taxpayers expect and deserve to know that we respect and appreciate every dollar that comes to the University of West Florida to fulfill our mission to serve.

We are a learning organization. Using the same skills that brought us to the top in cutting edge programming, performance metrics and athletics and leveraging a solid reputation as the good steward, we can create a new standard for the Sunshine State to ensure Florida gets value for every dollar it invests in UWF. Every. Single. Dollar.

For me, good enough is never good enough. Three years into my service as your President, I think you have seen what we can do when we champion a worthy goal.
I look forward to sharing details with you soon, but I’ll give you a clue. When they start giving trophies for Smart Dollar Management – we’re going to win!

Chair Jones asked Trustee Sires and BOT Chair Cleveland if they had any questions for President Martha Saunders.

Trustee Sires said he had no questions.

BOT Chair Cleveland remarked that he supports the joint audit and believes it is important for the Board to be fully aware of the audit and respect the process.

Chair Jones asked Cindy Talbert, UWF’s Interim Director of Internal Auditing and the university’s liaison to Saltmarsh, Cleveland and Gund to offer remarks.

Ms. Talbert provided an update stating in September 2019, the University of West Florida received an allegation of potential mismanagement of funds and accounting issues related to the Complete Florida Plus program. This state-wide program is administered by the UWF Division of Research and Strategic Innovation on behalf of the Florida Board of Governors and Florida Department of Education.

Consistent with UWF’s standard practice with these types of allegations, UWF administration immediately launched an investigation to examine the management and accounting of this program.

The University of West Florida and the Board of Governors jointly selected Saltmarsh, Cleveland & Gund to conduct an independent, third-party investigation relating to the financial management of the Complete Florida Plus Program and the university’s Division of Research and Strategic Innovation since the inception of the program in 2014 to the present, with oversight provided by the Board of Governors’ Inspector General.

Audit Timeline

- Oct. 25, 2019 - UWF and Board of Governors Chief Inspector General met with Saltmarsh to discuss draft objectives for “Agreed Upon Procedures.” At this time, Phase 1 of the Audit was established and Saltmarsh began work.
- Dec. 19, 2019 - Phase 2 document was prepared and signed by UWF and the Board of Governors.
- January 7, 2020 - Conference call with Saltmarsh, BOG Chief Inspector General and Ms. Talbert took place. Saltmarsh requested revisions to the Phase 2 Agreed Upon Procedures.

Following her update, Ms. Talbert invited Ms. Betsy Bowers, Vice President of Finance and Administration to share her overview of the situation. Ms. Bowers provided context for the purpose of the audit including the following points:

- Complete Florida was established by the Florida Legislature in 2013.
- The program is administered by the University of West Florida Division of Research and Strategic Innovation.
- In 2014-15, FLVC (now FALSC) and Career and Education Planning Tool were merged with Complete Florida to create the Complete Florida Plus Program.
- Annually, the Program Director (Vice President for Research and Strategic Innovation) provides a report on the Complete Florida Plus program to the legislature.
- This report is sent directly to the Board of Governors and Florida Department of Education by the CFP Program Director.
- After reviewing the annual budget numbers provided by the CFP Program Director, the Board of Governors asked for clarification on a few items. The CFP Program Director provided this information to the Board of Governors on Sept. 6, 2019.
- On Sept. 10, 2019, President Saunders was alerted by Chancellor Criser the CFP Program Director provided this report and the clarification email.
- Prior to being contacted by the Chancellor, President Saunders and executive leadership had not seen the report or the clarification email provided by the CFP Program Director.
- The information in the report and follow-up provided by the CFP Program Director had erroneously explained the fluctuations in indirect cost.
- At this time, UWF administration immediately launched an investigation.

Chair Jones asked Trustee Sires and BOT Chair Cleveland if they had any questions for Ms. Talbert or Vice President Bowers.

Trustee Bob Sires said he is very satisfied with the comments and the steps being taken.

Chair Jones asked Pam Langham, UWF General Counsel if she had anything to add. General Counsel Langham said she will continue to update the trustees and if any board member has questions or concerns they should call her.

**ADJOURNMENT**

With no further agenda items to discuss, Chair Jones adjourned the meeting 3:17 p.m.

Respectfully submitted,

Becky Luntsford, Assistant Corporate Secretary