Minutes
Audit and Compliance Committee Meeting
UWF Board of Trustees
May 15, 2019

Committee Chair, Trustee Bob Jones called the meeting to order at 9:02 a.m.

Trustees Bob Jones and Dick Baker were in attendance. Trustee Bob Sires participated by phone.

Other trustees in attendance: Lewis Bear, Jr., Greg Britton, Dave Cleveland, Adrianne Collins, Suzanne Lewis, Brandon Malone, Mort O’Sullivan, David Ramsey, Alonzie Scott and Jill Singer.

Others attending:
Dr. George Ellenberg, Provost and Senior Vice President; Dr. Pam Northrup, VP, Innovation and Strategic Research; Ms. Pam Langham, General Counsel; Mr. Howard Reddy, VP, University Advancement; Dr. Kim LeDuff, VP Academic Engagement; Dr. Kimberly McCorkle, Vice Provost; Ms. Betsy Bowers, VP, Finance & Administration; Ms. Janice Gilley, Associate Vice President, External Affairs; Dr. Melinda Bowers, Director, Facilities Operations & Emerald Coast Campus; Dr. Tim O’Keefe, Dean COB; Dr. Steve Brown, Dean CASSH; Dr. William Crawley, Dean CEPS; Dr. Jaromy Kuhl, Dean MMCOSE; Dr. Matthew Schwartz, Dr. Brandon Frye, Dean of Students; Dr. Ed Ranelli, CEO, BEI; Mr. Rob Overton, Executive Director, Historic Trust; Police Chief Marc Cossich; Dr. Denise Seabert, Dean, College of Health; Ms. Michele Manassah, Director Health and Wellness; Ms. Megan Gonzalez, Executive Director, University Communications; Ms. Angie Jones, Director, Procurement and Contract Services; Mr. Vito Hite, Chief Audit Executive, Internal Auditing & Management Consulting; Ms. Cynthia Talbert, Internal Auditor III; Mr. Matt Packard, Compliance Officer, Internal Auditing; Mr. Dan Lucas, CFO, UWF Foundation; Mr. Dave Scott, Athletics Director; Mr. Neil McMillion, Director Housing and Residence Life; Mr. Brice Griffin, Assistant Director, Residence Life; Mr. Matt Marshall, Director University Commons; Ms. Tiffany Nisewonger, Executive Assistant, Finance & Administration; Ms. Angela Wallace, Director, Finance & Administration; Ms. Elizabeth Mrachek, PCard Auditor, Internal Auditing & Management Consulting; Ms. Colleen Asmus, University Controller; Mr. Jeff Djerlek, Assistant Controller; Dr. Jim Hurd, Senior Associate VP Student Affairs Administration; Mr. Ross Dahlstrom, Network Engineer; Mr. Chuck Bell, Telecommunications; Mr. Chase Green, BOT IT; Mr. Cody Thurber, BOT IT; Mr. Eric Ingerman, Sound Engineer; Ms. Kat Zatapkova, BOT Student Assistant and Ms. Becky Luntsford, Recording Secretary.

**CHAIR’S GREETING**

Chair Jones welcomed all those present and explained there were five action items and four information items on the agenda.
ACTION ITEMS

UWF Chief Audit Executive, Mr. Vito Hite, presented the first four action items.

1. Approval of the 2019/2020 Work Plan for UWF Internal Auditing & Management Consulting. The International Standards for the Practice of Internal Auditing (Standard #2020) states: “The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and to the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.”

To comply with this standard, the proposed Work Plan for UWF Internal Auditing for fiscal year 2019/20 was presented. A tentative Work Plan for fiscal year 2020/21 was also presented as an attachment. The proposal was developed as the result of an analysis of strategic, operational, financial, compliance, and reputational risks. Among other research activities, UWF senior leadership and other key personnel were personally interviewed to obtain their input on risks. The following was proposed:

2. Conduct various management advisory (consulting) services, including participation on the Concur (Travel & Expense Software) implementation team.
3. Follow-up of Federal, State, and internal audit findings.

The Work Plan is a living document. It may be revisited at any point during the fiscal year and modified accordingly.

Chair Jones asked for a motion recommending the full Board, at the June 12, 2019 meeting, approve the 2019/2020 Work Plan for UWF Internal Auditing & Management Consulting as presented.

Motion by: Trustee Dick Baker
Seconded by: Trustee Bob Sires
Motion passed unanimously.
2. Acceptance of State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards for Fiscal Year Ending 2019 Audit Report. On March 28, 2019, the State of Florida Auditor General released its report on the statewide audit of the Federal funds for fiscal year 17/18, which ended June 30, 2018, and includes the University of West Florida. The report included the results of the audit of the State of Florida’s financial statements with regard to compliance and internal control over financial reporting and their audit of the State's Federal awards programs. The audit pertains to State agencies, universities, and community colleges and was conducted in accordance with applicable professional standards and federal award regulations. A printed copy of the audit report and Summary Schedule of Prior Audit Findings was provided to each State Agency Inspector General, University Presidents, State University Chief Audit Executive or designated audit liaison, and Florida Community College Presidents.

UWF had no findings in this audit report.

Chair Jones asked for a motion recommending the full Board, at the June 12, 2019 meeting, accept the State of Florida Compliance & Internal Controls over Financial Reporting & Federal Awards for Fiscal Year Ending 2019 Audit Report.

Motion by: Trustee Dick Baker
Seconded by: Trustee Bob Sires
Motion passed unanimously.

3. Acceptance of UWF Internal Auditing Reports Issued February – March 2019: Information Technology Data Governance 18-19 001. Internal Auditing & Management Consulting completed one audit during the period February 1, 2019 through April 30, 2019: Information Technology Data Governance.

Information Technology Data Governance 18-19 001

The audit period included July 1, 2017 through June 30, 2018, and was part of the approved work plan for 2018/19. Audit fieldwork began on September 11, 2018, and ended on February 26, 2019. The audit report was issued on April 22, 2019. The audit’s objectives were to evaluate controls for:

- Assignment of responsibilities, accountability, and access to data,
- Collection, storage, use, management, and retention of University data,
- Integrity, confidentiality, and availability of data, relevant to stakeholder needs,
- Compliance with federal regulations addressing privacy and security of both sensitive and private data, and
- Compliance with the General Data Protection Regulation (GDPR).
Results:
IAMC found that controls were generally adequate for managing information technology data governance, however a recommendation was made to increasing staff awareness of their applicable DISREPS (the authorized individuals who liaison with ITS on security matters), and staff responsibilities and expectations for managing their department’s data.

Chair Jones asked for a motion recommending the full Board, at the June 12, 2019 meeting, accept the UWF Internal Auditing Report: Information Technology Data Governance 18-19 001 as presented.

Motion by: Trustee Dick Baker
Seconded by: Trustee Bob Sires
Motion passed unanimously.

4. Acceptance of PCard Quarterly Report Quarter 3: January-March 2019. Internal Auditing has been charged with auditing PCard holder and approver activity as well as departmental activities and internal controls. The objectives of these audits were to determine if departments complied with UWF PCard policies and procedures, as well as to evaluate the level of understanding of PCard policies among PCard holders and approvers. UWF presently has 415 PCard holders distributed across 148 departments.

Notable Strengths
Files were well organized. Staff was well trained in PCard procedures. There was strong separation of duties.

Results for Quarter 3 (January – March 2019)
Eight departments\(^1\) encompassing 39 cardholders were examined on a sample basis. Individual reports were distributed to department heads and Procurement & Contracts upon completion of the audits. The totals below show the volume of activity occurring for these eight departments and the amount tested. All reports are available from Internal Auditing.

<table>
<thead>
<tr>
<th>Number of Departments Reviewed</th>
<th>Number of Cardholders</th>
<th>Number of Transactions Occurring</th>
<th>Number of Transactions Tested</th>
<th>Total PCard Expenditures of Depts.</th>
<th>Total PCard Transaction $ Tested</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>39</td>
<td>858</td>
<td>188 (22%)</td>
<td>$328,546</td>
<td>$211,097 (64%)</td>
</tr>
</tbody>
</table>

Audit Opinion for the PCard Audit\(^1\)

<table>
<thead>
<tr>
<th>EXCELLENT</th>
<th>GOOD</th>
<th>FAIR</th>
<th>POOR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
</tbody>
</table>
Chair Jones asked for a motion recommending the full Board, at the June 12, 2019 meeting, accept the UWF Internal Auditing PCard Report Quarter 3 (January – March 2019) as presented.

Motion by: Trustee Dick Baker
Seconded by: Trustee Bob Sires
Motion passed unanimously.

5. **Acceptance of the UWF Annual Financial Report for 2017-2018.** This item was presented by Colleen Asmus, UWF Controller. On March 20, 2019, the State of Florida Auditor General released the report on the audit of the financial statements of the University of West Florida for the fiscal year ended June 30, 2018. The Executive Summary included in the audit report contains the following:

The audit disclosed that the basic financial statements of the University of West Florida (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

The audit did not identify any deficiencies in internal control over financial reporting that was considered to be material weaknesses.

The results of the audit tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards issued by the Comptroller General of the United States.

Chair Jones asked for a motion recommending the full Board, at the June 12, 2019 meeting, approve the University of West Florida Annual Financial Report for 2017-2018.

Motion by: Trustee Dick Baker
Seconded by: Trustee Bob Sires
Motion passed unanimously.

**INFORMATION ITEMS**

1. **Internal Auditing Update on Status of Audits in Progress and Advisory Services.** Mr. Vito Hite presented the item.

2. **Compliance Update on Activities.** Mr. Matthew Packard, UWF Compliance Officer, presented the item.
3. **WUWF Public Broadcasting Update.** WUWF Executive Director4, Mr. Pat Crawford made this presentation.

4. **A Legislative Update** was given by Senior Executive Specialist, Andrew Romer.

**ADJOURNMENT**

With no further Audit & Compliance Committee items to discuss, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,
Becky Luntsford, Assistant Corporate Secretary