Minutes
Audit and Compliance Committee Meeting
UWF Board of Trustees
August 13, 2018

Committee Chair, Trustee Bob Jones called the meeting to order at 9:01 a.m.

Trustee Bob Jones and Dick Baker were in attendance.

Trustee Bob Sires joined by telephone.

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

Others attending:
President Martha Saunders; Dr. George Ellenberg, Provost and Senior Vice President; Ms. Betsy Bowers, IVP Administrative Services; Dr. Pam Northrup, VP, Innovation and Strategic Research; Dr. Joffery Gaymon, Vice President Enrollment & Student Affairs; Dr. Kimberly McCorkle, Vice Provost; Dr. Kim LeDuff, Vice President, Academic Engagement; Mr. Howard Reddy, Vice President for Advancement; Ms. Pam Langham, General Counsel; Mr. Dave Scott, Athletic Director; Dr. Melinda Bowers, Director, Emerald Coast Campus; Ms. Cynthia Talbert, Internal Auditor III; Mr. Matt Packard, Compliance Officer; Ms. Sandra Thompson, Director, ITS; Mr. Ross Dahlstrom, Network Engineer; Mr. Chase Green Technology Engineer, ITS, Mr. Eric Ingerman, Sound Engineer and Production Services; Ms. Becky Luntsford, Assistant Corporate Secretary to the Board of Trustees and Ms. Kat Zatopkova, Board of Trustees Student Assistant.

CHAIR’S GREETING
Chair Jones welcomed all those present and explained there were four action items and two information items on the agenda.

ACTION ITEMS

1. Acceptance of UWF Internal Auditing Reports Issued: Conflicts of Interest/Outside Activities; and the Hall Marcus College of Science and Engineering Dean’s Office. Ms. Cindy Talbert, Internal Auditing and Compliance Interim Director presented the item.

Conflicts of Interest/Outside Activities 17-18_006

IAMC’s audit period was July 1, 2016, through December 31, 2017, and was part of the approved work plan for 2017/18. We issued the audit report on June 11, 2018. The audit’s objectives were to 1) identify and evaluate the adequacy and effectiveness of controls
related to conflicts of interest and outside activities, 2) evaluate the processes to ensure the completeness and accuracy of submitted conflict of interest and outside activity forms, and 3) review compliance with applicable laws, rules, and regulations.

IMAC found that controls over the reporting of conflicts of interest and outside activities, and related review of approvals, were generally strong, including compliance with laws, rules, and regulations; and made the following recommendations:

- Periodic training and communication to employees and New Employee Orientation needed enhancements to ensure understanding of requirements related to conflicts of interest and the reporting of outside activities.
- Revisions to the Employee Code of Conduct were needed to promote an understanding of requirements related to conflicts of interest and outside activities.
- The approval process for Conflicts of Interest and Outside Activity Forms needed to be streamlined.
- Three of the related forms needed to be combined to minimize misunderstandings.
- An annual positive confirmation by employees as to their conflicts of interest or outside activities should be considered.
- An ad hoc committee by stakeholder departments needs to be formed, to help coordinate communication, administration, and oversight of policies and processes.

Management has outlined courses of action with implementation by March 31, 2019.

Hal Marcus College of Science and Engineering Dean’s Office 17-18_007

IAMC’s audit period was July 1, 2016 through December 31, 2017 and was part of the approved work plan for 2017/18. We issued the audit report on June 29, 2018. The audit’s objectives were to evaluate internal controls over 1) financial activities, contractual agreements, management oversight, and safety and security, 2) compliance with University policies, procedures, and applicable laws, and 3) effectiveness and efficiency of operations.

IAMC found that controls over HMCSE Dean’s Office administrative activities were generally strong, including compliance with laws, rules, and regulations; and made the following recommendations:

- HMCSE and Environmental Health & Safety should collaborate to refine their process for ensuring that faculty, staff, graduate and undergraduate research assistants, directed studies students and registered volunteers are appropriately trained prior to conducting any work in University laboratories.
- The Dean’s Office should ensure that Travel Authorization Requests are signed by the employee’s supervisor, in compliance with the policy set forth by Academic Affairs.

Management has outlined courses of action with implementation by September 30, 2018.
Chair Jones asked for a motion recommending the full Board, at its September 27, 2018 meeting, accept the UWF Conflicts of Interests/Outside Activities and the Hal Marcus College of Science and Engineering Dean’s Office Internal Audit Reports.

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


Results for Quarter 4 (April - June 2018) showed 12 departments encompassing 35 cardholders were examined on a sample basis. 1,317 transactions occurred, 284 transactions were tested, total PCard expenditures were $447,313 and total PCard transactions tested totaled $289,604. All twelve departments scored excellent.

The summary of PCard audit results for Fiscal Year 2017/2018 showed 35 departments encompassing 164 cardholders were examined on a sample basis. 24 departments scored 24 excellent; 7 good; 3 fair and 1 poor.

Most common findings in the fiscal year included:
1. The department head did not sign reconciliation reports.
2. Sales tax was paid and a refund was not requested.
3. The business purpose of the transaction was not clearly documented.
4. Monthly reconciliation was not completed in a timely manner.

Chair Jones asked for a motion recommending the full Board, at its September 27, 2018 meeting, accept the PCard Quarterly Report April – June 2018 and the Annual Update for July 2017 – June 2018.

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

3. **Acceptance of Florida Auditor General Statewide Bright Futures Audit for Fiscal Years 2015/16 and 2016/17.** Ms. Cindy Talbert, Internal Auditing and Compliance Interim Director presented the item.
The Florida Bright Futures Scholarship Program was established by the Florida Legislature to provide lottery-funded scholarships to reward any Florida high school graduate who merits recognition of high academic achievement and enrolls in degree, certificate, or applied technology program at an eligible Florida public or private postsecondary educational institution within three years of high school graduation. The Florida Auditor General conducted an operational audit of the administration of the Florida Bright Futures Scholarship Program for Florida’s public universities and colleges. This audit covered fiscal years ending June 30, 2016 and June 30, 2017. There were NO findings for UWF.

For fiscal year 2015/16, disbursements to students enrolled in Florida’s 12 public universities and 28 public colleges were $188,152,809 and $13,072,966, respectively, for a total of $201,225,775. For fiscal year 2016/17, public universities received $171,832,553 and public colleges received $10,362,268 totaling $182,194,821. The $19 million reduction in the amount of Program awards disbursed from the 2015/16 fiscal year to the 2016/17 fiscal year is attributed to the reduction in students who met the eligibility requirements. UWF’s Bright Futures Program figures are as follow (pages 7-8 of the statewide report).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Advances</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From Dept of Education</td>
<td>Scholarship Awards to Students</td>
</tr>
<tr>
<td>2015/16</td>
<td>$3,488,450</td>
<td>$3,303,705</td>
</tr>
<tr>
<td>2016/17</td>
<td>$2,880,928</td>
<td>$2,791,579</td>
</tr>
</tbody>
</table>

Chair Jones asked for a motion recommending the full Board, at its September 27, 2018 meeting, accept the Florida Auditor General Statewide Bright Futures Audit for Fiscal Years 2015/16 and 2016/17 as presented.

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


The Florida Education Equity Act Report is completed annually by each Florida public university and includes information on the University’s progress in implementing strategic initiatives related to equity and access in academic services, programs, and student enrollment; equity in athletics; and equity in employment as required by Regulation 2.003 Equity and Access. Each University’s Florida Educational Equity Act Report is approved by the Board of Trustees and is submitted to the Board of Governors. The Student Enrollment and Employment reporting focuses on females and members of specified racial/ethnic groups.
The Athletics portion of the report focuses on gender equity on the basis of Accommodation of Interests and Abilities. The 2018 Florida Education Equity Report is based on 2016-2017 data.

Chair Jones asked for a motion recommending the full Board, at its at its September 27, 2018 meeting, adopt the 2018 Florida Educational Equity Act Report as presented.

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

INFORMATION ITEM

1. Internal Auditing Update on Activities. Ms. Cindy Talbert, Internal Auditing and Compliance Interim Director presented the item.

2. Compliance Update on Activities. Mr. Matthew Packard, UWF Compliance Officer, presented the item.

ADJOURNMENT

With no further Audit & Compliance Committee items to discuss, the meeting was adjourned at 9:35 a.m.

Respectfully submitted,
Becky Luntsford, Assistant Corporate Secretary