

Minutes

Audit and Compliance Committee Meeting

UWF Board of Trustees

UWF Conference Center, Bldg. 22

November 6, 2019

Committee Chair, Trustee Bob Jones called the meeting to order at 9:34 a.m.

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

Lewis Bear, Jr., Greg Britton, Dave Cleveland, Zenani Johnson, Suzanne Lewis, Mort O'Sullivan and Sherry Schneider.

Trustees Adrienne Collins, Alonzie Scott, Jill Singer joined by conference phone.

Others in attendance:

President Martha D. Saunders; Provost & Senior Vice President George Ellenberg; Dr. Kim LeDuff, VP Academic Engagement; Dr. Kimberly McCorkle, Vice Provost; Ms. Betsy Bowers, VP, Finance & Administration; Ms. Pam Langham, General Counsel; Dr. Melinda Bowers, Director, Facilities Operations & Emerald Coast Campus; Ms. Jamie Sprague, Director Human Resources; Dr. Brandon Frye, Dean of Students; Dr. Ed Ranelli, AVP and CEO, BEI; Ms. Cindy Talbert, Internal Auditor, Internal Auditing & Management Consulting; Mr. Matt Packard, Compliance Officer, Internal Auditing; Dr. Elizabeth Benchley, Archaeology; Mr. Dan Lucas, CFO, UWF Foundation; Ms. Elizabeth Mrachek, PCard Auditor, Internal Auditing & Management Consulting; Ms. Colleen Asmus, University Controller; Mr. Jeff Djerlek, Assistant Controller; Ms. Christina Bolte, Archaeology Student; Mr. Ross Dahlstrom, Network Engineer; Mr. Chuck Bell, Telecommunications; Mr. Chase Green, BOT IT; Mr. Cody Thurber, BOT IT; Mr. Angel Sedillo, Sound Engineer; and Ms. Katarina Zatapkova, BOT Graduate 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

UWF Chief Compliance Officer, Mr. Matt Packard, presented the first action item.

1. Approval of Office of Compliance and Ethics Annual Report 2018-19.

The report fulfilled the requirement set forth in Florida Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs (7)(g)(8), which states that each member institution must “Report at least annually on the effectiveness of the Program. Any Program plan revisions, based on the chief compliance officer’s report shall be approved by the board of trustees. A copy of the report and revised plan will be provided to the Board of Governors.”

The annual report provides an overview of the achievements and effectiveness of the UWF Compliance and Ethics function. It *does not* propose any program plan revisions

Following Mr. Packard’s presentation, Chair Jones asked for a motion recommending the full Board, at the December 5, 2019 meeting, approve the Office of Compliance and Ethics Annual Report for 2018-19 as presented.

Motion by: Trustee Dick Baker

Seconded by: Trustee Bob Sires

Motion passed unanimously.

UWF Internal Auditor, Ms. Cindy Talbert, presented the remaining three action items.

2. Acceptance of Internal Auditing Reports Issued: Police Department 18-19 006 and Parking & Transportation Services 19-20 001.

Police Department: 18-19_006

IAMC’s audit period was May 1, 2018, through April 30, 2019, and was part of the approved work plan for 2018/19. IAMC issued the audit report on September 26, 2019. The audit’s primary objective was to evaluate the adequacy and effectiveness of the department’s controls in place for managing campus safety, including emergency/critical response. Additional objectives included evaluating controls over: ammunition/weapons/equipment, compliance with applicable regulations, evidence handling/processing, internal investigations, officer supervision and training, policies and procedures adequacy, revenues/expenses, safeguarding confidential information, and reporting requirements.

IAMC noted controls were strong and made the following recommendations:

- The department conduct periodic (suggest annual) evaluation of costs incurred for

providing officer support at UWF events, in order to determine if the hourly chargeback rate is in line with costs incurred; and

- The department complete its development of desktop procedures to instruct on how to produce and submit both the Clery Report and Uniform Crime Reports, and have backups assigned and trained to be able to complete and submit the reports timely, if required.

Management has outlined courses of action with implementation by December 2019, and January 2020, respectively.

Parking & Transportation Services: 19-20_001

IAMC's audit period was July 2, 2018 through June 30, 2019, and was part of the approved work plan for 2019/20. IAMC issued the audit report on October 7, 2019. The audit's objectives were to evaluate internal controls over departmental administration, financial management, Parking operations, contractual agreements, information technology, maintenance and repairs, and compliance with University policies and State regulations.

IAMC noted that internal controls over most Parking & Transportation Services' (PATS) processes were strong. Well-written, thorough policy and procedure manuals were in place. Activities seemed designed to facilitate the needs of students and employees. Controls over information technology were appropriate. The staff was trained and physical security was good.

Although controls were strong, the following recommendations were provided:

- PATS limit access to the truck keys to persons that are authorized to drive it. We also recommend that they perform a periodic review of driver's licenses and driving violations, which are available to the public on the internet;
- PATS use a Tableau report of financial holds on the Banner Student module, and periodically use an electronic spreadsheet function to quickly identify any missing financial holds; and
- Patrollers' ability to void citations be removed on Flex, and that they be required to contact the central staff at PATS for review, approval, and processing of any voids.

Chair Jones asked for a motion recommending the full Board, at the December 5, 2019 meeting, Accept the UWF Internal Auditing Reports Issued: Police Department 18-19 006 and Parking & Transportation Services 19-20 001.

Motion by: Trustee Dick Baker

Seconded by: Trustee Bob Sires

Motion passed unanimously.

3. Acceptance of Internal Auditing PCard Audit Reports for 1st Quarter (July – September 2019)

To provide UWF Senior leadership an overview of audit results for the PCard review completed during the quarter. IAMC's main objective is to report the status of PCard audits and any issues or findings requiring action. 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 are 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 395 PCard holders distributed across 144 departments.

The audit found files were well organized. Staff was well trained in PCard procedures. There was strong separation of duties.

Eight departments encompassing 28 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.

Chair Jones asked for a motion recommending the full Board, at the December 5, 2019 meeting, accept the Internal Auditing PCard Audit Reports Quarter One Update (July – September 2019).

Motion by: Trustee Dick Baker

Seconded by: Trustee Bob Sires

Motion passed unanimously.

4. Acceptance of External Audit of Financial Statements of Direct Support Organization: West Florida Historic Trust.

Pursuant to Florida Statute 1004.28¹, BOG Regulation BOG-9.011(4)² and the agreement between UWF and West Florida Historic Trust, Inc. affiliated entities (aka Direct Support Organizations) must be certified annually by the University of West Florida. West Florida Historic Preservation, Inc. (dba UWF Historic Trust) is such an entity and has been audited for the fiscal year ending June 30, 2019.

Agreement provision between UWF and WFHPI: Section 13 of the agreement between the University of West Florida and the West Florida Historic Preservation, Inc., (WFHPI), dated July 1, 2001, requires UWF shall certify on an annual basis, after consideration of the information provided by the Corporation (WFHPI) that the corporation is complying with the terms of this agreement and in a manner consistent with the goals and purposes of UWF and in the best interest of the State. Such certification shall be made annually and reported in the minutes of the meeting of the Board of Trustees of UWF.

To ensure compliance with the agreement, the Chief Audit Executive of Internal Auditing & Management Consulting performed a cursory review of the documents and determined the West Florida Historic Trust met the requirements.

The West Florida Historic Trust received a clean unqualified opinion. The audit was performed in accordance with auditing standards generally accepted in the United States and in accordance to *Government Auditing Standards*. The audit report did not identify any material weaknesses in the internal control system. Additionally, no instances of non-compliance were reported.

Overall, the financial results were comparable to the prior year. Highlights included:

- Change in Net Position decreased (\$368,405)
- The Trust's deposits and investments increased \$54,134
- The Trust's bank balance increased \$46,998

Chair Jones asked for a motion recommending the full Board, at the December 5, 2019 meeting, accept the External Audit of Financial Statements of Direct Support Organization West Florida Historic Trust as presented.

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

INFORMATION ITEMS

- 1. Internal Auditing & Management Consulting Update on Activities.** Ms. Cindy Talbert presented the item.
- 2. Compliance & Ethics 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 9:55 a.m.

Respectfully submitted,
Becky Luntsford, Assistant Corporate Secretary