

Agenda
Board of Trustees
Finance, Administration and Audit Committee
UWF Alumni Room
3:30 p.m., August 22, 2002

Roll call

Approval of minutes

Action items

1. PECO and Courtelis Matching Grant requests
2. Office of the Inspector general

Discussion items

1. Charter for the Finance, Administration and Audit Committee

Adjournment

**UWF Board of Trustees
Finance, Administration and Audit Committee
August 22, 2002**

Issue: PECO request

Proposed action: Approve PECO request

Background information:

Each year, universities are required to submit their requests for funding of capital projects. Those requests require Board of Trustees approval and are due to the Division of Colleges and Universities by October 1, 2002. The first request is for Public Education Construction Outlay funds (PECO), which are funded through a utilities tax. The second request is for the Courtelis Facilities Challenge Matching Grant program, which requires a match of local funds.

The requests were based on projected growth, university needs and the Campus Master Plan.

Supporting documentation: Student growth projections
PECO list (5-year)
Courtelis Facilities Challenge Matching Grant projects

Prepared by: Vice President Cornelius Wooten
850-474-2209

Overview for 2003-08 Capital Improvement Plan Submittal

The 2001 Campus Master Plan (CIP) update should be approved/adopted in the November 2002 timeframe that includes significant student growth projections, that requires increased funding in this and future CIP submittals. The following table outlines Year-by-year projected student growth and required campus facilities through 2023-2024. The Year beginning with 2012-2013 increases FTE enrollment by 2.0% and Projected Headcount by 3.0%.

PROJECTED STUDENT GROWTH AND REQUIRED CAMPUS FACILITIES

Academic Year	Projected Enrollment (FTE)	Projected Headcount	Total Housing Required - based on 26% of total sq. footage	Total Physical Plant Required - based on 5% of total sq. footage	Total Academic Required - based on 52% of total sq. footage	Total Administrative and Support Facilities Required - based on 18% of total sq. footage
2002-03	5,925	9,875	547,892	113,967	1,097,061	379,818
2003-04	6,517	10,510	580,995	120,852	1,163,344	402,766
2004-05	7,172	11,206	617,080	128,358	1,235,599	427,781
2005-06	7,902	11,975	656,707	136,601	1,314,946	455,252
2006-07	8,708	12,690	693,708	144,298	1,389,035	480,903
2007-08	9,491	13,688	744,287	154,819	1,490,310	515,966
2008-09	10,262	14,935	806,431	167,745	1,614,744	559,046
2009-10	11,071	16,714	892,266	185,600	1,786,613	618,550
2010-11	12,074	17,215	918,233	191,001	1,838,608	636,551
2011-12	13,145	17,731	944,955	196,559	1,892,114	655,076
2012-13	13,408	18,263	972,482	202,285	1,947,232	674,158
2013-14	13,678	18,811	1,000,812	208,178	2,003,958	693,798
2014-15	13,952	19,375	1,029,945	214,238	2,062,293	713,994
2015-16	14,231	19,956	1,059,931	220,476	2,122,334	734,781
2016-17	14,516	20,555	1,090,819	226,900	2,184,182	756,194
2017-18	14,806	21,172	1,122,608	233,513	2,247,834	778,231
2018-19	15,012	21,807	1,153,446	239,927	2,309,582	799,609
2020-21	15,314	22,461	1,187,031	246,913	2,376,830	822,891
2021-22	15,620	23,135	1,221,613	254,107	2,446,075	846,865
2022-23	15,932	23,829	1,257,191	261,508	2,517,315	871,529
2023-24	16,521	24,544	1,293,815	269,126	2,590,648	896,918

The significance of this projected student growth should not be underestimated and/or considered to be "business as usual" in terms of future capital appropriations. It is anticipated the University of West Florida will require annual funded amounts in excess of twice the current level of funding which has been received over the past 5 to 10 years.

After the 2001 Campus Master Plan update is approved this fall, next year's CIP submittal will reflect additional facilities and infrastructure required to keep pace with the expected student growth, expansion into the new 647 acre west campus, and the downtown campus that includes the 22 building historical village and research institutes.

University: University of West Florida

Priority							
No	Project	2003-2004	2004-2005	2005-2006	2006-2007	2007-08	Total
1	Campus Infrastructure Renewal <i>includes Irrigation project FY 2004-05</i>	\$3,000,000 (P,C)	\$3,000,000 (P,C)	\$3,000,000 (P,C)	\$3,000,000 (P,C)	\$3,000,000 (P,C)	\$15,000,000
2	Classroom Building and College of Business Building One	\$3,890,879 (P,C,E)					\$3,890,879
3	Classroom Building and College of Business Building Two		\$4,828,998 (P,C,E)				\$4,828,998
4	Science and Technology, Phase I		\$1,066,970 (P)	\$13,510,394 (C,E)			\$14,577,364
5	Classroom and Teaching Lab Upgrades			\$539,976 (P)	\$4,955,200 (C,E)		\$5,495,176
6	Downtown Research and Classroom Complex			\$218,035 (P)	\$2,781,965 (C,E)		\$3,000,000
7	CFPA, Building 82, Acoustical and Lighting Corrections			\$243,990 (P)	\$1,518,750 (C,E)		\$1,762,740
8	ERDC Building 77 & 78 Addition/Rem./Rem.				\$472,546 (P)	\$5,580,649 (C)	\$6,053,195
9	New Administration Building for Administrative Financial Services, Purchasing, Human Resources				\$325,144 (P)	\$4,000,000 (C)	\$4,325,144
10	Campus Security & Safety Building				\$250,182 (P)	\$2,871,568 (C,E)	\$3,121,750
11	Roadway Extension/Bridge to West Campus <i>Tie-in to Escambia County Road Improvements</i>				\$85,565 (P)	\$4,802,805 (C)	\$5,488,370
12	University Storage Facility					\$126,523 (P)	\$126,523
---	West Florida Historic Preservation, Inc. Deferred Maintenance	\$3,946,900 (P,C,E)					\$3,946,900
---	OWCC-UWF Joint Center, FWB Expansion SEPARATE SUS LISTING (50% SUS, 50% OWCC)	\$265,000 (P)	\$2,764,973 (C,E)				\$3,029,973
Sub-Total PECCO		\$11,102,779	\$11,660,941	\$17,512,395	\$13,989,352	\$20,381,545	\$74,647,012

DIVISION OF COLLEGES AND UNIVERSITIES
 Five Year Capital Improvement Plan (CIP-2) and Legislative Budget Request
 Period: 2003-04 through 2007-08

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University: University of West Florida

Facilities Challenge Matching Grant Projects							
Priority No	Project	2003-2004	2004-2005	2005-2006	2006-2007	2007-08	Total
<u>PECO Portion</u>							
1	Environmental Classroom Pavilion	\$332,250 (P,C,E)					\$332,250
2	Research Park Office Pavilion		\$2,657,237 (P,C,E)				\$2,657,237
3	Archaeological Conservatory Auditorium			\$295,930 (P,C,E)			\$295,930
4	University Honors Living/Teaching Complex				\$2,193,049 (P,C,E)		\$2,193,049
Subtotal Grant Program		\$332,250	\$2,657,237	\$295,930	\$2,193,049	\$0	\$5,478,466
GRAND TOTALS		\$11,435,029	\$14,318,178	\$17,808,325	\$16,182,401	\$20,381,545	\$80,125,478

**UWF Board of Trustees
Finance, Administration and Audit Committee
August 22, 2002**

Issue: Office of the Inspector general

Proposed action: Approve name change and charter

Background information:

With local governance being given to the Board of Trustees and new leadership at UWF, the Office of the Inspector General requests a name change to more accurately reflect its duties and functions. The proposed name is Internal Audit and Management Consulting Department (IAMC).

The name change also requires revision of the internal audit charter. It reflects the new department name, the reporting structure and the revised Institute of Internal Audit *Standards for Professional Practice* to which the office abides. The office retains adherence to Florida Statute 20.055, as it outlines many details of the operations, and the charter supplements the statute. A review of the statute, the school code rewrite and proposed operations found they are synchronized. Wherever the statute refers to the agency head, that is interpreted as the president and the BOT Finance, Administration and Audit Committee, as in the case of appointment/termination of the associate vice president, IAMC position [see 20.055 (3)].

Additionally, the following position title changes are proposed:

<u>Current</u>	<u>Proposed</u>
Inspector general	Associate vice president, IAMC
Associate inspector general	Manager, audits and consulting

The associate vice president for internal audit would report *functionally* to the BOT Finance & Audit Committee and *administratively* to the president.

Supporting documentation: Proposed charter
Proposed organizational chart

Prepared by: Betsy Bowers
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Charter

Internal Auditing and Management Consulting

Introduction

This charter identifies the purpose, authority, and responsibilities of the Internal Auditing and Management Consulting department (IAMC) for the University of West Florida (UWF). The University president appoints the associate vice president, Internal Auditing and Management Consulting, to administer a comprehensive internal audit program for the University, pursuant to the provisions of Florida Statute 20.055.

As defined by the Institute of Internal Auditors, “*internal auditing is an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*”

Purpose

IAMC is established within the University to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity and efficiency in government. The mission of the department is to provide objective audit and review services for the president and management. The department’s objective is to assist University personnel in the effective discharge of their responsibilities by identifying best practices and by evaluating, consulting, and advising management.

All IAMC endeavors are to be conducted in compliance with University objectives and policies, as well as the Code of Ethics and the Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors, Inc.

Authority

IAMC is a critical component of UWF’s governance and accountability structure. The associate vice president, IAMC will report *functionally* to the UWF Finance and Audit Committee of the Board of Trustees and *administratively* to the University president pursuant to the Institute of Internal Auditors Practice Advisory 1110-1, “Organizational Independence” and to ensure departmental

independence, promote comprehensive audit coverage and assure adequate consideration of audit recommendations.

The IAMC associate vice president and staff are granted unlimited access to all UWF areas and information sources in the performance of audits, reviews, investigations or other services and with stringent accountabilities of safekeeping and confidentiality.

IAMC is a staff function that has no direct or indirect authority over the activities it reviews. The performance of these reviews does not relieve management of any assigned responsibilities.

Independence and objectivity are essential to IAMC staff in the proper fulfillment of their duties. IAMC staff members have a professional obligation to self-discipline above and beyond the requirements of laws and regulations.

Performance of line responsibilities by the staff may compromise their independence and objectivity. This practice will be limited and considered in all assignments.

Responsibilities

The IAMC associate vice president is responsible for assessing the adequacy and effectiveness of financial and operational internal controls of the University, and for advising management concerning their condition. The fulfillment of this accountability is not confined to but includes:

- Assessing the reliability and validity of the information provided by the University on performance measures and standards and making recommendations for improvement, if necessary.
- Reviewing the actions taken by the University to improve program performance and meet program standards and making recommendations for improvement, if necessary.
- Evaluating risk management processes established by UWF management and to respond to potential risks that may impact the achievement of the University's objectives.
- Working with management to better (1) understand risk exposures, (2) implement appropriate risk management strategies, (3) balance risk management and control strategies, and (4) accommodate change effectively.
- Evaluating governance processes used by the University's Board of Trustees to provide oversight of risk and control processes administered by management.
- Obtaining an intimate knowledge of clients' needs and working collaboratively with the clients to tailor department's services and products to meet their specific needs.
- Performing audits, investigations and management reviews relating to the programs and operations of the University.
- Conducting, supervising or coordinating other activities carried out or financed by the University for the purpose of promoting

- economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keeping the president and BOT Finance, Administration and Audit Committee informed concerning fraud, abuses and deficiencies relating to programs and operations administered or financed by the University, recommending corrective action concerning fraud, abuses and deficiencies and reporting on the progress made in implementing corrective action.
- Meeting periodically with the president and BOT Finance, Administration and Audit Committee to update them on IAMC's activities.
- Ensuring effective coordination and cooperation between the Auditor General, federal auditors, external auditors and other governmental bodies with a view toward avoiding duplication of efforts.
- Reviewing, as appropriate, rules relating to the programs and operations of the University and making recommendations concerning their impact.
- Participating in the planning, design, and implementation of major information systems to ensure the systems are properly tested, secured, documented and implemented to meet user requirements.
- Ensuring that an appropriate balance is maintained between audit, investigative and other accountability activities.
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The associate vice president, IAMC, prioritizes and schedules reviews in consultation with the president, the chairman of the Finance and Audit Committee and other management as appropriate.

IAMC is responsible for performing audit work with due professional care, including having the appropriate education, certification, experience, professionalism, personal integrity and attitude of service, while producing relevant, timely and quality work.

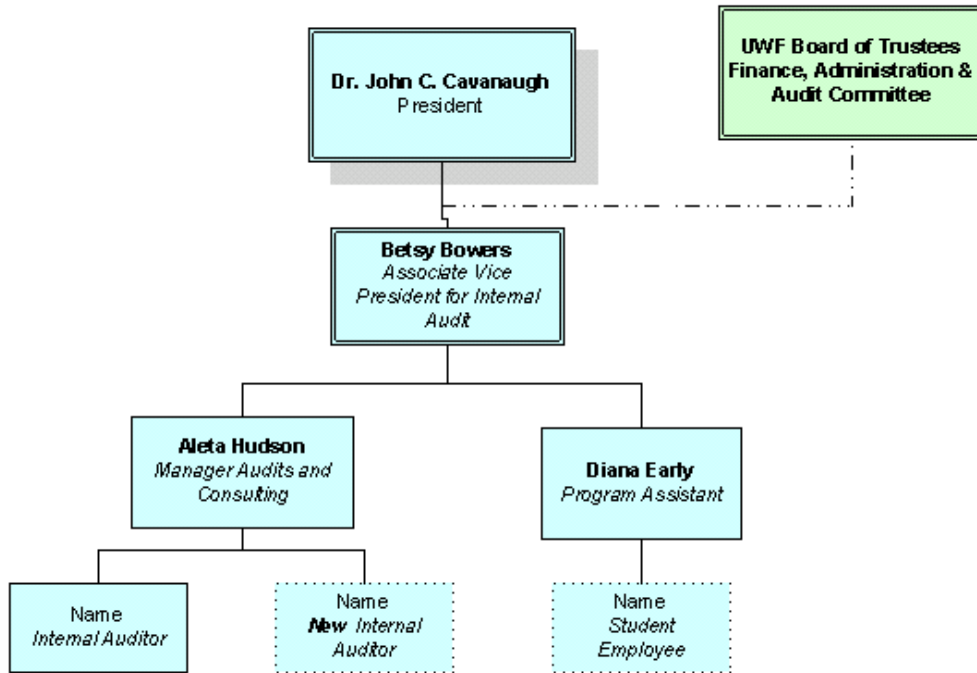
Endorsement

I endorse this charter of purpose, authority, and responsibilities for the Internal Auditing and Management Consulting department of the University of West Florida as presented. I am confident that various departments and programs will increasingly seek help that can be furnished through this department, and I call upon all officers, heads, directors, supervisors and other personnel to cooperate in its effort.

John Cavanaugh Ph.D., President

UWF Internal Audit and Management Consulting

Effective August 23, 2002



The Institute of Internal Auditors *Standards for the Professional Practice of Internal Auditing* Practice Advisory 1110-1 "Organizational Independence" states:

"3. Ideally, the chief audit executive should report functionally to the audit committee, board of directors, or other appropriate governing authority, and administratively to the chief executive officer of the organization."

(Note: The new internal auditor position is part of the long-range plans for the office and has not yet received funding.)

Discussion agenda item: 1

**UWF Board of Trustees
Finance, Administration and Audit Committee
August 22, 2002**

Issue: Charter for Finance, Administration and Audit Committee

Proposed action: Discussion

Background information:

The Finance, Administration and Audit Committee has no charter. It is created in the bylaws of the UWF Board of Trustees. Because of the unique and independent nature of the Office of the Inspector General (or the Internal Auditing and Management Consulting Department), it might be beneficial for the committee to have a charter that specifies it's powers, duties and responsibilities. The Inspector General (or the Internal Auditing and Management Consulting Department) reports administratively to the president and functionally to the Board of Trustees through the Finance, Administration and Audit Committee.

Supporting documentation: None

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