Chair Dick Baker called the meeting to order at 9:12 a.m. with the following committee members present: Dick Baker, Greg Britton and Bob Jones.

Other trustees in attendance: Lewis Bear, Jr., Jay Patel, Bentina Terry, Dave Cleveland, Suzanne Lewis, Ted Fox, Bob Sires and LuTimothy May. Trustee Jake Hebert participated by phone.

Others in attendance: Dr. Judy Bense, President; Dr. Martha Saunders, Provost; Dr. Kevin Bailey, VP Student Affairs; Dr. Steven Cunningham, VP Finance & Administrative Services; Dr. Brendan Kelly, VP Advancement; Pat Lott, General Counsel, Ms. Betsy Bowers, AVP Internal Auditing; Dr. George Ellenberg, Vice Provost; Dr. Jim Hurd, AVP Student Affairs; Ms. Cynthia Talbert, Internal Auditing; Mr. Dan Bevil, Internal Auditing; Mr. Matt Packard, Compliance; Ms. Lauren Alidor, Internal Auditing; Ms. Ellen Till, Director, Business Affairs & Auxiliary Services; Dr. Michael Huggins, Dean, CASSH; Dr. Ed Ranelli, College of Business; Dr. Steve Brown, Dean, CEPS; Dr. Steve Crawley, Dean, COPS; Dr. Rick Harper, AVP, ODE; Dr. Ermalynn Kiehl, Dean, COH; Dr. Ed Ranelli; Dr. Jay Clune, Dean, Graduate School; Dr. Kim LeDuff, AVP, Dean, University College; Dr. Joffery Gaymon, AVP Enrollment Affairs; Ms. Janice Gilley; Mr. Marc Churchwell; Chief John Warren, University Policy; Dr. Tim O’Keefe, Dean, College of Business; Ms. Mica Hughes-Harrell, Director Wellness Services; Dr. Vanee Cao-Nguyen, Director SDRC; Dr. Bob Dugan, Dean, Library Studies; Dr. Sarah Luczyk, AVP, Student Affairs; Dr. Brandon Frye, AVP, Dean of Students; Dr. James Barnett, Interim CEO, UWF BEI; Ms. Megan Gonzalez, University Communications; Ms. Colleen Asmus, Controller; Mr. Jeff Djerlek, Asst Controller; Ms. Martha Lee Blodgett, University Advancement; Ms. Karen Rentz, Director, Office of EOC; Ms. Robin Zimmern, Assistant Dean of Students; Ms. Sandra Thompson, Director, ITS; Ms. Melanie Haveard, Director, ITS; Dr. Jenae Burhart, ITS; Dr. Michael White, ASPIRE; Mr. William Coleman, ITS; Mr. Pat Crawford, WUWF Public Media; Mr. David Scott, Athletic Director; Ms. Lisa Berneau, Assistant General Counsel; Ms. Lauren Loeffler, Director Career Center; Ms. Jamie Sprague, Assoc Director Human Resources; Ms. Angela Jones, Director, Procurement and Contracts; Dr. Claudia Stanny, Director, CUTLA: Mr. Daniel Lucas, Chief Financial Officer, UWF Foundation; Dr. William Healey, Director, Recreation and Sports Services; Dr. Rebecca Kennedy, AVP Counseling Center; Andrew Romer, Executive Specialist; Eric Ingerman, Sound Specialist; and Becky Luntsford, Executive Specialist.
CHAIR’S GREETING

Chair Baker extended a special welcome to Trustee Greg Britton and congratulated him on his appointment by Governor Scott to the UWF BOT and the Audit & Compliance Committee. He welcomed everyone in attendance.

ACTION ITEMS

1. **University of West Florida Annual Financial Report for 2014-2015** was presented by Colleen Asmus, Associate Vice President for Finance.

On March 21, 2016, 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, 2015. The Executive Summary included in the audit report is outlined below:

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 the Auditor General consider to be material weaknesses.

The results of the 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.

A motion was made to recommend the full Board, at its June 15th meeting, approve the University’s audited financial statements, notes, and management’s discussion and analysis as published in the 2014-2015 Annual Financial Report.

Motion by: Trustee Greg Britton
Seconded by: Trustee Robert Jones
Motion passed.

2. **Approval of Internal Auditing PCard Audit Reports for 3rd Quarter (January 2016 – March 2016)** was presented by Betsy Bowers, Associate Vice President Internal Auditing.

This agenda item was to provide UWF Senior leadership a short, clear overview of the PCard audits completed during the quarter and highlight results. The main objective was to report the status of PCard audits and any issues or findings requiring action.

Internal Auditing & Compliance (IAC) 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.
holders and approvers. UWF presently has 458 PCard holders distributed across 141 departments.

Eleven (11) departments encompassing 43 cardholders were examined on a sample basis. Individual reports were distributed to department heads and Procurement & Contracts upon completion of the audits. All reports are available from IAC.

Notably this quarter: files were well organized, staff was well trained in PCard procedures; and there was strong separation of duties.

Common findings were: department heads failing to review and sign monthly reconciliations; monthly reconciliations were performed untimely; and requests for sales tax refunds did not always occur.

A motion was made to recommend acceptance of the IAC PCard Reports for the Third Quarter (January 2016 – March 2016) by the full Board, at its June 15th meeting.

Motion by: Trustee Robert Jones
Seconded by: Trustee Greg Britton
Motion passed.

3. **Acceptance of the UWF Internal Auditing Report: Housing Safety and Security 15/16-005** was presented by Betsy Bowers, Associate Vice President Internal Auditing.

IAC completed one audit during the period January 1, 2016, through April 30, 2016: Housing Safety and Security. This audit’s objective was to ascertain the internal controls over the physical safety of students and UWF staff living in the residence halls and security over residence facilities. More than 1,800 students live on campus in eight residence halls. Housing and Residence Life staff work closely with UWF Police, Environmental Health & Safety and other professionals to provide the safest environment possible. Relevant training is provided each semester with refreshers at intervals throughout the academic year to Residence Life staff, parents and students.

A Notable Strength was identified in that Housing and Residence Life management developed an array of procedures manuals, checklists, slide presentations, and websites for use by Residence Life staff; all appeared to be reviewed and updated regularly. This audit included five recommendations:

1. Going forward Housing and Residence Life should be vigilant in developing policies and procedures to ensure that all contractors who enter residence halls have been properly vetted for criminal backgrounds or are escorted by Housing Staff.

2. Student Affairs should take steps to identify available funding that could be committed to the needed repairs on Village East and Village West apartment doors.
3. Housing and Residence Life and the Nautilus Card Office should collaborate to identify a more secure method for communicating authorized changes in door accesses.

4. Housing should develop a log to document all activities related to safety equipment testing and inspection, and use this information to ensure that all deficiencies are corrected without delay.

5. Housing management should work to identify a method of imparting safety and security information to all residents, and retain documentation of such.

Management has developed a plan to address the issues noted in the report; all will be implemented no later than September 1, 2016.

A motion was made to recommend the full Board, at its June 15th meeting, accept the UWF Internal Auditing Report: Housing Safety and Security 15/16.005.

Motion by: Trustee Greg Britton
Seconded by: Trustee Robert Jones
Motion passed.

4. **Approval of 2016/17 – 2017/18 Work Plan for UWF Internal Auditing & Compliance**

was presented by Betsy Bowers, Associate Vice President Internal Auditing.

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, a two-year proposed Work Plan for IAC was presented for 2016/17 and 2017/18. 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 surveyed and/or personally interviewed to obtain their input on risks. The resulting proposal included:

1. Conduct 8 internal audits: Performance Based Funding Metrics (required by the Board of Governors), Confucius Institute, Departmental Audit-College of Education and Professional Studies, Group Travel-Faculty Led Trips, Information Security: Mobile/Portable Devices, Market Rate Tuition, Research and Sponsored Programs, and Quality Assurance Review-Self Assessment (required by the Institute of Internal Auditors every 5 years).

2. Conduct various management advisory (consulting) services.

3. Follow-up of Federal, State and internal audit findings.

5. Enhance and grow the Compliance function for UWF.

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

A motion was made to recommend the full Board, at its June 15th meeting, approve the 2016/17 – 2017/18 Work Plan for UWF Internal Auditing and Compliance.

Motion by: Trustee Robert Jones
Seconded by: Trustee Greg Britton
Motion passed.

INFORMATION ITEM

1. **Internal Auditing & Compliance Update** was presented by Betsy Bowers.

OTHER COMMITTEE BUSINESS

None

ADJOURNMENT

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

Respectfully submitted,
Becky Luntsford, recording secretary