CALL TO ORDER

Chair Susan O'Connor called the meeting to order on at 9:17 a.m. with committee member Garrett Walton present. Trustee Pam Dana was unable to attend.

Other trustees in attendance: Lewis Bear, Jr., Mort O’Sullivan, Richard Hough, Dave Cleveland, Jay Patel, Robert Jones, Bentina Terry, Daniel McBurney, and LuTimothy May.

Others in attendance: Dr. Judy Bense, President; Dr. Martha Saunders, Provost; Dr. Brendan Kelly, VP for University Advancement; Dr. Kevin Bailey, VP Student Affairs; Pat Lott, General Counsel; Ms. Betsy Bowers, IVP Business, Finance & Facilities; Dr. George Ellenberg, Vice Provost; Ms. Cynthia Talbert, Interim Director, Internal Auditing; Ms. Ellen Till, Director, Business Affairs & Auxiliary Services; Dr. Jim Hurd, AVP for Student Affairs; Dr. Richard Podemski, AVP, Research & Sponsored Programs; Dr. Michael Huggins, Dean, CASH; Dr. Steve Brown, Dean, CEPS; Dr. Greg Lanier, Dean, University College; Dr. Carl Backman, Interim Assoc Dean, COB; Dr. Ed Ranelli; Dr. Ruth Davison; Dr. Tom Westcott; Dr. Gentry McCurdy; Ms. Janice Gilley; Dr. Michael White, Director, Strategic Planning & IE; Dr. Jay Clune, Dean, Graduate School; Mr. Pat Crawford, Executive Director, WUWF Public Broadcasting, Dr. Brandon Frye, AVP, Dean of Students; Dr. James Barnett, Interim CEO, UWF BEI; Ms. Mica Hughes-Harrell, Director, Wellness Services; Ms. Megan Gonzalez, Director, Public Relations; Ms. Lauren Loeffler, Director, Career Services; Ms. Cindy Faria, AVP Human Resources; Ms. Karen Rentz, Director, Office of EOC; Ms. Robin Zimmern, Assistant Dean of Students; Dr. Rick Harper, Executive Director, OEDE; Ms. Sandra Thompson, Director, ITS; Ms. Melanie Haveard, Director, ITS; Mr. Paul Nelson, Network Engineer, ITS; Mr. William Coleman, ITS, Ms. Angela Wallace, Director, Business, Finance and Facilities Division; Mr. David O’Brien; Mr. Matt Marshall; Mr. Tony Nguyen, Associate Athletic Director; Mr. David O’Brien, AVP Business and Property Development; Ms. Anita Schonberger, Deputy General Counsel; Mr. James Felder, Associate General Counsel; Ms. Colleen Asmus, AVP Financial Services; Ms. Angela Jones, Director, Procurement and Contracts; Ms. Valerie Moneyham, AVP, Business, Finance & Facilities; Dr. Claudia Stanny, Director, CUTLA: Dr. Tim O’Keefe, Dean, College of Business; Mr. Daniel Lucas, Chief Financial Officer, UWF Foundation; Mr. Jeffrey Djerlek, Assistant Controller, Financial Services; Dr. Joffrey Gaymon, AVP Enrollment Affairs; Mr. Christopher Lizen, Institutional Research; Mr. David Scott, Athletic Director; Mr. Dan Bevel, Internal Auditor; Mr. Matthew Packard, Compliance Specialist; Dr. William Crawley, Dean, CEPS; Dr. Rebecca Kennedy, AVP Counseling Center; Dr. Sarah Luczky, Director, Student Affairs Plan; Mr. Andrew Romer,
CHAIR’S GREETING

Chair O’Connor welcomed everyone and thanked all for being here today. She recognized President Judy Bense, Chair Lewis Bear, Jr., Trustees Richard Hough, Dave Cleveland, Jay Patel, Mort O’Sullivan, Bentina Terry, Daniel McBurney, LuTimothy May, and Robert Jones who were in attendance.

ACTION ITEMS

1. **Acceptance of Internal Auditing PCard Audit Reports for 3rd Quarter** was presented by Cindy Talbert.

   Eight (8) departments encompassing 78 cardholders were reviewed on a sample basis. Individual reports were distributed to department heads and Procurement & Contracts upon completion of the audits. Most common findings were 1) the JP Morgan bank statements were not reviewed during the reconciliation process; 2) the Department Head did not consistently sign and review the monthly reconciliation reports.

   Management will implement corrective actions to be completed in fiscal year 2014/15. Internal Auditing will follow up to determine if adequate corrective actions occurred.

   A motion was made to Recommend Acceptance of the Internal Auditing PCard Reports for the Third Quarter of Fiscal Year 2014-2015 by the full Board at the June 23, 2015 meeting.

   Motion by: Trustee Garrett Walton
   Seconded by: Trustee Susan O’Connor
   Motion passed.

2. **Acceptance of Internal Auditing Report: Vehicle Management 14/15-005** was presented by Cindy Talbert.

   The audit report included two findings as follow:
   
   1. The Environmental Health & Safety Department should revise UWF Policy PC-03.01-03/11 University Owned Vehicles to standardize requirements related to the preventive maintenance of vehicles and other operational requirements designed to protect the condition of these costly assets and to ensure the safety of passengers.
   
   2. A vehicle needs analysis should be completed for all potential purchases and on a periodic basis thereafter over the lifetime of the vehicle. These analyses should
Environmental Health & Safety indicated that Finding #1 will be implemented by October 9, 2015. Business, Finance, & Facilities indicated that Finding #2 will be implemented by July 15, 2015.

A motion was made to Recommend Acceptance of the Vehicle Management 14/15-005 Internal Auditing Report as presented by the full Board at the June 23, 2015 meeting.

Motion by: Trustee Garrett Walton
Seconded by: Trustee Susan O’Connor
Motion passed.

3. Approval of 2015/16 and 2016/17 Work Plan for UWF Internal Auditing and Management Consulting was presented by Colleen Asmus.

A two-year work plan was presented for 2015/2016 and 2016/17. The proposal was developed as a 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:

- Schedule 7 audits: Performance Based Funding Metrics (required by BOG), CEPS Departmental Audit, Conflicts of Interest, Financial Aid, Grade Integrity, Housing Safety & Security, Sustainable Economic Development Initiative; and PCard audits (about 35 departments).
- Conduct various management advisory (consulting) services.
- Follow up of Federal, State, and internal audit findings.
- Continued participation in the Risk & Compliance Council and the evaluation of rules, regulations, policies, and procedures.

A motion was made to Recommend Approval of the 2015/16 and 2016/17 Work Plan for UWF Internal Auditing and Management Consulting by the full Board at the June 23, 2015 meeting.

Motion by: Trustee Garrett Walton
Seconded by: Trustee Susan O’Connor
Motion passed.
4. **Acceptance of Auditor General Annual Federal Funds Audit** was presented by Cindy Talbert.

On March 30, 2015 the State of Florida Auditor General released its report on the statewide audit of the Federal funds for fiscal year ended June 30, 2014, which includes the University of West Florida. **UWF had four findings in this audit report.**

1. Certain access controls protecting the institutions information technology (IT) resources needed improvement. (Finding #2014-048, page 101 of report)
   - **Recommendation:** The institution should ensure that assigned access privileges significant to determining eligibility for awarding and disbursing student financial aid enforce an appropriate separation of incompatible duties and restrict employees to only those functions necessary for their assigned job responsibilities.
   - **UWF Response:** The corrective action plan defined previously for implementation in the new Banner financial aid system is complete except for one element, which is being piloted in the Office of Financial Aid during February – April 2015 and will be put in final process form in May 2015. Details of the corrective action plan are considered sensitive and security-related, but are available for review upon request.
   - **Estimated Corrective Action Date:** All items except subpart D of the action plan are corrected as of January 30, 2015. Subpart D will be completed as of June 1, 2015.

2. Certain information technology (IT) monitoring controls protecting the institution’s IT resources needed improvement. We are not disclosing specific details of the deficiencies to avoid the possibility of compromising institution student financial aid system information. However, we have notified appropriate institution personnel of the deficiencies (Finding #2014-049, page 105).
   - **Recommendation:** The institution should improve its IT monitoring controls related to student financial aid system activity to ensure the continued confidentiality, integrity, and availability of institution data and IT resources.
   - **UWF Response:** The corrective action plan defined previously for implementation in the new Banner financial aid system is complete as of January 30, 2015. Details of the corrective action plan are considered sensitive and security-related, but are available for review upon request.
   - **Corrective Action Date:** Completed as of January 30, 2015.

3. The institution’s procedures were not adequate to ensure that Title IV Higher Education Opportunity Act (HEOA) funds are only distributed to students who are enrolled in courses that count towards a degree or certificate (Finding #2014-051, page 111).
Recommendation: The institution should enhance its procedures to ensure that Title IV HEOA funds are disbursed to students based on courses that count toward a degree or certificate.

UWF Response: In the Fall 2014, UWF’s Office of Financial Aid implemented a process to review all students with 90 or more earned credit hours and enrolled in a course identified as not applicable to the degree. Courses outside of the degree requirements are captured on the student’s degree audit and referred to as fall-through courses. A Tableau report was created utilizing DegreeWorks data to identify fall-through courses. The report is available and published after each add/drop period. Once generated, academic departments review the report and review the DegreeWorks audit for each student and determined if the courses listed were applicable toward the degree. Upon the review, departments determine if the course can be used as a substitution and fulfill a degree requirement or if the fall-through course is not part of the student degree plan. The Office of Financial Aid adjusts Federal financial aid awards and returns funds to the Department of Education for all courses identified by academic departments as not meeting a degree requirement.

Estimated Corrective Action Date: May 30, 2015

4. The institution did not always timely (within 30 days) provide exit counseling materials for FDSL student loan borrowers who graduated, withdrew, or ceased to be enrolled at least half-time.

Recommendation: The institution should enhance its procedures to ensure that exit counseling is performed, or exit counseling materials are provided, within 30 days of an FDSL student loan borrower ceasing at least half-time enrollment.

UWF Response: In the previous student information legacy system, providing exit counseling materials was a highly manual process which resulted in human error. With the implementation of Banner, the exit counseling process has been automated to ensure that all exit materials are provided in a timely manner. UWF students receive an email informing them of the requirement, and the Department of Education’s Exit Counseling Guide is attached. The Guide is updated anytime the Department of Education releases an updated version.

Estimated Corrective Action Date: May 30, 2015
A motion was made to Recommend Acceptance of the Auditor General’s State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards for Fiscal Year Ending 2014 Audit Report by the full Board at the June 23, 2015 meeting.

Motion by: Trustee Garrett Walton
Seconded by: Trustee Susan O’Connor
Motion passed.

INFORMATION ITEMS

1. Annual Internal Control Review was presented by Cindy Talbert and Betsy Bowers.

2. Internal Auditing Update on Activities was presented by Cindy Talbert.

OTHER COMMITTEE BUSINESS

None

ADJOURNMENT

With no further Audit & Operations items to discuss, the meeting was adjourned at 9:51 a.m.

Respectfully submitted,
Becky Luntsford, recording secretary