Minutes
Audit and Compliance Committee Meeting
UWF Board of Trustees
August 17, 2017

Committee Member, Trustee Dick Baker called the meeting to order at 10:09 a.m.

Committee Chair was unable to attend the meeting. BOT Chair Mort O’Sullivan served as an ex-officio member.

Other trustees in attendance: Suzanne Lewis, Jay Patel, Kishane Patel and Dave Ramsey.

Others attending:
Dr. Martha Saunders, President; Dr. George Ellenberg, Interim Provost; Dr. Steve Cunningham, VP Administrative Services; Dr. Pam Northrup, VP, Innovation and Strategic Research; Dr. Joffery Gaymon, Vice President Enrollment & Student Affairs; Dr. Kim LeDuff, Vice President, Academic Engagement; Ms., Pam Langham, General Counsel; Ms. Janice Gilley, AVP External Affairs; Mr. Dave Scott, Athletic Director; Ms. Carol Britton, Assistant to the President for Communications; Dr. Michael Huggins, Dean CSEH; Dr. Tim O’Keefe, Dean COB; Dr. Ed Ranelli, Faculty Emeritus; Dr. Jay Clune, Graduate Studies; Dr. William Crawley, Dean CEPS; Dr. Steve Brown, Dean CASSH; Dr. Bob Dugan, Dean University Libraries; Dr. Brandon Frye, Dean of Students; Ms. Colleen Asmus, AVP Financial Services; Ms. Betsy Bowers, AVP Internal Auditing & Compliance; Ms. Megan Gonzalez, Executive Director, University Communications; Dr. Melinda Bowers, Director, Emerald Coast Campus; Ms. Jamie Sprague, Associate Director, Human Resources; Dr. Jim Hurd, SVP Student Affairs; Dr. Ruth Davison, Director Housing & Residence Life; Ms. Rachel Blakesley, Asst Director, Residence Life; Ms. Lauren Loeffler, Director, Career Services; Ms. Robin Zimmerman, Assoc. Dean of Students; Ms. Kelley Brundage, University Registrar; Dr. Rebecca Kennedy, Director, Health & Wellness Services; Mr. Matt Marshall, Director, University Commons; Mr. Keith King, ASPIRE; Mr. Bill Harrell, Director Recreation; Mr. James Felder, Asst General Counsel; Ms. Cindy Harigel, Business Manager, Enrollment & Student Affairs; Mr. Chris Middleton, Director of Strategic Innovation; Innovation Institute; Mr. Andrew Romer, Senior Executive Specialist, Governmental Relations; Ms. Cynthia Talbert, Internal Auditor III; Ms. Lauren Alidor, Administrative Specialist, Internal Auditing; Mr. Matt Packard, Compliance Officer, Internal Auditing; Mr. Dan Bevil, Internal Auditor II; Mr. Dan Lucas, CFO, UWF Foundation; Mr. John Warren, Chief of Police; Dr. Mark Roltsch, Asst. VP Research; Ms. Karen Rentz, Director, Title IX Programs; Mr. Chip Chism, Parking & Transportation Services Director; Dr. Jenae Burkart, Faculty Technology Support Specialist, ITS; Mr. Peter Robinson, Director, Environmental Health & Safety; Dr. Vannee Cao-Nguyen, Director, SDRC; Dr. Claudia Stanny, Director, CUTLA; Ms. Sandra Thompson, Director, ITS; Ms. Melanie Haveard, Exec Director and CTO, ITS; Mr. Ross Dahlstrom, Network Engineer; Ms. Ellen Till, Director Business Auxiliary Services; Ms. Angie Jones, Director, Procurement; Mr. William
CHAIR’S GREETING

Trustee Baker welcomed everyone in attendance and explained that there were two action items and two information items on the committee’s agenda.

ACTION ITEMS

1. **Acceptance of Internal Auditing Reports Issued April 1, 2017 through July 31, 2017:**
   **Research and Sponsored Programs and Departmental Audit – College of Business Dean’s Office** was presented by Associate Vice President for Internal Auditing & Compliance, Betsy Bowers.

   Internal Auditing & Compliance (IAC) completed two audits during the period April 1, 2017, through July 31, 2017: Research and Sponsored Programs and Departmental Audit-COB Dean’s Office.

   **Research and Sponsored Programs 16-17_005**
   The audit period was July 1, 2015, through September 30, 2016 and was part of the work plan for 2016/17. We issued the audit report on May 31, 2017. This audit’s objectives were to evaluate the controls over the proposal award process, compliance with export control regulations and fiscal management of Research and Sponsored Programs administration.

   **Results:** Two Notable Strengths: a) faculty workshops for learning how to conduct research and write grants and b) an extensive Export Controls website. This audit included four recommendations:
   1. A collaboration between divisions, resulting in a concrete plan to guide support for UWF research activities.
   2. The Dean or Provost must provide authorization before a foreign visitor may access a research lab.
   3. Ensure procedures for the Internal Routing Form is completed and all IRFs are filed with Research and Sponsored Programs.
   4. Research and Sponsored Programs establish procedures to ensure all required submissions to E-Verify are completed.

   **Management’s Actions:** Management has outlined various courses of action with the goal of everything being implemented by Spring 2018.
This audit was part of the 2017/18 internal auditing work plan approved by the BOT at its June 2017 meeting. The audit period was July 1, 2016 to March 31, 2017. The audit’s objective was to examine 39 areas of risk and determine the strength of the controls for appropriate risk mitigation. We issued the audit report on July 31, 2017.

Results: Two Notable Strengths were identified: a) rigid enforcement by the COB IT team of UWF Policy IT-05.01-03/17 Administrative Rights to a University Computing Workstation Policy and b) for the Dean’s Office all reports of Outside Activity were filed prior to the commencement of work. Of the 39 areas of risk, only two areas warranted recommendations.

1. Document and communicate the IT strategic plan for COB.
2. Ensure all COB employees take refresher training on the mandatory course (Preventing Discrimination and Harassment) within the UWF two-year requirement. Note: The Dean’s Office prior PCard audit (received an EXCELLENT rating) was included in the quarterly report given in 2015.

Management’s Actions: Management will develop an IT strategic plan for COB that will become effective in FY 2017/18. COB will work with the UWF Office of Human Resources to ensure all employees are retrained every two years on the topic preventing discrimination and harassment.

Trustee Baker asked for a motion recommending the full Board, at its September 26, 2017 meeting, Approve the Acceptance of Internal Auditing Reports Issued April 1, 2017 through July 31, 2017: Research and Sponsored Programs and Departmental Audit for the College of Business Dean’s Office.

Motion by: Trustee Mort O’Sullivan
Seconded by: Trustee Dick Baker
Motion passed unanimously.

2. Acceptance of Internal Auditing PCard Audit Reports for Fourth Quarter (April - June 2017) and the Annual Update (July 2016 – June 2017). Presented by Associate Vice President for Internal Auditing & Compliance, Betsy Bowers.

To provide UWF Senior leadership a short, clear overview of the PCard audits completed during the quarter and highlight results. Our main objective is to report the status of PCard audits and any issues or findings requiring action.

Background
Internal Auditing & Compliance 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 and approvers. UWF presently has approximately 410 PCard holders distributed across 114 departments. For
the fiscal year, $15,045,577 in expenses were paid via UWF PCards to 3,584 vendors (in 36,793 transactions).

**Notable Strengths**

Files were well organized. Staff was well trained in PCard procedures. There was strong separation of duties.

**Results for Quarter 4 (April 2017 – June 2017)**

Twelve departments encompassing (33) cardholders were examined on a sample basis during the quarter. 1,034 transactions occurred, (291) transactions were tested and the audit opinion resulted in (1) department scoring EXCELLENT, (6) departments scoring GOOD, and the (5) remaining departments scoring FAIR.

Ms. Bowers also gave a report on the Summary of the PCard Audit Results for Fiscal Year 2016/17. She explained that a total of (33) departments encompassing (133) cardholders. Of the (33) total departments reviewed over the year, 10 departments scored EXCELLENT, (15) GOOD, (7) FAIR and only (1) scored POOR.

After Ms. Bowers’ presentation, Trustee Baker asked for a motion recommending the full Board, at its September 26th meeting, Approve the Acceptance of the Internal Auditing PCard Reports for the Quarter and Fiscal Year Summary of PCard Audits for FY2016/17.

Motion by: Trustee Mort O’Sullivan
Seconded by: Trustee Dick Baker
Motion passed unanimously.

**INFORMATION ITEMS**

1. **Internal Auditing – Update on Activities** – An update on Internal Auditing activities was presented by Betsy Bowers.

2. **Compliance - Update on Activities** – An update on Compliance activities was presented by Matt Packard, Compliance Officer.

**OTHER COMMITTEE BUSINESS**

None

**ADJOURNMENT**

With no further Audit & Compliance items to discuss, Trustee Baker adjourned the meeting at 10:23 a.m.
Respectfully submitted,
Becky Luntsford, Assistant Corporate Secretary