



**UWF Business Enterprises, Inc. Board of Directors  
Fraud & Internal Control Workshop Minutes**  
Crosby Hall Conference Room, downstairs  
Monday, April 29, 2013  
1:00-3:00 pm - Approved

**Present**

Members: Chair Bense, Vice-chair Clark, Secretary Patel, Treasurer Todorovich, Member Jones, Member Lewis  
Staff: Dr. Barnett, Ms. Lott, Dr. Stephenson, Ms. Wallace, Mr. O'Brien, Ms. Glass  
Presenters/Guests: Ms. Bowers, Dr. Brown, Student Reporter

**Welcome/Open Remarks**

Chair Bense called the meeting to order at 1:09 p.m. and called on Dr. Barnett to talk about the MOU.

**Action Items**

1) Operations MOU between UWF and UWF Business Enterprises, Inc.

ICEO Dr. Barnett stated the MOU was brought before the BEI Board to approve the form of MOU for Operations between BEI and UWF and to authorize the Interim CEO to execute the MOU on behalf of BEI following approval by the University. This MOU would provide more detail to the day-to-day functions and would establish directions with respect to internal controls and fraud avoidance. He asked Ms. Lott to supplement any comments. Ms. Lott, with the assistance of Ms. Bowers who provided information from the audit financial perspective, was able to provide more internal control details. Ms. Lott remarked that this MOU specifically dictated how BEI would submit its contracts to the Office of the General Counsel (OGC) for review and that the OGC would represent both BEI and the University. She noted that BEI acts on behalf of UWF and that the MOU authorizes the sharing of information between both. She continued that BEI has the responsibility for its own accounting processes. Ms. Bowers added that BEI should follow the record retention policy of the University and State, and should abide by the Prompt Payment Act, as well as adhering to financial statement and audit deadlines, and by documenting accounting procedures.

Motion to approve: Secretary Patel.

Second: Vice-chair Clark.

Motion passed unanimously.

**Fraud Workshop Roles & Responsibilities:**

2) Form 990

Dr. Stephenson, VP, and Ms. Wallace, Division Budget Director, Business, Finance & Facilities, provided an overview of the Form 990. Dr. Stephenson clarified that the term "Related" meant the core purposes to students and the campus were related, whereas the Scenic Hills Country Club, to the extent that it serves the general public, was "Unrelated" because in that instance the golf course was a taxed entity and treated as a business. She also stated the BEI policies and conflict of interest and disclosure forms would be sent to the Board members soon. She continued to provide a brief overview of the revenue and expense forms, the balance sheet, the financial statement, and the individual schedules. It was suggested that BEI should share the budget information

in a corporate summary with the community. Dr. Stephenson commented that they could prepare something similar to an MD&A (Management's Discussion and Analysis) for BEI purposes that could be shared with the community.

### 3) Fraud & Internal Control

Ms. Bowers, AVP Internal Auditing & Consulting Management, stated that the Board's role was to be aware and to challenge BEI management and auditors to ensure BEI has appropriate antifraud programs/controls in place to identify potential fraud, and that investigations would be undertaken if fraud was detected. She noted that BEI BOD duties were to monitor the financial reporting; oversee the internal control system, including those over fraudulent activity; oversee auditors engaged to perform the audits; report findings to the BOD; promote the highest ethical standards; and, to maintain a healthy, skeptical mindset. She continued that BEI has an ethical framework in place, which included the code of ethics, training sessions, a whistleblower/reporting mechanism, and a system to monitor the code of ethics. Treasurer Todorovich shared with the Board the control activities that he engages in, including review of checks and supporting documentation, monthly reconciliations, and detailed budget to actual review. Dr. Stephenson explained that BEI support personnel have adopted the best practice of an annual review of the AICPA internal control questionnaire. The questionnaire will continue to be prepared and reviewed annually by staff and shared with the Board.

Chair Bense called for a short break at 2:20 p.m.

### 4) Board & Staff Structures

Chair Bense opened by stating she had several items for discussion, and would begin with the President's Designee. Chair Bense referenced the BEI Board's Bylaws, and stated that she sometimes has a need to talk with Board members but was unable to do so due to the Sunshine Law. However, by having a Designee serve on the BEI BOD on her behalf, she would then be able to talk with individual board members. She stated that the General Counsel strongly recommended she take this action. Chair Bense suggested Dr. Hal White as her designee, and then gave a brief overview of Dr. White's past experiences within the University. She noted that he had agreed to serve as her designee if it was acceptable to the Board. Consensus among the Board was shared. Chair Bense stated that she would ask Dr. White to attend the June 12 Joint Board Strategic Planning meeting, if available, but that he would officially join the BEI BOD at the August 23 meeting. Because of this, the BOD would have to elect a new Chair at that time.

Chair Bense stated her next item was to discuss the position of the CEO for BEI. She briefly talked about Dr. Barnett's service as Interim CEO, that he had been doing a good job, but that the Board needed to discuss options for stable leadership within the BEI support staff. Dr. Barnett recused himself from the meeting. Chair Bense opened the discussion to BOD members regarding their assessment of Dr. Barnett's performance as ICEO, and to get a consensus for actions to be taken. After discussion, Ms. Lott suggested that the action be taken at a noticed meeting when the item could be included in the posted agenda. VP Brown stated that Human Resources would create a job questionnaire and a development tool for the CEO position. It was decided that the selection of the CEO would be an action item at the August 23 meeting.

Chair Bense ended the workshop with a Legislative update.

Chair Bense adjourned the meeting at 3:08 p.m.

Respectfully submitted,  
Marie Glass, Staff Support Secretary