

DRAFT Minutes
University of West Florida Board of Trustees Meeting
Finance, Administration and Audit Committee
December 15, 2006

Call to Order

Chair Sharon Hess Herrick called the Finance, Administration, and Audit Committee meeting to order on December 15, 2006 at 8:38 a.m. and asked Faye Bowers to call roll. The following trustees were present:

Mrs. Sharon Hess Herrick
Mrs. Marny Gilluly
Mrs. Nancy Fetterman
Mr. J.T. Young
Mrs. Jeanne Godwin

Others attending included:

Dr. John Cavanaugh, President
Dr. Hal White, Executive Vice President
Dr. Dean Van Galen, Vice President for Development
Ms. Kimberly Spear, Chief of Staff/Assistant Corporate Secretary for BOT
Ms. Anita Schonberger, General Counsel
Ms. Faye Bowers, Executive Specialist/Assistant Corporate Secretary for BOT

Chair's Greeting

Committee Chair Sharon Hess Herrick welcomed everyone to the Finance, Administration and Audit Committee meeting.

Action Items

1. A motion to **approve the minutes of May 4, 2006** was made with editorial corrections as noted by Trustee Gilluly who will provide to Faye Bowers.

<http://uwf.edu/trustees/committees/documents/5.4.06FinanceMinutesapproved12.15.06.pdf>

Motion by: Trustee Gilluly
Seconded by: Trustee Young
Motion passed unanimously

2. A motion was made to **approve the Authorization for the President to Transfer Funds** as presented by Mr. Bert Hartley.

Motion by: Trustee Young
Seconded by: Trustee Gilluly
Motion passed unanimously

3. A motion was made to **adopt the Debt Management Policy and Guidelines** as presented by Mr. Bert Hartley noting that it is a BOG requirement. All universities' legal counsels have reviewed them, as have business departments and bond finance which lays out framework of template for staff requirements. Can be brought before the BOT as needed but to BOG annually.

http://uwf.edu/trustees/Dec15_06/Final_BOG_Debt_Guidelines.pdf

Motion by: Trustee Gilluly
Seconded by: Trustee Young
Motion passed unanimously.

4. A motion was made to approve the **WFHPI Houses and Relocation** as presented by Mr. Richard Brosnaham who noted there are two buildings to be demolished. Both houses are circa 1880's and Brosnaham feels the WFHPI can restore both of them to grow the historic village and provide students of historic preservation with hands-on experience.

Brosnaham reported that a grant of \$178,000 from the state will be received in addition to architectural and other companies' contributions for the restoration. The houses will be to the right of the Museum of Commerce facing the bay front.

There was discussion regarding application for a grant through Florida Humanities Council for production of a documentary of the restoration process affording students the experience.

Motion by: Trustee Fetterman
Seconded by: Trustee Godwin
Motion passed unanimously.

5. A motion was made to approve the **Regulation Amendments-Purchasing Regulations** as presented by Mr. Bert Hartley who reported several updates regarding existing rules being updated to regulations, with exception of the motor pool program rule. In addition, Hartley reported renaming of UWF Purchasing Department to Procurement Services for Statutory compliance.

<http://uwf.edu/trustees/procedures/>

Motion by: Trustee Young
Seconded by: Trustee Gilluly
Motion passed unanimously.

6. A motion was made to accept the **Certification and Financial Audits of Direct Support Organizations (UWF Foundation, Inc., West Florida Historic Preservation, Inc. and UWF Research Foundation, Inc.)** as presented by Ms. Betsy Bowers. The Florida Institute for Human and Machine Cognition report will be brought before the Board in March.

http://uwf.edu/trustees/Dec15_06/UWFFND_2006final.pdf

http://uwf.edu/trustees/Dec15_06/WFHPI_Financial.pdf

http://uwf.edu/trustees/Dec15_06/Research_Foundation2006.pdf

Motion by: Trustee Godwin
Seconded by: Trustee Gilluly
Motion passed unanimously.

7. A motion was made to approve the **Financial Audit of WUWF-FM** as presented by Ms. Betsy Bowers who noted that this is the first time in 10 years that UWF has not had to request an extension.

http://uwf.edu/trustees/Dec15_06/WUWF_Financial_Statements.pdf

Motion by: Trustee Young
Seconded by: Trustee Gilluly
Motion passed unanimously.

8. A motion was made to **accept, with reservations to findings #3 and #9 to continue dialogue with State Auditor General, the UWF 2006 Operational Audit by Auditor General** as presented by Ms. Betsy Bowers.

http://uwf.edu/trustees/Dec15_06/AG_Operational_Audit_2007-047.pdf

Ms. Bowers said that every two years an operational audit is conducted by the university's external auditors, Florida Auditor General. Twelve findings were cited in this report (summarized below). All areas have been addressed by management and corrective actions are being implemented.

- Finding No. 1: The University had not developed comprehensive written policies and procedures pertaining to its financial operations and related activities.
- Finding No. 2: Controls over collections in the Continuing Education Department needed improvement.
- Finding No. 3: Effective January 1, 2005, the University no longer required time reports or payroll certifications for exempt employees. As such, University records did not document supervisory verification that exempt employees performed the duties for which they received payment. [Rebuttal comments by Auditor General for UWF's response.]
- Finding No. 4: The University's purchasing card procedures were not consistently followed and purchases were not adequately monitored.
- Finding No. 5: University records did not always evidence that student activity and service fees were expended for the benefit of the student body as required by Section 1009.24(9), Florida Statutes.
- Finding No. 6: University policies and procedures for acquiring and using cellular telephones (cell phones) were not consistently followed and, in some instances, did not provide for adequate monitoring of cell phone usage. Also, the University did not report to the Internal Revenue Service the value of cell phone services as income for employees who did not make an adequate accounting of the business use of their assigned cell phones.
- Finding No. 7: The University had not established written policies and procedures governing the use of campus concession funds, and supporting documentation for some campus concession funds expense payments did not evidence how the payments served an authorized University purpose.
- Finding No. 8: Controls over travel expenses were not adequate to ensure that Travel Authorization Request forms and Travel Expense Reports were approved by the traveler's supervisor.
- Finding No. 9: The University made \$75,812 of payments on behalf of the West Florida Historic Preservation, Inc., that were not supported by documentation evidencing that such payments served an authorized public purpose. In addition, the University did not, of record, notify the Florida Department of State of renovations to a building in the Historic Pensacola Village.
- Finding No. 10: The University had not developed an entity-wide security program to ensure that exposures and vulnerabilities to information technology resources had been sufficiently assessed by management and addressed through enforced user and system security controls.
- Finding No. 11: The University needs to enhance access control procedures related to the enterprise resource planning software.
- Finding No. 12: The University needs to improve certain security controls within the enterprise resource planning software and the overall supporting network environment.

Bowers said that UWF has begun to take corrective action for each finding noted. By Florida Statute, UWF Internal Auditing and Management Consulting (and the AG) must perform a follow-up within six (6) months and provide a status report to the Legislative Audit Committee (IAMC will also notify the UWF Cabinet and Board of Trustees).

Motion by: Trustee Gilluly
Seconded by: Trustee Fetterman
Motion passed unanimously

9. A motion was made to **approve UWF Research Foundation Articles of Incorporation amendments and the UWF Research Foundation Bylaws amendments** as presented by Dr. Richard Podemski, Associate Vice President for Research.

http://uwf.edu/trustees/Dec15_06/Draft_art.pdf

http://uwf.edu/trustees/Dec15_06/RSHBylaws_Draft.pdf

Motion by: Trustee Young
Seconded by: Trustee Gilluly
Motion passed unanimously

10. A motion was made to **authorize President Cavanaugh to move forward with the FL Demonstration House to be located onsite** as presented by Dr. Jim Barnett, Associate Vice President for Facilities. Dr. Barnett confirmed there will be no cost to UWF and the location of the house will be East of the Center for Fine and Performing Arts near the intersection of the Facilities Complex and Martin Hall.

An individual from UWF Architectural and Engineering Services will be the project manager. Vendors will be donating approximately \$300,000 dollars for a 3,000 square foot house in a natural setting. This will provide class lab experience and a site for many yearly visitors with hopes for groundbreaking to be on Earth Day 2007.

Motion by: Trustee Young
Seconded by: Trustee Fetterman
Motion passed unanimously

Informational/Discussion Items

1. The **2006-07 Operating Budget update** was presented by Mr. Barry Brighton, Director of University Budgets who reported that he, Controller Asmus and Chair Hess Herrick met regarding the finalization of 2005-06 earlier in the year. He said the Fiscal Year 07 plan is on target.
2. An **overview of the 2005-06 Annual Financial Report to State of Florida** was presented by Mrs. Colleen Asmus, Controller who noted this item was carried forward due to prior scheduled meeting being cancelled. The September 15 deadline to the State was made and Field Work will be concluded by January.

Adjournment

A motion was made to adjourn the meeting at 9:55 a.m.
Motion by: Trustee Young
Seconded by: Trustee Gilluly
Motion passed unanimously.