Board of Trustees
UNIVERSITY *of* WEST FLORIDA

Audit and Compliance Committee Meeting
Thursday, August 15, 2024
Zoom Webinar

Zoom Webinar | Passcode: 968040

Agenda

I.	**Call to Order**	Dick Baker, Chair
II.	**Roll Call**	Anna Lochas
III.	**Greeting**	Dick Baker, Chair
IV.	**Public Comment**	Anna Lochas
V.	**Approval of Minutes**	Dick Baker, Chair

    a. May 16, 2024: Committee Meeting Minutes

VI.	**New Business**	Dick Baker, Chair

    a. Action Items

        i. AUD-1: Auditor General IT Operational Audit Report

        ii. AUD-2: Internal Audit Reports

        iii. AUD-3: PCard Quarter 4 Audit Report

        iv. AUD-4: IAMC Vision, Strategic Plan, Budget, & Technology Plan

        v. AUD-5: Office of Compliance and Ethics Annual Report

        vi. AUD-6: Office of Compliance and Ethics Work Plan

    b. Information Items

        i. INFO-1: Update on Office of Compliance and Ethics Activities

        ii. INFO-2: Internal Auditing and Management Consulting Update

VII.	**Announcements**	Dick Baker, Chair
VIII.	**Adjournment**	Dick Baker, Chair

Audit and Compliance Committee
May 16, 2024
Zoom Webinar
DRAFT Minutes

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Committee Meeting   **9:02 a.m**.

The public was provided with information to join this virtual public meeting on the UWF Board of Trustees website.

I. **Call to Order**
   A. The meeting of the UWF Board of Trustees Audit and Compliance Committee was called to order at 9:02 a.m. by committee Chair Dick Baker.

II. **Roll Call**
   A. Chair Baker asked Anamarie Mixson to conduct roll call. Trustees Dick Baker, Alonzie Scott, and Paul Hsu were in attendance.

   B. Other Trustees in attendance included:
      1. Suzanne Lewis, Jill Singer, and Susan James.

   C. Others in attendance included:
      1. Martha Saunders, President; Jaromy Kuhl, Provost; Gregory Tomso, Vice President of Academic Engagement & Student Affairs; Howard Reddy, Vice President of University Advancement; Dave Scott, Associate Vice President for Athletics; Jamie Sprague, Chief Human Resource Officer; Susan Woolf, General Counsel; Anamarie Mixson, Assistant Vice President for the Office of the President; Abigail Megginson, Director, Government Relations; Cindy Talbert, Chief Audit Executive; Matt Packard, Chief Compliance Officer; Dallas Snider, Vice Provost; Dan Lucas, Associate Vice President for Advancement; Jeffrey Djerlek, Associate Vice President of Finance and Controller; Angela Bryan, SACSCOC Liaison and Director of Institutional Effectiveness; Chris Martin, Assistant Vice President of Facilities Management; Ethan Henley, Director of Undergraduate Admissions; Brittany Sherwood, Director of Strategic and Presidential Communication; Patrice Moorer, Assistant Vice President; Michael Wyatt, Assistant General Counsel; Leasha Barry, Director of the Center for Behavior Analysis; Angela Hahn, Chair of Health Sciences and Administration; Lauren Alidor, Internal Auditor; Rachel Conway, Director of Financial Aid and Scholarships; Dacia Larin, Assistant Vice President; and Allan Pierce, Lead Help Desk Analyst.

III. **Greeting**
   A. Chair Baker welcomed everyone to the meeting and noted that there were ten action items and two information items on the Audit and Compliance Committee agenda.

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IV.   Public Comment
    A. Chair Baker opened the floor for public comment. There was none.

V.   Approval of Minutes
    A. Chair Baker reminded the committee members that they had been given the opportunity ahead of time to review the minutes of the February 15, 2024, Audit and Compliance Committee Meeting. Chair Baker asked for a motion to approve the minutes as presented if there were no changes or corrections.
        1. Motion by: Trustee Hsu
        2. Seconded by: Trustee Scott
        3. Motion passed unanimously.

VI.   New Business
    A. Action Items

        1. AUD-1: Certification of IHMC

            a. The first action item was presented by Jeffrey Djerlek, Associate Vice President of Finance and University Controller, on the certification of the Institute for Human and Machine Cognition, Inc.

            b. Chair Baker asked for a motion to approve the annual certification by the University that IHMC is complying with the requirements of Section 1004.4474(9), Florida Statutes. Certify to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Board of Governors that IHMC is acting in the best interest of the state.
                i. Motion by: Trustee Hsu
                ii. Seconded by: Trustee Scott
                iii. Motion passed unanimously.

        2. AUD-2: UWF Audited Financial Statements

            a. Jeffrey Djerlek presented the second action item on UWF's audited financial statements.

            b. Chair Baker asked for a motion to accept the UWF Audited Financial Statements for June 30, 2023.
                i. Motion by: Trustee Hsu
                 ii. Seconded by: Trustee Scott
                iii. Motion passed unanimously.

        3. AUD-3: Financial Reporting and Federal Awards Audit Report

a. Chief Audit Executive, Cindy Talbert, presented the third action item on the financial reporting and federal awards audit report.

b. Chair Baker asked for a motion to accept the Auditor General Financial Reporting and Federal Awards Audit Report for Fiscal Year Ended June 30, 2023.
   i. Motion by: Trustee Hsu
   ii. Seconded by: Trustee Scott
   iii. Motion passed unanimously.

4. AUD-4: Audit of Bright Futures & Florida Student Assistance Grant Programs

a. Cindy Talbert presented the fourth action item on the audit of Bright Futures and Florida Student Assistance Grant Programs.

b. Chair Baker asked for a motion to accept the Auditor General Audit of Bright Futures Scholarship Program and Florida Student Assistance Grant Programs.
   i. Motion by: Trustee Hsu
   ii. Seconded by: Trustee Scott
   iii. Motion passed unanimously.

5. AUD-5: Acceptance of PCard Quarter 3 Audit Report

a. Cindy Talbert presented the fifth action item on the PCard Quarter 3 Audit Report.

b. Chair Baker asked for a motion to accept the PCard Quarter 3 Audit Report.
   i. Motion by: Trustee Hsu
   ii. Seconded by: Trustee Scott
   iii. Motion passed unanimously.

6. AUD-6: Intercollegiate Athletics Audited Financial Statements

a. Cindy Talbert presented the sixth action item on Intercollegiate Athletics' Audited Financial Statements.

b. Chair Baker asked for a motion to accept the Intercollegiate Athletics Audited Financial Statements for June 30, 2023.
   i. Motion by: Trustee Hsu
   ii. Seconded by: Trustee Scott
   iii. Motion passed unanimously.

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7. AUD-7: Internal Audit Work Plan for 2024/25 and 2025/26

    a. Cindy Talbert presented the seventh action item on the Internal Audit Work Plan for 2024/25 and 2025/26.

    b. Chair Baker asked for a motion to approve the Internal Audit Work Plan for 2024/25 and 2025/26.
        i.   Motion by: Trustee Hsu
        ii. Seconded by: Trustee Scott
        iii. Motion passed unanimously.

8. AUD-8: Revisions to BOT Audit & Compliance Committee Charter

    a. Cindy Talbert presented the eighth action item on the revisions to BOT Audit & Compliance Committee Charter.

    b. Chair Baker asked for a motion to approve the revisions to the UWF Board of Trustees Audit and Compliance Committee Charter.
        i.   Motion by: Trustee Hsu
        ii. Seconded by: Trustee Scott
        iii. Motion passed unanimously.

9. AUD-9: Revised IAMC Charter

    a. Cindy Talbert presented the nineth action item on the revised Internal Auditing and Management Consulting Charter

    b. Chair Baker asked for a motion to approve the updated Internal Auditing and Management Consulting department charter.
        i.   Motion by: Trustee Hsu
        ii. Seconded by: Trustee Scott
        iii. Motion passed unanimously.

10. AUD-10: Revised OCE Charter

    a. Chief Compliance Officer, Matt Packard, presented the tenth action item on the revised Office of Compliance and Ethics Charter.

    b. Chair Baker asked for a motion to approve the updated Office of Compliance and Ethics Charter.
        i.   Motion by: Trustee Hsu
        ii. Seconded by: Trustee Scott
        iii. Motion passed unanimously.

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B. Information Items

    1. INFO-1: Office of Compliance & Ethics – Update on Activities
        a. Matt Packard presented the first information item which was an update on the activities of the Office of Compliance and Ethics.

    2. INFO-2: Internal Auditing and Management Consulting Update
        a. Cindy Talbert presented the second information item which was an update on Internal Auditing and Management Consulting.

VII. **Announcements**
A. Chair Baker identified that all agenda items had been discussed. Chair Baker asked if the committee members had any additional business to discuss. No other business was discussed.

VIII. **Adjournment**   **9:30 a.m.**
A. Chair Baker thanked those in attendance for their participation. With no other business to discuss, Chair Baker adjourned the meeting at 9:30 a.m.

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Auditor General IT Operational Audit Report

Recommended Action:
Accept the Auditor General IT Operational Audit Report issued July 25, 2024.

Background Information:
On July 25, 2024, the State of Florida Auditor General released its audit report on IT operational controls. The scope included the University's Ellucian Banner® Enterprise Resource Planning System, from April 2023 through March 2024. There was one audit finding that represented seven confidential audit findings in the areas of information security, authentication, account management, vulnerability management, data recovery, and monitoring. Details of the findings were provided to the President and ITS Executive Director/CISO Geissler Golding.

Implementation Plan:
N/A

Fiscal Implications:
N/A

Relevant Authority:
Section 11.45, Florida Statutes

Supporting Documents:
1. Auditor General IT Operational audit report #2025-005

Prepared by:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division, x2638, ctalbert@uwf.edu

Presenter:
Cindy Talbert

UNIVERSITY *of* WEST FLORIDA

STATE OF FLORIDA AUDITOR GENERAL

Information Technology Operational Audit

UNIVERSITY OF WEST FLORIDA

Ellucian Banner® Enterprise
Resource Planning System

Sherrill F. Norman, CPA
Auditor General

UNIVERSITY OF WEST FLORIDA

Ellucian Banner® Enterprise Resource Planning System

SUMMARY

This operational audit of University of West Florida (University) focused on selected information technology (IT) controls applicable to the Ellucian Banner® Enterprise Resource Planning system (Banner®) and the University's IT infrastructure, and included a follow-up on findings noted in our report No. 2019-007. Our audit disclosed the following:

Finding 1: University IT security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring need improvement to ensure the confidentiality, integrity, and availability of University data and IT resources. A similar finding related to information security and monitoring was noted in our report No. 2019-007.

BACKGROUND

The University of West Florida (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered 5-year terms. The Faculty Senate Chair and Student Body President are also members. The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the Executive Officer and the Corporate Secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

The University uses the Ellucian Banner® Enterprise Resource Planning system (Banner®) for recording, processing, and reporting finance, human resources, and student-related transactions. In addition, the University maintains and manages the network domain, application and database servers, and database management system supporting Banner®.

FINDING AND RECOMMENDATION

Finding 1:   Security Controls – Information Security, Authentication, Account Management, Vulnerability Management, Data Recovery, and Monitoring

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit procedures disclosed certain security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising the confidentiality of University data and related IT resources. However, we have notified

appropriate University management of the seven findings in the six areas needing improvement. A similar finding related to information security and monitoring was noted in our report No. 2019-007.

Without appropriate security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring, the risk is increased for the confidentiality, integrity, and availability of University data and related IT resources to be compromised.

Recommendation: We recommend that University management improve IT security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring to ensure the confidentiality, integrity, and availability of University data and IT resources.

PRIOR AUDIT FOLLOW-UP

Except as discussed in Finding 1, the University had taken corrective actions for the findings included in our report No. 2019-007.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this information technology (IT) operational audit from January 2024 through June 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit findings and our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the audit findings and our conclusions based on our audit objectives.

This IT operational audit focused on evaluating selected significant IT controls applicable to the Ellucian Banner® Enterprise Resource Planning system (Banner®) and University IT infrastructure during the period April 2023 through March 2024, and selected actions subsequent thereto. For those areas addressed by this audit, our audit objectives were:

- To determine the effectiveness of selected significant IT controls in achieving management's objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the confidentiality, integrity, availability, relevance, and reliability of data; and the safeguarding of IT resources.

- To determine whether management had taken corrective actions for findings included in our report No. 2019-007.

- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for the IT systems included within the scope of the audit, deficiencies in management's internal controls that were significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems

so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular IT controls, legal compliance matters, and records considered.

As described in more detail below, for the IT systems included within the scope of this audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of the audit; obtaining an understanding of and evaluating the IT systems and related significant controls; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of the audit findings and our conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

This audit included the selection and examination of IT system controls and records. Unless otherwise indicated in this report, these items were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and contractors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting this audit, we:

- Reviewed applicable laws, rules, and other guidelines to obtain an understanding of University organizational structure and regulatory requirements; reviewed University procedures, interviewed University personnel, and examined University records to obtain an understanding of University operations related to Banner® and IT infrastructure and to evaluate whether University operations were designed properly and operating effectively.

- Evaluated the sufficiency of University controls and observed, documented, and tested key processes, procedures, and controls related to Banner® and University IT infrastructure, including authentication, backup and recovery, configuration of systems, logical controls, logging and monitoring, and inventory and vulnerability management.

- Examined selected security settings related to University network infrastructure, externally facing applications, remote access systems, and other critical servers and devices to determine whether authentication controls were configured and enforced in accordance with IT best practices, including the use of multi-factor authentication.

- Evaluated the effectiveness of University logical access controls assigned to the University network, selected network devices, database, authentication server, Banner® application and database servers, and the Banner® student module, including the periodic evaluation of assigned accounts.

- Examined seven selected student records transactions and evaluated the appropriateness of user access privileges, as of January 17, 2024, granted within the Banner® ERP system.

- Evaluated the University's information security program, including the University risk assessment.

- Examined and evaluated the appropriateness of all accounts assigned administrator access privileges, as of January 12, 2024, within the four default network administrator system groups for the University root domain.

- Examined and evaluated the appropriateness of all accounts assigned administrator access privileges, as of January 12, 2024, for the two University high risk network devices for the root domain.

- Examined and evaluated the appropriateness of all accounts assigned selected administrative access privileges to the authentication server and four servers supporting Banner®. Specifically, we examined and evaluated:

  o The 42 accounts on the authentication server as of May 29, 2024.

  o The 31 accounts assigned on the three Banner® application servers and 57 accounts assigned on the Banner® database server as of March 1, 2024.

- Examined and evaluated selected University patch management controls for operating systems and network devices to ensure secure configurations are maintained. Specifically, we examined and evaluated:

  o As of March 1, 2024, the six critical network servers and the two high-risk network devices for the root domain.

  o As of April 4, 2024, the three Banner® application servers and one database server.

- Examined and evaluated the appropriateness of the 26 user accounts granted database administration privileges as of January 17, 2024.

- Examined and evaluated the appropriateness of selected administrative access privileges as of January 17, 2024, for the 36 active accounts granted direct login capability for the database. Evaluated University procedures and examined selected database logs to determine the adequacy of University logging and monitoring controls designed for the Banner® database, including actions performed by privileged users.

- Evaluated University procedures and examined selected backup and testing reports to determine the adequacy of the University data recovery procedures to restore University IT assets to a pre-incident trusted state.

- Evaluated the effectiveness of University configuration management controls, including establishing and maintaining secure configurations; disabling insecure protocols; implementing firewalls or port filtering to protect network resources; and timely applying software updates and managing device end-of-life.

- Evaluated University procedures and examined selected records to determine the adequacy of University procedures for maintaining a software asset inventory and ensuring only authorized software is installed on the network.

- Evaluated the effectiveness of University security awareness training.

- Evaluated University procedures and examined selected scan reports and policies to evaluate the adequacy of University vulnerability management controls related to the IT infrastructure, including vulnerability assessment and remediation, penetration testing, malicious software identification, and malware defense.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.

- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading *MANAGEMENT'S RESPONSE*.

AUTHORITY

Section 11.45, Florida Statutes, provides that the Auditor General may conduct audits of the IT programs, activities, functions, or systems of any governmental entity created or established by law. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our IT operational audit.

Sherrill F. Norman

Sherrill F. Norman, CPA
Auditor General
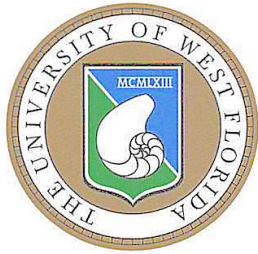
Office of the President
11000 University Parkway
Pensacola, FL 32514

July 17, 2024

Sherrill F. Norman, Auditor General
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Subject**:** Response to Preliminary & Tentative Audit Finding

Dear Ms. Norman,

This is our response to the preliminary and tentative audit finding and recommendation included in your recent communication regarding the information technology operational audit of the University of West Florida, Ellucian Banner® Enterprise Resource Planning System.

Finding: University IT security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring need improvement to ensure the confidentiality, integrity, and availability of University data and IT resources.

Recommendation: We recommend that University management improve IT security controls related to information security, authentication, account management, vulnerability management, data recovery, and monitoring to ensure the confidentiality, integrity, and availability of University data and IT resources.

Management Response: We have reviewed the items detailed in the report and initiated an internal project to assess and address the identified deficiencies in our current IT security measures. We will develop individual action plans for each area highlighted in the audit. Our corrective actions will include:

- Enhancing information security protocols and policies;
- Improving authentication processes;
- Implementing more strict account management procedures;
- Advancing vulnerability management strategies;
- Strengthening data recovery plans; and
- Upgrading monitoring systems.

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We appreciate the audit team's efforts in identifying these critical areas for improvement and are committed to addressing these issues promptly and effectively.

Sincerely yours,

Martha D. Saunders, Ph.D.
President

cc: Jaromy Kuhl, Provost
       Geissler Golding, CIO and CISO
       Cindy Talbert, Chief Audit Executive

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Internal Audit Reports

Recommended Action:
Accept the Internal Audit reports for Onboarding and Training of New Hires and for Procurement Competitive Solicitations and Negotiations.

Background Information:
Onboarding and Training of New Hires #23-24_007: The report was issued on June 20, 2024. There were five recommendations. We recommended that 1) New Employee Orientation become mandatory for all non-student new hires; 2) Human Resources consider adding the topics of ethics, good internal controls, and fraud awareness and prevention to the New Employee Orientation topics; 3) the Human Resources Policy "Recruitment, Selection, and Appointment" be updated to reflect current practices; 4) Human Resources develop a tool such as a checklist to facilitate hiring and onboarding activities; and 5) Human Resources establish a control designed to ensure compliance by all employees required to take Protection of Vulnerable Persons training. Management agreed to implement these recommendations by February 2025.

Procurement Competitive Solicitations and Negotiations #23-24_008: The report was issued on June 26, 2024. There were three recommendations. We recommended that 1) Procurement and Contracts update their Standard Operating Procedures to reflect current practice; 2) the department establish written criteria for the documentation required to be saved in the project folders; and 3) the Director consult with Human Resources and the Vice President of Finance & Administration about consideration of an additional position, in addition to the recruitment for two currently vacant positions. Management agreed to implement these recommendations by April 2025.

Implementation Plan:
None.

Fiscal Implications:
Fiscal oversight by the UWF Board of Trustees

Relevant Authority:
BOG Regulation 4.002

Supporting Documents:
1. Internal Audit Report – Onboarding and Training of New Hires
2. Internal Audit Report – Procurement Competitive Solicitations and Negotiations

Prepared by:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division, x2638, ctalbert@uwf.edu

Presenter:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division

SCOPE AND OBJECTIVES

We audited Onboarding and Training of New Hires for the period of July 1, 2022, through December 31, 2023. This audit was included as part of our 2023/24 audit work plan, determined by our annual risk assessment. The audit scope excluded faculty positions. Our objectives were to review internal controls over:

- Job offers;
- Communications between new hires, hiring officials, and Human Resources' staff;
- Quality of support provided to hiring departments;
- Background screenings;
- Reference checks;
- Requirements for new employee training;
- Actions taken to minimize legal exposures;
- Compliance with UWF onboarding policies and procedures; and
- Compliance with relevant laws, rules, and regulations.

Audit fieldwork began on January 18, 2024, and ended on April 25, 2024. Our audit conforms to the Institute of Internal Auditors' *Global Internal Audit Standards* and generally accepted auditing standards.

BACKGROUND

The recruitment and retention of qualified employees is essential to the success of a university. To this end, the University of West Florida (UWF) Human Resources (HR) has established procedures to assist hiring departments with the numerous activities required to onboard new employees and provide appropriate training to guide them through their first few weeks of employment.

University departments participate in onboarding with such processes as selecting the applicant for a position and completing professional reference checks. Human Resources employees spearhead the rest of the onboarding process with pre-employment tasks, background screening, new hire paperwork, training, and establish the new employee record in the HR system, benefit enrollment, and New Employee Orientation.

HR has established four teams within the department, each of which specializes in a different aspect of the onboarding process. The **Employment Team** (Associate Director, two Coordinators, and an HR Specialist) is responsible for the review of job offers, reference check documents, and other pre-employment documentation. They also conduct background screenings. The **Processing Team** (Director, Assistant Director, Coordinator and two HR Specialists) is responsible for the processing of additional documents that complete the hiring process, including establishing the new employee on UWF's systems. The **Benefits Team** (Associate Director, Senior Coordinator, and Senior HR Specialist) is responsible for explaining fringe benefits and providing New Employee Orientation training sessions. Finally, a Coordinator administers the performance management system for a new hire's first year.

HR processed 1,589 new hires between July 1, 2022, and December 31, 2023. Student positions comprised the largest percentage of new hires, at about 60%.

The onboarding processes utilize several software applications, as follow:

- PageUp provides a platform for the collection of onboarding documents, position

objectives, position evaluations, and professional development training.

- HireRight assists in the process of background screenings.
- PrintScan is a finger-printing application that is utilized when more extensive background screenings are required.
- Banner is the primary administrative system used by UWF and is the entry point and data base for personnel records.

Mandatory training includes:

- Knowledge Worker: this provides background on the Family Educational Rights and Privacy Act (FERPA).
- Harassment and Discrimination Prevention.
- Protection of Vulnerable Persons (Child Abuse): only mandatory for persons with relevant responsibilities.
- At Risk Training: addresses such topics as distress, depression, and suicide.

There are a few other positions within UWF that require specialized training.

Notable Strength

The University offers an array of fringe benefits to many new hires, including various types of leave, retirement, health and life insurance, and scholarships. While these can be a significant factor in recruiting and retaining staff, new employees usually have many questions about insurance benefits in the first few weeks of employment. To help guide and support the new employee, HR has developed a team of experienced benefit specialists who assist new hires in making informed decisions that fit with their health and lifestyle needs. The team offers one-on-one consultations, and new hires have expressed positive feedback about these experiences.

AUDIT METHODOLOGY

We reviewed written policies and procedures, departmental website information, and job descriptions. We interviewed key personnel in HR as well as technology support providers. We examined Federal and State laws, Board of Governors' regulations, and UWF policies and regulations. Audit testing was performed related to elements of the onboarding process, the formalization of procedures in writing, New Employee Orientation, mandatory training, background screenings, educational requirements, reference checks, employee acknowledgements, essential hiring documents including federal employment eligibility forms, logical and physical technology controls, and satisfaction of hiring officials and new hires with the onboarding process.

KEY OBSERVATIONS

We found that internal controls over the activities reviewed were generally adequate and effective. We make the following observations:

1. New employees often have a variety of questions about their new employer during the first few weeks in their position. This might include inquiries related to the complexities of fringe benefits, details about what constitutes a conflict of interest, and the types of support that HR can provide to them. We found that HR has created a useful New Employee Orientation process that addresses these topics and other important information, such as UWF's overall mission, equal employment opportunity compliance, and Title IX of the Education Amendments Act of 1972 (a Federal regulation). We further noted that attendance at these sessions is not mandatory. A review of the websites of 10 other institutions in the State

University System indicated that 6 of them require attendance at New Employee Orientation.

We selected a sample of 22 new hires in order to determine whether they voluntarily attended New Employee Orientation. We found that 18 of them attended. It has been suggested that at times supervisors do not want their new employees to attend the orientation sessions, since the process requires almost a full day of their time.   It seems unwise to allow this important part of a new hire's onboarding to be neglected.

2. As noted in Observation 1, HR has developed New Employee Orientation sessions that include critical information on a variety of topics. While new employees benefit greatly from the information shared, we noted additional topics that could provide them with important general knowledge about their new positions and increase their chances of a successful, long-term career with UWF. These topics include ethics, the importance of establishing good internal controls, and fraud awareness and prevention.

3. University Policy HR-20.02-9/15 *Recruitment, Selection, and Appointment* provides guidelines for hiring processes. In reviewing this policy, we noted several instances in which current practice differs from the verbiage in the policy. Background screening instructions were out of date as were procedures related to contingent job offers. Instructions concerning Essential New Hire Documents needed updating.

Consultation with HR staff members indicated that many duties previously assigned to hiring departments were assumed by HR over the past few years; however, Policy HR-20.02-9/15 had not been revised to reflect these changes.

4. In order to evaluate the effectiveness and efficiency of the onboarding process, we interviewed 10 HR staff members. Half of them identified their greatest challenge in the onboarding process to be communication issues with the person to be hired. The staff members indicated that new hires often do not respond in a timely manner or only after multiple attempts, which slows down the hiring process. The HR routine is to use the new hires' personal email address to communicate.

We also conducted a survey to determine the level of satisfaction with onboarding processes, with 11 recent hiring officials and 22 new hires. While the majority of the responses were positive, we noted that some hiring officials were dissatisfied with the speed and efficiency of onboarding activities. In our opinion, this is related to the multiple HR teams that are involved with the processing of a new hire, coupled with the lack of a simple tool such as a checklist to keep all parties informed as to the status of each onboarding requirement and the next step in the process.

5. Board of Governors Regulation 3.002 *Penalties for Failure to Report Child Abuse* identifies specific positions at State universities that are obligated to report to the Florida Department of Children and Family Services any known or suspected child abuse, abandonment, or neglect committed on the property of the university or during an event or function sponsored by the

university. Penalties up to $1 million can accompany instances of noncompliance.

In order to ensure that UWF remains in compliance with the Regulation, "Protection of Vulnerable Persons" training has been developed for the designated positions at UWF. This includes all persons whose titles are listed within the Regulation, and those within the President's Extended Cabinet, University Police, and employees of the UWF Educational Research Center for Child Development (ERCCD).

We identified 37 employees hired during the audit period that were required to take the training. We noted that 5 of these employees, all of whom worked for the ERCCD, had not completed the required training. All of them had left UWF. Two of them were employed for approximately a month, and three were employed for over 2, 3 and 7 months.

Recommended Management Actions

1. We recommend that New Employee Orientation become mandatory for all non-student new hires.

2. We recommend that HR consider incorporating additional topics into New Employee Orientation, including ethics, the importance of establishing good internal controls, and fraud awareness and prevention.

3. We recommend that HR update Policy HR-20.02-9/15 to reflect current practices.

4. We recommend that HR consider developing a tool such as a checklist, shared with the HR teams, the hiring officials, and the new hires, designed to keep all parties informed of the status of steps in the onboarding processes.

5. We recommend that HR establish a control designed to ensure compliance by all employees required to take Protection of Vulnerable Persons training.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cynthia Talbert

Cynthia Talbert, CFE, CIA, CRMA, CPA
Chief Audit Executive

REPORT PROVIDED TO THE FOLLOWING:
  Dr. Martha Saunders, President
  Suzanne Lewis, Chair BOT
  Dick Baker, Chair Audit & Compliance Committee
  Alonzie Scott, Audit & Compliance Committee
  Dr. Paul Hsu, Audit & Compliance Committee
  Dr. Jaromy Kuhl, Provost
  Betsy Bowers, Vice President of Finance and Administration
  Dr. Greg Tomso, Vice President of DAESA
  Howard Reddy, Vice President of University Advancement
  Dr. Dallas Snider, Vice Provost
  Jamie Sprague, Assoc. Vice President of Human Resources
  Jaime Hoelscher, Manager, FL Auditor General
  Ken Danley, Supervisor, FL Auditor General
  Julie Leftheris, BOG Inspector General
  Anna Lochas, BOT Liaison

MANAGEMENT RESPONSES TO RECOMMENDATIONS

Recommendation #1

Management Response:
All non-student new hires who have been employed for more than 30 days will be required to participate in New Employee Orientation (NEO). Human Resources is in the process of moving NEO to a virtual platform by August 2024. Employees can still schedule one-on-one meetings to discuss specific benefit questions.

Responsible Parties:
Associate VP Human Resources Jamie Sprague and Associate Director of Benefits Tony Lindberg

Targeted Implementation Date:
January 6, 2025

Recommendation #2

Management Response:
All suggested topics will be incorporated into NEO by October 31, 2024. The Associate Director of Benefits will work with the presenters to place them in a virtual format to align with NEO moving to a virtual platform.

Responsible Parties:
Associate VP Human Resources Jamie Sprague and Associate Director of Benefits Tony Lindberg

Targeted Implementation Date:
October 31, 2024

Recommendation #3

Management Response:
The update to this policy has already begun.

Responsible Parties:
Associate VP Human Resources Jamie Sprague and Associate Director of Employment April Harvey

Targeted Implementation Date:
September 30, 2024

Recommendation #4

Management Response:
Human Resources understands and supports the need for such a tool. Human Resources will need time to solicit feedback from constituents, create and test the tool before going live in February 2025. This may occur sooner than February 2025.

Responsible Party:
Associate VP Human Resources Jamie Sprague

Targeted Implementation Date:
February 28, 2025

Recommendation #5

Management Response:
Individuals are identified monthly by the Employee Relations Manager, on or about the ninth day of the month from the Tableau report "Vulnerable Persons Required Training Checklist," and an email notice is sent to persons required to complete the training. Individuals are requested to complete the training within one week.   (Completion date request added 6/8/24.)

Completion information is tracked in an Excel workbook. Path: HRshare>Training>Vulnerable Persons Required Training Checklist by updating the workbook monthly.

If, when the following month's report is pulled, an individual has not completed the training the prior month as assigned, the Employee Relations Manager sends an email to the individual requesting they complete the training within three days (due to last month's lack of compliance), with the individual's supervisor copied on the email.

Subsequently, if the required training is not completed within the three additional days, the individual's division head is notified by email from the Employee Relations Manager, and an additional three days is provided to complete the training. Note: The employee and supervisor are copied on this email.

Finally, if the individual does not complete the training within the three additional days, the Employee Relations Manager sends an email notification to the Associate VP Human Resources. Note: The employee, supervisor, and division head are copied on this email.

Follow-up email notices to employee, supervisor, division head, and Associate VP Human Resources added 6/8/24.

Responsible Parties:
Associate VP Human Resources Jamie Sprague and Employee Relations Manager Lynne Randall

Targeted Implementation Date:
Completed

SCOPE AND OBJECTIVES

We audited Procurement Competitive Solicitations and Negotiations for the period of January 1, 2023, through March 31, 2024. This audit was included as part of our 2023/24 audit work plan, determined by our annual risk assessment. Our objectives were to evaluate the adequacy and effectiveness of internal controls over:

- Competitive negotiations and selections; and
- Compliance with State laws, Board of Governors' regulations, and University policies and procedures.

Audit fieldwork began on March 19, 2024, and ended on June 12, 2024. Our audit conforms to the Institute of Internal Auditors' *Global Internal Audit Standards* and generally accepted auditing standards.

BACKGROUND

Effective procurement of goods and services is critical to the successful operation of any organization. In the higher education environment, goods and services required can range widely, from complex construction projects, to the acquisition of highly technical software applications, to the purchase of janitorial products. The objectives of the Office of Procurement & Contracts at the University of West Florida (UWF) are to obtain the best value, on a timely basis, while complying with applicable laws and regulations. To this end, the staff must identify UWF needs, determine the most effective method of filling those needs, search for qualified vendors, and negotiate favorable terms with vendors.

Competitive solicitations and negotiations at UWF can involve several different types of processes, including:

- Invitations to Bid;
- Invitations to Negotiate;
- Requests for Proposal; and
- Professional Qualifications Solicitation.

In some circumstances, the most efficient and effective method of procurement is to avoid the solicitation process entirely by using a cooperative agreement already negotiated by other entities[1]. Procurement & Contracts staff may also take advantage of the use of a private purchasing facilitator such as OMNIA Partners.

UWF Regulation 6.0054 "Competitive Solicitation Requirements" mandates that all contracts for the purchases of commodities or contractual services exceeding $150,000 be awarded through a competitive solicitation, with certain exceptions permitted. These exceptions are specified in Board of Governors Regulation 18.001 "Procurement," for example, emergency purchases, utilities, legal services, or purchases delineated in an Annual Certification List which is issued by memorandum from the Procurement Director and approved by the Vice President of Finance and Administration. A copy of the Annual Certification List issued for fiscal year 2023/24 is included in this report as an attachment.

Procurement & Contracts staff members work with departmental requestors to fulfill the procurement needs that have been identified. A Pre-Bid Meeting may be held to iron out the details. An Evaluation

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[1] Including State of Florida agencies, other state entities, political subdivisions, cooperatives or consortia, or any independent college or university.

Committee is created, with representation from Procurement & Contracts and other stakeholders as needed.

The "KREQ" contract review process at UWF is utilized to develop a preliminary contract template. The Office of General Counsel, Procurement & Contracts staff, and the requesting department collaborate until all parties are satisfied with the contract verbiage.

Construction-related competitive solicitations are advertised in the *Pensacola News Journal* and the *Florida Administrative Register*. All formal UWF solicitations use a web-based application, "*bidnetdirect.com*" as the primary tool for publicizing them. It offers potential vendors a forum with a variety of functions that assist them in searching for prospective contracts and to easily respond with submittals. It also offers Procurement & Contracts staff members the ability to view data about vendors, such as which vendors have viewed or downloaded the solicitation information. *Bidnetdirect.com* acts as the official UWF repository of communications to 1) solicit submittals from vendors, 2) inform vendors of requirements, such as meeting dates and deadlines, and 3) document successful respondents.

A Distribution Meeting is held in many instances to provide vendor submittals and other information to the Evaluation Committee. Procurement & Contracts staff members point out the pros and cons and facilitate discussions between Committee members.

With some types of solicitations, responding vendors are required to make an oral presentation to the Evaluation Committee. There may also be a site visit, for example, for construction projects.

For Invitations to Bid, the lowest responsible bidder who has meet all requirements is the successful vendor. For other types of solicitations, members of the Evaluation Committee score the respondent on criteria that have been established. The successful vendor is the one with the highest composite score. A notice is placed on *bidnetdirect.com* for 72 hours, then Procurement & Contracts reaches out to the vendor. If a general agreement can be reached, an official Notice of Award is published.

On rare occasions, the vendor's contract template is used rather than negotiating changes to the UWF contract. Some contracts are negotiated with multiple vendors, to ensure coverage in case one vendor fails to perform or if the service required must be distributed between multiple vendors. These are known as Campus Service Agreements.

The Evaluation Committee prepares formal memoranda detailing findings and recommendations. Approval for the award is then requested and sent to the President for signature.

Requirements most closely related to the audit topic include:

- Section 287.055, Florida Statutes: Chapter 3 describes Public Announcement and Qualification Procedures; Chapter 4 describes the requirements for Competitive Selection;
- Board of Governors' Regulation 14.006 "Educational Facilities Contracting and Construction Techniques;"
- Board of Governors' Regulation 14.007 "Public Announcement Requirements;"
- Board of Governors' Regulation 14.008 "Competitive Selection and Negotiation;"
- UWF Policy FP-01.03-05/14 "Professional Services Selection Process;"

- UWF Regulation 6.0054 "Competitive Solicitation Requirements;" and
- UWF Regulation 6.0055 "Procurement Actions Not Subject to Competitive Solicitation Process."

The staff of Procurement & Contracts includes a Director, Assistant Director, Senior Buyer, Buyer, Program Coordinator, and Procurement Manager. As the audit fieldwork ended, the Buyer and Procurement Manager positions were vacant. In addition to their solicitation and negotiation responsibilities, department employees are involved in various PCard activities, process purchase requisitions and create purchase orders, review procurement contracts, and represent UWF in vendor disputes.

Notable Strength

The Procurement & Contracts department remains dedicated to serving the UWF community despite staffing fluctuations. Demonstrating resilience, they stay informed on new laws, rules, and regulations that impact the procurement landscape. The Director actively participates in the State University System Inter-institutional Committee on Procurement, alongside representatives from 11 other universities, meeting and communicating regularly to discuss pertinent issues. Additionally, on a regional and national level, the department engages with the National Association of Educational Procurement (NAEP). Members of the Procurement & Contracts team hold leadership positions in both local chapters and national committees. Notably, the Senior Buyer was honored as the 2023 Volunteer of the Year at the NAEP Conference for their contributions to the National Ambassador Program, Membership Committee, Host and Program Committee, and the National Program Committee. This recognition underscores

the Procurement & Contracts team's dedication to their profession.

AUDIT METHODOLOGY

We reviewed written policies and procedures, departmental website information, and job descriptions. We interviewed key personnel in Procurement & Contracts. We reviewed State laws, Board of Governors' regulations, and UWF policies and procedures. Audit testing was performed to determine whether solicitation and negotiation files contained appropriate documents. We performed tests of compliance. We evaluated whether changes made to purchase orders were reasonable with respect to initial bids. Client satisfaction was assessed by analysis of the average days involved in solicitations and negotiations, and by discussion with frequent users. Staffing levels were reviewed by comparison to similar State University System institutions.

KEY OBSERVATIONS

We found that internal controls over the activities reviewed were generally adequate and effective. We make the following observations:

1. Formalization of policies and procedures in writing is beneficial in numerous ways, for example, for training, to minimize misunderstandings between supervisor and employee, and for use during staff turnover.

   Procurement & Contracts was asked for their written policies and procedures related to competitive solicitations and negotiations. They provided six Standard Operating Procedures. Dates appearing on the Standard Operating Procedures showed that they had not

been updated since at least 2011, which was confirmed by staff members.

Although we did not identify any errors or omissions related to specific solicitations, the staff members working on competitive solicitations and negotiations did not have an effective tool to guide them through the various activities that are necessary to complete a negotiation.

2. Procurement & Contracts should retain electronic files of all key documents that evidence activities during a competitive solicitation and negotiation, to ensure that an accurate historical record is kept that can demonstrate compliance with laws, regulations, and policies.

We performed a test of the "Team Folders" that were identified as the official internal record of competitive solicitation and negotiation activities. This included 24 documents for two construction projects and 22 documents for two Campus Service Agreements. We found that six documents were missing from these project files, including a Non-Disclosure Agreement/Conflicts of Interest document, the discussions on the KREQ ticket that reflect contract wording negotiations, a Pre-Bid Meeting Sign-In Sheet, a Suspended Vendor List[2], documentation of Bid Responses from vendors through *Bidnetdirect.com*, and Visual Compliance results[3]. It should be noted that the documents were found by Procurement & Contracts staff upon request, but were stored in other locations.

Within each electronic Team Folder, there were numerous sub-folders such as "Agreement," "Meeting Documents," "Responses," "Postings-Advertisements," "Final Documents," and so on. Some difficulties were experienced during our review due to the lack of defined criteria for the types of documents to be saved in each sub-folder, and the titles of sub-folders varied from project to project. This creates additional risk that critical documents may be difficult to locate should the need arise, for example, to demonstrate compliance or for legal purposes.

3. Procurement & Contracts needs sufficient staff to effectively carry out their solicitations and other assigned responsibilities.

A study was performed in 2019 by Cache Consulting and a report was issued. This report recommended an additional 2-3 staff members. Since 2019, the number of staff has actually decreased. Four people are currently on staff, with 2 vacant positions, compared to 8 in 2019. Procurement & Contracts is unlikely to be able to implement recommendations made by the consultant related to automation and other efficiencies, along with the updating of policies and procedures, without being fully staffed. There has been a full turnover and for most positions, a double turnover since 2019. Some employees were terminated due to lack of performance. Others took higher paying positions elsewhere. The prior Director retired. The Procurement & Contracts staff, who seem highly productive and knowledgeable about effective procurement, spend much of their time dealing with crises, rather than developing and

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[2] Section 287.1351, Florida Statutes, prohibits contracting with vendors on this list.
[3] A screening tool used to identify vendors restricted from doing business with State entities.

implementing a strategic plan. This causes inefficiencies and ineffectiveness.

Recommended Management Actions

1. We recommend that Procurement and Contracts update their Standard Operating Procedures to reflect current practices.

2. We recommend that Procurement & Contracts establish written criteria for the documentation required to be saved in each Team sub-folder, and to re-double their efforts to ensure that the Team Folders contain all key documents.

3. We recommend that the Director consult with Human Resources and the Vice President of Finance & Administration about consideration of an additional position, in addition to the recruitment for two currently vacant positions.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cynthia Talbert

Cynthia Talbert, CFE, CIA, CRMA, CPA
Chief Audit Executive

REPORT PROVIDED TO THE FOLLOWING:
  Dr. Martha Saunders, President
  Suzanne Lewis, Chair BOT
  Dick Baker, Chair Audit & Compliance Committee
  Alonzie Scott, Audit & Compliance Committee
  Dr. Paul Hsu, Audit & Compliance Committee
  Betsy Bowers, Vice President of Finance and Administration
  Christine Miller, Director Procurement and Contracts
  Jaime Hoelscher, Manager, FL Auditor General
  Ken Danley, Supervisor, FL Auditor General
  Julie Leftheris, BOG Inspector General
  Anna Lochas, BOT Liaison

MANAGEMENT RESPONSES TO RECOMMENDATIONS

Recommendation #1

Management Response:

We agree with the observation and recommendation. We acknowledge that the Standard Operation Procedures (SOPs) related to competitive solicitations and negotiations have not been updated since 2011. The finding underscores the importance of maintaining up-to-date written policies and procedures to support effective operations and compliance.

The failure to maintain current documentation poses a significant risk to the department's ability to effectively guide staff through these critical processes.

Procurement & Contracts will take immediate action to revise and update the SOPs related to solicitations to accurately reflect the current practices and regulations. This task will be assigned to the existing Senior Buyer and will be reviewed and approved by the Assistant Director and Director. This will ensure that our staff members have clear and comprehensive guidance to facilitate competitive solicitations and negotiations efficiently and per established protocols.

Furthermore, we will implement a set schedule for reviewing our SOPs to ensure that they are kept current moving forward. This proactive approach will not only address the immediate concerns outlined in the audit but will also promote ongoing improvement and adherence to best practices within our department.

Responsible Parties:

Procurement & Contracts Director and Vice President, Finance & Administration

Targeted Implementation Date:

April 30, 2025

Recommendation #2

Management Response:

We acknowledge and agree on the importance of maintaining complete and organized electronic records to support the historical accuracy and compliance of our procurement activities. The identification of missing documents from the "Team Folders" is concerning, despite their eventual retrieval from alternative locations within our system.

Procurement and Contracts will establish clear and standardized criteria outlining the types of documents that should be included within each sub-folder of Team Folders. Our goal is to have the Team sub-folders contain all key documents for each solicitation file. This will ensure consistency across projects and facilitate easier retrieval of necessary documents for compliance reviews and legal purposes. We will reinforce our efforts to ensure that all key documents, as identified in the criteria, are consistently included in the appropriate sub-folders within the Team Folders. This will be accomplished through training efforts and periodic quality control audits and reviews to verify compliance with the new standards.

Finally, we will establish standardized and consistent folder naming conventions and structure within the Team Folders. This will help to improve clarity and ease of navigation for all users. We will have the Buyers audit each other's completed files to ensure that each file is compliant with the newly established written protocols that will be a part of our department SOPs.

These combined actions underscore our commitment to maintaining robust documentation practices that support compliance with applicable laws, regulations, and organizational policies.

Responsible Parties:

Procurement & Contracts Director and Vice President, Finance & Administration

Targeted Implementation Date:

April 30, 2025

Recommendation #3

Management Response:

We concur with the finding regarding the staffing challenges within the Procurement & Contracts department. The observation that our current staff, despite being productive and knowledgeable, are often engaged in crisis management rather than strategic planning is particularly concerning. This reactive approach limits our ability to proactively develop and execute long-term procurement strategies, thereby affecting overall efficiency and effectiveness. During fieldwork, the internal auditor and vice president discussed the limited staffing. Accordingly, proactive steps were taken to address the staffing shortfall. As of May 22, 2024, we added a new staff position, bringing the current team to seven professionals. This additional resource would significantly bolster our ability to effectively manage Procurement's responsibilities, particularly in light of the recommendations for automation, policy updates, and operational efficiencies. This was intended to reduce the gap and enhance the department's ability to manage its duties effectively. Identifying these staffing deficiencies is crucial to enhance our operational capacity and incorporating the best practices in procurement management.

To further address the recommendations and ensure that the Procurement & Contracts department is sufficiently staffed to meet its objectives, the following actions will be taken:

1. **Immediate Recruitment Efforts:** We are expediting the recruitment process for the three currently vacant positions, including the new position. Collaborating closely with Human Resources, we aim to fill these vacancies with qualified professionals who can contribute to the department's goals.

2. **Retention and Development Strategy:** To address high turnover rates, we are implementing a comprehensive retention strategy, which includes competitive compensation, professional development opportunities, and a supportive work environment to retain skilled staff and reduce turnover.

3. **Focus on Strategic Planning:** With new staff members and the filling of vacancies, the department will be better positioned to shift focus from crisis management to strategic planning, policy updates, and implementation of automation and other efficiencies as recommended.

These actions will significantly enhance the operational efficiency and effectiveness of the Procurement & Contracts department, aligning with the university's strategic objectives.

Responsible Parties:

Procurement & Contracts Director and Vice President, Finance & Administration

Targeted Implementation Date:

November 30, 2024

UNIVERSITY of WEST FLORIDA

MEMORANDUM

June 22, 2023

TO: Betsy Bowers
Vice President for Finance and Administration

FROM: Christine Miller
Director, Procurement and Contracts

DocuSigned by:
Christine Miller
9D467D5F3B704D8...

SUBJECT: Annual Certification List – July 1, 2023 through June 30, 2024

_____

Pursuant to Board of Governors Regulation 18.001(6)(d)(17) and University of West Florida Regulation 6.0055(III)(A)(7)(q), we request your review and approval of the annual certification for the acquisition of the following sole source commodities and/or services not subject to competitive solicitations which are purchased on a recurring basis for FY 2023/2024.

Category 1: *The acquisition of repair and maintenance services, parts, proprietary accessories, and/or services available from a single source for existing equipment and systems when no other manufacturer's parts can be utilized or no other authorized service provider is available, e.g., UWF-owned, rented or leased equipment (copiers, computers, special office machines, etc.).*

Category 2: *The acquisition of copyrighted and single-source instructional materials, tapes, publications, periodicals, journals, manuscripts, films, and personal library collections, and the acquisition is made from the supplier holding copyrights and/or the sole franchise.*

Category 3: *The acquisition of live animals, animal care, and animal feed for instructional and research efforts wherein the selection must be determined by the expert opinion of the buyer, in consideration of genetic background, quality, body weight, and special diet conditions to attain the research or instructional objective.*

Category 4: *The acquisition of renovations, modifications, maintenance, or repair services for leased office or laboratory space which is specifically provided for in the lease agreement and/or are required to be accomplished by the owner/landlord and subsequently reimbursed by the University.*

Category 5: *The acquisition of computer software available only from a single source or necessary to perform with existing software or hardware. This includes software licenses, web or cloud-based solutions, internet database subscriptions, hardware upgrades, and associated maintenance agreements.*

Category 6: *Memberships that are essential to the duties and responsibilities of the University.*

Category 7: *The acquisition of technical instruments, supplies, and/or services for medical instruction, medical research, scientific, and health care whereby, in the expert opinion of the user directly responsible for the acquisition, defines it as a sole source selection.*

Category 8: *The acquisition of used equipment and supplies.*

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Category 9: *The rental of hotel rooms/hotel space, including catering and AV rental at the hotel and residential space rental.*

Category 10: *The acquisition of certain professional services where the personality and character of the provider/consultant plays an integral part in the delivery of product and/or services, and the success of the project. Examples might include but not be limited to; lobbying services and governmental relations consultants, services provided by foreign vendors for services taking place outside of the US, financial consulting services, and student recruitment services.*

Category 11: *Acquisitions essential to university student safety, welfare, and education available from a single source, or deemed impractical to compete in the best interest of students that are paid by student fees specifically budgeted for that purpose. This includes student activities, technology fees, and student equipment fee purchases.*

Category 12: *Insurance and/or insurance-related coverage for university employees, students, other related persons, and/or programs.*

Category 13: *Acquisitions of services involving officiating during sporting events or activities pursuant to educational accreditation.*

Category 14: *Continuation of services by a specific supplier which exceeds the competitive solicitation threshold as long as Procurement and Contracts are in the process of conducting a competitive solicitation for those services.*

<u>**Conditions Of Use**</u>
1. The Procurement Director or designee will provide advisory assistance as required for uniform interpretation and use of this annual sole source certification for The University of West Florida.
2. The Procurement Director or designee has the authority and fiduciary duty to complete any request submitted under the listed categories if in his/her sole discretion deems competition to be feasible and, in the university's, best interest.
3. This annual certification will apply to the acquisition method only and does not nullify or negate the clearance requirements by other regulatory bodies.
4. Each purchase order issued or PCard transaction within the privilege of the annual certification will contain the appropriation statement as follows:

"This acquisition is made in accordance with the conditions detailed in UWF Annual Certification List, approved by Vice President for Finance and Administration, effective through June 30, 2024."

Your approval will allow us to efficiently process requisitions for these services and equipment as needed, eliminating the need for a separate Sole Source or Exemption from Competition Affidavit for each individual purchase.

Approved: _____Betsy Bowers_____
71C3EFD764734AC...
Betsy Bowers
Vice President for Finance and Administration
06/22/2023
Posted: _____

Board of Trustees
Audit and Compliance Committee
August 15, 2024

PCard 4th Quarter Audit Report 2023-2024

Recommended Action:
Accept the PCard Quarter 4 Audit Report

Background Information:
We audited PCard activities for the period of April 1, 2024, through June 30, 2024. This audit was part of our 2023/24 approved audit work plan. Our objectives were to determine the extent of compliance with UWF PCard requirements for Cardholders and Approvers. The audit report was issued on July 17, 2024.

Results
We conducted an audit test to determine whether Cardholders submitted their Expense Reports to their Approvers by the established deadline, for the accounting cycles ending April 4, May 4, and June 4, 2024. We found that 27, 46, and 7 Cardholders, respectively, had not done so as of April 29, May 28, and June 27, 2024. In another audit test, we noted that 4 Approvers had not left an audit trail of their examination of invoices submitted to them on Concur Expense Reports, by clicking on the invoices. This is not a compliance issue but a preferred practice that provides an audit trail.

Implementation Plan:
N/A

Fiscal Implications:
Fiscal oversight by the Board of Trustees

Relevant Authority:
BOG Regulation 4.002

Supporting Documents:
1. PCard Fourth Quarter 2023/24 Audit Report

Prepared by:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division, x2638, ctalbert@uwf.edu

Presenter:
Cindy Talbert

UNIVERSITY of WEST FLORIDA

Internal Auditing & Management Consulting
Audit: PCard Audit Report – Fourth Quarter 2023/24
Report #P23-24_004
Date: July 17, 2024

UWF

SCOPE AND OBJECTIVES

We audited Purchasing Card (PCard) activities for the period of April 1, 2024, through June 30, 2024. This audit was included as part of our 2023/24 audit work plan. Our objectives were to determine the extent of compliance with UWF PCard requirements by Cardholders and Approvers.

Audit fieldwork began on June 28, 2024, and ended on July 3, 2024. Our audit conforms to the Institute of Internal Auditors' *Global Internal Audit Standards* and generally accepted auditing standards.

BACKGROUND

The UWF Office of Procurement and Contracts has 345 PCards currently issued to employees. Employees are required to be trained on PCard regulations before receiving a card or being assigned with other PCard responsibilities. Between April 1, 2024, and June 30, 2024, $4.03 million in charges were transacted.

UWF uses Concur, a web-based travel and PCard system, to manage PCard and travel activities. The general timeline and description of PCard activities is as follows:

- The PCard cycle runs from the 5th of each month to the 4th of the next month.

- All PCard charges uploaded from the credit card company to UWF throughout a given cycle should be reviewed by the Cardholder, who should upload applicable invoices and other supporting documentation to a Concur Expense Report by the 14th day of the month.

- The Cardholder should submit the Expense Report to their Approver through Concur by the 21st day of the month.

IAMC generates information from Concur about the timeliness of Expense Report creation and the timeliness of submission of the Expense Report to the Approver.

AUDIT METHODOLOGY

We extracted charge transaction information from Concur and from the J. P. Morgan Bank database. General ledger account numbers and vendor names were examined in an attempt to identify unusual transactions. We searched for duplicate transactions, those with invalid sales taxes added, and charges that might be split into smaller amounts in order to circumvent spending limits for individual cardholders.

Based on charge data from Concur posted during the fourth quarter, we searched for Cardholders who had not taken timely action as required by PCard regulations.

KEY OBSERVATIONS

1. We noted that the following number of Cardholders had not submitted their Expense Reports to their Approver by the required date:

For the PCard accounting cycle ending:	# of Cardholders who submitted late
April 4, 2024	27
May 4, 2024	46
June 4, 2024	7

Each of the Cardholders had received automated reminders from Concur about submitting their Expense Report.

The number of Expense Reports and associated charges were distributed among the Divisions as shown in the following table:

For the PCard Cycle Ending 4/04/24		
Division	**Expense Reports not submitted at 4/29/24**	**# of Charges**
Academic Affairs	5	23
Advancement	0	0
DAESA	1	1
Fin. & Admin.	0	0
President	21	122
For the PCard Cycle Ending 5/04/24		
Division	**Expense Reports not submitted at 5/28/24**	**# of Charges**
Academic Affairs	10	28
Advancement	0	0
DAESA	4	38
Fin. & Admin.	2	3
President	30	171
For the PCard Cycle Ending 6/04/24		
Division	**Expense Reports not submitted at 6/27/24**	**# of Charges**
Academic Affairs	4	11
Advancement	0	0
DAESA	1	1
Fin. & Admin.	0	0
President	2	2

Some of the figures in the chart deserve additional explanation:

- Virtually all of the late Expense Report submissions in the President's Division were from Athletics.

- In the third cycle, Athletics showed a remarkable improvement in timely submissions. An analysis of the charges showed that they only charged about 25% in the third cycle compared to the first and second cycles. This is unlikely to explain the entire decrease in late submissions. In response to our inquiry, the Athletics Business Manager stated that "long hours" resulted in improved timeliness. She noted that they continue to recruit a full-time position to assume PCard-related duties.

We questioned the 7 Cardholders noted in the chart above who were late in submitting their Expense Reports for the June 4, 2024 PCard cycle, as to why they did not submit on a timely basis. Their responses can be summarized as follows:

- 2 – simply forgot to submit.

- 1 - was overwhelmed with other duties.

- 2 – held the reports while waiting for information related to travel. Our policy states that Expense Reports are to be submitted timely regardless of the status of related travel expenses.

- 1 – initially submitted on time but the Expense Report was returned to them by the Travel department, for corrections. It

should be noted that the Cardholder did not submit the Expense Report until about two weeks past the time when they could have submitted it. This would have provided sufficient time to respond to the Travel department inquiry and still meet the deadline for the Expense Report to be submitted.

- 1 – Purposefully held the charge out until the new fiscal year because it was a cost related to 2024/25, after seeking guidance on the matter. Discussion with the Associate Controller indicated that a more proper course would have been to submit the expense and allow it to be timely reviewed in 2023/24, then adjust the department's budget, if necessary.

These explanations show that at least 6 of the 7 late submissions did not have valid justification.

A question arose during our discussions as to whether or not an Expense Report containing an erroneous hotel bill should be processed before a corrected invoice is received. The Associate Controller reiterated that all charges, even fraudulent ones, should be reviewed and submitted as part of an Expense Report according to the standard deadline. Fraudulent charges are to be identified as such, using specific account codes. After submitting an erroneous invoice, Cardholders are instructed to follow up with vendors to obtain credits and/or corrected invoices.

2. We analyzed PCard charges posted to UWF's financial system during fourth quarter, by vendor, merchant category code, Cardholder total, and individual dollar amount. This was done in order to facilitate the judgmental selection of transactions on which to conduct audit tests. We selected 40 charges to test, with the following results:

Test Criteria	Exceptions
Was a valid receipt submitted?	0
Was the business purpose clarified?	0
Were appropriate account and budget codes applied to the charge?	0
Was the charge "split" to avoid spending limits?	0
Was the item prohibited from purchase?	0
Was sales tax inadvertently paid?	0
Was there evidence that the receipt was reviewed?	4
Was the designated Approver an appropriate person (such as the Cardholder's supervisor)?	0

Some Approvers may have reviewed the 4 invoices/receipts noted in the table above; however, the Concur application does not register such review if they only "hover" over the invoice/receipt image with their mouse without clicking on it. Each of the 4 Approvers were contacted with a request to purposefully click on the image and thus preserve an audit trail for the future.

Internal Auditing & Management Consulting
Audit: PCard Audit Report – Fourth Quarter 2023/24
Report #P23-24_004
Date: July 17, 2024

UWF

We appreciate the professionalism, cooperation, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cynthia Talbert

Cynthia Talbert, CFE, CIA, CRMA, CPA
Chief Audit Executive

REPORT PROVIDED TO THE FOLLOWING:
  Dr. Martha Saunders, President
  Suzanne Lewis, Chair BOT
  Dick Baker, Chair Audit & Compliance Committee
  Alonzie Scott, Audit & Compliance Committee
  Dr. Paul Hsu, Audit & Compliance Committee
  Dr. Jaromy Kuhl, Provost
  Dr. Greg Tomso, Vice President Academic Engagement and Student Affairs
  Betsy Bowers, Vice President of Finance and Administration
  Howard Reddy, Vice President of Advancement
  Christine Miller, Director Procurement & Contracts
  Jeffrey Djerlek, Controller
  Jaime Hoelscher, Manager, FL Auditor General
  Ken Danley, Supervisor, FL Auditor General
  Julie Leftheris, BOG Inspector General
  Anna Lochas, BOT Coordinator

Board of Trustees
Audit and Compliance Committee
August 15, 2024

IAMC Vision, Strategic Plan, Budget, and Technology Plan

Recommended Action:
Approve the Internal Auditing and Management Consulting Vision, Strategic Plan, Budget, and Technology Plan.

Background Information:
These items are being presented to the BOT for approval based on the requirements that were established in the new Institute of Internal Auditors Global Internal Audit Standards.

Vision
The IAMC vision is to be a high-performing internal audit activity that meets the expectations of our stakeholders and adheres to The Institute of Internal Auditors *Global Internal Audit Standards.*

Strategic Plan 2024/25
Our goal is to provide sufficient assurance and consulting coverage for the University and Direct Support Organizations such that governance, risk management, and internal controls are evaluated in the highest risk areas by highly competent auditors.

- Objective 1: Contribute toward UWF Strategic Direction 6 *Operational Excellence*, which includes:
    - Goal 6.1: Effective and timely business and operational services informed by best practices.
    - Goal 6.2: Ensure student and employee safety and continuity of operations from natural disasters or catastrophic events.
    - Goal 6.3: Assure accountability of operations and outcomes to appropriate internal and external stakeholders.
- Objective 2: Complete the audit work plan by the end of the fiscal year.
- Objective 3: Follow up on audit recommendations within 30 days of the targeted implementation date.
- Objective 4: Obtain at least a 4.0 composite score on client satisfaction surveys.
- Objective 5: Satisfactorily resolve all formally submitted complaints either by the performance of an investigation or other appropriate resolutions.
- Objective 6: Obtain at least 40 hours of professional continuing education for all audit staff.
- Objective 7: Obtain certification of all audit staff (preferably the Certified Internal Auditor designation).

Budget and Other Resources

IAMC was provided with a 2024/25 E&G operating expense budget of $19,618. In addition, our payroll cost is supplemented by $20,000 of auxiliary cash to support PCard audit activities. The operating expense budget is ample to provide for professional organization memberships, continuing education, training, travel, equipment, technology needs, and supplies. The auditors will be able to attend not only fraud workshops offered locally by the Association of Certified Fraud Examiners but will take advantage of educational opportunities provided by the Institute of Internal Auditors. This includes the IIA Ignite Conference October 21-23 and the IIA Governance, Risk Management, and Control Conference that was held on August 12-14.

IAMC is fully staffed with three internal auditors and this size adequately provides for the audit resources necessary to perform audits on higher risk areas and functions.

Technology Plan

We currently use a home-grown Microsoft Access database for our audit management system. This has no cost and and is effectively meeting our needs. Matt Packard created the database and provides ongoing tech support to us.

We use Excel extensively in our audit work. We continuously search for ways to integrate data analytics, especially in audit testing, but haven't found a great need for this.

We have used artificial intelligence in a few rare instances, for example, to generate Audit Programs from ChatGPT, and it has proved to be useful. There is no current need to expand to other AI applications.

All three auditors have a remote desktop connection at home, in case the University must close down. Our budget is adequate to purchase laptop replacements when needed. The office networked printer was recently replaced. We have no current needs for equipment or software.

Implementation Plan:
As noted above.

Fiscal Implications:
BOT supervisory authority over the IAMC budget.

Relevant Authority:
BOG Regulation 4.002, IIA Global Internal Audit Standards

Supporting Documents:
N/A

Prepared by:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division, x2638, ctalbert@uwf.edu

Presenter:
Cindy Talbert

UNIVERSITY *of* WEST FLORIDA

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Office of Compliance and Ethics Annual Report

Recommended Action:
Approve the Office of Compliance and Ethics's 2023-2024 Annual Report.

Background Information:
Board of Governors Regulation 4.003 requires all SUS institutions to report annually on the effectiveness of the program. This year the OCE opted to replace the text-heavy, annual report with an infographic. Supplementing a longer narrative for key statistics, which more effectively assess effectiveness and lends itself to more efficient Board oversight.

Implementation Plan:
Upon BOT approval, the updated OCE End of Year Infographic will be shared with the SUS Compliance and Ethics Consortium and submitted to the Board of Governors Office of the Inspector General and Director of Compliance.

Fiscal Implications:
Oversight of the Office of Compliance and Ethics.

Relevant Authority:
Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs

Supporting Documents:
   1. Office of Compliance and Ethics End of Year Infographic / Annual Report

Prepared by:
Matthew Packard, Chief Compliance Officer, Office of Compliance and Ethics, President's Office, 850.857.6070, mpackard@uwf.edu

Presenter:
Matthew Packard, Chief Compliance Officer

UWF Office of Compliance and Ethics

2023-24 Year in Review Infographic

The Office of Compliance and ethics serve to maintain the integrity, reputation, and trust of our university. It helps ensure we adhere to laws, regulations, and ethical standards, fostering a safe and fair environment for all. Furthermore, OCE aids in mitigating risks, avoiding legal issues, and promoting transparency and accountability. These efforts enhance our institutional credibility and contribute to the overall betterment of our campus community by promoting responsible and principled behavior.

Regulatory Accountability

815
Unique Compliance Obligations
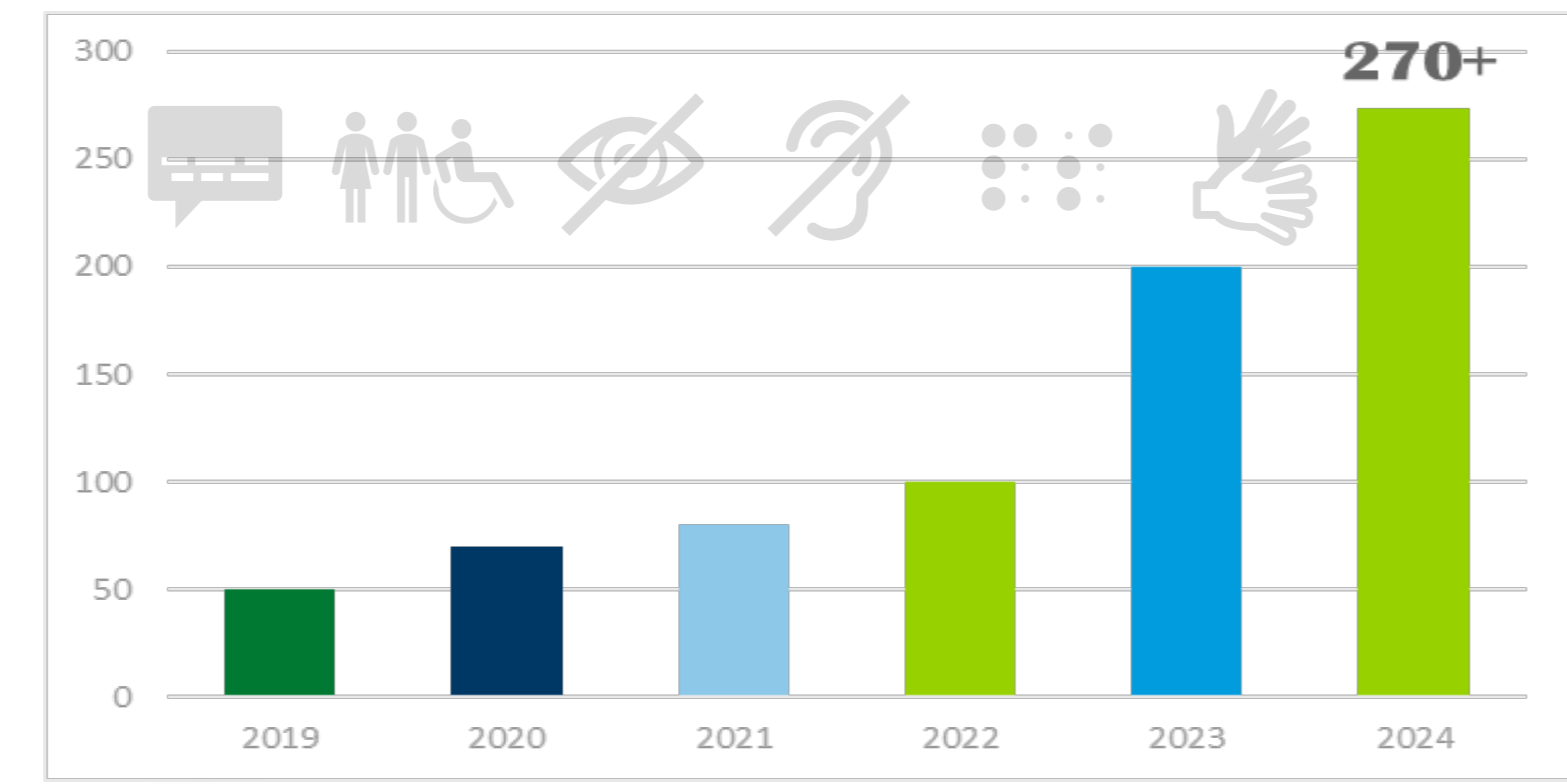**Reviewed and Assigned** to 65+ Compliance Partners

Open Lines of Communication

145
Compliance Calendar Reminders **Issued in FY 2023-24**
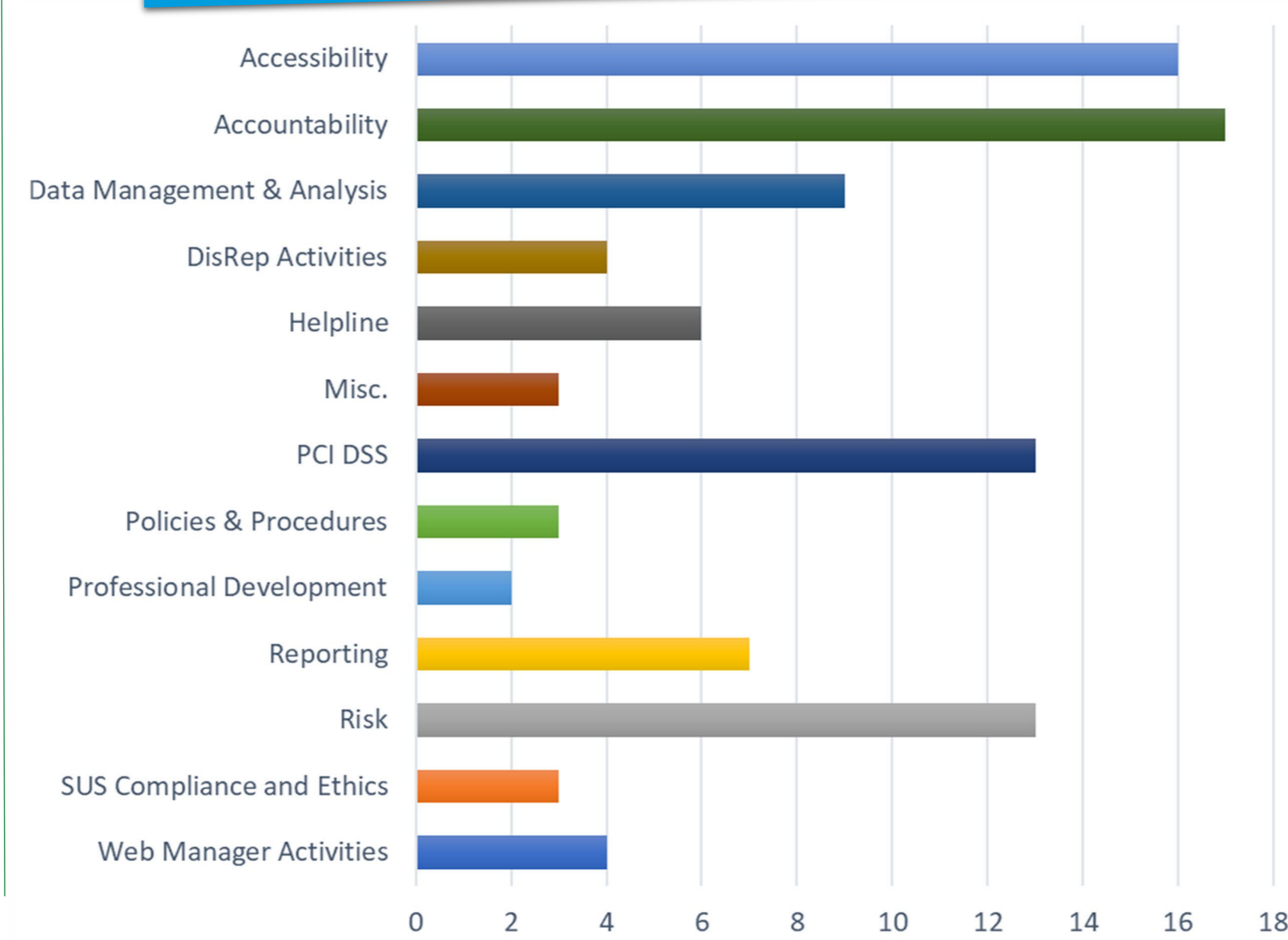
Employee Reporting

38%
Decrease in anonymous helpline reporting from 2023

Digital Accessibility: Procurement

770+
Digital Accessibility Contract Reviews to Date
Over 270 conducted in 270 alone

270+

Chart axis: 300, 250, 200, 150, 100, 50, 0 — years 2019, 2020, 2021, 2022, 2023, 2024

Summary of Activities 2023-2024

Bar chart categories:
- Accessibility
- Accountability
- Data Management & Analysis
- DisRep Activities
- Helpline
- Misc.
- PCI DSS
- Policies & Procedures
- Professional Development
- Reporting
- Risk
- SUS Compliance and Ethics
- Web Manager Activities

Axis: 0, 2, 4, 6, 8, 10, 12, 14, 16, 18

Credit Card Data Compliance

Payment Card Data Security
Compliance, Reporting, and Training

7 Merchant Accounts

20+ Dedicated Devices

150+ Trained Employees

Risk Mitigation & Management

140+
Risk Factors
Identified, Defined, and Ranked Annually

2017 - 2024 Risk Data

Legend: Count of Risk — Average of Residual Risk Rating

Data points: 125 (17-18, 12.3), 135 (18-19, 11.9), 143 (19-20, 12.6), 142 (20-21, 16.9), 139 (21-22, 17.2), 140 (22-23, 17.8)
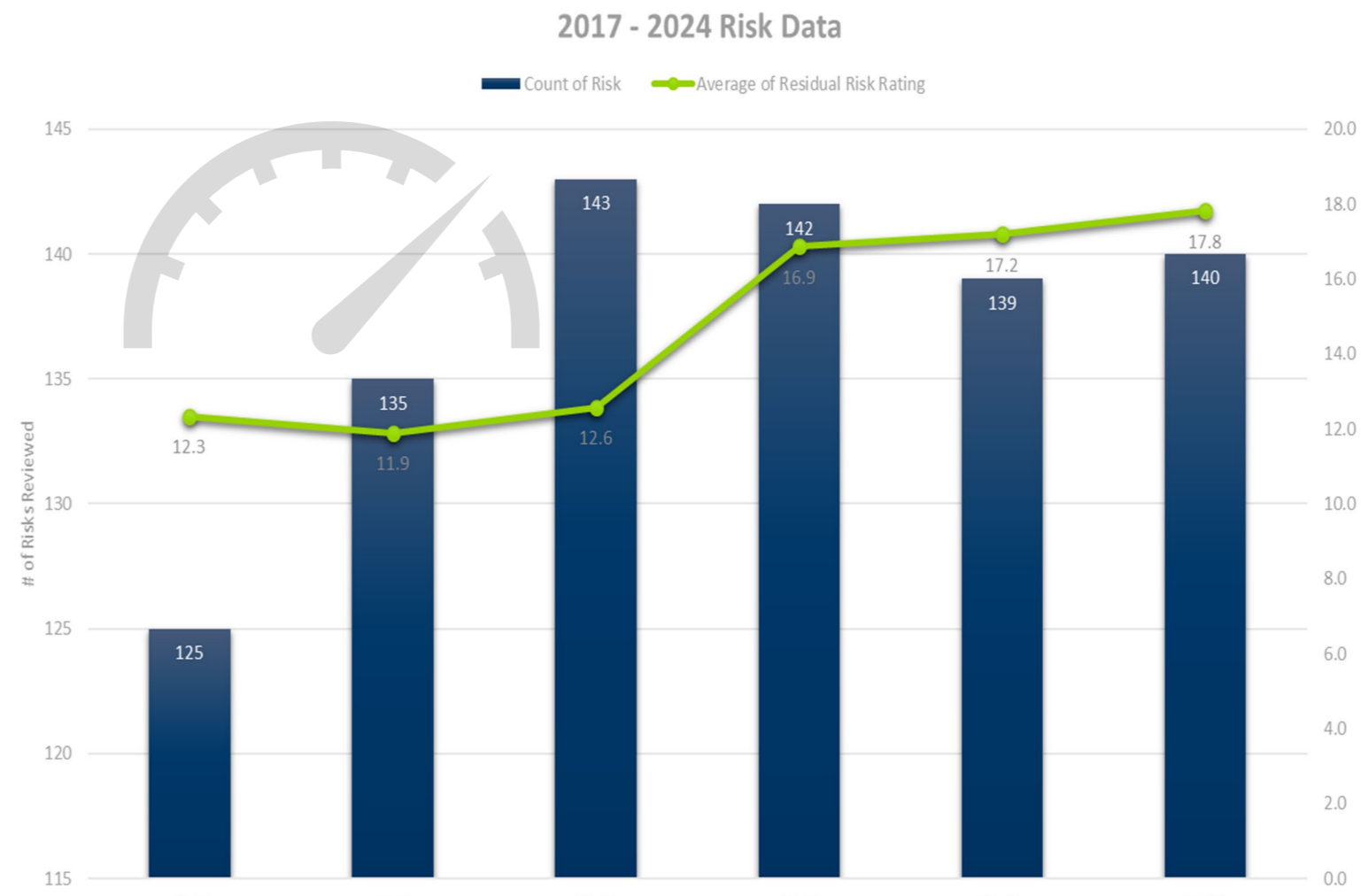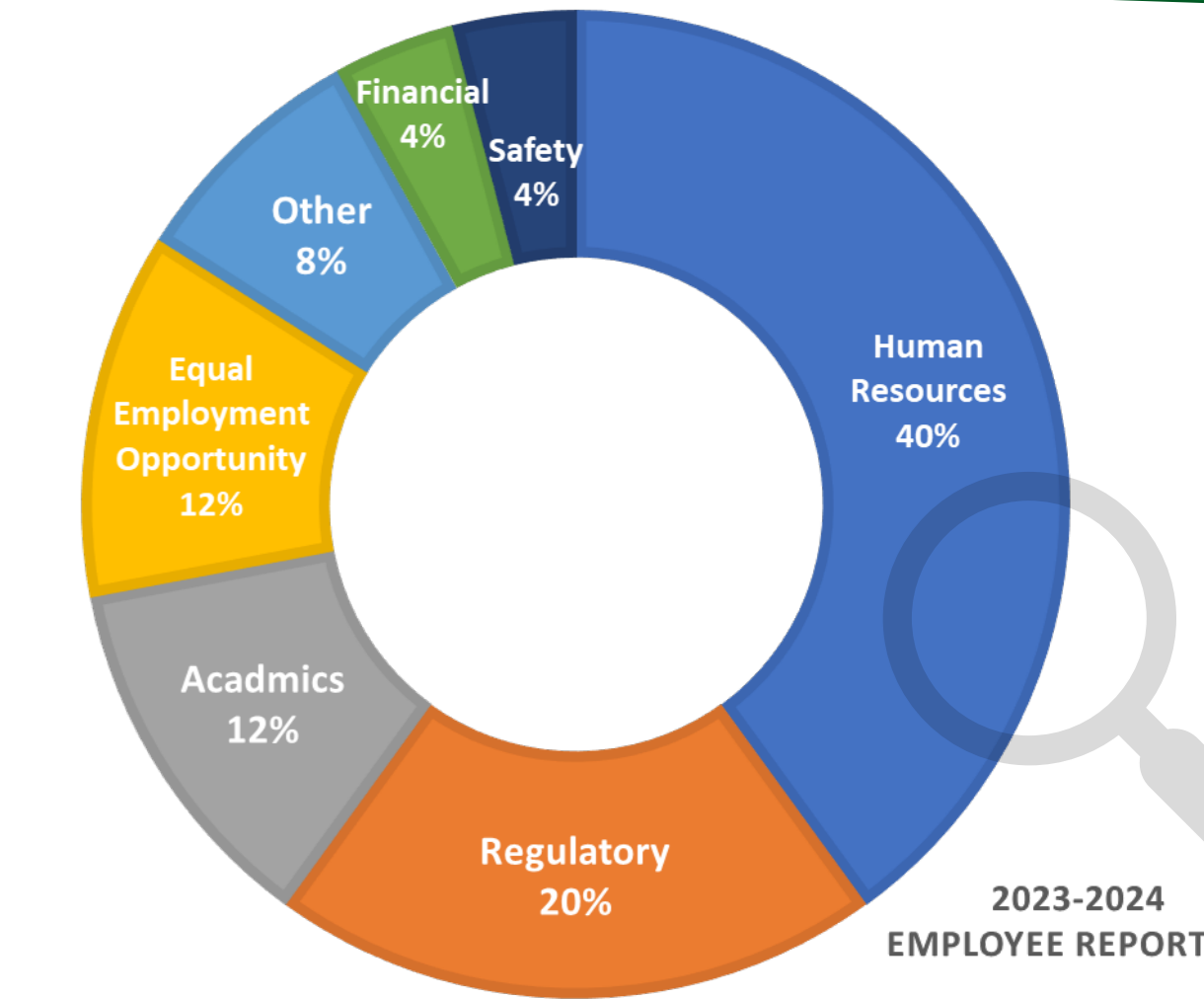
The Many Costs of Non-Compliance

$67,544
The Potential Fine for *Each* Clery Act Violation

The costs of non-compliance are wide-reaching and go beyond the obvious financial penalties. Compliance failures can impact reputation and intercede with our ability to operate efficiently and effectively.

In response, Compliance and Ethics attempts to head off potential lawsuits or fines levied by proactively assessing our environment and making sure adequate controls, policies, and processes are in place. This ensures that we are prepared for both established and incoming laws, rules, regulations, or other compliance obligations.

Integrity Helpline 23-24 Data

Donut chart:
- Human Resources 40%
- Regulatory 20%
- Academics 12%
- Equal Employment Opportunity 12%
- Other 8%
- Financial 4%
- Safety 4%

2023-2024 EMPLOYEE REPORTING

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Office of Compliance and Ethics Work Plan

Recommended Action:
Approve the Office of Compliance and Ethics 2024-2025 Work Plan.

Background Information:
The Office of Compliance and Ethics Work Plan supplements the annual reporting data and provides stakeholders with a general overview of the planned activities and scope of operations for the Office of Compliance and Ethics. Additionally, the Work Plan is formatted to underscore the requirements of *Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs.*

The document has been amended from its previous iteration to reflect changes in the general activities of the Chief Compliance Officer, such as the introduction of Identity Theft Prevention training program, increasing program awareness, and incentivizing compliance.

Implementation Plan:
None

Fiscal Implications:
Fiscal oversight by the UWF Board of Trustees

Relevant Authority:
Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs

Supporting Documents:
1. OCE 2024-25 Work Plan (PDF)

Prepared by:
Matt Packard, Chief Compliance Officer, OCE, 850.857.6070, mpackard@uwf.edu

Presenter:
Matt Packard, Chief Compliance Officer

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2024-25 Compliance & Ethics Work Plan

The mission of the Office of Compliance and Ethics ("OCE") **is to establish and maintain a centralized compliance and ethics function that promotes a university-wide culture of compliance, integrity, and ethical conduct**. OCE is a forward-thinking function that focuses its efforts on projects that provide preemptive protections, establish internal controls, and address other protective measures designed to mitigate risk and defend the university's reputational standing.

The Compliance & Ethics Work Plan is organized as to outline the elements of an effective compliance and ethics program as defined by *Florida Board of Governor's Regulation 4.003, State University System Compliance and Ethics Programs*. The Work Plan provides stakeholders with specific examples of how each fundamental obligation is satisfied through a selection of OCE operational responsibilities.

Governance & Oversight	
Promote accountability among UWF employees for compliance with federal, state and local laws and regulations, and appoint knowledgeable individuals responsible for aiding in the development and implementation of a comprehensive compliance and ethics program	Serve as Vice-Chair to the Risk and Compliance Council
	Chair the UWF Payment Card Industry Data Security Standards workgroup; provide guidance and policy support; administer Credit Card Processor training
	Appropriately delegate the University's compliance obligations to accountable persons by use of the UWF Higher Education Database, Compliance Calendar and Accountability Matrix
	Provide employees ample resources and guidance using the university's business library and though continuous communication with compliance partners

	Serve on various standing committees and workgroups to provide compliance guidance and help achieve UWF's strategic mission
	Spearhead UWF's Electronic Information Technology & Accessibility initiative and ensure all UWF's digital offerings are accessible to all persons through the contract review process

Response, Prevention, & Enforcement

Create an effective communication network that allows for the efficient dissemination of information to compliance partners and provide an easily accessible mechanism for employee reporting	Administer the UWF Integrity Helpline to ensure cases are properly assigned, receive prompt attention, are thoroughly investigated, and are closed in a timely manner
	Continually maintain and promote UWF compliance and ethics website and UWF business library resources
	Maintain effective compliance communications through use the compliance partner network
	Issue regulatory alerts, reporting deadlines, and updates at least monthly
	Collaborate with Integrity Helpline Partners to review Helpline allegations of misconduct and support in the investigatory process
	Monitor the EITA web portal and respond promptly to reports of barriers to accessibility within the uwf.edu web domain

Education & Awareness

Educate the UWF community on compliance obligations, regulatory requirements, and how compliance and ethics are incorporated into, and support, UWF's strategic goals	Coordinate annual Board of Trustees (BOT) compliance and ethics training as accorded by state and federal regulation
	Report significant instances of fraud to the President, Board of Trustees, and when applicable, to the Board of Governors in accordance with BOG Regulation, 4.001, University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement
	Administer Identity Theft Prevention (ITP) and Credit Card Processor Training certifications to applicable employee population
	Provide targeted compliance and ethics training and communications to UWF employees to supplement existing employee training programs
	Evaluate UWF's training programs for effectiveness and identify any potential regulatory or strategic gaps

Policies & Procedures

Work with relevant areas to maintain and develop University policies, procedures, and regulations that suitably represent UWF's commitment to ethical conduct and compliance with all applicable laws and regulations	Continuous review of UWF policies with special attention to any policy over five years old
	Review, develop, and promote UWF's employee codes of conduct in order to adequately communicate the University's ethical expectations
	Ensure policies and procedures adequately reflect UWF's commitment to ethical conduct and facilitate a system-wide culture of compliance

	Monitor changes to the Board of Governors regulatory library and ensure UWF policies and procedures are updated as required

Auditing, Monitoring & Risk Assessment

	Utilize the UWF Compliance Office Resources (i.e., Compliance Database, Accountability Matrix, and Compliance Calendar) to monitor UWF's obligations and designate accountability
Identify and remediate noncompliance through annual risk assessments and develop proactive programs designed to monitor areas of risk	Spearhead completion of the UWF Risk and Compliance Council's annual system-wide risk assessment and develop the accompanying risk heat map—Communicate data and findings to senior leaders and the BOT Audit & Compliance Committee
	Conduct data analysis of past and present risk assessment data and develop an annual risk report and maintain risk dashboards
	Collaborate with Risk and Compliance Council to communicate university risk data to the appropriate persons
	Work with General Counsel, Human Resources, and Research Administration and Engagement to assist with the university-wide conflict of interest and outside commitment processes

Discipline and Incentives

Promote the compliant and ethical behavior through incentives and appropriate disciplinary guidelines	Promote accountability and consistent discipline by adhering to the UWF Standards of Conduct policy
	Work with UWF Integrity Helpline Partners to promote consistent disciplinary measures when conducting investigations

	Promote awareness of UWF policies and procedures and applicable regulatory requirements through periodic reminders and employee resources
	Incorporate Compliance and Ethics materials into New Employee Orientation to further promote ethical conduct and empower employees
	Identify compliance incentive opportunities wherever possible to encourage ethical behavior and facilitate a system-wide culture of compliance
	Work with senior leaders to emphasize compliance and ethical behavior in their messaging and incorporate these values when conducting performance reviews

Measure Program Effectiveness

Evaluate and report on the overall performance of the UWF compliance function and the compliance and ethics culture at UWF	Create and submit the Office of Compliance and Ethics Annual Report to the Board of Trustees Audit and Compliance Committee for approval
	Monitor, maintain, and evaluate Integrity Helpline reporting data for any trends and/ or red flags
	Continuous Monitoring of Compliance and Ethics Program's adherence to BOG/REG 4.003
	Collaborate with SUS Compliance Consortium in a statewide compliance program benchmarking and facilitation
	Coordinate with the SUS Compliance and Ethics Consortium to carry out 5-year program evaluations

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Office of Compliance and Ethics Update on Activities

Recommended Action:
Information Item

Background Information:
This information provides the Audit and Compliance Committee with a broad overview of the recent activities of the Office of Compliance and Ethics (OCE) by highlighting contemporary compliance and ethics trends and issues. In doing so, this provides the Audit and Compliance Committee and University President with the essential knowledge necessary to carry out its responsibility to "*exercise oversight with respect to the implementation and effectiveness[1]*" of UWF's Compliance and Ethics function.

[1]Per Florida Board of Governors Regulation 4.003, SUS Compliance and Ethics Programs

Implementation Plan:
N/A

Fiscal Implications:
Fiscal oversight required by UWF Board of Trustees.

Relevant Authority:
Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs

Supporting Documents:
1. PPT Slide Deck

Prepared by:
Matt Packard, Chief Compliance Officer, OCE, 850.857.6070, mpackard@uwf.edu

Presenter:
Matt Packard, Chief Compliance Officer

Board of Trustees
Audit and Compliance Committee
August 15, 2024

Internal Auditing and Management Consulting Update

Recommended Action:
Information Item

Background Information:
The purpose of this Information Item is to provide the Committee with an overview of activities within Internal Auditing & Management Consulting, as required by the department Charter.

1. Status of internal audits in progress
2. Status of advisory/consulting activities
3. External audits in progress
4. Audit follow up
5. Miscellaneous items

Implementation Plan:
None.

Fiscal Implications:
None.

Relevant Authority:
IAMC Charter

Supporting Documents:
None.

Prepared by:
Cindy Talbert, Chief Audit Executive, IAMC, President's Division, x2638, ctalbert@uwf.edu

Presenter:
Cindy Talbert

UNIVERSITY *of* WEST FLORIDA