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UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Audit and Compliance Committee
April 17, 2018, 1:30 – 2:30 p.m.
President's Board Room
Conference Call-In Phone #1-800-442-5794, passcode 463796

<u>**AGENDA**</u>

I.   CALL TO ORDER   Beverly Seay
                                                          Chair, Audit and Compliance Committee

II.   ROLL CALL   Margaret Melli
                                                          Executive Administrative Assistant of
                                                          University Compliance, Ethics, and Risk

III. MEETING MINUTES

- Approval of the January 12, 2018, Audit   Chair Seay
  and Compliance Committee meeting minutes

IV.   NEW BUSINESS   Chair Seay

- University Audit Report (INFO-1)   Robert Taft
                                                   Chief Audit Executive

- University Compliance, Ethics, and   Christina L. Serra
  Risk Report (INFO-2)   *Director of Compliance and Ethics*
                                                   and Interim Chief Compliance and
                                                   Ethics Officer

V.   CLOSING COMMENTS   Chair Seay

UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Audit and Compliance Committee Meeting
January 12, 2018
President's Board Room

MINUTES

CALL TO ORDER

Trustee Beverly Seay, chair of the Audit and Compliance Committee, called the meeting to order at 2:00 p.m by teleconference call. Trustees David Walsh and Bill Yeargin attended by teleconference call. Trustee William Self was present.

MINUTES APPROVAL

The minutes from the November 30, 2017, meeting were approved unanimously.

NEW BUSINESS

Acceptance of the Board of Governors' Performance-based Funding Data Integrity Certification Audit Report (AUDC-1)
Robert Taft, Chief Audit Executive, provided an outline of the Board of Governors' Performance-based Funding Data Integrity Certification Audit Report and the process involved for acceptance. The report was accepted by the Committee.

Approval of the Performance-based Data Integrity Certification Form (AUDC-2)
Taft gave an update on the Performance-based Data Integrity Certification Form Audit Plan. The plan was approved by the Committee.

Chair Seay adjourned the Audit and Compliance Committee meeting at 2:06 p.m.

Respectfully submitted: _____   _____
                        Robert Taft   Date
                        Chief Audit Executive

Respectfully submitted: _____   _____
                        Rhonda L. Bishop   Date
                        Chief Compliance and Ethics Officer

ITEM: INFO-1

University of Central Florida
Board of Trustees
Audit and Compliance Committee

SUBJECT: University Audit Report

DATE: April 17, 2018

PROPOSED COMMITTEE ACTION

Information only.

Supporting documentation: Attachment A: University Audit Report

Prepared by: Robert Taft, Chief Audit Executive

Submitted by: Robert Taft, Chief Audit Executive

Attachment A

University Audit Report

April 17, 2018

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Agenda

1. Status update on active audits

2. Upcoming audits

3. Open audit issues

4. Staffing model

5. Other activities

6. Takeaways from General Audit Management conference

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In Progress Audits

Audit Name	Status
Environmental Health and Safety	Draft Report
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	Draft Report
Real Estate Lease Management	Draft Report
UCF Research Foundation (Direct Support Organization)	Fieldwork

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Next Scheduled Audits

Audit Name	Scheduled Kickoff
College of Nursing	First Quarter 2018
Research Incubators	Second Quarter 2018
Financial Aid	Second Quarter 2018
Web Accessibility	Second Quarter 2018
Academic Advising	Fourth Quarter 2018 (Deferred)
Board of Governors Performance Based Funding review	Ongoing

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Open Audit Issues

- Follow-up taking place on a semi-annual cycle

- Formal summary report subsequently issued

- Next report will incorporate our residual risk scoring concept to quantify the impact of remaining open issues for each audit project

- Process will now require UCF management accountable for resolving overdue items to appear before the committee to provide a status report

- Priority for committee appearances will be given to higher residual risk scores and position on our aging schedule

- Unlike accounts receivables, no plans to "write off" open issues

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Staffing Model
State University System Benchmarking

	Name of University	Number of Authorized Auditors and Investigators (As of October 2017)
1.	University of Florida	12
2.	Florida International University	10
3.	Florida State University	10
4.	University of South Florida	10
5.	Florida Agricultural and Mechanical University	7
6.	**University of Central Florida**	**7**
7.	Florida Atlantic University	4
8.	Florida Gulf Coast University	4
9.	University of West Florida	4
10.	University of North Florida	3
11.	Florida Polytechnic University	1
12.	New College of Florida	1

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Staffing model proposal

- Preparation of detailed whitepaper coming
- Despite dramatic growth at UCF, staff size has never exceeded seven over the past 20 years
- Hire two to three additional staff over next 12 months
- Focus on obtaining some combination of the following skill sets:
    a) IT audit
    b) Data Analytics
    c) Construction
    d) Health care
    e) Investigations

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Impact on the Department

- Look for physical space alternatives or redesign of current space to accommodate additional staff

- Shift from "flat organization" model

- Promotion of current personnel to manager roles

- Development of subject matter experts and increased level of specialization and relationship development

- Increased productivity and additional resources are both essential

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Other activities

1. Audit management software implementation

2. Auditor General interaction

3. Direct Support Organization consulting project

4. Quality Assurance Reviews

5. Personnel search committees

6. Stadium and arena vendor selection committee

7. Controlled Unclassified Information project

8. Sustainability committee membership

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Key themes from recent Institute of Internal Auditors' conference

1. Agility and Innovation

2. Culture

3. Artificial Intelligence and Machine Learning

4. Blockchain

5. Data Analytics

6. Enterprise Risk Management

7. Sustainability

8. Audit committee relationships and reporting

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Questions?

ITEM: INFO-2

University of Central Florida
Board of Trustees
Audit and Compliance Committee

SUBJECT: University Compliance, Ethics, and Risk Report

DATE: April 17, 2018

PROPOSED COMMITTEE ACTION

Information only.

Supporting documentation: Attachment B: University Compliance, Ethics, and Risk Report

Prepared by: Christina L. Serra, Director of Compliance and Ethics and Interim Chief Compliance and Ethics Officer

Submitted by: Christina L. Serra, Director of Compliance and Ethics and Interim Chief Compliance and Ethics Officer

Attachment B

University Compliance, Ethics, and Risk Report

Audit and Compliance Committee Meeting

April 17, 2018

Agenda

- University Compliance, Ethics, and Risk Program Update

- 2017-18 Work Plan Status

- Includes University Compliance, Ethics, and Risk activities from November 1, 2017, to March 12, 2018

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UCER Program Update

- Staffing
  - Open position - Chief Compliance, Ethics, and Risk Officer
  - New hire - Carla Markx, Compliance Analyst

- Minors on Campus Program
  - Chair committee
  - Launch survey and finalize draft training and policy

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2017-18 Work Plan Status

1. **Provide Oversight of Compliance and Ethics and Related Activities**
    - Chair University Compliance and Ethics Advisory Committee
    - Conduct quarterly meetings with compliance partners and senior leadership
    - Serve on Title IX workgroup
    - Serve as member of the Security Incident Response Team

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2017-18 Work Plan Status

2. Develop Effective Lines of Communication

- *IntegrityStar* March 2018
  - Articles on "Compliance and Ethics Culture Survey," "Let's Be Clear Campaign," "Minors on Campus Program Developments," and "Gifts and Honoraria Reviews"
- Administer and promote the UCF IntegrityLine and the compliance and ethics website
- Coordinate timely responses to regulatory and other external agencies

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2017-18 Work Plan Status

3. Conduct Effective Training and Education

- Compliance and Ethics Week, November 2017
  - Ethical Leadership, Amorous Relationships, and Information Security Training
- Research Award Training for College of Arts and Humanities and the College of Health and Public Affairs
- Ethical Leadership training for UCF Foundation and UCF Human Resources
- Clery Act training for football staff
- Online training:
  - Code of Conduct – 93 employees trained (768 total since October 2017 launch)
  - Potential Conflicts – 13 employees trained
  - Gifts and Honoraria – 102 employees trained

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2017-18 Work Plan Status

4. Revise and Develop Policies and Procedures

- University Policies and Procedures Committee and policy development
  - Five-year policy review project
- UCF Health Sciences Health Insurance Portability and Accountability Act of 1996 (HIPAA) Policy Collaborative
  - Continue drafting a single set of HIPAA privacy and security policies
- UCF Employee Code of Conduct revision
  - President's message, Let's Be Clear campaign
  - July implementation

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2017-18 Work Plan Status

5. Conduct Internal Monitoring and Compliance Reviews

- Manage university-wide conflict of interest and commitment process
- Continue compliance partner reporting
- Conduct risk assessment
- Review UCF IntegrityLine and University Compliance, Ethics, and Risk database for trends and risk areas, then address appropriately

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2017-18 Work Plan Status

6. Respond Promptly to Detected Problems and Undertake Corrective Action

- Receive and evaluate UCF IntegrityLine reports and allegations made directly to University Compliance, Ethics, and Risk
  - Received 59 IntegrityLine cases, closed 17
  - Received eight non-IntegrityLine cases, closed three
- Provide recommendations for corrective actions and improvements in ethical conduct

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2017-18 Work Plan Status

7. Enforce and Promote Standards through Appropriate Incentives and Disciplinary Guidelines

- Promote compliance and ethics incentive opportunities
  - Awarded prizes during Compliance and Ethics Week
  - Recognized employees in *IntegrityStar*
- Promote awareness of UCF regulations, policies and procedures, and regulatory requirements
  - Highlighted in each *IntegrityStar* edition
- Promote accountability and consistent discipline
  - Recommendations following investigations with substantiated allegations

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2017-18 Work Plan Status

8. Measure Compliance Program Effectiveness

- Compliance and Ethics Culture Survey
  - March 1 – 30, 2018
- Compliance and Ethics Annual Report
- University assessment process

9. New Regulations and Special Projects

- National Institute of Standards and Technology 800-171 (NIST)
- HIPAA audit outcomes and action items

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Questions?