AGENDA

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 and Compliance Committee meeting minutes
  Chair Seay

IV. NEW BUSINESS

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

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

V. CLOSING COMMENTS

Chair Seay
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
Chief Audit Executive

Respectfully submitted: ___________________________  __________________________
Rhonda L. Bishop
Chief Compliance and Ethics Officer

Date

Date
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
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
# In Progress Audits

<table>
<thead>
<tr>
<th>Audit Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Health and Safety</td>
<td>Draft Report</td>
</tr>
<tr>
<td>Health Insurance Portability and Accountability Act of 1996 (HIPAA)</td>
<td>Draft Report</td>
</tr>
<tr>
<td>Real Estate Lease Management</td>
<td>Draft Report</td>
</tr>
<tr>
<td>UCF Research Foundation (Direct Support Organization)</td>
<td>Fieldwork</td>
</tr>
</tbody>
</table>
# Next Scheduled Audits

<table>
<thead>
<tr>
<th>Audit Name</th>
<th>Scheduled Kickoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Nursing</td>
<td>First Quarter 2018</td>
</tr>
<tr>
<td>Research Incubators</td>
<td>Second Quarter 2018</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>Second Quarter 2018</td>
</tr>
<tr>
<td>Web Accessibility</td>
<td>Second Quarter 2018</td>
</tr>
<tr>
<td>Academic Advising</td>
<td>Fourth Quarter 2018 (Deferred)</td>
</tr>
<tr>
<td>Board of Governors Performance Based Funding review</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
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
# Staffing Model

## State University System Benchmarking

<table>
<thead>
<tr>
<th>Name of University</th>
<th>Number of Authorized Auditors and Investigators (As of October 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. University of Florida</td>
<td>12</td>
</tr>
<tr>
<td>2. Florida International University</td>
<td>10</td>
</tr>
<tr>
<td>3. Florida State University</td>
<td>10</td>
</tr>
<tr>
<td>4. University of South Florida</td>
<td>10</td>
</tr>
<tr>
<td>5. Florida Agricultural and Mechanical University</td>
<td>7</td>
</tr>
<tr>
<td>6. University of Central Florida</td>
<td>7</td>
</tr>
<tr>
<td>7. Florida Atlantic University</td>
<td>4</td>
</tr>
<tr>
<td>8. Florida Gulf Coast University</td>
<td>4</td>
</tr>
<tr>
<td>9. University of West Florida</td>
<td>4</td>
</tr>
<tr>
<td>10. University of North Florida</td>
<td>3</td>
</tr>
<tr>
<td>11. Florida Polytechnic University</td>
<td>1</td>
</tr>
<tr>
<td>12. New College of Florida</td>
<td>1</td>
</tr>
</tbody>
</table>
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
Questions?