



Board of Trustees  
**Audit, Operations Review, Compliance, and Ethics Committee Meeting**  
January 8, 2014  
Millican Hall, President's Board Room

**MINUTES**

**CALL TO ORDER**

Trustee Jim Atchison, chair of the Audit, Operations Review, Compliance, and Ethics Committee, called the meeting to order at 10:00 a.m. via teleconference. Committee member Reid Oetjen was present; committee members Alan Florez, Beverly Seay, and John Sprouls were present via telephone. Board of Trustee Chair Calvet was present via telephone along with board members Richard Crotty and Ray Gilley.

**OLD BUSINESS**

Minutes

Atchison called for approval of the June 21, 2013, Audit, Operations Review, Compliance, and Ethics Committee meeting minutes, which were approved as written.

**NEW BUSINESS**

Chief Audit Executive Search

Vice President and Chief of Staff, Rick Schell, provided an update on the search for the chief audit executive stating that Robert Taft was hired and will begin working at the end of January 2014. His background and qualifications were briefly summarized.

University Audit Update

Donna DuBuc, Interim Chief Audit Executive, provided a summary of fiscal year 2012-13 external audit results for Direct Support Organizations and Component Units. Each entity's financials have been approved by their individual Board of Directors. All of the entities had unqualified opinions and no incidents of non-compliance or significant deficiencies in internal control. Athletics received three management comments, for which improvements are being implemented. Repeat findings are not expected.

DuBuc stated that WUCF-TV, a department within the university, received an initial audit for 2012-13 as a requirement to receive Public Broadcasting Funding. It received an unqualified



opinion, and one material weakness in internal control was identified. The issue has since been rectified, and a repeat finding is not expected.

#### Update on External Audits

DuBuc provided an overview of the timing and status of external audits. The financial and federal audits are substantially complete with no significant findings expected. Operational audits are performed at least bi-annually. As no audit was performed in 2013, an audit in 2014 is highly likely. This will be determined within the next four to six weeks. The Bright Futures audit is also performed bi-annually with a two-year scope and is expected to commence soon.

#### Quality Assurance Report

DuBuc provided an overview of the Quality Assurance Report issued by the executive director of University Audit and Compliance at the University of South Florida. The report was the result of an independent review of University Audit's processes and procedures. The report showed University Audit was in conformance with Internal Auditing Standards. Other positive attributes included a strong collaborative partnership with the Compliance, Ethics, and Risk Office, a professional and knowledgeable University Audit team, and a high level of support from the Audit, Operations Review, Compliance, and Ethics Committee and university management. Opportunities regarding technology and resources were also identified.

#### University Compliance, Ethics, and Risk Management Program Update

Rhonda Bishop, Chief Compliance and Ethics Officer, introduced Christina Serra, the new director of compliance and ethics. Bishop summarized Serra's experience and outlined her role and responsibilities. The office is currently searching for a senior compliance analyst.

The transition of the conflict of interest process from the Office of Faculty Relations to the University Compliance, Ethics, and Risk office is complete. Bishop reported that her office is currently conducting a review of the university's conflict of interest and outside activities process as outlined by the committee's charter. This review will be updated annually, and a report will be provided to the committee when complete.

Bishop provided an overview of the University Compliance and Ethics Advisory Committee. The committee's charge includes advising on the development of the comprehensive compliance and ethics program and mitigation of compliance and ethical risks at UCF. In addition, the purpose of the committee is to ensure consistent communication and development of compliance and ethics programs across the university.

Beginning March 7, 2014, the university must comply with new federal reporting, program, and policy requirements under the Clery Act. Bishop provided an update on the efforts of her office to assess the university's preparedness and provide guidance and training.

#### Florida State University System Compliance Consortium

Bishop provided an update on the Florida State University System Compliance Consortium and noted that Joe Maleszewski, the new Inspector General for the Board of Governors, joined the group.

Athletic Compliance Program

Bishop reported on the annual NCAA compliance report due January 15, 2014, and provided highlights on the accomplishments of the athletics compliance program. As part of the university's ongoing corrective actions in response to the NCAA infractions case, Bishop summarized the continued work with The Compliance Group, a consultant hired by the university. The annual audit scheduled for 2014 is in its initial stage and is a review of the eligibility certification process. Bishop will provide the committee with updates and the final report when it is available.

Chair Atchison adjourned the Audit, Operations Review, Compliance, and Ethics Committee meeting at 10:30 a.m.

Respectfully submitted: Donna DuBuc 2/27/14  
Donna DuBuc Date  
Interim Chief Audit Executive

Respectfully submitted: Rhonda L. Bishop 3/5/2014  
Rhonda L. Bishop Date  
Chief Compliance and Ethics Officer