



**Board of Trustees  
University of Central Florida  
Audit, Operations Review, Compliance, and Ethics Committee  
October 28, 2015  
9:45 a.m.  
President's Board Room Millican Hall, 3<sup>rd</sup> Floor**

**Call-in number: 800-442-5794    Code: 463796**

**AGENDA**

**I. CALL TO ORDER**

Beverly Seay  
*Chair of the Audit, Operations  
Review, Compliance, and Ethics  
Committee*

**II. ROLL CALL**

Margaret Melli  
*Executive Administrative Assistant  
of University Compliance, Ethics,  
and Risk*

**III. MEETING MINUTES**

- [Approval of the January 29, 2015, Audit, Operations Review, Compliance, and Ethics Committee meeting minutes](#)

Chair Seay

**IV. NEW BUSINESS**

Chair Seay

- Revision of Internal Audit Charter ([AUDC-1](#))
- Audit Plan Update ([INFO-1](#))
- Environmental Health and Safety update ([INFO-2](#))

Robert Taft  
*Chief Audit Executive*

Robert Taft

Rhonda L. Bishop  
*Chief Compliance and Ethics Officer*  
Tom Briggs  
*Director of Environmental Health  
and Safety*

- University Compliance, Ethics, and Risk program update Rhonda L. Bishop
  - University Compliance, Ethics, and Risk Program Development ([INFO-3](#))
  - Compliance and Ethics Annual Work Plan ([INFO-4](#))
  - Internal Compliance, Ethics, and Risk Charter ([AUDC-2](#))
  - Report on Conflict of Interest and Commitment Initiatives ([INFO-5](#))
  - UCF IntegrityLine Report ([INFO-6](#))
  
- Athletics Compliance Program update Rhonda L. Bishop

**V. CLOSING COMMENTS**

Chair Seay



Board of Trustees  
**Audit, Operations Review, Compliance, and Ethics Committee Meeting**  
January 29, 2015  
*FAIRWINDS* Alumni Center

**MINUTES**

**CALL TO ORDER**

Trustee Jim Atchison, chair of the Audit, Operations Review, Compliance, and Ethics Committee, called the meeting to order at 9:00 a.m. Committee member Reid Oetjen was present; committee member John Sprouls attended by telephone. Trustees Olga Calvet, Clarence Brown, Richard Crotty, Alex Martins, and Weston Bayes attended.

**OLD BUSINESS**

Minutes

Atchison called for approval of the August 22, 2014, Audit, Operations Review, Compliance, and Ethics Committee meeting minutes, which were approved as written.

**NEW BUSINESS**

Performance-Based Funding Data Integrity Certification Report

Robert Taft, Chief Audit Executive, provided a summary of the Board of Governors' Performance-Based Funding Data Integrity Certification Report. The report will be submitted to the Board of Governors.

Update on External Audits

Taft gave an update of the current external audits; five findings were identified and steps have been taken to remediate the issues. An issue in the Office of Student Financial Assistance is in progress to be corrected.

Taft stated that a survey from the Board of Governors Audit and Compliance Committee was completed and returned to that office.

University Audit Plan Update

Taft provided a brief overview of the audit plan.

University Compliance, Ethics, and Risk Management Program Update

Rhonda Bishop, Chief Compliance and Ethics Officer, gave an update on the conflict of interest and outside activities disclosure process.

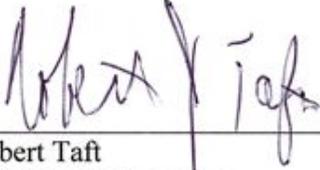
Bishop provided an overview of the U.S. Department of State's visit to evaluate the university's export control compliance program. Officials of the U.S. Department of State noted that they were impressed with the program and will use the university's program as a model when visiting other institutions.

Bishop provided an update on the State University System Compliance and Ethics Consortium. As chair of the Consortium, Bishop was invited by the Board of Governors Audit and Compliance Committee to speak on compliance and ethics programs at the January meeting. During that meeting, the committee passed a motion calling for the development of a regulation to require all State University System institutions to develop compliance and ethics programs.

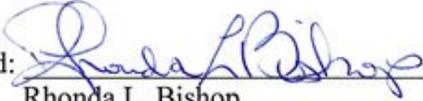
Athletic Compliance Program

Bishop provided an update on the NCAA annual compliance report, remaining penalties, and probation period.

Chair Atchison adjourned the Audit, Operations Review, Compliance, and Ethics Committee meeting at 9:18 a.m.

Respectfully submitted:   
Robert Taft  
Chief Audit Executive

9/10/2015  
Date

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

9/10/2015  
Date

ITEM: AUDC-1

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Revision of Internal Audit Charter

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Approve revisions to the internal audit charter.

**BACKGROUND INFORMATION**

The internal audit charter is required by the *International Standards for the Professional Practice of Internal Auditing*. The charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility; establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of audit work; and defines the scope of internal audit activities. The most recent internal audit charter was approved in July 2011.

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**Supporting documentation:** Attachment A: UCF Internal Audit Charter

**Prepared by:** Robert Taft, Chief Audit Executive, University Audit

**Submitted by:** Robert Taft, Chief Audit Executive, University Audit

Attachment A

## UCF INTERNAL AUDIT CHARTER

### A. Purpose and Mission

University Audit serves as the university's internal auditor, providing internal audits and reviews, management consulting and advisory services, investigations of fraud and abuse, follow-up of audit recommendations, evaluation of the processes of risk management and governance, and coordination with external auditors.

The mission of the office is to serve the university by recommending actions to assist the organization in achieving its objectives. This assistance includes activities intended to strengthen internal controls, reduce risk to resources, and improve operations to enhance the performance and reputation of the university. In addition, University Audit assists the Audit and Compliance Committee of the Board of Trustees in accomplishing its oversight responsibilities.

### B. Definition of Internal Auditing

According to the Institute of Internal Auditors:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

### C. Reporting Structure and Independence

University Audit reports administratively to the Office of the President and functionally to the Audit and Compliance Committee of the Board of Trustees. This reporting structure promotes independence and full consideration of audit recommendations and management action plans.

All internal audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

To maintain independence, University Audit is **not authorized** to:

- Perform any operational duties (such as implementing or performing internal controls, developing university-wide or department level procedures, installing systems or preparing records or tendering legal opinions) for the areas of the university or any affiliated organizations external to the department.

- Initiate or approve accounting transactions or selection of third-party vendors external to the department.
- Direct the activities of any university employee not employed by University Audit, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

## D. Authority

University Audit has the authority to audit or investigate all areas of the university, including its direct support organizations and faculty practice plan corporations. Audits, reviews, and investigations shall not be restricted or limited by management, the president, or the board of trustees.

University Audit has unrestricted access to records, data, personnel, and physical property relevant to performing audits, reviews, investigations, and consulting services. Documents and information given to internal auditors will be handled in the same prudent and confidential manner as by those employees normally accountable for those records. As required by law, University Audit will comply with public record requests.

## E. Duties and Responsibilities

University Audit performs three types of projects:

1. **Audits** are assurance services defined as examinations of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples include financial, operational performance, compliance, systems and data security and due diligence engagements relating to vendors and third-party relationships.
2. **Consulting services**, the nature and scope of which are agreed to with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include reviews, recommendations (advice), facilitation of and providing guidance relating to management's control self-assessment initiatives, identification of leading practices, and providing training to the university community.
3. **Investigations** are independent evaluations of allegations generally focused on improper activities including misuse of university resources, fraud, financial irregularities, and research misconduct. Management will also be informed of any identified significant control weaknesses such as management override of controls along with unethical behavior, lack of academic integrity, failure to provide adequate oversight, or similar types of actions. In conjunction with performance of or participation in investigations across the university community, University Audit is responsible for determining whether allegations associated with an investigation fall

under the State of Florida Whistle-blower Act in accordance with sections 112.3187-112.31895, Florida Statutes.

Audits will be scheduled and performed according to the risk-based annual plan, which is submitted to the president and the Audit and Compliance Committee. The plan will be updated as necessary to reflect changes in the university's strategic plan, program initiatives, and external environmental factors along with accommodating requests from the Board of Trustees and university management. Consulting services and investigations will be scheduled and performed on a case-by-case basis.

Follow-up on open audit issues will be performed on a regular basis to evaluate management's progress in implementing internal audit recommendations generated by all audit department projects as defined in Section E above.

In addition, University Audit will work with third parties such as the State University System of Florida Board of Governors, the Florida Auditor General, external auditors (public accounting firms), and government agencies to discuss internal control-related activities and provide requested information.

To help ensure University Audit has the capabilities to perform these functions, the department will:

- maintain a professional staff with sufficient size, knowledge, skills, experience, and professional certifications,
- use third-party resources as appropriate to supplement the department's efforts and
- establish a quality assurance improvement program of internal auditing.

## **F. Professional Standards**

University Audit adheres to the Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing* adopted by The Institute of Internal Auditors.

**ITEM: INFO-1**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Audit Plan Update

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-1: Audit Plan Update

**Prepared by:** Robert Taft, Chief Audit Executive, University Audit

**Submitted by:** Robert Taft, Chief Audit Executive, University Audit

INFO-1

# Audit Plan Update

October 2015

# Agenda

1. Audits completed since January 2015 meeting
2. Audits in progress
3. Next scheduled audits
4. Other activities

## Completed Audits

Audit #	Audit Name	Number of Recommendations
322	Registrar's Office	7
326	WUCF TV	7
327	UCF Foundation	14
330	Global Achievement Academy	15

## Audits In Progress

Audit #	Audit Name	Auditor In Charge	Target Completion Date
328	College of Medicine	Chaynae Price	12/15/15
329	University Marketing	Vicky Sharp	11/6/2015
332	Board Of Governors' Data Integrity Certification-performance Based Funding	Vicky Sharp Kathy Mitchell	3/1/2016
333	Office of Research and Commercialization, Research Overhead Allocation and Distribution	Vallery Morton	10/30/2015

# Audit Selection Process

## Risk-based methodology incorporating key selection factors:

- 1) impact on major university initiatives or strategic plan
- 2) high visibility and reputation risk
- 3) first time audits or length-of-time since last audit
- 4) required compliance audits or significant regulatory changes
- 5) requests from management, Board of Governors, or Board of Trustees
- 6) re-audits of poor performers
- 7) niche audits
- 8) process complexity
- 9) potential for fraud risk
- 10) significant changes in management or organizational structure

## Upcoming Audits

Cycle #	Audit Name	Why on Plan	Auditor In Charge
1	Title IX	High visibility, first time audit	C. Price
1	Distance Learning Fees	High visibility, first time audit	V. Morton
1	Board of Governors' Data Integrity Certification	Required audit ( <i>in progress</i> )	K. Mitchell V. Sharp
2	Research, Subrecipient Monitoring	Significant regulatory changes, strategic initiative	V. Sharp
2	UCF Athletics, Direct Support Organization	Strategic initiative, first time audit	C. Price
2	Research Grant Proposal Process	Strategic initiative, process complexity	V. Morton
3	Payroll Process	Process complexity, time since last audited	V. Sharp
3	Health Insurance Portability and Accountability Act	High visibility, significant regulatory changes	C. Price
3	NCAA Athletics Compliance	Management request, significant regulatory changes	V. Morton

## Audit Watch List

- a) Library Services
- b) Budget Development and Monitoring Processes
- c) Insurance and Risk Management
- d) Research-technology Transfer and Intellectual Property
- e) Facilities-vendor Bidding and Selection Process
- f) Technology Fee Program
- g) UCF Health
- h) Specific College Audits

# Investigations

- 26 investigations completed since January 2015 meeting with 40 recommendations
- 32 active investigations
- Common themes include:
  - a) time card and attendance fraud
  - b) misuse of university resources
  - c) falsified travel reimbursements
  - d) identity theft

# Management Advisory Services

## Projects

- a) Microsoft Active Directory and End User Identity Management
- b) Performance Unit Plan Data Certification
- c) Faculty Startup Costs
- d) Cloud Computing
- e) Space Management

## Database

- 418 items logged in our Management Advisory Services database this year

**ITEM: INFO-2**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Environmental Health and Safety Update

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-2: Environmental Health and Safety Update

**Prepared by:** Tom Briggs, Director of Environmental Health and Safety

**Submitted by:** Tom Briggs, Director of Environmental Health and Safety



# University of Central Florida

Environmental Health and Safety Department



# Environmental Health and Safety Functional Groups

## Facility Safety

Building Code  
Construction Plan Review  
Construction Inspections  
Fire Prevention  
State Fire Inspections  
Fire Drills  
Fire Extinguishers  
Fire Safety Training

## Research and Environmental Support

Laboratory Safety  
Environmental  
Management  
Hazardous Waste  
Chemical Inventory  
Universal Waste  
Radiation Safety  
Laboratory Inspections  
Biosafety  
Biosecurity  
Fume Hood Inspections

## Risk Management and Insurance

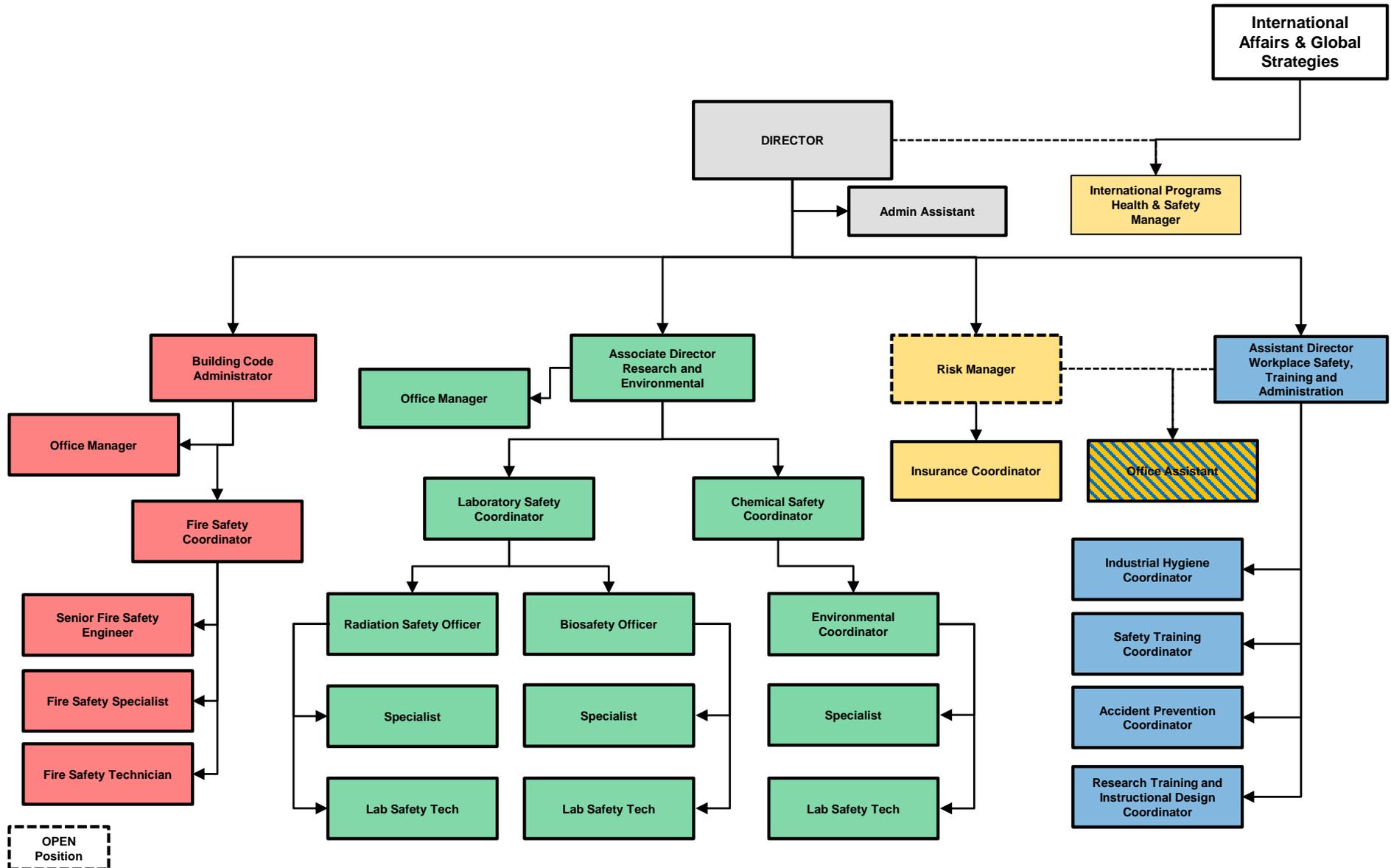
General Liability Insurance  
Property Insurance  
Electronic Data Processing  
Fine Arts Insurance  
International Travel  
Event Safety  
Risk Management

## Workplace Safety and Accident Prevention

Plans, Policies and  
Procedures  
Accident Investigation  
Industrial Hygiene  
Occupational Safety  
Asbestos Management  
Automated External  
Defibrillator Management  
First Aid and Cardio  
Pulmonary Resuscitation  
Training  
Training and Instructional  
Design



# Environmental Health and Safety Organizational Chart



# The Award Winning Team!!!



**ITEM: INFO-3**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** University Compliance, Ethics, and Risk Program Development

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-3: University Compliance, Ethics, and Risk Program Development

**Prepared by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

**Submitted by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

## University Compliance, Ethics, and Risk Program Development

Education and Communication	Program Development	Office Development	Ethics, Compliance, and Risk
<ul style="list-style-type: none"> <li>• Program Overview</li> <li>• Communication Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Accountability Matrix</li> <li>• Advisory Committee</li> <li>• Risk Assessment</li> <li>• Code of Conduct</li> <li>• Helpline</li> <li>• Applicable Policies and Procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Hire Staff</li> <li>• Training and Access</li> <li>• Mission, Purpose, Goals, and Objectives</li> <li>• Website Development</li> <li>• Internal Procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Issue Response</li> <li>• Policy</li> <li>• Guidance</li> </ul>

**ITEM: INFO-4**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Compliance and Ethics Annual Work Plan

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-4: Compliance and Ethics Annual Work Plan

**Prepared by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

**Submitted by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer



### Compliance and Ethics Annual Work Plan

University Compliance, Ethics, and Risk provides centralized and coordinated oversight of UCF’s ethics, compliance, and risk mitigation efforts through the ongoing development of effective policies and procedures, education and training, monitoring, communication, risk assessment, and response to reported issues as required by Chapter 8 of the Federal Sentencing Guidelines. These guidelines set forth the requirements of an effective compliance and ethics program for organizations and require not only promoting compliance with laws, but also promoting a culture of ethical conduct. The compliance and ethics program is focused on projects that will mitigate risks to the resources and reputation of the UCF as well as the careers and professional reputations of its employees.

The following work plan lists the required elements and the activities that will be conducted from July 1, 2015, to June 30, 2015.

1. Oversight of Compliance and Ethics and Related Activities	
Promote accountability among UCF employees for compliance with applicable federal, state and local laws and regulations, and appoint knowledgeable individuals responsible for developing and implementing a comprehensive compliance and ethics program	Coordinate and conduct bi-monthly meetings of the University Compliance and Ethics Advisory Committee
	Conduct quarterly meetings with compliance partners and senior leadership
	Serve on and provide compliance guidance to the Title IX workgroup
	Serve as a member of the Security Incident Response Team and provide guidance
2. Develop Effective Lines of Communication	
Create communication pathways which allow the dissemination of education and regulatory information and provide a mechanism for reporting compliance activities or concerns	Prepare and distribute <i>IntegrityStar</i> , the compliance and ethics e-newsletter
	Administer and promote the UCF IntegrityLine
	Distribute compliance brief videos
	Maintain and promote the compliance and ethics website

3. Conduct Effective Training and Education	
Educate the UCF community on its compliance responsibilities, regulatory obligations, and the university compliance and ethics program	Provide training on ethical leadership and avoiding conflicts of interest to the Student Government Association, Leadership Enhancement program, and Supervisory Skills Series program
	Conduct Clery Act compliance training and develop an online module
	Launch annual Compliance and Ethics week awareness campaign
	Develop an online ethics training module
	Develop an online gift and honoraria training module
	Issue annual memo on Vulnerable Persons Act
	Identify additional opportunities to develop and deliver compliance and ethics training
	Issue additional regulatory alerts and updates as appropriate
4. Revise and Develop Policies and Procedures	
Revise or develop university regulations along with policies and procedures that reflect UCF's commitment to ethical conduct and compliance with applicable laws and regulations	Chair the University Policies and Procedures Committee and provide guidance on policy development
	Update UCF Policy 2-001.4 University Policy Development and maintain the policy library
	Draft a university-wide Code of Conduct
	Draft a gift and honoraria policy
5. Conduct Internal Monitoring and Compliance Reviews	
Identify and remediate noncompliance through proactive review and monitoring of risk areas	Manage university-wide conflict of interest and commitment processes
	Implement compliance partner reporting
	Review UCF IntegrityLine and department database for trends, risk areas, and address appropriately

<b>6. Respond Promptly to Detected Problems and Undertake Corrective Action</b>	
Conduct timely investigations of allegations of noncompliance and provide guidance on corrective actions	Receive and evaluate UCF IntegrityLine reports and allegations of misconduct made directly to the office and conduct investigations
	Provide recommendations for corrective actions and improvement of ethical conduct
<b>7. Enforce and Promote Standards through Appropriate Incentives and Disciplinary Guidelines</b>	
Promote the compliance and ethics program and university regulations, policies and procedures, and the consequences of noncompliance	Develop and promote compliance and ethics incentive opportunities
	Promote awareness of UCF regulations, policies and procedures, and regulatory requirements
	Promote accountability and consistent discipline
<b>8. Measure Compliance Program Effectiveness</b>	
Evaluate the overall compliance and ethics culture of UCF and the performance of the University Compliance, Ethics, and Risk office	Develop and issue the University Compliance, Ethics, and Risk Annual Report
	Develop a Compliance and Ethics Culture Survey
	Develop, measure, and track department process improvement efforts using the university assessment process

**ITEM: AUDC-2**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Internal Compliance, Ethics, and Risk Charter

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Approve the charter for University Compliance, Ethics, and Risk Office and program.

**BACKGROUND INFORMATION**

The Compliance, Ethics, and Risk office provides centralized and coordinated oversight of the university's ethics, compliance, and risk mitigation efforts. The charter formally defines the purpose, authority, and responsibility of the office and staff. It further establishes the programs position within the organization, authorizes access to records, personnel, and physical properties, and defines the scope of compliance, ethics, and risk activities.

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**Supporting documentation:** Attachment B: University Compliance, Ethics, and Risk Charter

**Prepared by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

**Submitted by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

Attachment B

## UNIVERSITY COMPLIANCE, ETHICS, AND RISK CHARTER

### **Purpose and Mission**

The University Compliance, Ethics, and Risk Office provides oversight and guidance to university-wide ethics, compliance, and enterprise risk management activities, and fosters a culture that embeds these disciplines in all university functions and activities. The office provides centralized and coordinated oversight through the ongoing development of effective policies and procedures, education and training, monitoring, communication, risk assessment, and response to reported issues as required by Chapter 8 of the Federal Sentencing Guidelines. These guidelines set forth the requirements of an effective compliance and ethics program for organizations and require promoting compliance with laws and ethical conduct.

The mission of the office is to support and promote a culture of ethics, compliance, risk mitigation, and accountability.

### **Reporting Structure and Independence**

The University Compliance, Ethics, and Risk Office reports administratively to the Office of the President and functionally to the Audit, Operations Review, Compliance, and Ethics Committee of the Board of Trustees. This reporting structure promotes independence and full consideration of compliance, ethics, and risk recommendations and action plans.

The chief compliance and ethics officer and staff shall have organizational independence and objectivity to perform their responsibilities and all activities of the office shall remain free from influence.

### **Authority**

University Compliance, Ethics, and Risk has the authority to review or investigate all areas of the university, including its direct support organizations and faculty practice plan. Reviews and investigations shall not be restricted or limited by management, the president, or the Board of Trustees. University Compliance, Ethics, and Risk has unrestricted access to records, data, personnel, and physical property relevant to performing compliance reviews and investigations, and to allow for appropriate oversight and guidance related to compliance, ethics, and risk mitigation efforts.

Documents and records obtained for the above purposes will be handled in compliance with applicable laws, regulations, and university policies and procedures. As required by law, University Compliance, Ethics, and Risk will comply with public records requests.

### **Duties and Responsibilities**

The duties and responsibilities of the chief compliance and ethics officer and staff include projects and activities that fulfill the requirements for an effective compliance and ethics program. These projects and activities are designed to mitigate risks to the university and its employees and provide safe harbor

in the event of misconduct or noncompliance. The following eight elements define the duties and responsibilities of the office:

1. Oversight of Compliance and Ethics and Related Activities
2. Development of Effective Lines of Communication
3. Providing Effective Training and Education
4. Revising and Developing Policies and Procedures
5. Performing Internal Monitoring and Compliance Reviews
6. Responding Promptly to Detected Problems and Undertaking Corrective Action
7. Enforcing and Promoting Standards through Appropriate Incentives and Disciplinary Guidelines
8. Measuring Compliance Program Effectiveness

The University Compliance, Ethics, and Risk office provides guidance on compliance, ethics, and risk related matters to the university community. The office collaborates with compliance partners and senior leadership to review and resolve compliance and ethics issues and coordinate compliance and ethics activities, accomplish objectives, and facilitate the resolution of problems. To ensure that employees feel comfortable raising concerns free from retaliation, the office administers the UCF IntegrityLine that allows for anonymous and confidential reporting.

To ensure University Compliance, Ethics, and Risk staff have the capabilities to perform the duties and responsibilities as described the chief compliance and ethics officer will:

- Maintain a professional staff with sufficient size, knowledge, skills, experience, and professional certifications
- Utilize third-party resources as appropriate to supplement the department's efforts
- Perform assessments of the program and make appropriate changes and improvements

### **Professional Standards**

University Compliance, Ethics, and Risk adheres to the *Florida Code of Ethics* and the *Code of Professional Ethics for Compliance and Ethics Professionals*.

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Chief Compliance Officer  
University Compliance, Ethics, and Risk

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President

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Chair, Board of Trustees .....

**ITEM: INFO-5**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Report on Conflict of Interest and Commitment Initiatives

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-5: Report on Conflict of Interest and Commitment Initiatives

**Prepared by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

**Submitted by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer



Report on Conflict of Interest and Commitment Initiatives

October 28, 2015

## Conflict of Interest and Commitment Initiatives

As a state institution and recipient of federal funds, the university must comply with state and federal requirements regarding the disclosure and management of conflicts of interest and commitment. The university is committed to conducting university business and activities with integrity and has developed policies and procedures to identify, manage, and when appropriate, remove potential and actual conflicts of interest and commitment.

This report contains conflict of interest and commitment initiatives completed from the date of our last report, August 22, 2014, to August 7, 2015.

1. **Compliance review.** The final compliance review report on the conflict of interest and commitment policies, procedures, and processes for the university, direct support organizations, and component unit was issued on September 19, 2014. The report contained improvement items; most were action items for our office with a few recommendations for other departments. Some of the highlighted accomplishments during this period include:

- Implemented UCF Policy 2-700 Reporting Misconduct and Protection from Retaliation
- Updated UCF Regulation 3.018 Conflict of Interest or Commitment to reflect requirements of the Code of Ethics for Public Officers and Employees
- Revised UCF Regulation 2.032 Textbook Adoption to clarify royalty donations
- Significant system and process improvements (described in detail in section 5.)

The outstanding items from the report include:

Item	Responsible Office	Status
Research exemption report to the governor and state legislature	Office of Research and Commercialization	In process in consultation with general counsel
Fully operational Research Conflict of Interest Committee	Office of Research and Commercialization	Initial meeting completed
University policy addressing outside activities	Academic Affairs	In process
University policy on receipt of gifts and honoraria	University Compliance, Ethics, and Risk	Draft completed
UCF Policy 2-202.1 Foundation Solicitation of Charitable Gifts policy edit to include a process for employees accepting gifts on behalf of the university	UCF Foundation	Pending completion of university gift and honoraria policy

2. **Compliance with online disclosure reporting.** To improve compliance, a significant number of communication, training, and system improvements were implemented prior to the launch of the 2014-15 conflict of interest and commitment disclosure year. The improvement measures resulted in a:
- ✓ 95% compliance rate with the 30-day submission requirement (increase from 73% in 2013-14)
  - ✓ 82% reviewer completion rate within the required 60 days (increase from 75.95% in 2013-14)
  - ✓ 99% final overall compliance rate for the term October 20, 2014, to August 7, 2015, for employees submitting a disclosure
  - ✓ 94% for employees required to complete reviews

These compliance rates are the highest since the launch of the COI online reporting process in 2009.

Our office serves as the final reviewer for all disclosures with reported outside activities. This year we reviewed 804 disclosures and identified 30 disclosures requiring additional review and the implementation of a monitoring plan. Additionally, we reviewed 187 disclosures of employment of relatives for conflicts of interest and identified 13 unmanaged conflicts for additional review and corrective action.

3. **Potential conflict reviews.** We previously reported that our office centralized oversight of two existing university conflict review processes: research exemption request reviews and gift reviews under state statute. During this report year, the office reviewed five research exemption requests prior to forwarding for signature by the provost, president, and board chair. We received requests for and reviewed 27 potential conflicts of interest associated with attendance at conferences or events sponsored by vendors.

We expanded the annual online COI disclosure requirement to include individuals identified in positions of trust to include the following:

- Reporting Individuals according to Florida Statutes
- University Compliance, Ethics, and Risk
- University Audit
- Equal Opportunity and Affirmative Action Office
- Office of Research and Commercialization Ethics and Compliance

4. **Identification of reporting individuals under Florida statutes.** Individuals appointed or hired into positions that meet the state definition of a reporting individual are required to submit their first Statement of Financial Interest (Form 1) within 30 days. We worked with human resources to implement a new process to identify appointments and hires as they occur and provide them with the first Form 1. This new process complements the annual review process that the university conducts in January each year. Additionally, we identified a need for and developed a process to review UCF employees' and trustees' Statement of Financial Interest Forms. The review is conducted in coordination with the UCF Purchasing Department to evaluate potential conflicts of interests related to contracts and purchasing activities.

5. **Process and system improvements.** The following conflict of interest process and system improvements were implemented prior to the 2014-15 conflict of interest and commitment reporting period:

- Reviewed and simplified questions for the AA-21 online disclosure form
- Identified the need for system improvements and partnered with the Institute for Simulation and Training to implement the following:
  - An option to transfer forward the prior year's disclosure information
  - An option to allow approvers to recuse themselves due to a conflict of interest
  - An option for reviewers to bypass reading through all training materials prior to accessing disclosures
- Improved the workflow for disclosure approval by reducing the number of mandatory reviewers
- Eliminated the need for manual system updates by identifying and resolving a gap in the process for reconciling employee information
- Developed and implemented a detailed communication plan that included guidance, training, and response to non-compliance
- Developed and implemented a monitoring plan for management of non-research conflicts of interest
- Identified the need for and developed a royalty and donation form for faculty using their own textbook in the classroom
- Formalized the role of departmental conflict of interest coordinators to include expectations for training, communication, and accountability and provided training and consistent communication to coordinators throughout the disclosure process

6. **Awareness and training.** The following awareness and training activities were completed:

- Developed and delivered three training sessions on the requirements for conflict of interest disclosure to faculty and conflict of interest coordinators
- Conducted a workshop to provide hands-on assistance to faculty with completing their disclosures
- Developed training on compliance with Florida's gift and vendor relationship laws for public officers and employees
- Delivered two sessions for managers in the Computer Services and Telecommunications department

**ITEM: INFO-6**

**University of Central Florida  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** UCF IntegrityLine Report

**DATE:** October 28, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

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**Supporting documentation:** INFO-6: UCF IntegrityLine Report

**Prepared by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

**Submitted by:** Rhonda L. Bishop, Chief Compliance and Ethics Officer

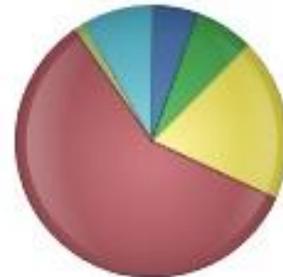
**UCF IntegrityLine Report  
September 29, 2014 to September 30, 2015  
University Compliance, Ethics, and Risk**

The UCF IntegrityLine launched on September 29, 2014, and received 72 reports of suspected or actual misconduct or ethical concerns for the period ending September 30, 2015. Reports received through the UCF IntegrityLine are triaged in a joint meeting between the chief compliance and ethics officer and the chief audit executive. Based on the nature of the report, they are either investigated by the University Compliance, Ethics, and Risk office, University Audit, investigated jointly by both offices, or referred to the appropriate compliance partner for review. Instances when reports are received through the UCF IntegrityLine that involve behavior involving students under the UCF Golden Rule the cases are referred to the Office of Student Rights and Responsibilities. For reports that are criminal in nature, the reports are referred to the UCF Police Department.

**Intake Method**

More than half of the reports came in through the IntegrityLine website, with the remaining either through the IntegrityLine telephone number or by making direct contact with our office.

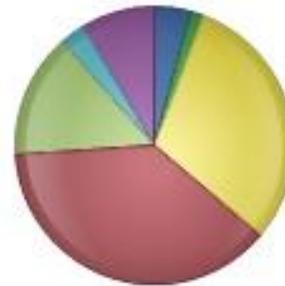
	Intake Method	Cases	% of Total
■	E-mail	4	5.6%
■	Employee Walk-In	5	6.9%
■	Hotline Phone	14	19.4%
■	Hotline Web	42	58.3%
■	Letter or Mail	1	1.4%
■	Phone	6	8.3%
<b>Total</b>		<b>72</b>	



**Source of Awareness**

Of the 72 cases received, only 69 individuals reported the source of how they became aware of the misconduct. Approximately one-third of these individuals reported that the misconduct happened to them. The remaining were brought forward by individuals who either observed it, overheard or received the information secondhand, or found a document or file that revealed the issue.

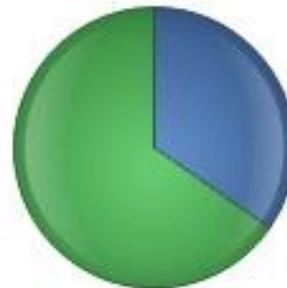
	Source of Awareness	Cases	% of Total
■	Accidentally found a document or file	3	4.3%
■	I heard it	1	1.4%
■	I observed it	21	30.4%
■	It happened to me	26	37.7%
■	Other	10	14.5%
■	Overheard it	2	2.9%
■	Told to me by a co-worker	6	8.7%
<b>Total</b>		<b>69</b>	



**Anonymous Reporting**

The majority of individuals submitting a report chose to remain anonymous; however, one-third felt comfortable sharing their identities.

	Anonymous	Cases	% of Total
■	Identified	25	34.7%
■	Anonymous	47	65.3%
<b>Total</b>		<b>72</b>	



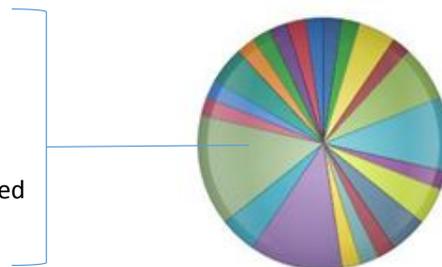
**Issue Type**

The types of issues reported span a range of more than 20 specific topics including financial, safety, and human resources related issues. The highest number of reports in a single category were 11 reports categorized as Other Human Resources Matters. This category is detailed below.

Issue	Cases	% of Total
Accounting and Auditing Matters	1	1.4%
Alcohol or Drug Abuse	2	2.8%
Concern	1	1.4%
Conflict of Interest	4	5.6%
Disclosure of Confidential Information	2	2.8%
Discrimination or Harassment	4	5.6%
EEOC or ADA Matters	1	1.4%
Employee Misconduct	4	5.6%
Environmental and Safety Matters	2	2.8%
Falsification of Contracts, Reports, or Records	2	2.8%
Inappropriate Activities	3	4.2%
Inquiry	2	2.8%
Nepotism	5	6.9%
Offensive or Inappropriate Communication	4	5.6%
Other	5	6.9%
Other Academic Affairs Matters	4	5.6%
Other Financial Matters	1	1.4%
Other Human Resource Matters	11	15.3%
Public Safety	2	2.8%
Sabotage or Vandalism	1	1.4%
Sexual Harassment	3	4.2%
Student Safety	1	1.4%
Threat or Inappropriate Supervisor Directive	1	1.4%
Time Abuse	2	2.8%
Unsafe Working Conditions	1	1.4%
Waste, Abuse, or Misuse of Institution Resources	3	4.2%
<b>Total</b>	<b>72</b>	

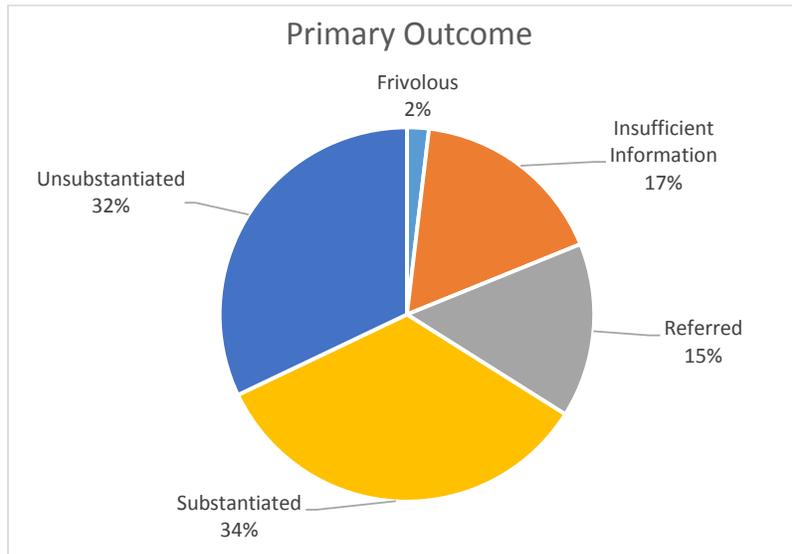
Other Human Resources Matters

- 5-Unfair performance evaluation or lack of pay raise
- 3-Perceived unethical behavior or treatment by a supervisor
- 1-Violation of UCF telecommuting policy
- 1-Unpaid overtime or nonpayment for work performed
- 1-Department human resource policies conflict with university policy



### UCF IntegrityLine Closed Cases

During this report period, we reviewed, investigated as necessary, and closed 53 of the 72 cases we received. The following are the case outcomes for the 53 that we closed:



**Frivolous.** We reviewed one frivolous case that appeared on the surface as a legitimate complaint. After collaborating with the Equal Opportunity and Affirmative Action office to fact check the allegations, we jointly determined that the complaint was not legitimate and closed it.

**Insufficient Information.** We closed nine cases due to insufficient information. These were cases where the reporter gave very little information. Upon receiving these complaints, we posted questions to the reporter, and they never responded.

**Referred.** We referred eight cases to our compliance partners in the police department and the office of student conduct, as the cases were more appropriate for them to handle through another university process.

#### Investigated Cases

We investigated the remaining 35 cases, which resulted in 18 substantiated and 17 unsubstantiated outcomes.

- **Substantiated.** The 18 substantiated investigations yielded enough evidence to support the complaint and a finding that misconduct occurred. These cases required action by the university.
- **Unsubstantiated.** The 17 unsubstantiated investigations yielded insufficient or no evidence to support that misconduct occurred. For unsubstantiated cases, we still may make recommendations for improvements in a policy, process, or training if we identify weaknesses during our investigation.