



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Audit and Compliance Committee
August 8, 2019 3:30 p.m.
Millican Hall, President's Board Room
Conference Call-In Phone #1-800-442-5794, passcode 463796**

AGENDA

- | | |
|--|--|
| I. CALL TO ORDER | Joseph Conte
<i>Chair, Audit and Compliance Committee</i> |
| II. ROLL CALL | Margaret Melli
<i>Executive Assistant of University Compliance, Ethics, and Risk</i> |
| III. MEETING MINUTES | |
| <ul style="list-style-type: none">• Approval of the July 9, 2019, Audit and Compliance Committee meeting minutes | Chair Conte |
| IV. NEW BUSINESS | Chair Conte |
| <ul style="list-style-type: none">• Post Investigation Action Plan Audit and Compliance Committee Oversight (INFO-1) | Christina L. Serra
<i>Director of Compliance and Ethics and Interim Chief Compliance, Ethics, and Risk Officer</i>
Robert Taft
<i>Chief Audit Executive</i> |
| <ul style="list-style-type: none">• University Audit Status Update (INFO-2) | Robert Taft |
| <ul style="list-style-type: none">• Compliance Efficiency and Benchmarking Metrics Report (INFO-3) | Christina L. Serra |
| <ul style="list-style-type: none">• 2018-19 Work Plan Status of All Activities (INFO-4) | Christina L. Serra |
| <ul style="list-style-type: none">• Compliance and Ethics Annual Work Plan 2019-20 (INFO-5) | Christina L. Serra |
| V. CLOSING COMMENTS | Chair Conte |



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Audit and Compliance Committee Meeting
July 9, 2019
President's Board Room, Millican Hall**

MINUTES

CALL TO ORDER

Trustee Beverly Seay, chair of the Audit and Compliance Committee, called the meeting to order at 8:00 a.m. Committee members Kenneth Bradley, Danny Gaekwad, and Bill Yeargin attended by teleconference call. Committee member Dave Walsh attended in person. Interim Chairman Garvy, Trustee Conte, and Trustee Lord attended by teleconference.

MINUTES APPROVAL

The minutes from the April 23, 2019, meeting were approved as submitted.

NEW BUSINESS

Post Investigation Action Plan (INFO-1)

Chair Seay thanked Christina L. Serra, director of compliance and ethics and interim chief compliance, ethics, and risk officer, Andrea Gandy, director of enterprise risk and insurance management, and Robert Taft, chief audit executive for their efforts ensuring the completion of the Post Investigation Action Plan. She stated that they had reviewed 120 recommendations from the Board of Trustees, the Board of Governors, the Florida House Public Integrity & Ethics Committee, AGB, Accenture, and the Bryan Cave Investigation Report. The items were given risk categories and ranked by likeness thereby reducing the total number of recommendations to 95. Each of the recommendations were assigned to a responsible office and the appropriate Board of Trustees committee, the Chair of the respective committee will have oversight on the completion of the recommendations. Interim President Seymour requested that each committee include their recommendations as standing agenda items at their meetings in order to provide a status update to the Board.

Trustee Bradley made a motion to reprioritize the Public Integrity & Ethics Committee recommendations from Low to Medium and Medium to High. A discussion ensued on the risk ranking of the recommendations. The motion was approved, and Trustee Walsh disagreed with the ranking entirely.

ITEM: INFO-1

**UCF BOARD OF TRUSTEES
Audit and Compliance Committee
August 8, 2019**

Title: Post Investigation Action Plan Audit and Compliance Committee Oversight

Background:

As requested by the Chairman of the Board of Trustees a Board plan for oversight of the implementation of recommendations from the inappropriate transfer of E&G funds to construction was compiled and approved by the full Board at the July 18, 2019, Board of Trustees meeting. The action items in the plan were sorted by Board Committee and distributed to the Chair of each Committee with oversight. This Post Investigation Action Plan Audit and Compliance Committee Oversight document contains the action items for this Committee.

Issues to be Considered:

None. Committee was assigned by the Board of Trustees to monitor the progress of the action items, request status updates on a periodic basis, and work with UCF management, the Board of Governors, and the Board of Trustees to implement remediation efforts.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

Several of the recommendations will require additional resources including the hiring of more staff and developing training programs and related materials.

Recommended Action:

Committee to actively monitor the progress of the action items, request status updates on a periodic basis, and work with UCF management, the Board of Governors, and the Board of Trustees to implement remediation efforts.

Authority for Board of Trustees Action:

UCF Audit and Compliance Committee Charter.

Contract Reviewed/Approved by General Counsel:

N/A

Committee Chair or Chairman of the Board approval:

Committee Chair Joseph Conte approved the agenda and all supporting documentation.

Submitted by:

Christina L. Serra, Director of Compliance and Ethics and Interim Chief Compliance and Ethics Officer, and Robert Taft, Chief Audit Executive

Supporting Documentation:

Post Investigation Action Plan Audit and Compliance Committee Oversight Attachment A

Facilitators/Presenters:

Christina L. Serra, Director of Compliance and Ethics and Interim Chief Compliance and Ethics Officer,
and Robert Taft, Chief Audit Executive

Attachment A

**Audit & Compliance Committee
Pending Recommendation List - 23**

Post Investigation Action Plan
As of July 18, 2019

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Status	Completion Date
4	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Checks and balances must be instituted to ensure that no high-ranking administrator becomes a single point of both information and authority with respect to decisions involving significant sums of public funds. Boards of Trustees and the Board of Governors should require universities to notify General Counsel, audit and compliance, and Board of Governors staff of the substance of such decisions. Compliance staff must have authority and opportunity to question the legitimacy of such decisions.	High	Culture, Ethics, & Governance	President's Office	Thad Seymour	Audit and Compliance Committee	1) In Fall 2018, then-President Whittaker created new Chief Financial Officer and Chief Operating Officer positions to separate functions and provide internal checks and balances in funding authority and decision-making; in January 2019 the BOT made that change official board policy. 2) In Fall 2018, the BOT initiated a new requirement for certifications to the board as to the appropriate source of funds for all UCF construction projects. The required signatures are the Chief Financial Officer, the Vice President presenting the item, the Vice President and General Counsel and the President. 3) In Fall 2018, then-President Whittaker initiated new requirement for real-time audits for capital projects that exceed \$2 million. 4) The administration is pursuing a new position of Chief Accountability Officer to help UCF rebuild a culture of ethics, integrity and accountability. 5) Interim President Seymour has scheduled regular update meetings with the chief audit and compliance officers. This is in addition to any urgent meetings needed. 6) UCF has hired a new Director of Enterprise Risk and Insurance Management	In Progress	Ongoing
5	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Each SUS institution should foster a culture that respects and responds to Auditor General Audit Findings.	High	Culture, Ethics, & Governance	President's Office	Thad Seymour	Audit and Compliance Committee	UCF is conducting university-wide ethics, compliance and whistle-blower training to create a stronger culture of transparency and accountability.	In Progress	October-19
8	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Audit will work with UCF management and staff to identify PeopleSoft automated internal control enhancements to reduce inappropriate or unnecessary system access, block or flag inappropriate financial transactions, as well as to develop monitoring reports for activities such as large dollar transfers and the timing and amount of construction project funding transactions.	High	Internal Control Redesign & Process Enhancements	University Audit	Robert Taft	Audit and Compliance Committee	Evaluate both automated preventative and detective controls to prevent or flag potentially inappropriate transfer of funds and source/use concerns. Work with other SUS institutes that use PeopleSoft to share possible approaches and programming ideas.	In Progress	November-19
9	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The University should explore ways in which technology could be used to enhance its internal controls, such as automated workflows within the budget and general ledger systems that flag transactions which may constitute a violation of BOG regulations and/or state law concerning the use of state appropriated funds.	High	Internal Control Redesign & Process Enhancements	University Audit	Robert Taft	Audit and Compliance Committee	UCF audit is working with internal subject matter experts to identify solutions.	In Progress	November-19
26	Association of Governing Boards	AGB May 15, 2019 Report	Risk assessment: In light of the disruptive forces that currently affect all of higher education, board attention to the myriad risks associated with governing a massive, complex public enterprise like UCF is highly recommended. A workup of priority risks (a heatmap) by staff and external advisors should be a major topic of board discussion at least annually, and the subject of a board risk assessment committee regularly. A sophisticated risk assessment process at the board level might well have anticipated the crisis brought on by the Trevor Colburn Hall fiasco.	Medium	Culture, Ethics, & Governance	University Compliance, Ethics, and Risk	Christina Serra	Audit and Compliance Committee	Hired Director of Enterprise Risk and Insurance Management to develop enterprise risk management program.	In Progress	June-20
27	Board of Trustees	Board of Trustees May 16, 2019 Meeting	Based on a motion that was made and approved during the April 23, 2019, Audit and Compliance Committee meeting, University Audit will work with management to obtain funding for additional new lines/positions. These lines/positions will focus on financial controls, data analysis and completing the increasing number of investigations being received through the IntegrityLine and other sources as described earlier.	Medium	Culture, Ethics, & Governance	University Audit	Robert Taft	Audit and Compliance Committee	A staffing plan is being developed including new positions and reporting structure. Job descriptions will be created and edited and then submitted to HR for salary analysis prior to posting for hire.	In Progress	December-19
28	Board of Trustees	Board of Trustees May 16, 2019 Meeting	Under BOG Regulation 4.003, at least once every five years, the president and the Board of Trustees shall be provided with an external review of the Compliance and Ethics Program's design and effectiveness and any recommendations for improvement, as appropriate. The first external review shall be initiated within five years from the effective date of the regulation, which is 2021. The assessment shall be approved by the Board of Trustees and a copy provided to the Board of Governors. It was the expectation of University Compliance, Ethics, and Risk that the new vice president for Compliance, Accountability, and Ethics would commission such report upon his or her hire. However, the office will discuss with senior leadership the feasibility of initiating the review sooner, with the expectation that resources to support the review will be provided	Medium	Culture, Ethics, & Governance	University Compliance, Ethics, and Risk	Christina Serra	Audit and Compliance Committee	Collaborate with Florida university peers and BOG IG to define single set of effectiveness standards for use by SUS in effectiveness reviews. Once finalized, engage third party to conduct the five-year review.	In Progress	June-20
29	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Public universities should employ sufficient Audit and Compliance staff to protect the interests of taxpayers and students.	Medium	Culture, Ethics, & Governance	President's Office	Thad Seymour	Audit and Compliance Committee	A staffing plan is being developed including new positions and reporting structure. Job descriptions will be created and edited and then submitted to HR for salary analysis prior to posting for hire.	In Progress	December-19

Audit and Compliance Committee Meeting - New Business

**Audit & Compliance Committee
Pending Recommendation List - 23**

Post Investigation Action Plan
As of July 18, 2019

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Status	Completion Date
30	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Boards of Trustees should review each state audit finding, be fully advised by legal counsel, audit staff and trained administrators of the seriousness of findings of unlawful operations or activities, and maintain regular review of institutional responses until compliance is achieved and certified by the university's chief audit executive, Board of Governors Inspector General, or the Auditor General	Medium	Culture, Ethics, & Governance	University Audit	Robert Taft	Audit and Compliance Committee	As noted in several other recommendations, open AG audit issues will be tracked by UCF Audit. The Board Chair or Chair of the Audit and Compliance meeting are invited to AG exit conferences. Draft responses to AG reports will be provided to specific BOT members prior to sending to AG.	In Progress	September-19
35	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Audit will initiate a quarterly financial control evaluation and certification program based on customization of Section 302 of the Sarbanes Oxley Act for publicly traded companies https://www.sarbanes-oxley-101.com/SOX-302.htm . This program will include the completion of a checklist to review process, system and regulatory changes along with a review of material transactions taking place during the period to identify any potential areas of concern. A Financial Statement Disclosure Committee consisting of key members of management will be formed to perform this work. University Audit recommends that a member of the Board of Trustees be named as a member of this committee.	Medium	Internal Control Redesign & Process Enhancements	University Audit	Robert Taft	Audit and Compliance Committee	Will leverage available resources and look to hire staff with prior financial controls/SOX experience.	In Progress	November-19
36	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Audit will work with UCF management to verify that all follow-up activities the university has committed to in the Auditor General's operational report and all other reports are fully implemented. All identified issues will be tracked in University Audit's audit management software.	Medium	Monitoring Post-Transaction Activities	University Audit	Robert Taft	Audit and Compliance Committee	Perform follow-up work and provide a status update to the BOT Audit and Compliance committee at a future 2019 meeting.	In Progress	November-19
38	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Regular internal operational audits to monitor compliance with such policies (Policies developed to ensure adherence to budget and planning laws and regulations).	Medium	Monitoring Post-Transaction Activities	University Audit	Robert Taft	Audit and Compliance Committee	Will look at scheduling a budget process audit or consulting project once the current process is redefined and is implemented or is being implemented. Will work with management and BOT to determine which type of audit project would add the most value. Will discuss with CFO at future meeting.	In Progress	September-19
39	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Capital Outlay Budgets, Fund Composition Reports and E&G carry forward expenditures should be routinely audited.	Medium	Monitoring Post-Transaction Activities	University Audit	Robert Taft	Audit and Compliance Committee	Leverage proposed Financial Controls disclosure committee process. Look at current risk assessment process to determine how to adjust criteria to increase audit work to be done around this area.	In Progress	November-19
40	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	Internal auditors should prioritize audits of E&G carry forward distributions and capital project funding.	Medium	Monitoring Post-Transaction Activities	University Audit	Robert Taft	Audit and Compliance Committee	Leverage proposed Financial Controls disclosure committee process. Look at current risk assessment process to determine how to adjust criteria to increase audit work to be done around this area.	In Progress	November-19
49	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Compliance, Ethics, and Risk will implement, at a minimum, senior management annual ethics training with a signed statement that they have taken the training, their direct reports are trained, and they are in compliance with university, SUS, and state regulations and policies.	Medium	Training & Awareness	University Compliance, Ethics, and Risk	Christina Serra	Audit and Compliance Committee	Obtain resources to support development of new annual training and certification process.	In Progress	June-20
56	Board of Trustees	Board of Trustees May 16, 2019 Meeting	Compliance efficiency and benchmarking metrics will be provided at the next Board of Trustees Audit and Compliance Committee meeting. An update will follow to the full board.	Low	Culture, Ethics, & Governance	University Compliance, Ethics, and Risk	Christina Serra	Audit and Compliance Committee	Preparing report for August 8, 2019 meeting.	In Progress	August-19
58	Board of Trustees	Board of Trustees March 13, 2019 Meeting	Audit and Compliance Committee to review and consider extending real time audits to all major financial commitments that are beyond budget or major changes to budgets throughout the year and provide recommendations to the full board.	Low	Monitoring Post-Transaction Activities	University Audit	Robert Taft	Audit and Compliance Committee	To be included on future committee meeting agenda	In Progress	December-19
59	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Audit will monitor changes to Florida statutes relating to whistle-blower eligibility and determination criteria and adjust university policies and internal procedures accordingly	Low	Policies & Procedures	University Audit	Robert Taft	Audit and Compliance Committee	Work with UCF General Counsel, BOG IG and other Chief Audit Executives to keep up on legal and operational issues.	In Progress	December-19
60	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Compliance, Ethics, and Risk and University Audit will, as appropriate, review and update current policies related to reporting misconduct and investigations, adding new policies as necessary.	Low	Policies & Procedures	University Compliance, Ethics, and Risk and University Audit	Christina Serra and Robert Taft	Audit and Compliance Committee	Review policies to determine updates as necessary.	In Progress	November-19
61	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Compliance, Ethics, and Risk along with University Audit will develop and deliver the following: i.UCF Employee Code of Conduct training which includes awareness of reporting options available to employees and the UCF IntegrityLine ii.Online training covering university policies on reporting misconduct and protection from retaliation and whistle-blower protections, the reporting options available to employees, and the UCF IntegrityLine	Low	Training & Awareness	University Compliance, Ethics, and Risk, University Audit, and President's Office	Christina Serra, Robert Taft, Tom Hope	Audit and Compliance Committee	On-line module and communication plan targeted for distribution in late Summer/early Fall.	In Progress	October-19

Audit and Compliance Committee Meeting - New Business

**Audit & Compliance Committee
Pending Recommendation List - 23**

Post Investigation Action Plan
As of July 18, 2019

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Status	Completion Date
62	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Compliance, Ethics, and Risk will continue training and advertising on the UCF IntegrityLine through the online training modules and the IntegrityStar, will confirm Speak Up posters are in all employee common areas within all buildings, and Speak Up icons with hyperlinks to the IntegrityLine are on appropriate websites	Low	Training & Awareness	University Compliance, Ethics, and Risk	Christina Serra	Audit and Compliance Committee	Confirming all IntegrityLine posters and icons are posted where they should be and continue training and awareness efforts on the IntegrityLine.	In Progress	Ongoing
63	Board of Trustees	Board of Trustees May 16, 2019 Meeting	University Audit will provide face-to-face whistle-blower determination training as requested or if retaliation activities are substantiated for a specific area of the university.	Low	Training & Awareness	University Audit	Robert Taft	Audit and Compliance Committee	Develop a PowerPoint for presentations.	In Progress	November-19
64	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The University should consider the need for improved training and communications regarding its whistleblower program designed to increase awareness of the program and encourage employees to report known or suspected violations of law, regulation or University policy.	Low	Training & Awareness	University Compliance, Ethics, and Risk, University Audit, and President's Office	Christina Serra, Robert Taft, Tom Hope	Audit and Compliance Committee	On-line module and communication plan targeted for distribution in late Summer/early Fall.	In Progress	October-19

ITEM: INFO-2

UCF BOARD OF TRUSTEES
Audit and Compliance Committee
August 8, 2019

Title: University Audit Status Update

Background:

In accordance with the UCF Audit and Compliance Committee Charter the committee will meet on a periodic basis to fulfill their oversight responsibilities. The attached document is intended to provide the committee with information regarding the work of University Audit to assist the committee in successfully completing their oversight duties.

Issues to be Considered:

The committee should review the attachment in advance to prepare for any discussion among committee members, UCF's Chief Audit Executive, and other members of UCF management. This discussion may relate to completed activities and proposed future activities of the internal audit function along with management's plans for changes to their objectives, key processes, and related internal control activities.

Alternatives to Decision:

There are no decisions or approvals required related to this attachment. It is for informational and discussion purposes only.

Fiscal Impact and Source of Funding:

The attachment discusses the department's planned increase in the number of staff as well as their potential relocation to office space outside of Millican Hall. Required funds will be provided by the Office of the President and/or additional central budget commitments. The staffing increases are estimated to cost approximately \$450,000 on an annual basis. The office relocation costs will depend in part on the determination of University Compliance, Ethics, and Risk on whether to move with University Audit to UCF's Research Park. It is estimated that the annual rent would be approximately \$100,000 based upon the square footage required and available for either or both departments.

Recommended Action:

No recommended actions required.

Authority for Board of Trustees Action:

N/A

Contract Reviewed/Approved by General Counsel:

N/A

Committee Chair or Chairman of the Board approval:

Committee Chair Joseph Conte approved the agenda and all supporting documentation.

Submitted by:

Robert Taft, Chief Audit Executive

Supporting Documentation:

University Audit Status Update Attachment A

Facilitators/Presenters:

Robert Taft, Chief Audit Executive

Attachment A



UNIVERSITY OF CENTRAL FLORIDA

University Audit

Phone: 407-823-2889

P.O. Box 160080

Orlando, FL 32816-0080

MEMORANDUM

TO: Trustee Beverly Seay
Chair of the Audit and Compliance Committee of the UCF Board of Trustees

FROM: Robert Taft **RJT**
UCF Chief Audit Executive

DATE: July 16, 2019

SUBJECT: University Audit Status Report for discussion at the August 8, 2019 committee meeting

In lieu of providing a PowerPoint presentation, we would like to use this memo format to highlight ongoing initiatives and future planned work by the department. Based on the committee's feedback we will continue to use this memo format or revert to using PowerPoint. We will address any questions and comments from the committee regarding this memo during the August 8, 2019, meeting.

A. Ongoing Initiatives—Standard Projects

As a Management Advisory Service project, the department has issued a draft memo on UCF's Disaster Recovery and Business Continuity Programs. While scenarios such as hurricanes, pandemic diseases, power outages and workplace shootings impact the entire university community, the primary audit clients were UCF's Office of Emergency Management and UCF Information Technologies (UCF IT). While the project was performed as a Management Advisory Service as opposed to an audit, we believe that the residual risk score would be in the 6-8 range on our standard 0-10 scale (10 being the highest amount of risk). A number of observations and recommendations were made, and the committee will receive the final version of the memo which will include management action plans. We expect that the final memo will be issued in August.

We are also performing a Management Advisory Service project on the Downtown Campus. Over the past six months, we have met with key stakeholders and consulted with the Internal Audit Director at

Attachment A

Valencia College. We have met with most of the key stakeholders such as the project manager, the deans of the impacted colleges and programs, student support services, UCF Police, UCF IT and UCF Parking Services to discuss the implementation plan in terms of what is going well and the challenges that need to be met to complete the project on time and be prepared for the first day of classes. We did not identify any significant operational issues to date. Our intent is to issue a post-mortem memo on the project to include any suggested enhancements. Also, we will work with management to analyze the sources and amounts of funding for current programs and facilities as well as any plans for enhancement and expansion. In addition, we will evaluate the coordination with Valencia College to determine if everyone's expectations have been met based on the expected level of coordination and cooperation between the two institutions.

We are continuing our Capital Project monitoring work for the Roth Athletic Center. We have issued two project status memos and will be issuing a third in late July/early August. These status memos have been addressed to the chairs of the Audit and Compliance Committee and the Finance and Facilities Committee and provided to all members of both committees along with UCF management. Based on discussions with Interim President Seymour, we will adjust our reporting process to address the memos to him while maintaining the distribution list currently being used. We will also provide a separate status memo to discuss the progress made by UCF management on implementing the recommendations made during the first two project status memos. Our work on this project will continue through the second phase of the construction project (the building shell) but may be temporarily suspended for the third and final phase (buildout) based on the current Florida Board of Governors moratorium on new UCF construction projects. Our expectation is that, once the moratorium is lifted, we will continue to review all capital projects over the two-million-dollar threshold for the foreseeable future.

University Audit received a management request to review UCF Global's contracted relationship with Shorelight Education to determine if the contractual requirements have been met and if the university should continue its relationship with this vendor. The program recruits international students in a non-degree program with the goal of eventual admission to and graduation from UCF. Shorelight Education provides this type of profit-sharing arrangement with approximately 18 universities across the United States

Finally, University Audit held our project kickoff meeting with UCF's Institutional Knowledge Management team relating to the annual Performance Based Funding Data Certificate requirement. Based on our testing cycle, we propose to test four or five of the metrics and will meet with the Chair of the Board of Trustees to discuss the approach and any concerns about the data administration process and how program changes proposed by the Board of Governors or Legislature could impact our work in the future. Also, once UCF achieves preeminent status, University Audit will have to include those metrics in our testing and prepare a separate certification form to be signed by the president and Chair of the Board of Trustees.

Attachment A

B. Ongoing Initiatives-Other

In addition to the Capital Project monitoring project work discussed above, University Audit is responsible for implementing several recommendations from the multiple investigation reports surrounding the funding and construction of Trevor Colbourn Hall (TCH).

University Audit is working with both Finance & Accounting and UCF IT personnel to evaluate the ability to develop automated controls within PeopleSoft to prevent and detect inappropriate financial transactions. The group has had two meetings and has been able to identify a list of transfer codes that once implemented would capture the population of transactions that may require additional scrutiny.

University Audit is working with the Office of the General Counsel and Chief Financial Officer to establish a Financial Controls Disclosure committee. The purpose of this committee would be to meet on a quarterly basis and discuss any potential regulatory or process changes that could have material impact on the accuracy of the university's financial statements. As necessary, checklists and testing programs will be developed to provide additional support so that management can have more certainty when signing required certification forms.

Also, multiple TCH investigation reports indicated that there was a need for additional audit staffing. Based on the motion approved by the UCF Board of Trustees at a prior meeting supporting this initiative, we are working with Human Resources, Finance & Accounting, and the Office of the President on hiring additional staff. Our plan is to fill currently open positions and create several new positions such as a deputy chief audit executive and a director of audit and advisory services to strengthen the management team and enhance the abilities of the department. With this expanded staff, the department will need additional office space and we have been working with the Office of the President to evaluate potential locations. We are looking at potential sites within Millican Hall, within the main campus, and at UCF Research Park.

University Audit also has 41 active and open investigations. Several of these ongoing investigations have required whistle-blower determinations to be performed and subsequently provided to the named reporter. As necessary, we will utilize all staff to perform these investigations, but our goal is to have investigation specialists to the extent possible. Accordingly, one of our new hires will be a senior investigator as a resource to specialize in this area.

C. Upcoming Audits

We have performed our quarterly audit planning risk assessment to determine if we should make any adjustments to our future schedule. Based on this analysis, we are planning to start the following projects once our current inventory of projects discussed above is at or near completion and/or additional staff come on board:

- UCF Academic Health/Practice Plan (Direct Support Organization)
- Library Services
- UCF Business Incubator Program

Attachment A

Other audits under consideration include:

- Financial Transaction and Reporting Controls
- Budget Process
- Academic Integrity
- Export Control
- Faculty Clusters initiative

D. Other Information

Members of the department have recently attended conferences sponsored by the Association of Certified Fraud Examiners and the Institute of Internal Auditors. Some of the “hot topics” discussed during these sessions include

- Agile Auditing (how to leverage the software development process to perform internal audits)
- Culture/Emotional Intelligence (how values and interpersonal skills impact organizations)
- Third Party/Vendor Risk Management (data ownership, service level agreements, performance management, etc.)
- Blockchain and Robotic Process Automation (how these technologies will impact your organizations)

ITEM: INFO-3

UCF BOARD OF TRUSTEES
Audit and Compliance Committee
August 8, 2019

Title: Compliance Efficiency and Benchmarking Metrics Report

Background:

The UCF Compliance Efficiency and Benchmarking Metrics Report is provided in response to the committee's request during its April 23, 2019, meeting that University Compliance, Ethics, and Risk (UCER) provide efficiency and benchmarking metrics to the committee at the next meeting.

Issues to be Considered:

There are no issues for the committee to consider.

Alternatives to Decision:

There is no recommended committee action.

Fiscal Impact and Source of Funding:

This report identifies strengths of the program and opportunities for improvement. The opportunities require additional staff in UCER.

Recommended Action:

There are no specific recommendations.

Authority for Board of Trustees Action:

UCF Audit and Compliance Committee Charter and Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs.

Contract Reviewed/Approved by General Counsel:

N/A

Committee Chair or Chairman of the Board approval:

Committee Chair Joseph Conte approved the agenda and all supporting documentation.

Submitted by:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Supporting Documentation:

Compliance Efficiency and Benchmarking Metrics Report Attachment A

Facilitators/Presenters:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Board of Trustees/ Documents/ Agenda Documents

Attachment A



UNIVERSITY OF CENTRAL FLORIDA

Compliance Efficiency and Benchmarking Metrics Report

Prepared for the Audit and Compliance Committee of the Board
of Trustees

August 8, 2019

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Appendices

- A. Evolution of the UCF Compliance and Ethics Program
- B. UCF IntegrityLine Annual Reports
- C. UCF IntegrityLine Evaluation and Investigation Process

Executive Summary

In April 2019, the Criminal Division of the U.S. Department of Justice (DOJ) issued guidance on evaluating corporate compliance programs consistent with the Federal Sentencing Guidelines. As UCF's compliance and ethics program was built based on these guidelines (Board of Governors Regulation 4.003 is also based on the Federal Sentencing Guidelines), University Compliance Ethics, and Risk (UCER) used the DOJ guidelines as the effectiveness measurement tool in this report.

Where available, UCER provides metrics in the report that are either benchmarked against UCER historical data or data contained in third party benchmarking reports. The following sections of the report contain benchmarked metrics:

- Policies and Procedures
- Training and Communications
- UCF IntegrityLine
- Commitment by Senior and Middle Management
- Autonomy and Resources
- Culture of Compliance and Ethics

As detailed in the following pages of this report, the true test of an effective program is ensuring the program is designed to succeed, it is implemented appropriately, and there is continuous improvement, learning from incidents of non-compliance and putting measures in place to prevent it from occurring again. UCER's program has evolved since its inception in 2011 and continues to evolve. Detailed below are the strengths and opportunities identified in this report:

Strengths:

- UCF has had a dedicated chief compliance and ethics officer since 2011, which is best practice but is also now mandated by Board of Governors Regulation 4.003. According to the benchmark report, only 54% of organizations have a dedicated chief compliance and ethics officer.
- UCF's chief compliance and ethics officer has a direct reporting line to the president and the Chair of the Board of Trustees Audit and Compliance Committee, which is only achieved by 50% of organizations although it is best practice and now mandated by Board of Governors Regulation 4.003.
- UCER's staff size is in line with 42.2% of organizations based on employee size and 45.8% of academic institutions, with two to five dedicated compliance and ethics professionals. Note, as programs mature, the benchmark changes to a higher staff size (refer to the Opportunities section).
- In the culture surveys conducted by UCER, employees report a high level of confidence in knowing where to find policies, procedures, and regulations that apply to them (84% and 80% respectively) and feel that most UCF employees demonstrate integrity and ethical behavior (83%). Additionally, between 2016 and 2018, survey results show a significant increase (22%) in employee awareness of the UCF IntegrityLine and University Compliance, Ethics, and Risk.
- The culture survey results also showed a slight increase in employees experiencing or observing a violation of laws, regulations, or university regulation or policy in the last 12

months as well as being asked to bend, break, or circumvent laws, regulations, university regulations, or policies in the last 12 months (2% and 1% respectively). This increase could indicate that employees are more educated on the policies, regulations, and laws to spot potential misconduct rather than an actual increase in misconduct. Of these employees, there was an even greater increase (7%) since 2016 of those employees reporting the potential misconduct. This indicates a positive trend in employee's comfort speaking up.

- The number of employee requests made to the office since 2015 has increased by 174%. Having the opportunity to assist employees with policies, regulations, and ethical questions gives the office a chance to prevent potential non-compliance.
- The annual number of employees taking online training has steadily increased over the years. Training on the UCF Employee Code of Conduct increased by 57%, Potential Conflicts by 44%, and Gifts and Honoraria by 63%. The Youth Protection training was just launched in March 2019 but has already been completed by 736 individuals. The fifth online training module, Speak Up will be launched in late summer or early fall 2019.
- The *IntegrityStar*, UCER's compliance and ethics newsletter which offers additional educational opportunities for employees, has seen a 59% increase in employee viewership since its inaugural edition in April 2016.
- UCER website analytics reflect a nearly 150% increase in new users and 141% increase in the number of sessions by users since 2016.
- The number of policies and procedures reviewed and approved by the University Policies and Procedures Committee and the president in 2018-19 increased by 88% this past year as UCER devoted a project to ensuring policies remain relevant and contain current legal and regulatory requirements. There were 30 in total (26 revised and four new).
- The UCF IntegrityLine reached a healthy reporting volume in 2018 according to the benchmark. The percentage of reports per 100 employees was 1.6%, which exceeded the NAVEX benchmark of 1.1% indicating a healthy reporting volume at UCF.
- UCER exceeded the benchmark by more than 50% when comparing inquiries received to allegations of misconduct made to the office and the UCF IntegrityLine. This represents engaged employees and a willingness to understand the rules and to comply.

Opportunities:

- UCER's operations budget is in line with organizations with reactive, basic, or maturing compliance programs but is below the benchmark for organizations with as many employees. Advanced compliance and ethics programs and those supporting more than 6,000 employees have a higher operations budget.
- Investigation closure time exceeds the benchmark by double. This is an indicator that more resources are needed to conduct timely investigations. The Office of Institutional Equity (OIE) hired dedicated investigators to support their investigative workload and continues to close older cases from 2017 and 2018. As those cases are closed, University Audit and University Compliance, Ethics, and Risk will need to evaluate the office's need for more investigative staff.
- Mandatory annual training programs are common among the more advanced compliance and ethics programs. An annual training plan for all employees, including annual ethics training with certifications for senior leadership, will require dedicated staff in UCER.

- UCER's compliance risk assessment process will benefit from a more formalized enterprise risk program. This work is already in progress with the hire of UCER's new Director of Enterprise Risk and Insurance Management.
- Data analytics will become increasingly important for UCER to continue to review and report out on its effectiveness. Hiring someone with this expertise would prove beneficial to the team.
- To strengthen the program in the area of incentives and disciplinary measures, UCER recommends revising employee appraisal templates to include compliance and ethics as a performance measure.

Introduction

In response to the Federal Sentencing Guidelines and calls for increased accountability in public service, UCF took a proactive approach in 2011 to hire a chief compliance and ethics officer who was charged with developing an effective compliance and ethics program. In 2016, the Florida Board of Governors approved Regulation 4.003 that requires all state university system schools to hire a chief compliance and ethics officer and implement a program by November 2018.

UCF's Compliance and Ethics Program (Program) was developed based on the Federal Sentencing Guidelines Manual, Chapter 8, Part B, Section 2.1 and the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes; consistent with the requirements of the Florida Board of Governors Regulation 4.003. The Program was documented in the Compliance and Ethics Program Plan (Plan) approved by the UCF Board of Trustees and submitted to the Board of Governors, also required by Board of Governors Regulation 4.003.

The development of the Program evolved over a span of eight years, with the first few years primarily devoted to addressing the external regulatory reviews conducted by the Department of Education, the National Science Foundation, and the National Collegiate Athletic Association (NCAA) that prompted a focus on strengthening compliance in research, Clery Act, and athletics. The foundational program components began to take shape in 2013 and more advanced programming beginning in 2014, as the office began to hire staff. The evolution of the UCF Compliance and Ethics Program is provided in Appendix A.

UCF is committed to conducting research, instruction, business, and all other activities with the highest ethical standards and in compliance with applicable federal, state, and local laws and regulations. UCF's Program was reasonably designed to optimize its effectiveness in preventing or detecting noncompliance, unethical behavior, and criminal conduct. It is the responsibility of the chief compliance and ethics officer, through the Program efforts, to assure UCF's continued commitment to the highest ethical standards and the adherence to applicable federal, state, local laws, and regulations, and university policies and procedures.

Program Effectiveness Review

Under Board of Governors Regulation 4.003, at least once every five years, the president and the Board of Trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement. The first external review shall be initiated within five years from the effective date of the regulation, which is 2021. The assessment shall be approved by the Board of Trustees and a copy provided to the Board of Governors. University Compliance, Ethics, and Risk, through its membership in the Florida State University System Compliance and Ethics Consortium, is collaborating with Florida university peers and the Board of Governors Inspector General to define a single set of effectiveness standards for use by all Florida state universities for conducting effectiveness reviews. The standards are near finalization. Once the standards are finalized, UCER will engage a third party to conduct the five-year review.

This Compliance Efficiency and Benchmarking Metrics Report does not attempt to capture all possible measures of program effectiveness. Those will be reviewed during the five-year effectiveness review.

UCER developed this report in response to a request for the office to provide evidence of effectiveness of the Program following the Trevor Colbourn Hall (TCH) investigation. This report contains benchmarking metrics available at the time of the writing of the report and by no means shall represent all compliance and ethics effectiveness measures.

Benchmarking Reports

The following benchmarking reports were used in this report:

Society of Corporate Compliance and Ethics (SCCE) report titled, *Cross-Industry Compliance Staffing and Budget Benchmarking and Guidance Survey* dated February 2018. The data in the report was drawn from 1,542 responses from individuals who worked for a non-health care provider and were responsible for at least 26% of an organization's legal and regulatory risk.

SCCE and the Health Care Compliance Association report titled, *The Relationship between the Board of Directors and the Compliance and Ethics Officer* dated April 2018. Survey responses were solicited and collected during March and April 2018 from compliance and ethics professionals in the database of the SCCE and the Health Care Compliance Association. Additional outreach via social media was also used. Responses were collected and analyzed using SurveyGizmo, a web-based, third party system. A total of 386 responses were received.

NAVEX Global report titled, *2018 Ethics & Compliance Training Benchmark Report*. NAVEX Global partnered with an independent research firm to survey professionals from a wide range of industries about their approach to building an effective ethics and compliance program. The results of the survey represent responses from over 1,200 respondents globally from diverse industries of varying organizational sizes who influence or manage their organization's ethics and compliance programs.

NAVEX Global report titled, *2019 Ethics and Compliance Hotline Benchmark Report*. NAVEX Global takes anonymized data collected through their hotline and incident management systems, including only those organizations that received 10 or more reports in 2018. The report includes data on 2,738 customers representing all industries. (Note, UCF also uses NAVEX Global to administer the UCF IntegrityLine and therefore UCF data was also considered as part of this benchmarking report.)

NAVEX Global report titled, *The Definitive Corporate Compliance Benchmark Report* dated 2019. NAVEX Global partnered with an independent research firm to survey ethics and compliance professionals from a wide range of industries about their approach to building, managing and optimizing an effective ethics and compliance program. The report is based on survey results from approximately 1,000 respondents from diverse industries and of varying organizational sizes. The respondents either influence or manage their organization's ethics and compliance programs.

Effectiveness Measurement Instrument

In April 2019, the Criminal Division of the U.S. DOJ issued guidance on evaluating corporate compliance programs consistent with the Federal Sentencing Guidelines. The guidance document includes three overarching questions that organizations should answer to demonstrate the program's effectiveness:

1. Is the compliance program well designed?
2. Is the program being applied earnestly and in good faith, (i.e., is it being implemented effectively)?
3. Does the program work?

Using the U.S. DOJ guidance document, UCER outlines below each of the defined measurements of effectiveness with the corresponding UCF Program components in place that satisfy the requirement. Italicized text is quoted directly from the U.S. DOJ guidance document and is included to provide context.

I. Is the Compliance Program Well Designed?

The “critical factors in evaluating any program are whether the program is adequately designed for maximum effectiveness in preventing and detecting wrongdoing by employees and whether corporate management is enforcing the program or is tacitly encouraging or pressuring employees to engage in misconduct.” JM 9-28.800.

Accordingly, prosecutors should examine “the comprehensiveness of the compliance program,” JM 9-28.800, ensuring that there is not only a clear message that misconduct is not tolerated, but also policies and procedures – from appropriate assignments of responsibility, to training programs, to systems of incentives and discipline – that ensure the compliance program is well-integrated into the company’s operations and workforce.

A. Risk Assessment

Prosecutors should consider whether the program is appropriately “designed to detect the particular types of misconduct most likely to occur in a particular corporation’s line of business” and “complex regulatory environment[.]” JM 9-28.800.² For example, prosecutors should consider whether the company has analyzed and addressed the varying risks presented by, among other factors, the location of its operations, the industry sector, the competitiveness of the market, the regulatory landscape, potential clients and business partners, transactions with foreign governments, payments to foreign officials, use of third parties, gifts, travel, and entertainment expenses, and charitable and political donations.

The UCF Compliance and Ethics Program Plan, Element V – Routine Monitoring, Auditing, and Identification of Risks provides an overview of the risk components within the Program. Through the efforts outlined below, weaknesses and risks are identified, and steps are taken to improve the Program, strengthen internal controls, and mitigate the risks of misconduct and noncompliance.

Enterprise Risk

The chief compliance and ethics officer serves as a member of the university's Emerging Issues Team. This team has co-chairs appointed by the president and is made up of representatives from across the institution, including approximately 25 key stakeholders. The team usually met three times a year to discuss emerging risks facing the university. Through this Emerging Issues Team, risks discussed were ranked and the top three to five risks were communicated to senior leadership at the President's Advisory Staff meeting. Risks were further discussed at the vice president's meeting and action plans were developed as deemed appropriate.

Recognizing the need for a formalized enterprise risk management program, the university developed a dedicated position to oversee the university's risk identification and mitigation efforts. As of June 10, 2019, the university's first Director of Enterprise Risk and Insurance Management joined UCER to develop and execute a formal enterprise risk management program at UCF.

Compliance Risk

In terms of assessing specific compliance risks, UCER has used the following methods:

Conflicts of Interest Disclosure Review - UCER provides oversight and management of the university's conflicts of interest and commitment reporting process. Each academic year, a disclosure is required of all faculty, executive staff, post-doctoral employees, select individuals in university positions of trust (all employees in positions of director level and above), and employees engaged in the design, conduct, and reporting of research at UCF. Through this process, employees report all outside activities for review and approval. UCER serves as the final reviewer of all outside activities disclosed in this process and through this review, the office is continually assessing risk exposures and taking proactive steps to address those risks before they develop into misconduct.

IntegrityLine Case Review - Twice a month UCER reviews open investigations to ensure issues are being addressed in a timely manner and assesses the reports received for trends of noncompliance or risks. Annually, the office performs an analysis on data for the year and provides a report and overview to the board's Audit and Compliance Committee, president, and vice presidents. In response to trends identified through the monthly and annual analysis, UCER provides guidance on noncompliance or risks identified, provides targeted training and education, communications and guidance, and collaborates with compliance partners to address issues as appropriate. There have been four annual IntegrityLine reports issued to date, which are provided as Appendix B.

Department Database Review – Inquiries and requests made to the office are logged in a reporting database by topic and location. This data is reviewed and analyzed to identify potential trends or areas that could benefit from proactive measures such as training or outreach.

The risk analysis performed by the office through the above methods help to inform the development of the UCER annual compliance work plan. The work plan outlines the areas of focus for the office and includes program development, review, training,

monitoring and other activities that will be conducted during the year. UCER presents the annual work plan to the Audit and Compliance Committee of the Board of Trustees and provides updates on the progress performed throughout the year. At the conclusion of the year, a final status of all activities report is issued to the committee.

As an example of risks UCER identified through this process and actions taken:

Conflict of Interest: In 2016-17, based on closed case reports and database entries of requests made to the office, UCER identified the need for greater employee awareness of the sections of the state ethics laws related to employees having an employment, contractual, or ownership interest in a business entity conducting business with UCF. To address this risk, the office drafted and distributed a detailed summary of the state ethics laws in the October 2016 all-employee conflict of interest email. This email is now sent annually. The office also developed a chart to capture the employees who disclosed an outside employment, contractual, and business ownership and began including detailed guidance to those employees in the reviewer comments section of their online conflict of interest disclosure. Additionally, the office developed and launched the online training titled Potential Conflicts – Florida Code of Ethics for Public Officers and Employees. This training has since become mandatory for all new employees. UCER’s awareness efforts in this risk area continues. Specific guidance on this risk was included in the UCF Employee Code of Conduct and Code training and continues to be a topic of articles in the *IntegrityStar* newsletter.

Youth Protection Program: During the 2018-19 report year, UCER successfully implemented a Youth Protection Program that was initially identified as an unmitigated risk in 2016. To address the risk, UCER formed and chaired a committee made up of representatives across the institution and together completed benchmarking to understand best practices surrounding youth protection programs in higher education institutions around the country. UCER developed and launched a survey to 114 individuals at UCF to identify programs involving youth participants to help inform program development. A Youth Protection Program policy was drafted, finalized and presented to the University Policies and Procedures Committee in December 2018, recommended for approval by the president and became effective on December 20, 2018. A webpage devoted to the [Youth Protection Program](#) was also developed and posted on UCER’s website. To promote awareness of the new policy and guidance on obtaining more information and resources, UCER developed and issued the [March 2019 edition of the *IntegrityStar*](#) including articles announcing the UCF Youth Protection Program and featuring an article on the new UCF Background Check Policy & Procedure. UCER also distributed an awareness email to all employees in April 2019 during Child Abuse Prevention month. UCER has begun tracking and maintaining records of all affiliated camp, conference, and minor-related activities, and will enforce sanctions for programs that fail to meet university policy and standards. Since the launch of the program in March, UCER has processed 104 registrations that hosts thousands of minors collectively.

B. Policies and Procedures

Any well-designed compliance program entails policies and procedures that give both content and effect to ethical norms and that address and aim to reduce risks identified by the company as part of its risk assessment process. As a threshold matter, prosecutors should examine whether the company has a code of conduct that sets forth, among other things, the company's commitment to full compliance with relevant Federal laws that is accessible and applicable to all company employees. As a corollary, prosecutors should also assess whether the company has established policies and procedures that incorporate the culture of compliance into its day-to-day operations.

UCF Employee Code of Conduct

The UCF Employee Code of Conduct was developed and launched in the fall of 2017. It communicates expectations and requirements, and provides a resource for employees when faced with questions or ethical dilemmas. Embedded in the Code are UCF's ethical standards of honesty and integrity, respect, responsibility and accountability, and stewardship, as well as the five tenets of the UCF Creed. Together they communicate the ethical principles and values of the university.

The purpose of the Code of Conduct is to provide one guiding document that highlights the many laws, regulations, UCF policies, and ethical standards that employees are required to follow. The UCF Employee Code of Conduct is part of UCF's comprehensive compliance and ethics program, supported by the UCF Board of Trustees, the president, and senior leadership. All employees are required to follow the UCF Employee Code of Conduct.

In addition to the Code of Conduct, UCF's expectations for ethical conduct and compliance is conveyed through university regulations, policies and procedures. UCER serves as a resource for regulation and policy development, and assists UCF faculty and staff members in identifying and understanding policies applicable to their roles.

University Policy Development

The chief compliance and ethics officer chairs the University Policies and Procedures Committee that is charged with reviewing policies and procedures and providing a recommendation of approval prior to review and approval by the university president.

UCF Policy 2-001.5, University Policy Development is a longstanding policy that establishes how university policy is developed, reviewed, approved, and maintained. All university policies are maintained online in the UCF Policies and Procedures Manual and must be reviewed annually by the responsible authority and every five years by the committee. New and revised policies had traditionally been communicated to the university community through a policy Listserv. Since 2016, each edition of the UCF *IntegrityStar* lists all new or revised university policies and regulations. Additionally, in October 2018 the office began distributing all campus emails notifying all employees when policies are approved by the president with links to the policy library and a reminder to sign up for the Listserv to receive announcements when policies are posted for public comment. Because of these additional communications, requests for participation in the policy review Listserv has increased.

Policies and Procedures Public Comment Listserv	Employee Count
Before All-Campus E-mail Reminder – Sept 2018	343
After All-Campus E-mail Reminder – April 2019	398
After All-Campus E-mail Reminder – June 2019	433
Increase in Registered Employees	90

Result: Employee’s requesting notifications when policies are posted for public comment has increased by 26% since UCER began distributing awareness emails. In September 2018 (prior to implementing the all campus emails announcing approved policies), the Listserv contained 343 employees and to date, 90 additional employees requested to join the Listserv.

UCF Policies and Procedures Online Manual

To confirm that employees are accessing the online UCF Policies and Procedures Manual posted at <https://policies.ucf.edu/>, the office worked with UCF Information Technology to enable website analytics in June 2019. The office will continue to track and analyze this data, but for now offers the following limited data for June:

Website Analytics	June 2019
New Users	650
Sessions	919
Bounce Rate	89.55%
Pages/ Session	1.18
Avg. Session Duration	00:35

Result: There are confirmed users to the website, however, more time is needed to assess the visitors and time spent reviewing policies.

UCF Policy and Procedures Committee Review

UCER worked directly with departments, provided guidance, and when needed revised policies to improve content and the communication of expectations to the university community prior to submitting the policies to the University Policies and Procedures Committee. During 2017-18, UCER initiated a five-year review project in compliance with UCF-2-001.5 University Policy Development to ensure that policies continue to be appropriate and current. This project contributed to a significant increase in the number of policies that were evaluated and approved in 2018-19, as follows:

Policies and Procedures Committee Review and Approval	2015-16	2016-17	2017-18	2018-19
Policies Reviewed and Approved	16	12	10	30

Result: UCER’s focus on policies and procedures this past year has contributed to the largest number of policies reviewed and approved by the president since 2015-16, an increase of 88%. Of the 30 policies reviewed and approved during 2018-19, there were four new policies, which demonstrates that the university is identifying gaps and addressing those through policy development. This work will continue as UCER assists with facilitating new policies identified in the TCH recommendations.

In terms of educating employees on policies, the responsible authority for each policy is responsible for providing the appropriate training and awareness to employees. Compliance partners manage their respective compliance risk areas and provide training on the topics within their scope of responsibilities. Many policies are covered within the UCF Employee Code of Conduct and Code of Conduct training. Metrics on training are provided in section C. below.

UCF Policy 2-101.1, University Regulation Development

UCF Policy 2-101.1, University Regulation Development is a longstanding policy that establishes how a university regulation is developed. The policy and process is administered by the vice president and general counsel in compliance with the procedures adopted by the Board of Governors. The Office of the General Counsel maintains the online regulation library and provides communication to the university community on new and revised regulations through the regulation Listserv. Since 2016, each edition of the UCF *IntegrityStar* lists all new or revised university regulations.

UCF Policy 2-700, Reporting Misconduct and Protection from Retaliation

UCF Policy 2-700, Reporting Misconduct and Protection from Retaliation is administered by the chief compliance and ethics officer and establishes how and where members of the university community, including companies that conduct business with the university, should report concerns. The policy covers the avenues for reporting, including within an employee's department, to central offices, to the UCER office, and through the UCF IntegrityLine (anonymous report line). The policy also covers the requirement to report possible fraud to University Audit and the requirements under Florida statute for reporting child abuse, neglect, and abandonment.

UCF Policy 2-800, Fraud Prevention and Detection

UCF Policy 2-800, Fraud Prevention and Detection is administered by the chief audit executive and communicates the requirement that suspected fraud, waste, or abuse be reported and investigated by University Audit. It is the policy of UCF to proactively exercise due diligence in the prevention and detection of fraud and objectively and independently investigate any misuse of university resources, as well as any suspected acts of fraud, theft, corruption, waste, or abuse, and to take appropriate disciplinary or legal action.

UCF Policy 3-011, Background Checks

UCF Policy 3-011, Background Checks is administered by the associate vice president and chief human resources officer and communicates the requirement for all final candidates for employment with UCF are required to undergo a background check prior to an offer of employment. The UCF standard background check consists of a criminal history background check inclusive of a search of the National Sex Offenders Registry, statewide criminal history background check through the FDLE, local criminal records check through local law enforcement agencies, federal criminal database, national criminal history records, social security records available through credit bureaus, and driver's license records. A Level 2 background check is required for positions when mandated under applicable federal or state law or when designated based on university

policy, duties of the position, or in compliance with grants and/or contractual requirements.

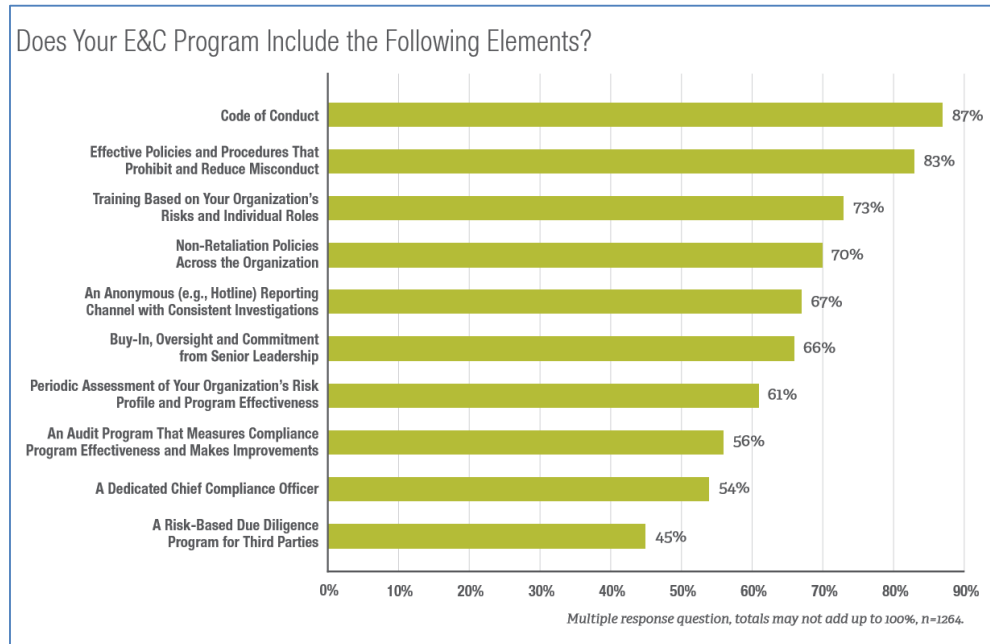
UCF Policy 2-010 Whistle-blower Determination and Investigation

UCF Policy 2-010 Whistle-blower Determination and Investigation is administered by the chief audit executive and communicates the requirement that all potential whistle-blower complaints received by university or DSO employees be reported to University Audit for determination of whistle-blower status. When a whistle-blower investigation is necessary, University Audit is responsible for performing the investigation into the whistle-blower complaint and will refer other claims that do not meet the definition of a whistle-blower complaint to the appropriate department for investigation.

UCF Regulation 3.018 Conflict of Interest or Commitment; Outside Activity or Employment

UCF Regulation 3.018 Conflict of Interest or Commitment; Outside Activity or Employment is a longstanding university regulation that outlines the conflict of interest and commitment disclosure process at UCF and includes state and federal reporting requirements.

The following key ethics and compliance program elements were identified in the NAVEX Global report titled, *2018 Ethics and Compliance Training Benchmark Report*:



A code of conduct (87%) and effective policies and procedures that reduce misconduct (83%) are the most common E&C program elements. Audit programs (56%), a dedicated chief compliance officer (54%), and a risk-based due diligence program for third parties (45%) are less commonly included.

Result: Most organizations have a code of conduct and effective policies and procedures as key components of their ethics and compliance program. UCF has both, but also has the additional seven best practice components that are found in only 50-60% of the

organizations. For instance, only 54% of organizations have a dedicated chief compliance and ethics officer and UCF has had one since 2011.

C. Training and Communications

Another hallmark of a well-designed compliance program is appropriately tailored training and communications. Prosecutors should assess the steps taken by the company to ensure that policies and procedures have been integrated into the organization, including through periodic training and certification for all directors, officers, relevant employees, and, where appropriate, agents and business partners. Prosecutors should also assess whether the company has relayed information in a manner tailored to the audience’s size, sophistication, or subject matter expertise. Some companies, for instance, give employees practical advice or case studies to address real-life scenarios, and/or guidance on how to obtain ethics advice on a case-by-case basis as needs arise.

Prosecutors should also assess whether the training adequately covers prior compliance incidents and how the company measures the effectiveness of its training curriculum. Prosecutors, in short, should examine whether the compliance program is being disseminated to, and understood by, employees in practice in order to decide whether the compliance program is “truly effective.” JM 9-28.800.

UCER and compliance partners are responsible for developing and implementing training and education to support ethical conduct and compliance at UCF. UCER collaborates with compliance partners to assist in the development, evaluation, and delivery of training. All UCF employees are provided training to conduct university business with the highest ethical standards and in compliance with applicable laws, regulations, and policies and procedures. Creating training modules and identifying need-based education is pivotal to the success of the Program. As part of the Program’s core training regarding compliance and ethical conduct, UCER developed and provides the following on-line training to employees:

Employee Code of Conduct training – This training is provided to new employees during orientation and is available and promoted to current employees on a regular basis. The Employee Code of Conduct training highlights laws, regulations, UCF policies, and ethical standards that employees are already expected to follow and serves as a resource for employees when faced with questions or ethical dilemmas. Sections include: Speaking Up, Reporting Options, the UCF IntegrityLine, and Protection from Retaliation. Since November 2017, all new employees have been required to take online UCF Employee Code of Conduct training. Ethical decision-making framework is also included, which offers the UCF IntegrityLine as an option for employees when they are not sure of what action to take. This course requires employees to pass a 25-question quiz with a score of at least 80%.

Course Name	Effective Date	Expiration Date	Number Passed
UCF Employee Code of Conduct 2017	10/13/2017	12/31/2017	675
UCF Employee Code of Conduct 2018	1/1/2018	06/30/2018	195
UCF Employee Code of Conduct 2018-19	7/1/2018	12/31/2019	1062*
Total			1,932

*As of June 28, 2019 includes 515 new hires required to take the training within 30 days of start date. On average since November 2017, 72% of all new hires have completed and passed the UCF Employee Code of Conduct training.

Result: Employee annual training completion rates have increased by 57% since the implementation of the Code of Conduct training in the fall of 2017. Initially the training was mandatory only for new employees, however, in late summer or early fall 2019, all existing employees will be notified by the president that Employee Code of Conduct training must be taken by all employees. UCER will be initiating a widespread launch of the training and will track and report out completion rates.

Potential Conflicts – Florida Code of Ethics for Public Officers and Employees training

– This training provides an overview of the state’s ethics laws, assists employees with identifying prohibited actions or conduct and communicates the reporting and disclosure requirements of the state and university. This training is available and promoted to new and current employees on a regular basis. As of February 2019, all new employees are required to take the online training. This course requires employees to pass a 13-question quiz with a score of at least 80%.

Course Name	Effective Date	Expiration Date	Number Passed
Potential Conflicts – Florida Code of Ethics for Public Officers and Employees 2017	4/6/2017	12/31/2017	253
Potential Conflicts – Florida Code of Ethics for Public Officers and Employees 2018	1/1/2018	12/31/2018	147
Potential Conflicts – Florida Code of Ethics for Public Officers and Employees 2019	1/1/2019	12/31/2019	365**
Total			765

**As of June 28, 2019, includes 96 new hires required to take the training within 30 days of start date. On average since February 8, 2019 58% of all new hires have completed and passed the Potential Conflicts training.

Result: Annual training completion grew 44% since the initial launch of the training in 2017. UCER expects to see this increase with the new requirement that it is mandatory for all new employees.

Gifts and Honoraria training – This training is based on the state’s ethics laws as it relates to employees soliciting and receiving gifts, applicable reporting requirements, and communicates the university’s standards. This training applies to individuals who are defined under the ethics laws as either reporting individuals or procurement employees and therefore is not a mandatory training for all employees. This training is available and promoted to new and current employees on a regular basis. This course requires employees to pass a 13-question quiz with a score of at least 80%.

Course Name	Effective Date	Expiration Date	Number Passed
Gifts and Honoraria – 2016	6/3/2016	12/31/2016	128
Gifts and Honoraria – 2017	1/11/2017	12/31/2017	45
Gifts and Honoraria – 2018	1/1/2018	12/31/2018	155
Gifts and Honoraria – 2019	1/1/2019	12/31/2019	208
Total			536

Result: Annual training in this risk area grew 63% since the initial launch of the training in 2016. This is a specialized training targeted to individuals who meet the state and policy definition of a reporting individual or procurement employee. Completion of this training has increased over the years as UCER identifies gaps or risks in particular colleges and departments and working with those leaders to mandate training for those employees.

Youth Protection training – This training is mandatory for all individuals identified as having care, custody, and control of a minor in accordance with UCF 2-005 Youth Protection Policy and completion is required every two years. This course requires individuals to pass a 10-question quiz with a score of at least 90%.

Course Name	Effective Date	Expiration Date	Number Passed
Youth Protection Training 2019	1/1/2019	12/31/2019	415
Youth Protection Training 2019 Non-Employee	1/1/2019	12/31/2019	321
Total			736

Result: This is a new training that was just implemented in March 2019. Participation includes employees and non-employees using UCF space to host programs involving minors. This is a mandatory training that is monitored by UCER. As long as youth programs are hosted by UCF or held on UCF property, training in this area will continue.

Speak Up training – UCER is in the process of developing a standalone training for implementation to all employees as mandatory training. The training will be announced by the president in the same announcement which requires all employees to take the Employee Code of Conduct training course.

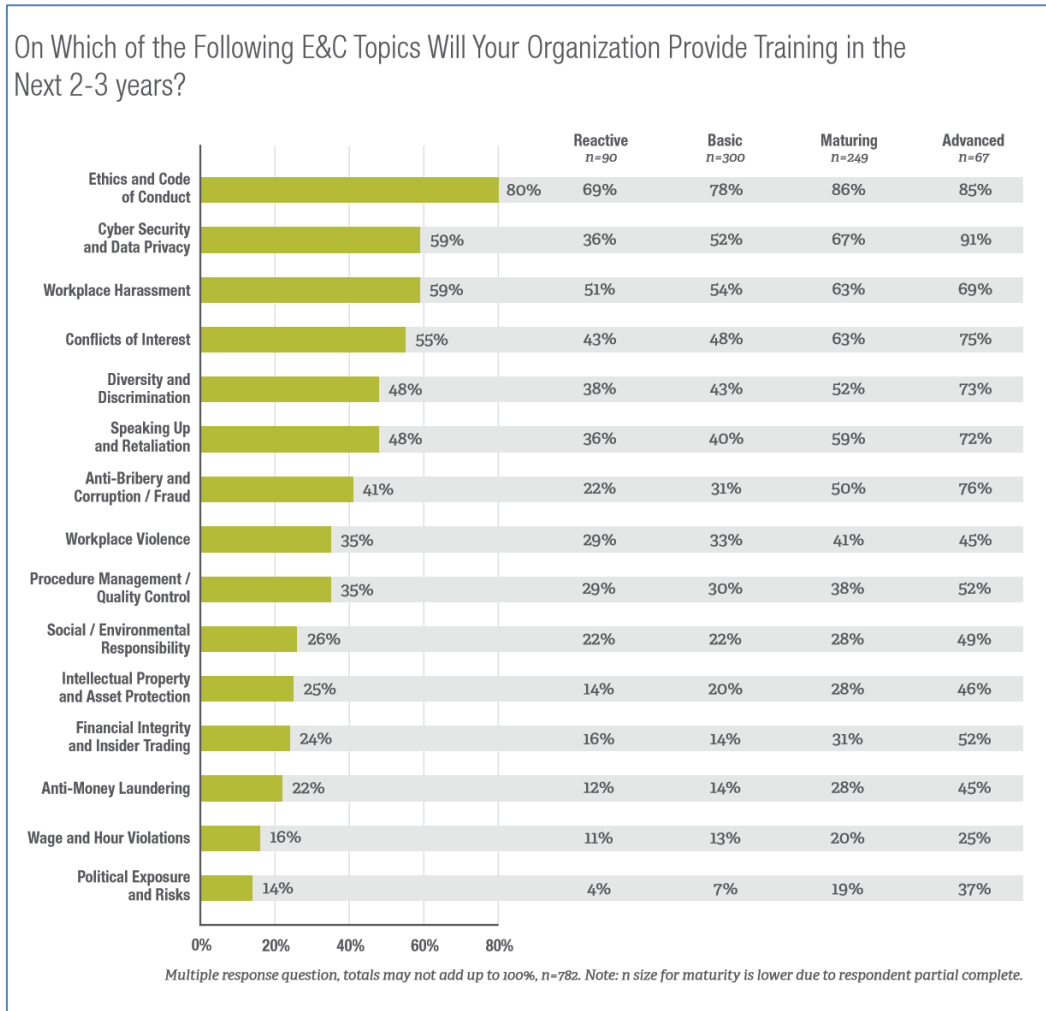
UCER also provides targeted in-person versions of the training listed above to departments and groups, as requested. In addition, training is developed or updated to meet the needs of the Program and to address areas of concern. As part of the Program, the office provides training on the Clery Act and federal research compliance requirements in collaboration with compliance partners from the UCF Police Department, Office of Institutional Equity, and the Office of Research and Commercialization. Compliance partners develop and administer vital training to employees as part of UCF’s effective Program and cover the large amount of ethical and compliance requirements applicable to the university.

To benchmark its training initiatives, UCER used the NAVEX Global report titled, *2018 Ethics & Compliance Training Benchmark Report*:



Creating a culture of ethics and respect is once again the top training program objective (72%). However, complying with laws and regulations remains an important objective (64%). Interestingly, preventing future issues or misconduct has become an increased priority this year and is the third-most important objective (57%).

Result: Training objectives at UCF are also focused on creating a culture of ethics and respect, complying with laws and regulations, and preventing future issues or misconduct. To strengthen this effort, all employees will be enrolled in the UCF Employee Code of Conduct and the newly created Speak Up training late summer or early fall 2019, which will be communicated by the president.



Seventy percent of organizations with Advanced programs will provide training on seven topics in the next two to three years, indicating a multiyear strategy to address core topics over time to multiple audiences. Most organizations will provide some type of ethics and code of conduct training (80%). Six in 10 will provide training on cyber security (59%) and workplace harassment (59%). Just over half will provide training on conflicts of interest (55%). The top three topics have remained the same for the last three years – code of conduct/ethics, workplace harassment and conflicts of interest.

Result: UCER manages the Code of Conduct, Speak Up, and conflicts of interest training. Compliance partners manage cyber security, workplace harassment, and diversity training. According to the benchmarking report, more advanced compliance and ethics programs develop multiyear training strategies, however, for UCER to manage a centralized training plan covering various topics on an annual training calendar would require additional resources in UCER to administer.

Do the Following Audiences Receive Training on the Following Topics, and if so, How Often?

	Never	One Time	Every Year	Every Two Years	Every Three Years or More
BOARD OF DIRECTORS					
Code of Conduct	25%	29%	39%	5%	2%
Workplace Harassment	44%	21%	24%	6%	5%
Diversity and Discrimination	37%	22%	28%	8%	5%
Cyber Security and Data Privacy	25%	30%	37%	5%	3%
Bribery and Corruption	20%	25%	43%	8%	4%
Conflicts of Interest	23%	18%	49%	7%	3%
Workplace Violence	43%	19%	28%	6%	4%
Wage and Hour	50%	19%	22%	7%	2%
SENIOR LEADERS / MANAGERS					
Code of Conduct	5%	21%	60%	10%	4%
Workplace Harassment	4%	23%	47%	17%	9%
Diversity and Discrimination	6%	20%	50%	16%	8%
Cyber Security and Data Privacy	6%	20%	62%	7%	5%
Bribery and Corruption	5%	17%	62%	12%	4%
Conflicts of Interest	6%	16%	62%	9%	7%
Workplace Violence	7%	13%	59%	13%	8%
Wage and Hour	10%	26%	50%	6%	8%
NON-MANAGERS					
Code of Conduct	6%	20%	60%	8%	6%
Workplace Harassment	5%	23%	48%	16%	8%
Diversity and Discrimination	7%	23%	50%	13%	7%
Cyber Security and Data Privacy	7%	16%	63%	7%	7%
Bribery and Corruption	8%	17%	56%	12%	7%
Conflicts of Interest	11%	16%	57%	9%	7%
Workplace Violence	7%	16%	56%	14%	7%
Wage and Hour	21%	23%	41%	9%	6%

Base: Organizations that offer training on the topic, n=120-277.

Less mature programs train their stakeholders with less regularity across non-managers, managers and their board. An ability to plan ahead – even just a year – impacts the effectiveness of a program.






Result: There are frequent training and awareness campaigns delivered by UCER and the compliance partners annually, however, to have a centralized training plan that covers various topics on an annual training calendar would require additional resources in UCER to administer.

Website

The development and maintenance of the UCER website, which promotes UCF’s policies and procedures, is a critical educational resource for university employees. Information on the website includes an overview of the Program, UCF Employee Code of Conduct,

policies and procedures, the UCF IntegrityLine report line, UCF *IntegrityStar*, educational modules and videos, and links for additional resources. The training videos provided on the website and distributed to employees through other channels, cover the topics of retaliation, phishing, employment of relatives, respecting others, and avoiding conflicts of interest. The [office’s training webpage](#) contains seven “Know the Code” training videos and 12 videos on various compliance subjects.

UCER Website Analytics

	2016-17	2017-18	2018-19	Difference
New Users	5,867	8,863	14,644	149.60% 
Sessions	8,397	12,292	20,238	141.01% 
Bounce Rate	58.71%	65.85%	68.85%	17.26% 
Pages/ Session	2.51	2.02	1.91	23.94% 
Avg. Session Duration	2:07	1:37	1:32	27.07% 

Result: There has been a significant increase in new users to the UCER website and significantly more sessions by those users. On the negative side, the bounce rate has increased, and the number of pages per session and average session duration has decreased. Additional time would be required to analyze this further.

Most Visited Webpages – Last 12 months

	Page Views
University Compliance, Ethics, and Risk Main Page	6,461
Our Staff	3,184
Conflict of Interest	2,797
UCF IntegrityLine	2,350
<i>IntegrityStar</i> October 2018	1,837
Enterprise Risk Management – University Volunteers	1,659
Understanding Conflict of Interest	1,393
About	1,357
Enterprise Risk Management Main Page	1,307
Youth Protection Program	1,233

Result: The UCF IntegrityLine is the fourth most visited webpage and the *IntegrityStar* October 2018 edition was the fifth most visited webpage (edition was devoted to the Code of Conduct, reporting misconduct, whistleblower protections, and the results of the 2018 culture survey). Conflicts of Interest appears also on the top five and the Youth Protection Program page, which was just implemented in March 2019 appears on the top ten most visited webpages.

***IntegrityStar* Newsletter**

In April 2016, the office launched the inaugural edition of the *IntegrityStar*, the official UCF Compliance and Ethics newsletter distributed to all employees three times per year (once per semester). Newsletter articles cover ethics and compliance topics, include articles by compliance partners, highlight new policies and regulations, and list upcoming training opportunities. The newsletter includes a recognition section in which employees are celebrated for demonstrating the values of the university. The newsletter provides guidance to employees and contains educational videos and cartoons that communicate ethical conduct and compliance requirements. Each newsletter provides a link to the IntegrityLine and reminds employees to report suspected misconduct. There have been 10 editions distributed to date.

Edition	Policies and Regulations Announced	Featured Articles	Open Rate
April 2016	2-008 Internal Control Policy 4-007.1 Security of Mobile Computing, Data Storage, and Communication Devices 4-008.1 Data Classification and Protection 4-505.1 Reporting of Substantive Change 3-003.1 Deductions from Salary of Exempt Employees	UCF IntegrityLine Conflicts of Interest	21.42%
July 2016	2-103.2 Use of Copyrighted Material 2-104.1 Retention of External Legal Counsel 2-106.1 Communication with Prosecuting Authority 3-117.1 Continuity of Operations (COOP) 3-302.2 Printing Services 4-014 Procurement and Use of Cloud Computing and Data Storage Services 4-506 Continuing Education Courses and Programs (new) UCF-3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members UCF-3.015 Promotion and Tenure of Tenured and Tenure-earning Faculty UCF-3.0175 Promotion of Full-time Non-tenure-earning, Research, and Clinical Assistant and Associate Professors UCF-3.0176 Instructor and Lecturer Faculty Promotion UCF-3.0262 Meritorious Service Awards Program UCF-3.036 Grievance Procedure for Non-Unit Faculty Employees UCF-3.037 Grievance Procedure for Non-Unit A&P Employees UCF-6.007 Traffic/Parking Regulation and Enforcement UCF-7.130 Administration and Finance; Purchasing UCF-7.203 Real Property Leasing UCF-9.001 Schedule of Tuition and Fees UCF-10.010 Discipline and Termination for Cause of Faculty and A&P Staff Members of the College of Medicine	2-700 Reporting Misconduct and Protection from Retaliation Florida Code of Ethics /Gifts and Honoraria	20.43%

October 2016	2-207 Licensing and Use of University-owned Copyrighted Materials and Trademarks 2-300 Acceptance of Sponsorship by Alcohol Companies 4-002.2 Use of Information Technologies and Resources 1.001 University Board of Trustees Powers and Duties 5.001 Performance-Based Funding 7.001 Tuition and Associated Fees 7.003 Fees, Fines, and Penalties 7.007 Latin American and Caribbean Scholarship Eligibility 7.008 Waivers and Exemptions of Tuition and Fees 8.011 Authorization of New Academic Degree Programs and Other Curricular Offerings 8.012 Academic Program Termination and Temporary Suspension of New Enrollments 8.014 Bachelors' Degree Exceptions to 120 Credit Hours Requirement 9.007 State University Operating Budgets; and Debt Management Guidelines	Fair Labor Standards Act Framework for Ethical Decision Making UCF Title IX Program	20.27%
April 2017	3-003.3 Deductions from Salary of Exempt Employees 3-010.1 Eligibility for Overtime Compensation 3-106 Maintenance, Repair, and Housekeeping 3-112.2 Additions to Salary of Exempt Employees for Special Events 3-125 Real Estate Transactions 3-206.5 Credit Card Merchant 3-209.2 Concession Funds 4-502.2 Emeritus Status 2-903.2 Travel to Restricted Destinations 3-101.1 Building Liaisons 2.009 Admission of International Students 3.0032 Additional Compensation for UCF Employees 3.0124 Discipline and Termination for Cause of Non-Unit Faculty and A&P Staff Members 3.036 Grievance Procedure for Non-Unit Faculty Employees 3.037 Grievance Procedure for Non-Unit A&P Employees 3.040 Benefits and Hours of Work 3.044 Compensation	Harassment and the Law Respect and Inclusion	21.36%
July 2017	2-004 Prohibition of Discrimination, Harassment and Related Interpersonal Violence (new) 2-009 Gifts and Honoraria (new) 2-107.4 Signature Authority 2-208 Direct Support Organization (DSO) External Auditor Selection 2-901.1 UCF Foreign Policies	UCF-3.018 Conflict of Interest or Commitment; Outside Activity or Employment	25.08%

	<p>3-402.1 Response to Job-related Employee Illness or Injury 4-210 Distinguishing Gifts from Sponsored Awards UCF-3.018 Conflict of Interest or Commitment; Outside Activity or Employment UCF-3.0032 Additional Compensation for UCF Employees UCF-6.007 Traffic/Parking Regulation and Enforcement UCF-6.008 Vehicle Registration Fees; Parking Violation Fines UCF-7.130 Administration and Finance; Procurement Services</p>	<p>2-009 Gifts and Honoraria 2-004 Prohibition of Discrimination Harassment and Related Interpersonal Violence 3-008.2 Employment of Relatives</p>	
October 2017	<p>UCF-3.035 University Closings Due to Emergency Conditions UCF-3.040 Benefits and Hours of Work UCF-4.0293 Use of University Facilities; Campus Demonstrations and Other Outdoor Events UCF-5.006 Student Rights and Responsibilities UCF-5.007 Office of Student Conduct; Scope; Definitions; Student Conduct Records; Special Student Panels UCF-5.008 Rules of Conduct UCF-5.009 Student Conduct Review Process; Sanctions UCF-5.010 Student Conduct Appeals UCF-5.011 Scope; Authority; Principles of Group Responsibility; Violations of Law and Rule of Conduct Violations; Definitions; Student Organizational Conduct Records UCF-5.012 Organizational Rules of Conduct UCF-5.013 Organizational Conduct Review Process; Sanctions; Appeals UCF-5.015 Student Academic Behavior Standards UCF-5.016 Student Academic Appeals UCF-5.017 Appeals of Graduate Program Actions or Decisions – College of Graduate Studies UCF-6.007 Traffic/Parking Regulation and Enforcement UCF-6.008 Vehicle Registration Fees; Parking Violation Fines UCF-9.001 Schedule of Tuition and Fees</p>	<p>UCF Employee Code of Conduct UCF IntegrityLine</p>	24.77%
March 2018	<p>2-004.1 Prohibition of Discrimination, Harassment and Related Interpersonal Violence 2-100.5 Florida Public Records Act: Scope and Compliance 2-209 Privately Funded Named Faculty and Academic Leadership Position</p>	<p>2-009 Gifts and Honoraria UCF-3.018 Conflict of</p>	19.89%

	<p>3-105 Keys 3-109.1 Building and Fire Code Compliance 3-128 University Volunteers 3-200.2 Receipt and Deposit of Funds by Departments 4-009.3 Cellular Telephone Acquisition and Use 4-016 Email Provisioning De-provisioning and Use 4-017 Enterprise Directory Governance 4-214 Policy for Sponsored Activity 4-215 Use of Research Space by Third-Parties 4-403.1 Required Elements of the Course Syllabus UCF-3.001 Non-discrimination; Affirmative Action Programs UCF-3.0122 Resignation and Nonrenewal of Non-unit Faculty and A&P Staff Members UCF-3.0134 Grievances Alleging Discrimination UCF-4.019 Fee Policy – Payments, Refunds, and Release of Fee Liability UCF-4.031 Boating on University Lakes UCF-5.006 Student Rights and Responsibilities UCF-5.013 Organization Conduct Review Process; Sanctions UCF-5.015 Student Academic Behavior Standards UCF-5.020 Religious Observances UCF-5.008 Rules of Conduct UCF-5.009 Student Conduct Review Process; Sanctions UCF-5.010 Student Conduct Appeals UCF-7.203 Real Property Leasing</p>	<p>Interest or Commitment; Outside Activity or Employment</p>	
June 2018	<p>2-010 Whistle-blower Determination and Investigation 2-102.3 Contract Review 3-107.2 Procurement Use and Possession of Hazardous Materials 3-121.1 Electronic Funds Transfer 6-002.1 Public Information and Media Relations UCF-3.0177 Promotion of Non-tenure-earning Instructional Designers UCF-6.007 Traffic/Parking Regulation and Enforcement UCF-6.008 Vehicle Registration Fees; Parking Violation Fines UCF-9.001 Schedule of Tuition and Fees</p>	<p>3-128 University Volunteers Environmental Health and Safety Campus Security and Crisis Response</p>	23.97%
October 2018	<p>2-105.2 Identity Theft Prevention 3-100.2 Building Evacuation 3-126 Space Allocation and Use 3-505.3 Payment for Relocation 4-011.1 Radio Frequency Spectrum</p>	<p>2-010 Whistle-blower Determination and</p>	34.28%

	4-016.1 Email Provisioning, De-provisioning, and Use Policy 4-211.1 Research Misconduct Policy UCF-3.0031 Tuition Waiver Benefit Program UCF-4.029 Use of University Facilities; Definitions; Priority of Use; Restrictions on Use UCF-4.0292 Potentially Hazardous Events UCF-4.0293 Use of University Grounds by the Campus Community; Campus Demonstrations and Outdoor Events UCF-4.0294 Use of University Facilities; General Requirements UCF-5.006 Student Rights and Responsibilities UCF-5.007 Office of Student Conduct; Scope; Student Conduct Records UCF-5.008 Rules of Conduct UCF-5.009 Student Conduct Review Process; Sanctions UCF-5.012 Organizational Rules of Conduct UCF-5.013 Organizational Conduct Review Process; Sanctions; Appeals UCF-5.015 Student Academic Behavior Standards UCF-5.016 Student Academic Appeals UCF-5.017 Appeals of Graduate Program Actions or Decisions	Investigation Policy UCF Employee Code of Conduct	
March 2019	2-005 Youth Protection 2-107.5 Signature Authority / Salary Supplement 2-900.1 International Academic Agreements 2-902.1 Study Abroad Programs 3-011 Background Checks 3-001.3 University Benefits for Retired Employees 4-006.2 Broadcast Distribution of Electronic Mail 4-010.1 Student Email 4-012.1 Collection and Use of Social Security Numbers 6-001.1 Financial Assistance for Students UCF-1.001 Regulation Interpretation and Application UCF-3.0191 Disciplinary Action – University Support Personnel System UCF-4.034 University Direct Support Organizations UCF-5.016 Student Academic Appeals UCF-5.020 Religious Observances UCF-7.130 Administration and Finance: Purchasing	2-005 Youth Protection 3-011 Background Checks	33.97%

Result: The employee open rate for the *IntegrityStar* newsletter has increased from roughly 20% to a record high of more than 33% in the last two editions. The newsletter serves as a valuable education tool.

Educational Outreach

UCER also educates the university community on ethical and compliance requirements through correspondence such as employee-specific and all employee emails, direct mailing to departments or employees, and distribution of the UCF Compliance and Ethics brochure. The brochure provides an overview of the office and Program at UCF and is distributed as part of new employee orientation, outreach events, and national Compliance and Ethics Week activities. Additionally, each year the office hosts tables at the New Faculty Orientation in August and the employee benefits fair in October.

Compliance and Ethics Week

Annually UCF celebrates national Compliance and Ethics Week through activities promoted and hosted by UCER. As part of the outreach activities, lunch and learn training sessions are conducted by compliance partners on compliance and ethical hot topics. During the week, the values of the university are celebrated, and the elements of the Program are promoted to all employees.

C&E Week Awareness Campaigns	
2015	Hosted an online scavenger hunt to educate employees on the office and the program, conducted meet and greet visits to various departments, distributed customized UCER candy jars with customized mints and department promotional materials, attended a dean’s meeting to discuss C&E Week efforts, deliver promotional items, and provide an overview of conflicts of interest.
2016	Hosted two brown bag lunch-and-learn training sessions with compliance partners in the Equal Opportunity and Affirmative Action office (now Office of Institutional Equity) titled Respecting Others (28 employees trained) and the Information Security Office training (19 employees trained).
2017	Hosted three brown bag lunch-and-learn training sessions: Ethical Leadership training provided by the chief compliance and ethics officer (26 employees trained), Amorous Relationships training provided by the director for the Office of Institutional Equity (19 employees trained), and Information Security training provided by the information security officer (16 employees trained).
2018	Awareness efforts included an all employee email push with three “Know the Code” training videos. Videos included training on topics such as Fraud, University Resources, and Reporting Violations. Certificates of completion were submitted by 90 employees.

D. Confidential Reporting Structure and Investigation Process

Another hallmark of a well-designed compliance program is the existence of an efficient and trusted mechanism by which employees can anonymously or confidentially report allegations of a breach of the company’s code of conduct, company policies, or suspected or actual misconduct.

UCF IntegrityLine

UCF Policy 2-700, Reporting Misconduct and Protection from Retaliation states that all members of the UCF community are expected and encouraged to make good faith reports of suspected misconduct. The policy includes options for reporting, which includes the anonymous reporting line, the UCF IntegrityLine. The policy and the UCF IntegrityLine were implemented and marketed in September 2014, and continued to be marketed.

The UCF IntegrityLine is a secure reporting system administered by an independent third-party and is available 24 hours a day, 365 days a year. Reports can be made online at ucfintegrityline.com, or by calling 1-855-877-6049 toll-free. The IntegrityLine provides an anonymous way for individuals who may be reluctant to report suspected misconduct through university administrative or central offices. The internet portal never identifies a visitor and deletes the internet address so that anonymity is preserved. Callers are not traced or recorded.

IntegrityLine reports are processed by the third party and sent to the UCER and University Audit offices where they 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, it is either investigated by the UCER office, University Audit, jointly by both offices, or it may be referred to the appropriate compliance partner for review. 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. When reports are criminal in nature, the reports are referred to the UCF Police Department.

The UCF IntegrityLine is publicized through multiple channels to the university community. Posters are distributed to all building managers and placed throughout employee common areas within all buildings on all UCF campuses. The IntegrityLine logo and link are also placed on all UCER web pages, compliance partner websites, *IntegrityStar* editions, UCF Employee Code of Conduct, and training modules. In addition, wallet cards are distributed to all new employees during orientation, training sessions, and during outreach events. Marketing materials with the IntegrityLine information, such as ear buds, are distributed to employees during outreach events and training.

UCF IntegrityLine

Number of Reports Received	2015	2016	2017	2018
UCF	65	77	117	213

The following benchmarking information is provided using the NAVEX Global report titled, *2019 Ethics and Compliance Hotline Benchmark Report*:

Report Volumes

The NAVEX Global report cites the George Washington University Study, *Evidence on the Use and Efficacy of Internal Whistleblower Systems*, which found a strong correlation between increased reporting volumes and positive business outcomes. The research has helped to answer the question - how many reports should we receive. Based on the

research, receiving more reports is positive.

Report Volume per 100 Employees	2015	2016	2017	2018
UCF	0.6%	0.6%	0.9%	1.6%
NAVEX Median	1.1%	1.2%	1.1%	1.1%

Result: In 2018, the percentage of reports per 100 employees was 1.6%, which exceeded the NAVEX benchmark of 1.1% indicating a healthy reporting volume at UCF.

Allegations vs. Inquiries

Organizations offer the option for reporters to submit complaints or inquiries. Inquiries can be viewed as important or more important in some views, as receiving a complaint. Inquiries show that employees are asking questions, giving the university an opportunity to provide assistance, sometimes on the front end rather than the back end.

Percentage of Inquiries	2015	2016	2017	2018
UCF IntegrityLine	1%	2%	5%	4%
NAVEX Median	22%	17%	20%	15%

Result: UCF is trending below the benchmark in this area, however, this metric contemplates only those inquiries submitted through the UCF IntegrityLine and does not take into consideration those inquiries made directly to the office. The office receives a significant number of direct inquiries, not submitted anonymously.

Rather, these inquiries are tracked in the department database, as follows:

Number of Direct Inquiries	2015	2016	2017	2018
UCER Dept. Database	172	253	296	472

Result: The number of inquiries made to the office has increased by 174% since 2015. Having the opportunity to assist employees with policies, regulations, and ethical questions gives the office a chance to prevent potential non-compliance.

Using the database inquiries, the percentage is compared again in the below:

Percentage of Inquiries	2015	2016	2017	2018
UCER Dept. Database	73%	77%	72%	69%
NAVEX Median	22%	17%	20%	15%

Result: Looking at the benchmark again from this perspective, UCF is trending more than 50% higher in the percentage of inquiries vs. complaints. UCER views this as a positive given that the office is proactive in answering questions and providing assistance in compliance with the various requirements before non-compliance occurs.

Case Closure Time

The case closure time measures the number of calendar days it takes to close a case. Longer case closure times can be an indicator of insufficient resources or complexity of the case. Sometimes it is a combination of both.

Avg # Days to Close	2015	2016	2017	2018
<i>New Cases Received</i>	65	77	117*	213*
UCF	93	106	91	83
NAVEX Median	46	42	44	40

Result: UCF is significantly behind the benchmark on case closure time. This is an indicator of a lack of resources as well as complex cases. Case closure time is largely attributed to the increase in case volume for the Office of Institutional Equity (OIE) in 2017 and 2018, prior to the office being fully staffed. That office has been working to close out older cases and we expect to see the case closure rate for UCF to climb until all of those cases are closed. As those cases are closed, University Audit and University Compliance, Ethics, and Risk will need to evaluate the office’s need for more investigative staff.

**Three primary investigative offices, UCER, OIE, and University Audit, receive allegations submitted directly to the offices not captured in the above. The following represents the volume of additional cases during 2017 and 2018:*

<i>Incoming Cases – Non-IntegrityLine</i>	2017	2018
<i>University Audit</i>	21	34
<i>UCER</i>	20	24
<i>OIE</i>	37	73
<i>Total Additional Cases</i>	78	131
Number of IL Reports Received	117	213
All Incoming Cases	195	344

Anonymous vs. Named Reporters

Lower rates of anonymous reporting are indicative of a level of trust between the employees and the compliance program and teams in their organization.

Percentage of Anonymous	2015	2016	2017	2018	2019*
UCF	66%	77%	86%	84%	70%
NAVEX Median	59%	58%	56%	57%	

*As of May 2019

Result: UCF’s rate of anonymous reporters was the lowest in 2015, the first full year the IntegrityLine was available. The rate appears to have peaked in 2017 and is getting lower with 2019 so far being the lowest. The Sunshine Laws in Florida may be a contributing factor of increased anonymous reports instead of a representation of a lack of trust. Once

an IntegrityLine case is closed, it is subject to public records requests. Beginning in 2016, several closed IntegrityLine cases were reported in the local press and therefore, could have been a deterrent to self-identifying.

II. Is the Program Being Implemented Effectively?

Even a well-designed compliance program may be unsuccessful in practice if implementation is lax or ineffective. Prosecutors are instructed to probe specifically whether a compliance program is a “paper program” or one “implemented, reviewed, and revised, as appropriate, in an effective manner.” JM 9-28.800. In addition, prosecutors should determine “whether the corporation has provided for a staff sufficient to audit, document, analyze, and utilize the results of the corporation’s compliance efforts.” JM 9-28.800. Prosecutors should also determine “whether the corporation’s employees are adequately informed about the compliance program and are convinced of the corporation’s commitment to it.” JM 9-28.800; see also JM 9-47.120(2)(c) (criteria for an effective compliance program include “[t]he company’s culture of compliance, including awareness among employees that any criminal conduct, including the conduct underlying the investigation, will not be tolerated”).

A. Commitment by Senior and Middle Management

Beyond compliance structures, policies, and procedures, it is important for a company to create and foster a culture of ethics and compliance with the law. The effectiveness of a compliance program requires a high-level commitment by company leadership to implement a culture of compliance from the top. The company’s top leaders – the board of directors and executives – set the tone for the rest of the company. Prosecutors should examine the extent to which senior management have clearly articulated the company’s ethical standards, conveyed and disseminated them in clear and unambiguous terms, and demonstrated rigorous adherence by example. Prosecutors should also examine how middle management, in turn, have reinforced those standards and encouraged employees to abide by them. See U.S.S.G. § 8B2.1(b)(2)(A)-(C) (the company’s “governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight” of it; “[h]igh-level personnel ... shall ensure that the organization has an effective compliance and ethics program” (emphasis added)).

UCF’s Program was designed to contemplate and comply with the Federal Sentencing Guidelines that require an organization's governing authority be knowledgeable about the content and operation of the compliance and ethics program and that they exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program. Board of Governors Regulation 4.003 requires each Board of Trustees to assign responsibility for governance oversight of the Program to the committee that is responsible for audit and compliance.

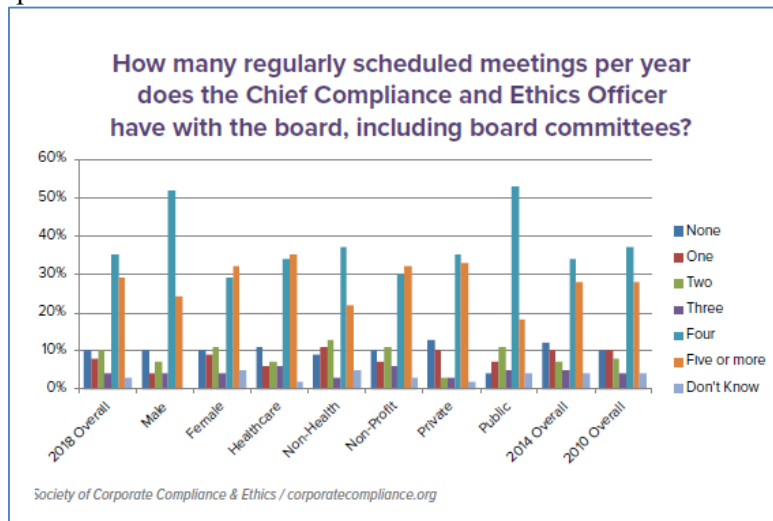
UCF Audit and Compliance Committee

The Audit and Compliance Committee is appointed by the UCF Board of Trustees and assists the board in discharging its oversight responsibilities. The committee oversees the internal control structure, independence and performance of internal and external audits and corrective actions plans, integrity of information technology infrastructure and data governance, independence and effectiveness of the compliance and ethics program, compliance with applicable laws and regulations, standards for ethical conduct, risk mitigation, and internal investigation processes.

The full charge and responsibilities of the committee is communicated in the committee’s charter. The committee’s charter is reviewed annually, updated as appropriate, and discussed with and approved by our Board of Trustees.

The chief compliance and ethics officer and the chief audit executive staff the Audit and Compliance Committee. Both have regularly scheduled monthly meetings with the Chair of the committee and frequently have conversations in between those meetings. UCF has a very engaged and active Chair who is committed to ensuring that the compliance and ethics program is and continues to be effective.

In terms of best practices in meetings with the Board, the following benchmarking data is provided by the SCCE and the Health Care Compliance Association in the report titled, *The Relationship between the Board of Directors and the Compliance and Ethics Officer* dated April 2018:



Meeting with the board four or more times a year is the norm. Overall, 35% of respondents reported four regularly scheduled meetings per year, and another 29% reported five or more, bringing the total to 64% with four meetings or more annually.

Result: Frequency in meetings with the Board demonstrates a commitment by the Board of Trustees to the compliance and ethics program. Since 2017, UCF has had four scheduled Board of Trustees Audit and Compliance Committee Meetings per year and the chief compliance and ethics officer meets with the Board of Trustees Committee Chair monthly. This is in line with the benchmark of 64% of organization that have four or more meetings annually.

UCF President

The university president serves as the chief executive officer of the university and is responsible for the operation of the university. In coordination with the Board of Trustees in 2011, the president hired a senior-level administrator as the chief compliance and ethics officer. The president ensures that the chief compliance and ethics officer has the independence and objectivity to perform the responsibilities of the position and has adequate resources and appropriate authority, and that any imposed restriction or barrier that may impede the function of the chief compliance and ethics officer is removed. The chief compliance and ethics officer reports directly to the president and the Chair of the Board of Trustees Audit and Compliance Committee. The chief compliance and ethics officer meets

bi-monthly with the president to ensure that he is knowledgeable of the Program and is able to exercise his oversight with respect to its implementation and effectiveness.

Additionally, the chief compliance and ethics officer serves on the President's Advisory Staff Council and has been invited to speak at the president's cabinet meetings to discuss the compliance and ethics program.

Contained within the first page of the UCF Employee Code of Conduct is a message from the president, conveying support of the program and articulating to all employees a commitment to UCF's ethical standards and to speaking up when they see actions or behaviors that do not fit our values.

To further demonstrate a commitment to the compliance and ethics function, following the TCH investigation, the president created a new senior position: vice president, compliance, accountability and ethics (chief accountability officer) to lead UCER. Recruiting for that position will occur during the 2019-20 year.

Vice Presidents and Senior Leadership

Vice presidents and members of the senior leadership team are responsible for fostering a culture of ethical conduct and compliance at UCF and for performing their roles in compliance with all applicable federal and state laws and regulations, as well as the policies and procedures of the university. In addition, all vice presidents and senior leadership team members are responsible for ensuring that any compliance programs under their area of supervision have adequate resources and are appropriately positioned to be effective, that the function of the program is not impeded, and that any imposed barriers to an effective Program are removed.

The chief compliance and ethics officer has scheduled monthly meetings with the provost and quarterly meetings with vice presidents. Members of senior leadership and middle management serve on the Compliance and Ethics Advisory Committee, a meeting scheduled bi-monthly.

Following the TCH investigation, the chief compliance and ethics officer has been meeting with all vice presidents to reaffirm the structure of accountability as outlined in the Compliance and Ethics Accountability Matrix approved by the Board of Trustees and submitted to the Board of Governors.

Compliance and Ethics Advisory Committee

The Compliance and Ethics Advisory Committee was formed in September 2013 and is comprised of subject matter experts who are responsible for compliance in their respective areas, as well as representatives from the Faculty Senate and Staff Council, Office of the Provost, Office of the General Counsel, and University Audit. The compliance committee advises the chief compliance and ethics officer on the development of a comprehensive compliance and ethics program and the 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 and to ensure that the

elements of the Plan are implemented at all levels of the institution. The committee members are charged with promoting a culture of ethics, accountability, and compliance at UCF.

B. Autonomy and Resources

*Effective implementation also requires those charged with a compliance program's day-to-day oversight to act with adequate authority and stature. As a threshold matter, prosecutors should evaluate how the compliance program is structured. Additionally, prosecutors should address the sufficiency of the personnel and resources within the compliance function, in particular, whether those responsible for compliance have: (1) sufficient seniority within the organization; (2) sufficient resources, namely, staff to effectively undertake the requisite auditing, documentation, and analysis; and (3) sufficient autonomy from management, such as direct access to the board of directors or the board's audit committee. The sufficiency of each factor, however, will depend on the size, structure, and risk profile of the particular company. "A large organization generally shall devote more formal operations and greater resources . . . than shall a small organization." Commentary to U.S.S.G. § 8B2.1 note 2(C). By contrast, "a small organization may [rely on] less formality and fewer resources." *Id.* Regardless, if a compliance program is to be truly effective, compliance personnel must be empowered within the company.*

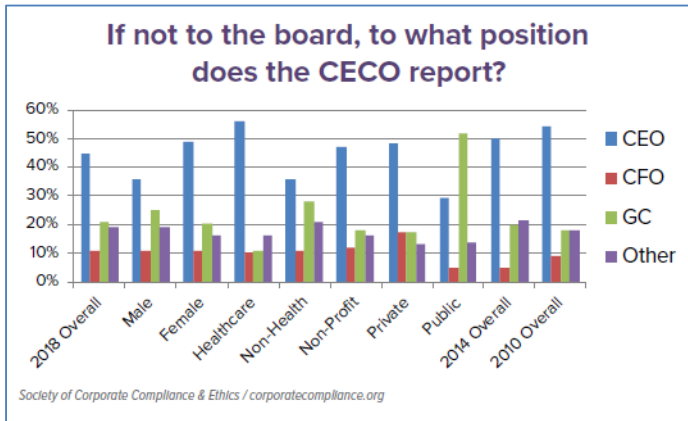
Prosecutors should evaluate whether "internal audit functions [are] conducted at a level sufficient to ensure their independence and accuracy," as an indicator of whether compliance personnel are in fact empowered and positioned to "effectively detect and prevent misconduct." JM 9-28.800. Prosecutors should also evaluate "[t]he resources the company has dedicated to compliance," "[t]he quality and experience of the personnel involved in compliance, such that they can understand and identify the transactions and activities that pose a potential risk," and "[t]he authority and independence of the compliance function and the availability of compliance expertise to the board." JM 9-47.120(2)(c); see also JM 9-28.800 (instructing prosecutors to evaluate whether "the directors established an information and reporting system in the organization reasonably designed to provide management and directors with timely and accurate information sufficient to allow them to reach an informed decision regarding the organization's compliance with the law"); U.S.S.G. § 8B2.1(b)(2)(C) (those with "day-to-day operational responsibility" shall have "adequate resources, appropriate authority and direct access to the governing authority or an appropriate subgroup of the governing authority").

Chief Compliance and Ethics Officer

The chief compliance and ethics officer is assigned the overall responsibility for the compliance and ethics program and is delegated day-to-day operational responsibility. The chief compliance and ethics officer reports functionally to the Audit and Compliance Committee of the Board of Trustees and administratively to the president. In terms of best practices in reporting structure, the following benchmarking data is provided by the Society of Corporate Compliance and Ethics and the Health Care Compliance Association in the report titled, *The Relationship between the Board of Directors and the Compliance and Ethics Officer* dated April 2018:



Approximately half of compliance officers report to the board. This is true when looking at the data by industry, ownership (for profit and non-profit) and even by the gender of the compliance officer. Privately held companies were most likely to have a compliance officer reporting to the board (62%). Non-healthcare companies were the least likely (51%) but the difference versus the overall number of 54% was very small.



Among compliance professionals not reporting to the board, the CEO was the position they were most likely to report to (45%). There were some notable differences. In healthcare, 56% of those not reporting to the board reported to the CEO.

Result: As a best practice and required by Board of Governors Regulation, UCF’s chief compliance and ethics officer reports directly to the Board of Trustees and the president. According to the benchmark data, UCF is in line with the more than 50% of organizations that have the chief compliance and ethics officer reporting either to the Board of Trustees or president.

The chief compliance and ethics officer oversees the UCER office and is responsible for developing the Program. The full responsibilities of the chief compliance and ethics officer and office are detailed in the UCER Charter. The charter is reviewed at least every three years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. The charter is approved by the Board of Trustees and a copy of the approved charter and any subsequent changes are provided to the Board of Governors.

To ensure the Program is effectively developed, the chief compliance and ethics officer is responsible for the following:

- maintaining a professional staff with sufficient size, knowledge, skills, experience, and professional certifications

- utilizing third party resources as appropriate to supplement the department’s efforts
- performing assessments of the program and making appropriate changes and improvements
- routinely communicating to the Board of Trustees Audit and Compliance Committee and president on the effectiveness of the compliance and ethics program
- developing and updating this plan.

The chief compliance and ethics officer and staff members have organizational independence and objectivity to perform their responsibilities and all activities of the office free from influence. The chief compliance and ethics officer meets directly with the president bi-monthly and directly with the Chair of the Audit and Compliance Committee monthly.

UCER Office

The UCER office led by the chief compliance and ethics officer is charged with implementing and sustaining the Program and the ongoing development of effective policies and procedures, education and training, monitoring, communication, risk assessments, and responding to reported issues. The office partners with responsible university personnel to monitor compliance and ensure appropriate corrective actions when necessary.

All professional staff in the UCER office hold Certified Compliance and Ethics Professionals designations earned through the Society for Corporate Compliance and Ethics and are bound by the Code of Professional Ethics for Compliance and Ethics Professionals. Annually, staff complete continuing education credits to maintain their certifications.

Staff Size and Budgets

UCER benchmarked the office’s staff size with the SCCE report titled, *Cross-Industry Compliance Staffing and Budget Benchmarking and Guidance Survey* dated February 2018 using the UCF official employee count in 2018-19 of 13,157:

EMPLOYEES IN ORGANIZATION AS A WHOLE										
EMPLOYEES IN COMPLIANCE AND ETHICS GROUP										
CROSS INDUSTRY	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	>50	
Less than 100	17.8%	39.6%	16.7%	5.6%	5.6%	3.3%	2.2%	2.6%	6.7%	
100–249	13.1%	53.3%	19.7%	2.5%	1.6%	1.6%		1.6%	6.6%	
250–499	8.2%	46.4%	22.7%	10.9%	2.7%	2.7%	2.7%	1.8%	1.8%	
500–999	10.1%	50.0%	18.1%	7.2%	6.5%	2.2%		0.7%	5.1%	
1,000–1,999	7.8%	36.3%	20.6%	7.8%	8.8%	5.9%	4.9%	2.0%	5.9%	
2,000–2,999	11.9%	41.8%	26.9%	1.5%	3.0%	4.5%	3.0%	1.5%	6.0%	
3,000–4,999	5.3%	50.0%	14.5%	5.3%	6.6%	9.2%	2.6%	1.3%	5.3%	
5,000–7,499	11.1%	33.3%	19.8%	14.8%	2.5%	4.9%	3.7%	3.7%	6.2%	
7,500–9,999		32.4%	32.4%	8.8%	11.8%	2.9%		5.9%	5.9%	
10,000–14,999	6.3%	42.2%	25.0%	3.1%	7.8%	6.3%	4.7%	1.6%	3.1%	
15,000–19,999	2.9%	38.2%	8.8%	14.7%	2.9%	11.8%	2.9%	2.9%	14.7%	
20,000–29,999		35.6%	26.7%	8.9%	2.2%	13.3%	4.4%	2.2%	6.7%	
30,000–49,999	2.3%	23.3%	16.3%	16.3%	4.7%	16.3%	7.0%	2.3%	11.6%	
50,000–74,999	5.3%	10.5%	21.1%		10.5%	15.8%	10.5%	5.3%	21.1%	
75,000–99,999		8.3%	8.3%	25.0%	8.3%	8.3%		8.3%	33.3%	
100,000 or more		12.5%	12.5%	6.3%	9.4%	3.1%	9.4%	9.4%	37.5%	

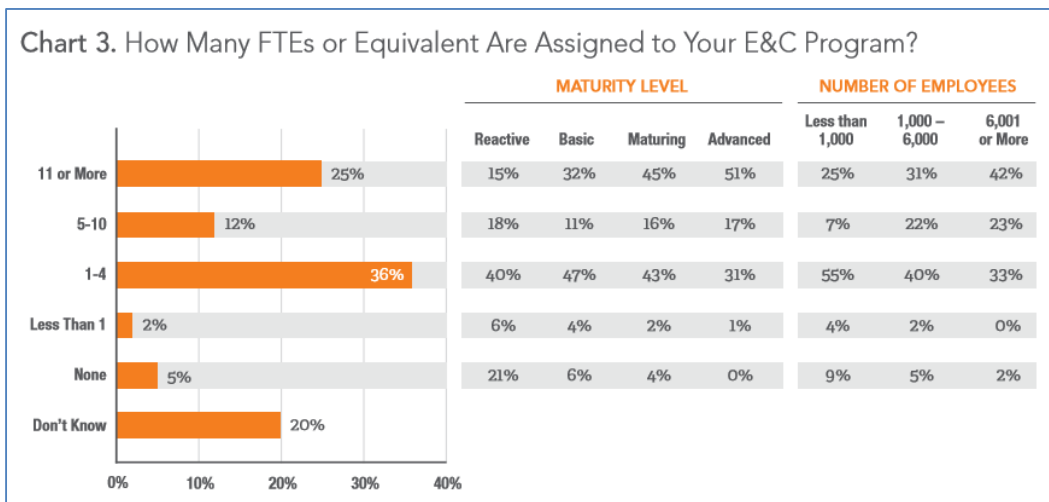
Based on employee size (10,000 – 14,999) 42.2% of organizations surveyed by the SCCE had two to five dedicated compliance and ethics professionals.

ORGANIZATION TYPE									
CROSS INDUSTRY	EMPLOYEES IN COMPLIANCE AND ETHICS GROUP								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	>50
Nonprofit	11.6%	42.7%	21.1%	9.1%	6.5%	3.9%	2.2%	0.9%	2.2%
Privately held	13.6%	47.1%	18.7%	6.7%	4.3%	2.9%	1.1%	1.3%	4.3%
Publicly traded	6.5%	30.8%	16.8%	7.5%	7.5%	7.5%	4.9%	3.3%	15.4%
Governmental	11.7%	51.5%	19.4%	3.9%	1.0%	3.9%	2.9%	2.9%	2.9%
Academic	6.9%	45.8%	27.8%	5.6%	1.4%	8.3%	2.8%	1.4%	
Other	4.2%	33.3%	29.2%	8.3%	4.2%	4.2%		16.7%	

In Academic institutions, staffing in the compliance and ethics group most often is in the same size range of two to five employees (45.8%).

Result: UCER currently has existing headcount for four dedicated compliance and ethics positions within the office (one has been vacant since the chief compliance and ethics officer resigned in April 2018). This is in line with the benchmark of two to five professional staff.

However, according to the NAVEX Global report titled, *The Definitive Corporate Compliance Benchmark Report* dated 2019, the more advanced programs and larger organizations (by employee size) have larger staff sizes:

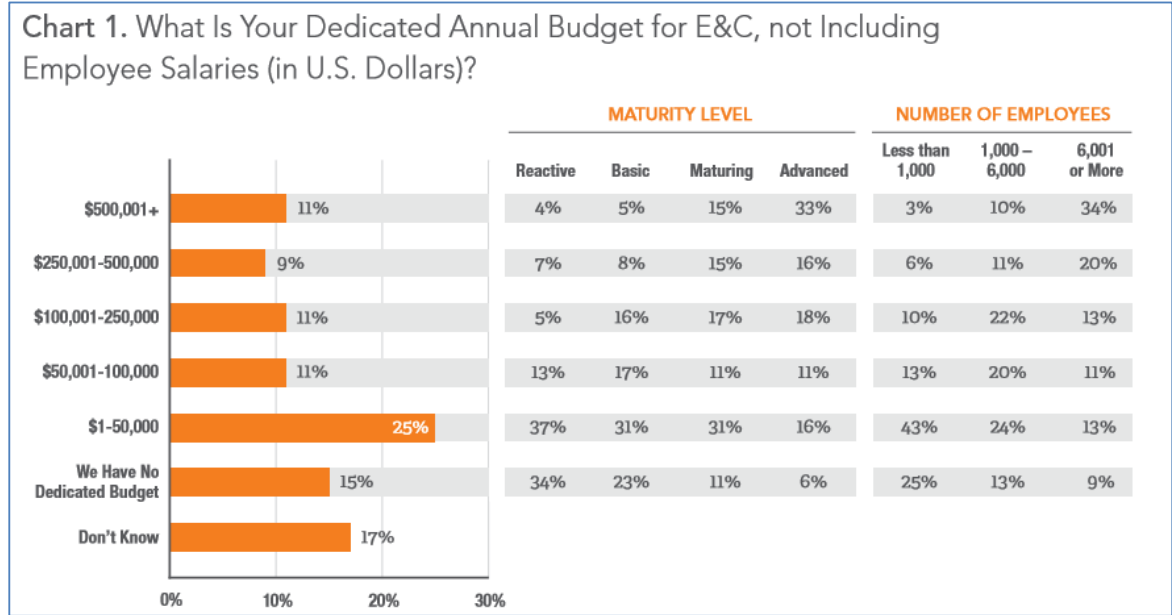


In early program development stages, E&C responsibilities may be spread across many partial FTEs. However, at some point dedicated full or part time staff becomes the better program option, typically beginning with one individual (usually a compliance officer). Headcount generally grows based on industry, regulatory burden, global footprint, organizational growth, size and program maturity. That said, as organizations become larger and their program maturity level increases, the business case for dedicated E&C staff becomes stronger.

Result: 51% of Advanced Compliance and Ethics programs and 42% of those with employees greater than 6,001, had 11 or more dedicated compliance and ethics professionals. As UCF continues to advance and expand its compliance and ethics program, the UCER office will require additional headcount.

Budgets based on employee size and organization type:

Using the NAVEX Global report titled, *The Definitive Corporate Compliance Benchmark Report* dated 2019, and the UCF official employee count in 2018-19 of 13,157:



The E&C budget is mixed, though most commonly it is less than \$50,000 – especially among organizations without Advanced E&C programs. Unsurprisingly, organizations see budgets increase as they grow, with the largest organizations operating with the most funding. Budgets also increase at pace with maturity level, with one out of three Advanced programs (33%) working with an annual budget of over \$500K and 34% of Reactive programs lacking a dedicated budget.

Result: UCER’s operations budget is \$57,230 which is in line with organizations that fall into the category as having either reactive, basic, or maturing compliance programs. According to this report, we are below the benchmark for advanced programs and organizations with a large number of employees (6,000 or more). Those organizations have an operations budget exceeding \$500,000 to support the compliance and ethics program.

Compliance Partners

The key to the Program’s success is fostering a culture of ethics, compliance, and accountability that weaves compliance into everyday business processes at UCF. To achieve this goal, an Accountability Matrix was implemented in January 2013 that identifies the compliance and ethics requirements, the individuals responsible for those areas, and the vice president accountable for compliance and ethical conduct, as well as for ensuring that those areas are appropriately staffed and supported.

These individuals, referred to as compliance partners, play an important role in ensuring that the Program is effectively implemented and that risks are mitigated. Each compliance partner has a dotted line of responsibility to the chief compliance and ethics

officer. They are required to report any incidents of noncompliance or unethical conduct, external requests related to compliance and ethics activities, or any imposed restriction or barrier to the effectiveness of their function or the Program to the chief compliance and ethics officer. The compliance partners annually report the effectiveness of compliance and ethics initiatives within their area responsibility to the UCER office.

Faculty, Staff, and Students

The responsibility for compliance with laws, regulations, policies, procedures, and standards of conduct rests with every member of the UCF community. Through this commitment, each of us is preserving the distinguished reputation of the university, as well as the careers, professional reputations, and future of all the faculty and staff members, and students. This expectation is communicated to employees through the UCF Employee Code of Conduct and to students through *The Golden Rule*.

C. Incentives and Disciplinary Measures

Another hallmark of effective implementation of a compliance program is the establishment of incentives for compliance and disincentives for non-compliance. Prosecutors should assess whether the company has clear disciplinary procedures in place, enforces them consistently across the organization, and ensures that the procedures are commensurate with the violations. Prosecutors should also assess the extent to which the company's communications convey to its employees that unethical conduct will not be tolerated and will bring swift consequences, regardless of the position or title of the employee who engages in the conduct. See U.S.S.G. § 8B2.1(b)(5)(C) ("the organization's compliance program shall be promoted and enforced consistently throughout the organization through (A) appropriate incentives to perform in accordance with the compliance and ethics program; and (B) appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct").

By way of example, some companies have found that publicizing disciplinary actions internally, where appropriate, can have valuable deterrent effects. At the same time, some companies have also found that providing positive incentives – personnel promotions, rewards, and bonuses for improving and developing a compliance program or demonstrating ethical leadership – have driven compliance. Some companies have even made compliance a significant metric for management bonuses and/or have made working on compliance a means of career advancement.

UCF's Program is promoted and enforced consistently through the application of appropriate incentives and, when necessary, appropriate disciplinary measures resulting, for example, when employees engage in misconduct or noncompliance or fail to take reasonable steps to prevent or detect misconduct, noncompliance, and criminal conduct. UCER, in consultation with the president and the Board of Trustees Audit and Compliance Committee, provides guidance and recommendations for appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. When failures in compliance and ethics are identified, the Program requires that issues are addressed through appropriate measures, including education or disciplinary action.

Employee Performance

Annually all employees receive performance appraisals. Employees are evaluated on the performance of their duties as communicated through job descriptions, whether they met

expected goals and objectives and whether they performed in a manner consistent with UCF values.

Incentive Program

UCER implemented a process for identifying and recognizing employees who exemplify the expectations of the Program and the values of the university. Three times per year, employees are recognized in an article in the *IntegrityStar*. In addition, incentives are offered to employees who participate in the annual Compliance and Ethics Week activities.

C&E Week Incentives	
2015	Online scavenger hunt to educate employees on the office and the program. For participating, randomly awarded three UCF baskets and 12 customized UCF padfolios.
2016	During UCF Benefits Fair to promote C&E Week, handed out 616 earbuds, stress balls, tote bags, pens, water bottles, office pamphlets, crossword puzzles, and allowed employees to sign up for the two C&E sessions. Randomly selected 12 employees and awarded a padfolio and candy jar each.
2017	Distributed an online compliance and ethics word scramble and randomly selected three employees to receive gift bags filled with assorted prizes for correctly completing the activity.
2018	Employees were rewarded for completing a series of “Know the Code” mini training modules and responding to an online photo hunt to identify policy violations. Twenty-eight prizes were awarded.
IntegrityStar Recognition	
2015-16	Created a section in the <i>IntegrityStar</i> newsletter to recognize employees for their outstanding efforts in compliance and ethics. Recognized the first employee in the inaugural April 2016 edition.
2016-17	Recognized three employees for their outstanding efforts in compliance and ethics in the July 2016, October 2016, and April 2017 editions of the <i>IntegrityStar</i> newsletter.
2017-18	Recognized 12 employees for their outstanding efforts in compliance and ethics in the July 2017, October 2017, March 2018, and June 2018 editions of the <i>IntegrityStar</i> newsletter.
2018-19	In the October 2018 <i>IntegrityStar</i> newsletter, recognized all employees who have bravely stepped forward to report real or suspected misconduct either to the UCF IntegrityLine, through direct contact to our office, or through another central administrative office. Recognized two employees for their outstanding efforts in compliance and ethics in the March 2019, edition of the <i>IntegrityStar</i> newsletter.

Disciplinary Procedures for Employees

UCER provides guidance to supervisors and members of the senior leadership team on appropriate disciplinary action up to and including termination when misconduct, noncompliance, or criminal conduct is identified. As part of this process, UCER collaborates with Human Resources and the Office of the General Counsel to ensure that supervisors provide disciplinary action consistently and in compliance with applicable laws, regulations, and policies. It is the responsibility of the supervisor or appropriate senior leader to ensure that disciplinary action is implemented, including criminal charges when appropriate, and that other corrective actions are completed. The following policies communicate the expectations and procedures for disciplinary action:

UCF Board of Trustees – United Faculty of Florida Collective Bargaining Agreement, Article 16 provides the negotiated policy and procedures for disciplinary action for in-unit faculty.

Regulation 3.0124 Discipline and Termination for Cause of Non-unit Faculty and A & P Staff Members communicates the policy and procedures for disciplinary action for non-unit faculty and Administrative & Professional employees.

Regulation 3.0191 Disciplinary Action – University Support Personnel System provides the policy and procedures for disciplinary action for University Support Personnel System employees of the university with regular status.

Exercise Due Diligence to Avoid Delegation of Authority to Unethical Individuals

UCF uses reasonable efforts not to include within the university and affiliated organizations individuals whom UCF knew, or should have known through the exercise of due diligence, to have engaged in conduct inconsistent with an effective compliance and ethics program. As part of these efforts, UCER provides guidance on appropriate disciplinary actions related to noncompliance or unethical conduct and recommends the removal of individuals from Program related roles as appropriate.

In addition, background checks serve as an important part of the selection process at UCF. UCF requires a background check on all prospective employees as a condition of employment and follows Equal Employment Opportunity Commission guidelines when evaluating information obtained through the background check process.

III. Does the Program Work in Practice?

In answering this question, it is important to note that the existence of misconduct does not, by itself, mean that a compliance program did not work or was ineffective at the time of the offense. See U.S.S.G. § 8B2.1(a) (“[t]he failure to prevent or detect the instant offense does not mean that the program is not generally effective in preventing and deterring misconduct”). Indeed, “[t]he Department recognizes that no compliance program can ever prevent all criminal activity by a corporation’s employees.” JM 9-28.800. Of course, if a compliance program did effectively identify misconduct,

including allowing for timely remediation and self-reporting, a prosecutor should view the occurrence as a strong indicator that the compliance program was working effectively.

In assessing whether a company's compliance program was effective at the time of the misconduct, prosecutors should consider whether and how the misconduct was detected, what investigation resources were in place to investigate suspected misconduct, and the nature and thoroughness of the company's remedial efforts.

To determine whether a company's compliance program is working effectively at the time of a charging decision or resolution, prosecutors should consider whether the program evolved over time to address existing and changing compliance risks. Prosecutors should also consider whether the company undertook an adequate and honest root cause analysis to understand both what contributed to the misconduct and the degree of remediation needed to prevent similar events in the future.

For example, prosecutors should consider, among other factors, "whether the corporation has made significant investments in, and improvements to, its corporate compliance program and internal controls systems" and "whether remedial improvements to the compliance program and internal controls have been tested to demonstrate that they would prevent or detect similar misconduct in the future." Benczkowski Memo at 2 (observing that "[w]here a corporation's compliance program and controls are demonstrated to be effective and appropriately resourced at the time of resolution, a monitor will not likely be necessary").

A. Continuous Improvement, Periodic Testing, and Review

One hallmark of an effective compliance program is its capacity to improve and evolve. The actual implementation of controls in practice will necessarily reveal areas of risk and potential adjustment. A company's business changes over time, as do the environments in which it operates, the nature of its customers, the laws that govern its actions, and the applicable industry standards. Accordingly, prosecutors should consider whether the company has engaged in meaningful efforts to review its compliance program and ensure that it is not stale. Some companies survey employees to gauge the compliance culture and evaluate the strength of controls, and/or conduct periodic audits to ensure that controls are functioning well, though the nature and frequency of evaluations may depend on the company's size and complexity.

Prosecutors may reward efforts to promote improvement and sustainability. In evaluating whether a particular compliance program works in practice, prosecutors should consider "revisions to corporate compliance programs in light of lessons learned." JM 9-28.800; see also JM 9-47-120(2)(c) (looking to "[t]he auditing of the compliance program to assure its effectiveness"). Prosecutors should likewise look to whether a company has taken "reasonable steps" to "ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct," and "evaluate periodically the effectiveness of the organization's" program. U.S.S.G. § 8B2.1(b)(5). Proactive efforts like these may not only be rewarded in connection with the

form of any resolution or prosecution (such as through remediation credit or a lower applicable fine range under the Sentencing Guidelines), but more importantly, may avert problems down the line.

UCF's Program is evaluated periodically to assess its effectiveness in promoting a culture of compliance and ethical conduct and for compliance with Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. The following are the activities performed to assess the effectiveness of the Program:

Annual Effectiveness Reports

UCER provides an annual report on the effectiveness of the Program to the board’s Audit and Compliance Committee and the president. To assess the program, compliance partners are required to report annually on their activities and efforts for meeting the requirements of the Plan through a survey developed by UCER. These reports, as well as the activities and efforts of the office, are assessed and included in the annual report.

Culture Surveys

UCER conducts an anonymous survey every two years to evaluate the compliance and ethics culture at UCF. The first culture survey was administered in 2016, and served as a benchmark for all future surveys. The survey assists to identify opportunities to strengthen the compliance and ethics culture and to measure the compliance and ethics program’s progress. The survey is distributed by email to all university employees, including hourly, and student employees. The survey includes questions related to an employee’s knowledge of the Program, thoughts on the university’s culture, view of leadership, how comfortable they are raising concerns, and if they feel protected from retaliation. The second survey was conducted in 2018. Included in this report are the trends identified between the two surveys.

How familiar are you with...	2016		2018		Trend (2018 - 2016)
	Count	% Familiar	Count	% Familiar	
University Compliance, Ethics and Risk office	1,003	47%	1,162	69%	22%
UCF Creed	1,676	80%	1,410	84%	5%
UCF's policy for reporting Misconduct and Protection from Retaliation	1,278	61%	1,249	75%	14%
UCF IntegrityLine for anonymously reporting compliance and ethical concerns	945	45%	1,117	67%	22%
UCF Employee Code of Conduct	<i>Not applicable</i>		1,450	86%	-

% Familiar includes responses of "Very Familiar", "Familiar" or "Somewhat Familiar"

Result: Increased employee awareness was identified in several key areas:

- 67% familiar with the UCF IntegrityLine (up 22%)
- 69% familiar with the office of UCER (up 22%)
- 75% familiar with the Policy on Reporting Misconduct and Protection from Retaliation (up 14%)
- 86% familiar with the UCF Code of Conduct (Code was launched fall 2017)

To what extent do you agree or disagree with the statement:	2016		2018		Trend (2018 - 2016)
	Count	% Agree	Count	% Agree	
I know where to find information on UCF policies and procedures.	1,649	78%	1,408	84%	6%
I know where to find information on UCF regulations.	1,576	75%	1,340	80%	5%
I believe that most UCF employees demonstrate integrity and ethical behavior.	1,790	85%	1,393	83%	-2%
I believe that most employees in leadership positions at UCF demonstrate integrity and ethical behavior.	1,663	79%	1,309	78%	-1%
I feel comfortable reporting incidents or concerns of noncompliance to my supervisors.	1,457	69%	1,191	71%	2%
I feel that I would be protected from retaliation if I report a suspected compliance violation to my supervisor.	1,341	64%	1,106	66%	3%
I feel that I would be protected from retaliation if I report a suspected compliance violation to a central office (e.g. Human Resources, OIE, Procurement, etc.)	1,332	63%	1,103	66%	3%
I feel that I would be protected from retaliation if I report a suspected compliance violation through UCF IntegrityLine.	1,301	62%	1,128	67%	6%
I believe that most UCF employees know the laws, regulations, and policies that they are required to follow.	<i>Not applicable</i>		1,038	62%	-

% Agree includes responses of "Strongly Agree", "Agree" or "Somewhat Agree"

Result: Increased employee awareness in finding policies and regulations:

- 84% know where to find policies and procedures (up 6%)
- 80% know where to find regulations (up 5%)

Increased comfort in speaking up and feeling protected from retaliation:

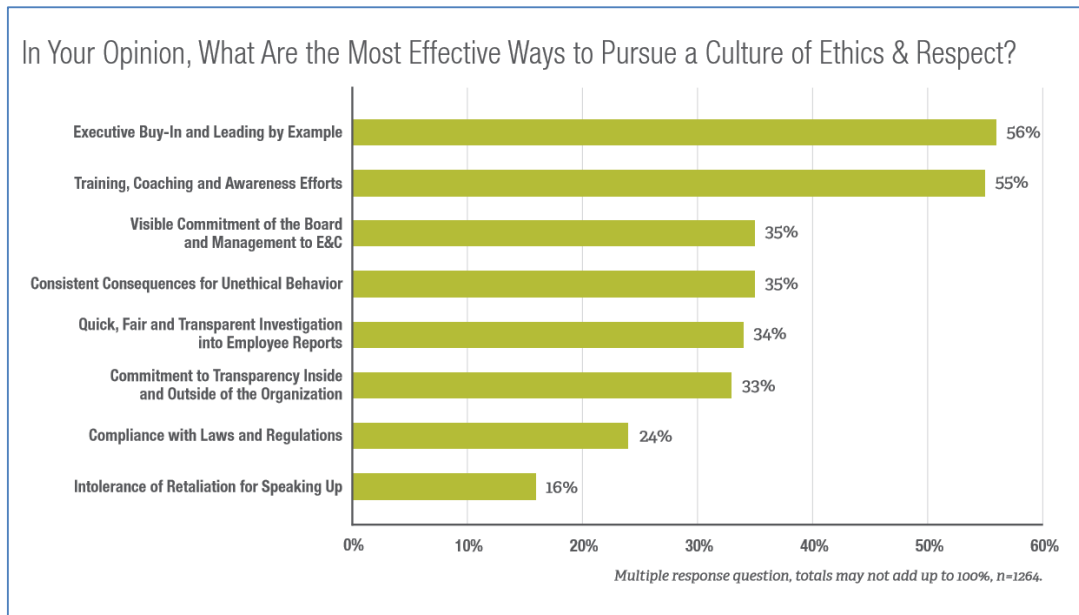
- 71% are comfortable reporting suspected misconduct to a supervisor (up 2%)
- 66% feel protected from retaliation when reporting misconduct to a supervisor or other administrative office (up 3%); 67% feel protected from retaliation when using the IntegrityLine (up 6%)

Please indicate a Yes or No response to each item:	2016		2018		Trend (2018 - 2016)
	Count	% Yes	Count	% Yes	
I have experienced or observed bullying in the workplace by a supervisor within the last 12 months. Workplace bullying is defined as "repeated, deliberate, disrespectful behavior, which harms the target."	331	16%	287	17%	1%
I have experienced or observed a violation of laws, regulations, or university regulation or policy in my office or department within the last 12 months.	309	15%	283	17%	2%
I was asked to bend, break, or circumvent laws, regulations, university regulations, or policies during the last 12 months by someone in my department.	100	5%	102	6%	1%
Answered "Yes" to any of the above three questions	477	23%	410	25%	2%
If you replied "Yes" to any of the above three questions, did you report your concern?	143	14%	156	21%	7%
Was the matter properly resolved?	53	41%	54	36%	-5%

Result: Employees experiencing or observing a violation of laws, regulations, or university regulation or policy in the last 12 months increased by 2% and employees asked to bend, break, or circumvent laws, regulations, university regulations, or policies in the last 12 months increased by 1%. This increase could indicate a more educated staff rather than an actual increase in misconduct. Of those who witnessed or were asked to violate laws, regulations, or university policies reported the misconduct, there was an increase of 7% in reporting those concerns. This indicates a positive trend in employee's comfort speaking up.

UCER will conduct the next Culture Survey in March 2020 using a third party provider to achieve higher participation rates and to be able to benchmark UCF responses against that of other universities.

From the NAVEX Global report titled, *2018 Ethics & Compliance Training Benchmark Report* respondents were asked to name the most effective way to pursue a culture of ethics and respect:



Executive buy-in (56%) and training (55%) are recognized as the most effective methods of pursuing a culture of ethics and respect. On the other hand, few organizations selected intolerance of retaliation for speaking up (16%). Organizations with 500 or more employees are more likely to indicate that executive buy-in and leading by example is one of the most effective ways to pursue a culture of ethics and respect (61% vs. 49%).

Result: There are varying views on the most effective ways to pursue a culture of ethics and respect, with executive buy-in and training topping the list at 56% and 55% respectively.

Institutional Effectiveness Assessment Process

As part of the university’s Institutional Effectiveness Assessment Process, UCER annually develops an assessment plan that targets specific components of the Program to evaluate, measure, and improve. The process includes the annual setting of outcomes and measures, collecting data, reporting results, and developing a new assessment plan to measure the impact of the improvements made to the Program. Using this process allows the office to evaluate Program effectiveness and make improvements as necessary.

Outcomes and measures supporting the continuous improvement of several processes such as the conflict of interest and commitment disclosure process, UCF IntegrityLine reporting, and increased awareness efforts have been reviewed, measured, and improved.

Conflict of Interest and Commitment Program

As a state institution and recipient of federal funds, UCF must ensure compliance with state and federal requirements regarding the disclosure and management of conflicts of interest and commitment. In addition to regulatory requirements, 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.

UCER provides training modules, guidance, review and approval of disclosures, reviews and monitors management plans, and performs investigations into conflicts of interest and commitment. The process of disclosing all outside activities for review and approval protects employees from unknowingly violating a state or federal law and protects the credibility and reputations of employees and the university by providing a transparent system of disclosure, approval, and documentation of outside activities that might otherwise raise concerns of a conflict of interest or commitment.

The office performed a comprehensive Conflict of Interest Gap Analysis between November 2013 and May 2014. The final report was issued to the Audit and Compliance Committee of the Board of Trustees on September 19, 2014. One compliance gap and several improvement areas were identified. The report contained a series of recommendations that were implemented and tracked. The most notable improvement metrics included: For the first time in UCF history, during the 2015-16 COI report year, UCER achieved a 100% compliance rate with COI disclosures submitted by all employees required to submit. We continue our 100% compliance rate to this date; the compliance rate with the 30-day deadline to submit a COI disclosure jumped from 73% in 2013-14 to 95% in 2014-15. We continued to maintain an above 90% compliance rate with this requirement, until this past year (directly attributed to the increase in workload and decrease in staff within UCER); to ensure efficient review and mitigation of potential conflicts, the process requires up to three levels of review, with a requirement that all COI disclosures be reviewed within 60-days of submission. In 2014-15 the compliance rate was 82%. By the end of the 2016-17 report year, compliance with the reviewer rate was 95%.

UCF IntegrityLine

Assessment Outcomes and Measures focused on increasing employee awareness of the UCF IntegrityLine and UCER were tracked and measured since 2016, both areas identified in the first Culture Survey as requiring improvement. Successes in this area are detailed in the Culture Survey section above.

Coordination with Internal Audit

University Audit serves as the university's internal auditor, conducting internal audits and reviews, management consulting and advisory services, investigating fraud and abuse, follow-up of audit recommendations, evaluating risk management and governance processes, and coordinates with external auditors. UCER provides guidance to University Audit on compliance-related audits and matters. Based on audit findings, UCER provides guidance, training, or assists departments with policy and procedure development. Fraud or other issues requiring an investigation, or an audit identified by UCER are referred to University Audit for an appropriate response. As appropriate, both offices work together to evaluate or investigate misconduct or risks.

External Audits

The UCF Audit and Compliance Committee of the Board of Trustees is assigned oversight responsibility to:

- receive and review audits by the State of Florida Auditor General

- receive and review audits of the direct support organizations and component units
- review and contract with external auditors for special audits or reviews related to the university's affairs and report the results of any such special projects to the board.

Serving as the internal auditor, University Audit provides coordination and guidance to the board and senior leadership for external audits or investigative matters related to fraud, waste, and abuse and other matters as requested.

University Audit and the Florida Auditor General are further explained in the *Report on the UCF IntegrityLine and Whistle-blower Program* prepared for the UCF Board of Trustees on May 16, 2019, following the TCH investigation:

University Audit will continue to work closely with all external auditors that provide services to the university. This includes the Florida Auditor General that serves as the state's independent external auditor. It performs financial, operational and federal audits. It cannot be fired by UCF.

The Auditor General performs its own risk assessment to determine its audit scope and provides written reports to the university that are available to the public (<https://flauditor.gov/pages/Reports.aspx>) which include any findings discovered during audit fieldwork. This process and results are discussed with University Audit and UCF management during both entrance and exit conferences. University Audit will provide summaries of these meetings and distribute them to the Audit and Compliance Committee.

As an example, the Auditor General's work includes its recent operational audit report (https://flauditor.gov/pages/pdf_files/2019-095.pdf) covering the 2017-18 fiscal year which discovered inappropriate E&G construction spending during this time frame when money was wrongly spent to build Trevor Colbourn Hall. While there had been internal transfers to accumulate funds for the project in prior years, the Auditor General reviewed actual expenditures during this time period as part of its risk assessment (actual expenses are typically deemed to be a greater risk than internal transfers) and it ultimately identified a concern. It did its job, UCF management responded, and the audit process worked.

B. Investigation of Misconduct

Another hallmark of a compliance program that is working effectively is the existence of a well-functioning and appropriately funded mechanism for the timely and thorough investigations of any allegations or suspicions of misconduct by the company, its employees, or agents. An effective investigations structure will also have an established means of documenting the company's response, including any disciplinary or remediation measures taken.

When non-compliance, unethical behavior, or criminal conduct is detected, the university takes the appropriate steps to prevent similar behavior, including making any

necessary modifications to the Program. UCER 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, accomplish objectives, and facilitate the resolution of problems. As part of this responsibility, the office performs the following:

Investigations

UCER receives allegations of misconduct or noncompliance through multiple channels including direct reports from employees, compliance partners, individuals or entities external to the university, and the UCF IntegrityLine. Allegations of misconduct or noncompliance may also be identified through monitoring and other Program activities. UCER initiates, conducts, supervises, coordinates, or refers to other appropriate offices, investigations of misconduct or noncompliance, and performs reviews deemed appropriate in accordance with university regulations and policies, state statutes, and federal regulations. The UCF IntegrityLine Evaluation and Investigation Process is available as Appendix C.

External Compliance Requests or Investigations

UCER provides oversight and coordination of external inquiries into compliance with federal and state laws or NCAA requirements and takes appropriate steps to ensure safe harbor for the university in instances of non-compliance. As part of this responsibility, the office provides guidance to compliance partners, conducts investigations, and provides the university's response as appropriate. Based on the issues that are identified, the office ensures that appropriate changes are made to the Program to support compliance, ethical conduct, and mitigation of risks.

Corrective Actions

When problems are detected, UCER makes the appropriate modifications to the Program and updates the Plan to reflect those changes. When appropriate, the office provides oversight and guidance to compliance partners to make changes to the Program within their area of responsibility. In addition, the office provides recommendations to colleges, departments, or units for corrective actions to resolve and correct issues related to misconduct or noncompliance identified through investigations, monitoring, or other activities.

It is the responsibility of each college, department, or unit's executive officer to implement recommended corrective actions. The office monitors the completion of recommended corrective actions and escalates issues as appropriate to senior leadership, the president, and the Board of Trustees Audit and Compliance Committee. These efforts serve to ensure that the Program remains effective and that the university is taking steps to prevent the reoccurrence of misconduct, noncompliance, or criminal activity.

C. Analysis and Remediation of Any Underlying Misconduct

Finally, a hallmark of a compliance program that is working effectively in practice is the extent to which a company is able to conduct a thoughtful root cause analysis of misconduct and timely and appropriately remediate to address the root causes.

Prosecutors evaluating the effectiveness of a compliance program are instructed to reflect back on “the extent and pervasiveness of the criminal misconduct; the number and level of the corporate employees involved; the seriousness, duration, and frequency of the misconduct; and any remedial actions taken by the corporation, including, for example, disciplinary action against past violators uncovered by the prior compliance program, and revisions to corporate compliance programs in light of lessons learned.” JM 9-28.800; see also JM 9-47.120(3)(c) (“to receive full credit for timely and appropriate remediation” under the FCPA Corporate Enforcement Policy, a company should demonstrate “a root cause analysis” and, where appropriate, “remediation to address the root causes”).

Prosecutors should consider “any remedial actions taken by the corporation, including, for example, disciplinary action against past violators uncovered by the prior compliance program.” JM 98-28.800; see also JM 9-47-120(2)(c) (looking to “[a]ppropriate discipline of employees, including those identified by the company as responsible for the misconduct, either through direct participation or failure in oversight, as well as those with supervisory authority over the area in which the criminal conduct occurred” and “any additional steps that demonstrate recognition of the seriousness of the misconduct, acceptance of responsibility for it, and the implementation of measures to reduce the risk of repetition of such misconduct, including measures to identify future risk”).

At the conclusion of investigations, UCER and University Audit perform an analysis of the potential root causes and make recommendations for improvement. Even if misconduct is not substantiated, recommendations are often made to improve weaknesses identified during the investigation.

Following the identification of the misappropriated funds used to build TCH, a series of investigations, third party reviews, internal reviews and discussions were initiated. Significant efforts have been made to thoughtfully consider the root cause and take appropriate actions. UCER and University Audit have compiled all recommendations from the various reports to develop a post investigation action plan to allow tracking of the university’s progress in implementing the recommendations. The appropriate board committee will oversee the completion of each recommendation. Updates on the progress will be reported to the Board of Trustees as recommendations are tracked and completed.

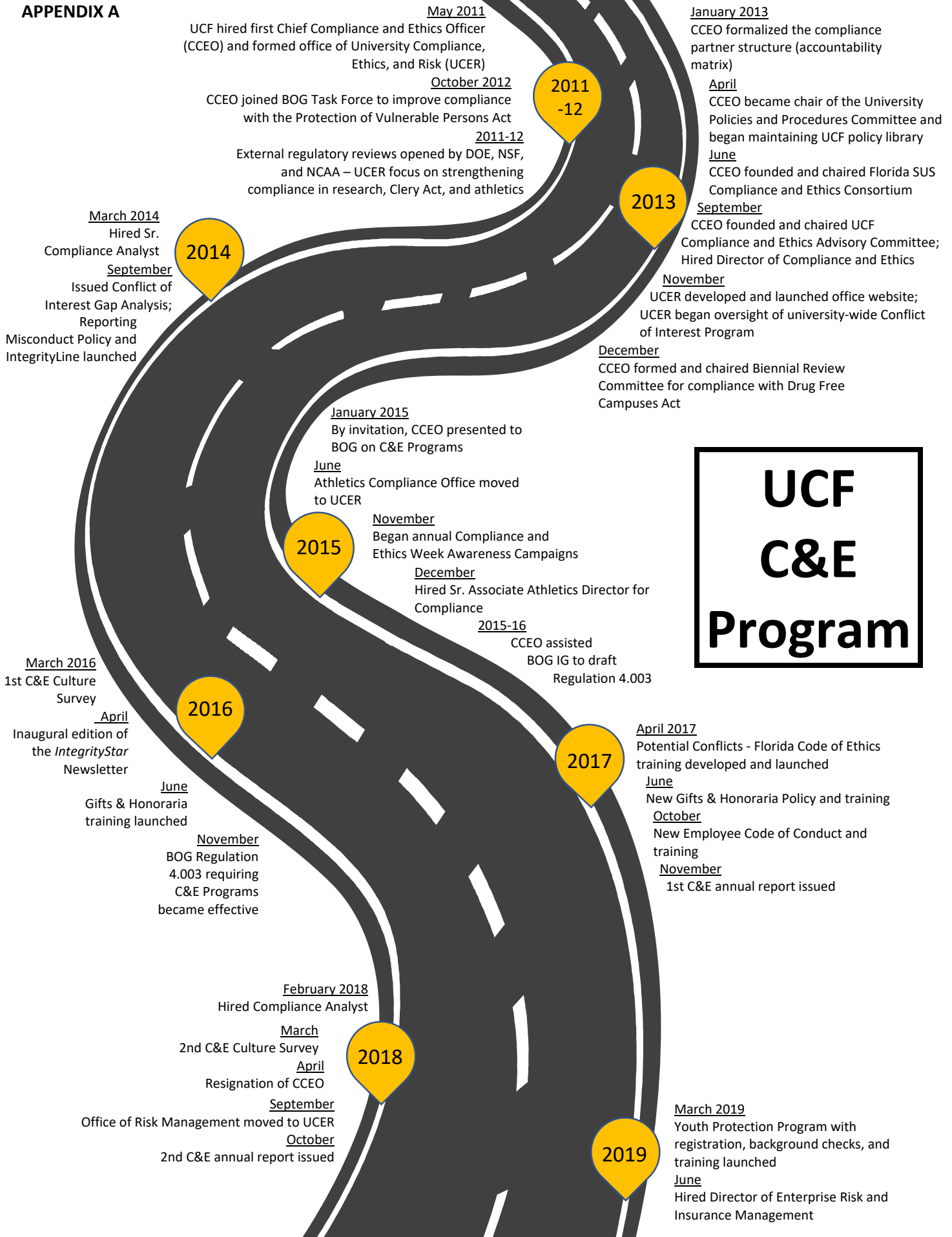
Conclusion

As evidenced in this report, UCER’s program meets or exceeds the benchmark in most areas. Even the best compliance and ethics programs can never prevent all misconduct. This is stated by the DOJ, “...it is important to note that the existence of misconduct does not, by itself, mean that a compliance program did not work or was ineffective at the time of the offense. See U.S.S.G. § 8B2.1(a) (“[t]he failure to prevent or detect the instant offense does not mean that the program is not generally effective in preventing and deterring misconduct”). Indeed, “[t]he Department recognizes that no compliance program can ever prevent all criminal activity by a corporation’s employees.” JM 9-

28.800." In answering the three overarching questions provided by the DOJ when assessing a program's effectiveness, this report confirms that UCF's program has been appropriately designed in accordance with the benchmark and best practices, has been implemented properly, and continues to see improvements, with learning achieved from incidents of non-compliance and ensuring measures are put into place to prevent reoccurrence. These are the hallmarks of an effective compliance and ethics program.

APPENDICES

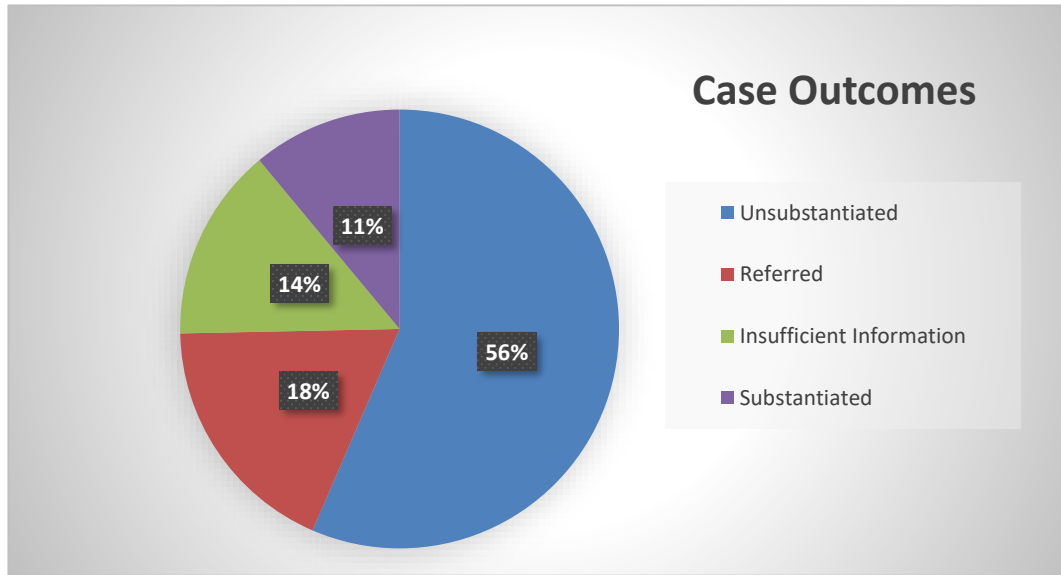
APPENDIX A



**UCF
 C&E
 Program**

Closed Cases

University Compliance, Ethics, and Risk reviewed, investigated as necessary, and closed 154 cases during the 2018 calendar year. Below are the outcomes for the closed cases.



Cases Investigated

A total of 104 cases were investigated with the following outcomes:

- **Substantiated.** There were 17 substantiated cases (representing 11% of all closed cases) where investigations yielded enough evidence to support the complaint and a finding that misconduct occurred. These cases required action by the university. The substantiated cases range in topic from academic misconduct, offensive or inappropriate communication, other academic affairs and human resources issues, safety and time abuse.
- **Unsubstantiated.** The 87 unsubstantiated investigations (56% of closed cases) yielded insufficient or no evidence to support that misconduct occurred. Of these, 77 (representing 89%) still resulted in recommendations for improvements in a policy, process, or training due to identified weaknesses.

Cases Not Investigated

50 cases were not investigated (representing 32% of closed cases) for the following reasons:

- **Insufficient Information.** In 22 of these cases (44%), questions were posted to the reporter requesting additional information with no response. These cases were closed due to insufficient information.
- **Referred.** The remaining 28 cases (56%) were referred to a college, another central office such as Human Resources, UCF Police Department, or to the Office of Student Conduct to review through the appropriate university process.

Trends Identified

Increase in Student Complaints Unrelated to Potential Employee Misconduct

The most significant trend identified by University Compliance, Ethics, and Risk this year was the increased number of concerns raised by students through the UCF IntegrityLine that were unrelated to potential employee misconduct. Out of the 204 cases filed in 2018, 48 involved reports from students with issues ranging from inadequate instruction regarding assignments, grading of homework, non-responsive professors, and offensive language in classrooms. Out of the 48 reports, seven involved complaints concerning the shuttle bus services. The increased number of student reports explains the significant increase in the cases that were not investigated, which was up from 9% in 2017, to 32% in 2018. The cases were instead referred out to other offices to review under the appropriate UCF processes.

In evaluating the cause for the increase in student reports, UCER identified one change in marketing efforts, the addition of the UCF IntegrityLine bus. UCF Marketing, during the Let's Be Clear Campaign, wrapped a UCF bus with the UCF IntegrityLine reporting information. While the bus is a great tool for increasing awareness of the availability of the IntegrityLine, it does not provide information on the types of concerns that should be directed to the IntegrityLine.

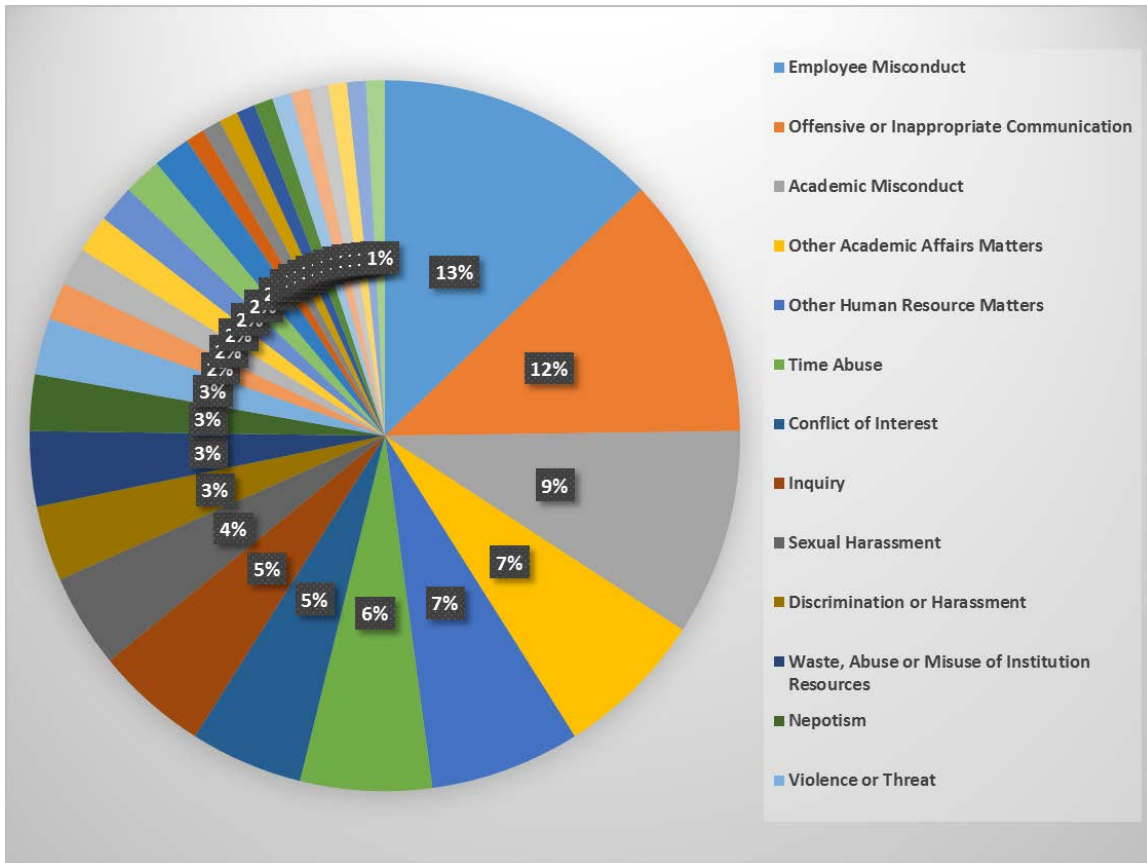
To address this issue, University Compliance, Ethics, and Risk revised the IntegrityLine website landing page to include a list of the common issues submitted by students with instructions on where to submit those concerns. For instance, traffic violations, complaints about grades and homework, and issues with the shuttle bus were listed on the landing page with the names of the appropriate offices and contact information to report those types of complaints.

UCF IntegrityLine Report January 1, 2017, to December 31, 2017 University Compliance, Ethics, and Risk

The UCF IntegrityLine received 117 reports of suspected or actual misconduct or ethical concerns during the 2017 calendar year. Reports received through the UCF IntegrityLine were triaged between University Compliance, Ethics, and Risk and University Audit. Based on the nature of the report, it was either investigated by University Compliance, Ethics, and Risk, University Audit, investigated jointly by both offices, or referred to the appropriate compliance partner for review. Reports involving students under the UCF Golden Rule were referred to the Office of Student Rights and Responsibilities and reports criminal in nature were referred to the UCF Police Department.

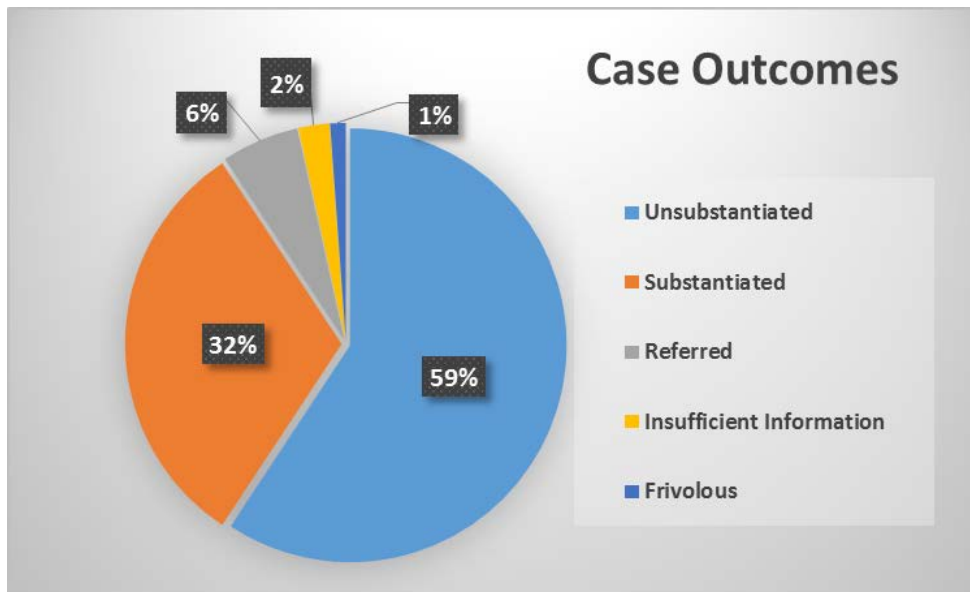
Issue Type

The types of issues reported to the UCF IntegrityLine spanned a range of more than 30 specific topics. The highest number of reports in a single category were 15 (representing 13%) categorized as Employee Misconduct and 14 reports (12%) categorized as Offensive or Inappropriate Communication. These reports included employee complaints ranging from allegations of inappropriate communication by faculty and supervisors, abuse of resources, conflicts of interest, and other violations of university policy.



Closed Cases

University Compliance, Ethics, and Risk reviewed, investigated as necessary, and closed 86 cases during the 2017 calendar year. Below are the outcomes for the closed cases.



Cases Investigated

Seventy-eight cases were investigated with the following outcomes:

- **Substantiated.** There were 27 substantiated cases (representing 32% of closed cases) where investigations yielded enough evidence to support the complaint and a finding that misconduct occurred. These cases required action by the university. The highest number of substantiated cases were in the category of Employee Misconduct and Academic Misconduct/Other Academic Affairs Matters. A close third involved Time Abuse/Financial Matters investigated by University Audit.
- **Unsubstantiated.** The 51 unsubstantiated investigations (59% of closed cases) yielded insufficient or no evidence to support that misconduct occurred. For unsubstantiated cases, there may have been recommendations for improvements in a policy, process, or training when weaknesses were identified.

Cases Not Investigated

Eight cases were not investigated (representing 9% of closed cases) for the following reasons:

- **Frivolous.** One case was submitted by University Compliance, Ethics, and Risk to test the third party's response time. This was marked as frivolous and closed.
- **Insufficient Information.** In two cases, questions were posted to the reporter requesting additional information with no response. These cases were closed due to insufficient information.
- **Referred.** Five cases were referred to a college, another central office such as Human Resources, and to the Office of Student Conduct to review through the appropriate university process.

Trends Identified

Non-Compliance with the Florida Ethics Laws

During the previous academic year, there were four substantiated cases involving employee non-compliance with the Florida ethics laws, with two of those cases resulting in significant outcomes and media attention. In response to this trend, University Compliance, Ethics, and Risk implemented the following preventative measures and training:

Revised university regulation UCF-3.018 Conflict of Interest or Commitment; Outside Activity or Employment to align with the Florida ethics laws effective in June 2017	Finalized and implemented university policy UCF 2-009 Gifts and Honoraria based on the Florida ethics laws effective in June 2017
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- ✓ Distributed a detailed summary of the requirements of the state ethics laws in the annual all-employee conflict of interest emails in 2016 and 2017
- ✓ Issued the July 2017 edition of the *IntegrityStar* newsletter including an article titled *Relationships that Can Create Conflicts* addressing the standards of conduct and reporting responsibilities under Florida ethics laws and promoted the trainings titled *Potential Conflicts – Florida Code of Ethics for Public Officers and Employees* and *Gifts and Honoraria*

170 trained employees	Developed and launched an online training titled <i>Gifts and Honoraria</i> in 2016 and revised the training for 2017
253 trained employees	Developed and launched the online training titled <i>Potential Conflicts – Florida Code of Ethics for Public Officers and Employees</i> in 2017
49 logged instances	Provided specific guidance to those employees who disclosed an outside employment, contractual, and business ownership in their online conflict of interest disclosure on complying with the state ethics laws
243 logged instances	Responded to employee and department requests for assistance in avoiding a potential conflict with the state ethics laws

As a result of the above preventative measures and training, in 2017, there were no substantiated cases of employee non-compliance with the Florida ethics laws.

Academic Affairs Issues

University Compliance, Ethics, and Risk also identified a number of concerns raised by students through the UCF IntegrityLine regarding professors offering extra credit in exchange for a positive rating on the Student Perception of Instruction Survey. The office worked directly with the department chairs in investigating these cases and in all instances, the allegations were substantiated. There was no identified pattern or trend in one particular college or department. However, because there were numerous cases substantiated, the office distributed an awareness notification to the deans and directors in July 2017 with a request that they include information on the topic during new faculty onboarding and as a reminder to existing faculty to prevent future occurrences. Since the date of the awareness notification, the office has not received any further reports on this issue.

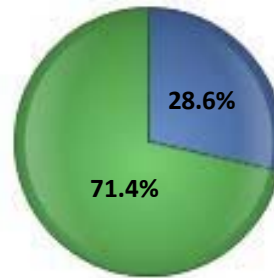
UCF IntegrityLine Report October 1, 2015, to September 30, 2016 University Compliance, Ethics, and Risk

The UCF IntegrityLine received 77 reports of suspected or actual misconduct or ethical concerns for the period ending September 30, 2016. 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. 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. Reports that are criminal in nature are referred to the UCF Police Department.

Intake Method

More than half of the reports came in through the IntegrityLine website, with the remaining through the IntegrityLine telephone number.

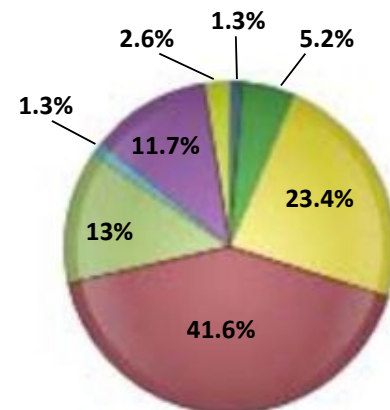
	Intake Method	Cases	% of Total
■	Hotline Phone	22	28.6%
■	Hotline Web	55	71.4%
Total		77	



Source of Awareness

Of the 77 cases received, more than a third 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	1	1.3%
■	I heard it	4	5.2%
■	I observed it	18	23.4%
■	It happened to me	32	41.6%
■	Other	10	13%
■	Overheard it	1	1.3%
■	Told to me by a co-worker	9	11.7%
■	Told to me by someone outside the university	2	2.6%
Total		77	



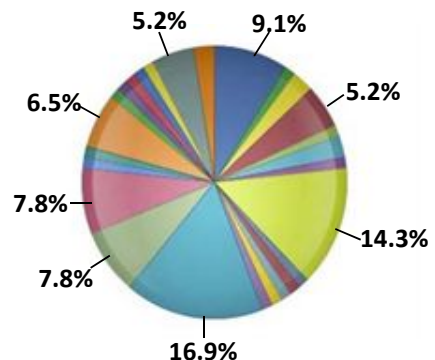
Issue Type

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 13 reports categorized as Offensive or Inappropriate Communication. The cases in this category are detailed below.

Issue	Cases	% of Total
Academic Misconduct	7	9.1%
Alcohol or Drug Abuse	1	1.3%
Conflict of Interest	2	2.6%
Discrimination or Harassment	4	5.2%
Donor Stewardship	1	1.3%
EEOC or ADA Matters	2	2.6%
Employee Benefits Abuses	1	1.3%
Employee Misconduct	11	14.3%
HIPAA	1	1.3%
Improper Giving or Receiving Gifts	1	1.3%
Improper Supplier or Contractor Activity	1	1.3%
Misuse of Resources	1	1.3%
Nepotism	1	1.3%
Offensive or Inappropriate Communication	13	16.9%
Other	6	7.8%
Other Academic Affairs Matters	6	7.8%
Other Athletic Matters	1	1.3%
Other Financial Matters	1	1.3%
Other Human Resource Matters	5	6.5%
Scholarship / Financial Aid Misconduct	1	1.3%
Sexual Harassment	1	1.3%
Student Safety	1	1.3%
Theft / Embezzlement	1	1.3%
Threat or Inappropriate Supervisor Directive	1	1.3%
Time Abuse	4	5.2%
Waste, Abuse, or Misuse of Institution Resources	2	2.6%
Total	77	

■ Offensive or Inappropriate Communication

- 6 – Employees were rude or disrespectful to a student
- 3 – Discriminatory remarks made by an employee to another employee
- 2 – Employees treating one another without respect
- 1 – Supervisor yelling at a subordinate
- 1 – Supervisor disrespectful to an employee’s spouse

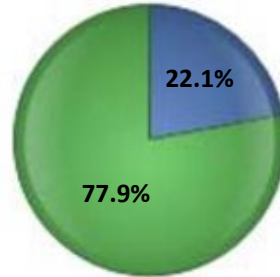


UCF IntegrityLine Report

Anonymous Reporting

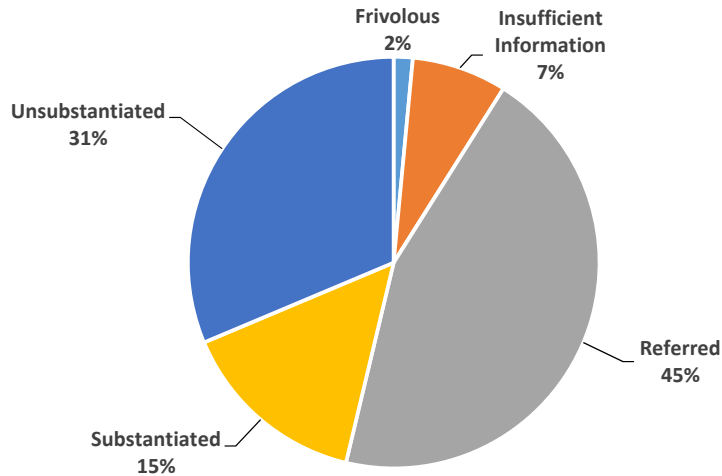
The majority of individuals submitting a report chose to remain anonymous.

	Anonymous	Cases	% of Total
■	Identified	17	22.1%
■	Anonymous	60	77.9%
Total		77	



UCF IntegrityLine Closed Cases

During this report period, we reviewed, investigated as necessary, and closed 67 of the 77 cases we received. The following are the case outcomes for the 67 that we closed:



Primary Outcome

Frivolous. We reviewed one frivolous case that was not a legitimate complaint. After collaborating with the Police Department, we closed it.

Insufficient Information. We closed five 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 30 cases, 13 went to a dean or chair within a college, six cases related to students went to student development and enrollment services, and the remaining 11 cases we referred to our compliance partners, as the cases were more appropriate for them to handle through another university process.

Investigated Cases

We investigated the remaining 31 cases, which resulted in ten substantiated and 21 unsubstantiated outcomes.

- **Substantiated.** The ten substantiated investigations yielded enough evidence to support the complaint and a finding that misconduct occurred. These cases required action by the university.
- **Unsubstantiated.** The 21 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.

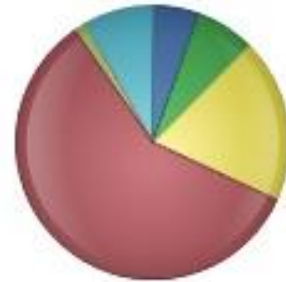
**UCF IntegrityLine Report
September 29, 2014 to September 30, 2015
University Compliance, Ethics, and Risk**

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.

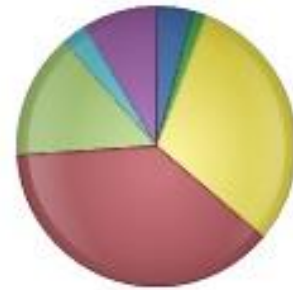
	Intake Method	Cases	% of Total
■	E-mail	4	5.6%
■	Employee Walk-In	5	6.9%
■	Hotline Phone	14	19.4%
■	Hotline Web	42	58.3%
■	Letter or Mail	1	1.4%
■	Phone	6	8.3%
Total		72	



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%
Total		69	



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%
Total		72	



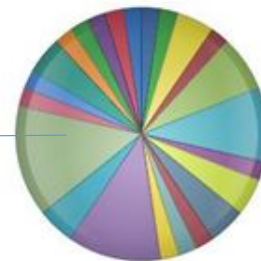
Issue Type

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%
Total	72	

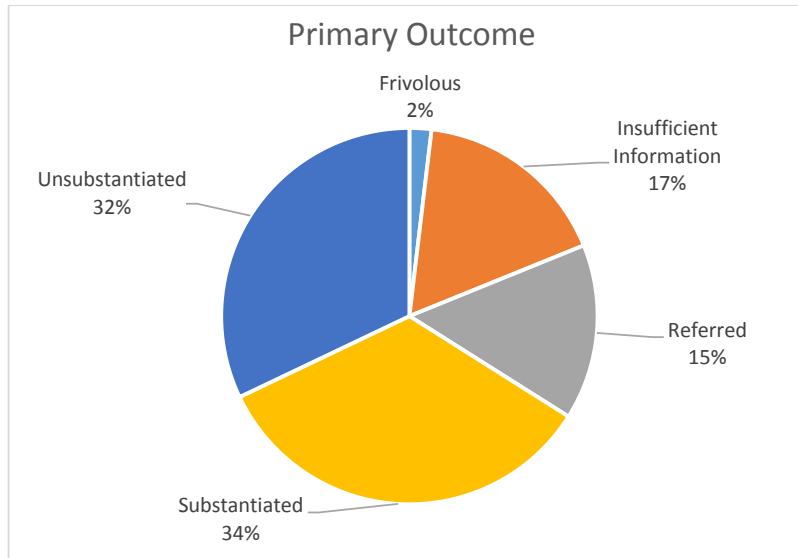
Other Human Resources Matters

- 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.

APPENDIX C



**University Compliance,
Ethics and Risk Office**

UNIVERSITY OF CENTRAL FLORIDA

**UCF IntegrityLine Evaluation and
Investigation Process**

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Background

Investigations are a critical aspect of an effective ethics and compliance program.

“The prevention and detection of criminal conduct, as facilitated by an effective compliance and ethics program, will assist an organization in encouraging ethical conduct and in complying fully with all applicable laws.” United States Sentencing Commission, *Guidelines Manual*, Ch. 8, Introductory Commentary at 489.

The elements of an effective compliance and ethics program outlined in the Federal Sentencing Guidelines are designed to ensure that an institution and its employees adhere to honest and fair dealings in all business activities. The following are essential elements of an effective ethics and compliance program:

- establishing standards and procedures to prevent and detect violations of law,
- creating detection and reporting mechanisms for program violations,
- incentivizing employees who comply with ethical guidance; disciplining those who do not, and
- responding appropriately to substantiated misconduct to prevent future incidents.

University Compliance, Ethics, and Risk is charged with developing and sustaining a comprehensive university-wide compliance and ethics program. One aspect of this program includes investigations of suspected violations of law, regulation, statute, UCF regulation, policy, procedure, guideline and standards of conduct, whether intentional or inadvertent.

An investigation could include: determining the existence of a violation, taking appropriate actions to correct the violation, recovering any lost assets, and correcting any control deficiencies to prevent repeated violations. Investigations may involve employees, students, contractors, and vendors of the university. It is essential that investigations are handled in an appropriate, confidential (investigations are confidential until a final report is issued or a determination on the outcome is reached), and expeditious manner to ensure that individuals are treated fairly, justly, and with respect during the investigation process, the risk of litigation against the university is minimized, the opportunity for recovery is maximized, and improvements in controls are identified to prevent future recurrences.

Investigations may cover a wide range of subject matter allegations.

Allegations of misconduct are received from different locations across the university, its regional campuses and from various external sources each year. The allegations may cover multiple types of wrongdoing ranging from the misuse of university resources to harassment, discrimination, conflicts of interest, retaliation, etc. With complaints covering a wide range of topics, an effective investigation may require the specific skills and technical expertise held by individuals across multiple departments. For instance, an abuse of resources allegation requiring the ability to analyze financial information would fall within the purview of University Audit, whereas an allegation of race discrimination in a hiring process falls with the jurisdiction of the Office of Institutional Equity. There may be times when investigations will be handled externally. This document provides an overview of the process established at UCF when handling investigations internally, across multiple subject areas and departments.

An investigation protocol for a cross-functional team.

Having a protocol available for university employees involved in an investigation provides them with a general understanding of how investigations are conducted from an organizational perspective. This includes:

- defining the roles and responsibilities of the primary parties involved in the investigation process,
- expectations in terms of recordkeeping, deadline requirements, reporting, and
- control points/milestones throughout the investigation process.

The following investigation process provides an overview of the organizational roles and responsibilities, followed by specific process steps for investigations originating from the UCF IntegrityLine, including:

- Logging the allegation into a central database
- Assigning a subject matter expert investigator
- Preparation of an investigation plan
- Communications with a limited number of stakeholders
- Fact-finding (research, document review, interviews)
- Report development, when warranted
- Findings and responsive action review
- Close out with complainant
- Investigation close out
- Transmission of file to central repository

Adherence to the process provides accountability and control points, ensures consistency across investigations, and overall enhances the credibility of a compliance and ethics program.

Objective

The objective of this document is to provide university employees involved in an investigation with a general understanding of how an investigation is conducted from an organizational perspective. This document includes an overview of the investigation process from an organizational perspective and a detailed description of the roles and responsibilities of the primary departments involved in the investigation process.

Overview of the UCF IntegrityLine Investigation Process

UCF Policy 2-700 Reporting Misconduct and Protection from Retaliation provides several reporting avenues for raising allegations of misconduct. Usually, allegations of alleged misconduct will be reported to either a university manager/supervisor, University Compliance, Ethics, and Risk, the Office of Institutional Equity, University Audit, Human Resources, or the UCF IntegrityLine. In addition to the process outlined in this document, University Audit, Office of Institutional Equity, Office of Research Compliance, and University Police have separate investigation processes that they also adhere to when conducting investigations. Departments should not conduct their own investigations.

Roles and Responsibilities Related to UCF IntegrityLine Investigations

Any office within the university potentially has a role in the investigation of an alleged violation. The nature of the alleged violation determines which offices are involved and the extent of their involvement. The primary participants and a brief discussion of their roles and responsibilities during an investigation are discussed below. Offices may continue, stop, or decline an investigation if the matter will be or is currently under litigation.

University Compliance, Ethics, and Risk (UCER)

University Compliance, Ethics, and Risk administers the compliance and ethics program and is responsible for investigating (see exceptions noted below) alleged or suspected violations of law, regulation, statute, UCF regulation, policy, procedure, guideline, and standards of conduct submitted through the UCF IntegrityLine. Its primary responsibilities related to investigations include:

- Overseeing all reports of alleged or suspected violations submitted through the UCF IntegrityLine and serving as the contact with the third-party vendor in maintaining the IntegrityLine.
- Coordinating with University Audit to triage cases submitted through the UCF IntegrityLine.
- Issuing Report Notifications when referring investigations and following up until investigations are completed.
- Conducting its own investigations and reporting findings.
- Monitoring disciplinary measures taken for substantiated misconduct.
- Reporting known violations of law, when mandated, to the appropriate authorities.

University Audit (Audit)

University Audit is responsible for overseeing and investigating all allegations of defalcation, falsification, misappropriation, and other fiscal irregularities in compliance with UCF Policy 2-800.1 Fraud Prevention and Detection. Audit partners with UCER in triaging all UCF IntegrityLine cases.

Additionally, Audit is responsible for determining whether allegations fall under the Whistle-blower Act (Section 112.3187, Florida Statutes) in consultation with the General Counsel's office in compliance with UCF Policy 2-010 Whistle-blower Determination and Investigation Policy.

The Office of Institutional Equity (OIE)

The Office of Institutional Equity conducts all investigations pertaining to allegations of discrimination, discriminatory harassment, and retaliation for protected activity within OIE's jurisdiction – namely, conduct in violation of UCF Policy 2-004.1 Prohibition of Discrimination, Harassment and Related Interpersonal Violence Policy. The University's ADA Coordinator and Title IX Coordinator are housed in OIE. OIE also is responsible for ensuring the University's compliance with various Affirmative Action and Equal Employment Opportunity (AA/EEO) rules and regulations and monitoring the university's search and hire process for compliance with AA/EEO rules and regulations.

Office of Research Compliance

The Office of Research Compliance oversees all allegations of research misconduct. Allegations are processed in accordance with UCF Policy 4-211 Research Misconduct.

UCF Police Department

The UCF Police Department conducts criminal investigations of misconduct pertaining to the safety and security of university employees, facilities, and assets. Its primary responsibilities related to investigations include:

- Conduct investigations of alleged misconduct, primarily in matters pertaining to workplace violence/firearms, illegal drugs and alcohol, theft, physical security, and other criminal activities.
- Serve as the university's primary point of contact with external law enforcement agencies.

General Counsel

The General Counsel's office provides legal consultation to investigators and ensures that the university's legal interests are protected. Its primary responsibilities related to investigations include providing support and consultation related to the appropriateness and consistency of employee disciplinary actions, including considerations required due to bargaining agreements and labor laws.

Human Resources Department

Human Resources' primary responsibilities related to investigations include providing support to investigators during the investigation process, and consultation related to the appropriateness and consistency of documentation of employee disciplinary actions.

Management

Management holds a unique role in the investigative process. Sometimes, they may serve as the primary point of contact and the first person alerted of misconduct in their functional area. For the purposes of this document, management's primary responsibilities related to UCF IntegrityLine investigations include:

- Providing support in conducting investigations of alleged misconduct upon receipt of a Report Notification.
- Determining the appropriate responsive actions regarding misconduct and ensure that the actions are reported to UCER through a completed Report Notification.
- Implementing necessary business controls identified because of investigations of misconduct.
- Doing their utmost to maintain the privacy of investigative information.
- Maintaining a workplace environment that prevents retaliation or reprisals against an individual who in good faith reports actual or suspected misconduct.

UCF Communications Office

UCF Communications Office may become involved when the nature of the alleged misconduct could receive public attention, when the magnitude of the investigation requires public disclosure, or the university receives a public records request related to an investigation.

Reporting Misconduct through the UCF IntegrityLine

Allegations reported to the UCF IntegrityLine will be triaged by the Chief Compliance, Ethics, and Risk Officer (CCERO) and the Chief Audit Executive (CAE) to determine how the complaint should be processed and if an investigation is necessary. If the complainant identifies him or herself in the IntegrityLine report, Audit will perform a whistle-blower analysis under UCF Policy 2-010 Whistle-blower Determination and Investigation Policy. If the alleged misconduct qualifies as a complaint that will be investigated under this process, the CCERO and CAE will determine which office will investigate the complaint.

- If the CCERO and CAE decide the case must be investigated by another UCF office, the case will be assigned to the appropriate investigating office based on the nature of the violation. Except for OIE investigations handled in coordination with UCER, cases referred out will be sent via a Report Notification.
- The responsible office handling the investigation shall provide appropriate reports to UCER regarding reported violations, investigations, and resolutions.
- The responsible office handling the investigation is responsible for ensuring all outstanding responsive actions are completed.

- UCER will maintain its own reports, databases, records, and files on investigations submitted through the UCF IntegrityLine, notwithstanding investigation records also maintained in the respective departments and offices conducting the investigations.
- Where appropriate, investigative offices will recommend business control improvements identified as a result of an investigation and implement a timetable.

This phase of the process will include:

- a. Determine the type of allegation and what offices should address the complaint.
- b. If it is determined that the allegation will be handled by another office, UCER will prepare and transmit a Report Notification to the appropriate office.
- c. UCER will be responsible for following-up with the office until the investigation has been completed.

Preliminary Review

The office assigned to investigate the allegations will first conduct a preliminary review, which may include answering the following questions:

- a. What is the allegation?
- b. Under what circumstances was the complaint made?
- c. Who are the parties involved?
- d. Is there any reason a specific investigator or assigned office cannot conduct an unbiased investigation?
- e. Are there sufficient allegations which set forth a claim that is within the office's jurisdiction?
- f. Is there initial fact-finding that can be performed that may substantiate or unsubstantiate the allegation without the need to launch a full-blown investigation, thereby reducing disruption to the office?

The preliminary review should be conducted in a confidential manner with information sharing based on a need-to-know basis. If it is determined that further investigation is not required, UCER will be notified of this outcome, by receipt of a completed Report Notification, where applicable.

Investigation Strategy

At the start of an investigation, the investigator will initiate an investigation strategy. An investigation strategy can include the following elements:

- a. Identify underlying concerns voiced in the complaint.
- b. Identify university policies or procedures related to this issue.
- c. Determine who needs to be notified before the investigation begins (allegation i.e. Dean or Chair of the college or department where investigation will be occurring).
- d. Identify key witnesses and preferred order of interviews.
- e. Determine if administrative leave for the subject, alleged victim, or others is needed.
- f. Determine if a subject or witness is a contract worker, which may require advance contact with the contracting agency or employer.
- g. Determine logistical details and local contacts for coordinating interviews and meeting rooms.
- h. Estimate scope and duration of the investigation, including current caseload and the need for additional resources.

Investigation/Fact Finding

The investigation/fact finding process involves conducting interviews and collecting evidence to document and support a conclusion regarding whether misconduct did or did not occur. The objectives of the investigation may include:

- a. Determine whether the allegation can be substantiated.
- b. Determine how the violation was committed.
- c. Identify the person(s) committing the misconduct.

- d. Determine whether law enforcement agencies should be notified.
- e. Determine the extent of loss or other adverse consequences or assess exposure to the university.
- f. Identify improvements to minimize similar occurrences in the future.
- g. Document the facts for presentation to the CCERO, line management, and appropriate authorities.

Depending on the complexity, sensitivity, and duration of the investigation, the investigator may need to provide periodic updates to appropriate parties if requested. It is imperative that all parties maintain the privacy of investigative information. Case information should only be shared on a need-to-know basis.

Completing the Investigation

If it has been determined that an investigation outcome memo is necessary, the office conducting the investigation will be responsible for drafting and disseminating it to the proper parties. The memo should include at a minimum, the following:

- a. Background which includes the allegation(s)
- b. Review Process
- c. Findings and Recommendations

When UCER completes its investigations, and the CCERO determines that an investigation outcome memo is necessary, that memo will be sent to the following parties:

- a. Management responsible for the area
- b. President, Chief of Staff, Provost (when applicable), and the Audit and Compliance Committee of the Board of Trustees on significant investigations
- c. When UCER recommends disciplinary action, a copy will also be sent to the General Counsel and Human Resources.

Prior to issuing the memo, the CCERO will meet with management to provide a verbal briefing of the investigation findings. Legal may be involved if appropriate. The briefing may include a discussion of the risks of potential responsive actions. If the violation involved a bargaining unit employee, Academic Affairs may be included in the briefing.

UCER closes the case with management when responsive actions are agreed upon, and after the investigation outcome memo is issued, or at the time UCER concludes that no memo is necessary. The investigator, if applicable, will close the case with the reporter raising the complaint and then UCER will close the case in the IntegrityLine system.

Note:

Cases are considered closed as soon as the final report is issued or a determination on the outcome is reached. Section 494.00125 Public Records exemptions <http://www.flsenate.gov/Laws/Statutes/2016/494.00125>.

ITEM: INFO-4

UCF BOARD OF TRUSTEES
Audit and Compliance Committee
August 8, 2019

Title: 2018-19 Work Plan - Status of All Activities

Background:

The 2018-19 Work Plan - Status of All Activities is a summary of the projects and activities completed by University Compliance, Ethics, and Risk (UCER) from July 1, 2018, to June 30, 2019. Each fall, UCER submits to this Committee a work plan outlining the office's activities to meet the required elements of an effective compliance and ethics program. That 2018-19 Work Plan was presented to this committee on August 28, 2018.

Issues to be Considered:

There are no issues for the committee to consider.

Alternatives to Decision:

There is no recommended committee action.

Fiscal Impact and Source of Funding:

There is no anticipated fiscal impact.

Recommended Action:

There are no specific recommendations.

Authority for Board of Trustees Action:

UCF Audit and Compliance Committee Charter and Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs.

Contract Reviewed/Approved by General Counsel:

N/A

Committee Chair or Chairman of the Board approval:

Committee Chair Joseph Conte approved the agenda and all supporting documentation.

Submitted by:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Supporting Documentation:

2018-19 Work Plan - Status of All Activities Attachment A

Facilitators/Presenters:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Board of Trustees/ Documents/ Agenda Documents



University Compliance, Ethics and Risk Office

2018-19 Work Plan - Status of All Activities

July 1, 2018 – June 30, 2019

UCF's comprehensive compliance and ethics program was built based on the elements of an effective compliance program set forth in Chapter 8 of the Federal Sentencing Guidelines, and as required by Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs. The Guidelines and Regulation establish the minimum standards for effective programs. Each year, University Compliance, Ethics, and Risk submits an Annual Workplan to the Audit and Compliance Committee of the Board of Trustees detailing the office's efforts that support an effective program. This report contains the activities committed to in the office's 2018-19 Compliance and Ethics Annual Work Plan and includes the final status of those activities.

1. Provide 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.

2. Develop Effective Lines of Communication

Create communication pathways that allow the dissemination of education and regulatory information and provide a mechanism for reporting compliance activities or concerns.

3. Conduct Effective Training and Education

Educate the UCF community on its compliance responsibilities and regulatory obligations, and on the university compliance and ethics program.

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.

5. Conduct Internal Monitoring and Compliance Reviews

Identify and remediate noncompliance through proactive review and monitoring of risk areas.

6. Respond Promptly to Detected Problems and Undertake Corrective Action

Conduct timely investigations of allegations of noncompliance and provide guidance on corrective actions.

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

Promote the compliance and ethics program and university regulations, policies and procedures, and the consequences of noncompliance.

8. Measure Compliance Program Effectiveness

Evaluate the overall compliance and ethics culture of UCF and the performance of the University Compliance, Ethics, and Risk office.

9. New Regulations and Special Projects

**2018-19 Compliance and Ethics Work Plan
Status of All Activities
July 1, 2018 – June 30, 2019**

1. Provide Oversight of Compliance and Ethics and Related Activities
Coordinate and conduct bi-monthly meetings of the University Compliance and Ethics Advisory Committee
<ul style="list-style-type: none"> ➤ Developed materials and chaired the Compliance and Ethics Advisory Committee meetings in July, November, and March. ➤ Outlined the requirements for an effective compliance and ethics program and discussed how compliance partners should be implementing the requirements within their programs. ➤ Provided an update on compliance accountability awareness and the efforts of the compliance partners, Code of Conduct, Culture Survey results, BOT Audit and Compliance Committee meetings, Compliance and Ethics Week awareness campaigns, launch of the Youth Protection and Background Check policies, discussed articles planned for the July, October, and March <i>IntegrityStar</i> newsletter editions and received updates from members on their compliance and ethics efforts. ➤ Highlights from compliance partners included the rollout of the Whistle-blower Policy, BOT approval of the Florida Equity Report, phishing campaigns conducted throughout the year, and Business Services sent letters to all vendors notifying them to stop providing gifts.
Conduct quarterly meetings with compliance partners and senior leadership
<ul style="list-style-type: none"> ➤ Met with vice presidents, key administrators, and compliance partners to provide updates on compliance and ethics initiatives and discuss any concerns or issues. ➤ Provided two Athletics compliance updates to the president. ➤ Re-instituted monthly meetings with the provost, implemented bi-monthly meetings with the president, and continued monthly meeting schedule with BOT Audit and Compliance Committee Chair.
Serve on and provide compliance guidance to the Title IX workgroup
<ul style="list-style-type: none"> ➤ Provided guidance and support to the Title IX coordinator and served on and provided compliance guidance to the Title IX workgroup
Serve as a member of the Security Incident Response Team and provide guidance
<ul style="list-style-type: none"> ➤ Served as a member of the Security Incident Response Committee and provided review and guidance associated with federal and state privacy and data breach requirements.

2. Develop Effective Lines of Communication

Prepare and distribute *IntegrityStar*, the compliance and ethics newsletter

- Developed and issued the October 2018 edition of the *IntegrityStar* with a comparative report on the results of our second culture survey and announced UCF's new whistle-blower policy with related article.
 - Article titled *2018 Compliance and Ethics Culture Survey* benchmarked the results of our compliance and ethics culture survey against our 2016 survey.
 - Article titled *Code of Conduct: The Code and the Road* included examples of how to use the Code as a road map to reach the right decisions.
 - In the Spotlight article highlighted university policy UCF 2-010, Whistle-blower Determination and Investigation Policy.
- Developed and issued the March 2019 edition of the *IntegrityStar* announcing the university's new Youth Protection Program and youth protection policy.
 - Article announcing the *UCF Youth Protection Program* with information on what defines a program and how to register programs with our office.
 - Article titled *UCF Background Check Policy & Procedure Updates* included information on the Human Resources (HR) stronger background check procedure which was instituted in their new policy on background checks.
 - Article titled *Can't We Make Better Decisions to Ensure Ethical Outcomes?* authored by two UCF professors from different disciplines with a shared interest in ethics and what drives ethical behavior.

Administer and promote the UCF IntegrityLine

- Continued administration of the UCF IntegrityLine to include review and tracking of all reports, data compilation, trend review, and reporting.
- Continued promoting the UCF IntegrityLine in the *IntegrityStar* newsletter; in compliance videos; in the University Compliance, Ethics, and Risk pamphlet; on the University Compliance, Ethics, and Risk website; on the websites of all compliance partners; tabling events; and through distribution of customized IntegrityLine earbuds and wallet cards.
- Continued providing UCF IntegrityLine wallet cards and pamphlets to all new employees during orientation.
- Launched initiative to confirm Speak Up posters are in all employee common areas within all buildings and Speak Up icons with hyperlinks to the IntegrityLine are on appropriate websites.
- Included section on the UCF IntegrityLine in the Faculty Center's *Teaching at UCF* book.

<p>Coordinate timely responses to regulatory and other external agencies</p>
<ul style="list-style-type: none"> ➤ With Athletics Compliance and the Office of the General Counsel (GC), participated in NCAA on-campus interviews during September 2018. ➤ With GC and HR, met with the Department of Labor for an investigation on-site visit in January 2019. ➤ Prepared and submitted the annual report to the Governor and Legislature on research exemptions granted as required by state statute prior to the March 2019 deadline.
<p>Maintain and promote the compliance and ethics website</p>
<ul style="list-style-type: none"> ➤ Promoted the compliance and ethics website in the University Compliance, Ethics, and Risk pamphlets distributed to all new employees. ➤ Updated the website to include the October 2018 and March 2019, editions of the <i>IntegrityStar</i> newsletter, added pages dedicated to the Office of Risk Management, added a page for the UCF Youth Protection Program, added additional videos to the training page, the Youth Protection Training, Potential Conflicts 2019, and Gifts and Honoraria 2019 online training module, updated the organizational chart, revised the compliance matrix and the Compliance and Ethics Advisory Committee to include changes to compliance partners and members, added the Annual Report and Compliance and Ethics Program Plan, and photos for the Athletics Compliance and for the Office of Risk Management staff.
<p>3. Conduct Effective Training and Education</p>
<p>Promote online Employee Code of Conduct training module and track employee completion</p>
<ul style="list-style-type: none"> ➤ Promoted UCF Employee Code of Conduct training during Compliance and Ethics Week by sending an all employee email with link, as well as in the <i>IntegrityStar</i> newsletter. ➤ UCF Employee Code of Conduct training is required of all newly hired employees within 30 days of their start date, which is communicated to new employees via Page-Up and at new employee orientation. ➤ A total of 1,062 employees have completed the UCF Employee Code of Conduct during the 2018-19 year.
<p>Promote “Know the Code” online video training series</p>
<ul style="list-style-type: none"> ➤ During Compliance and Ethics Week, sent three all employee emails with embedded “Know the Code” trainings on the topics of: Fraud, Reporting Violations, and University Resources. The mini training modules were completed by 90 individuals collectively.

Launch fourth annual Compliance and Ethics week awareness campaign
<ul style="list-style-type: none">➤ Scheduled activities for the annual Compliance and Ethics Week awareness campaign during November 5-9, 2018, including sending employees a series of “Know the Code” mini training modules and distributing an online photo hunt. Participation in either or both activities allowed employees a chance to win a prize. Awarded 28 prizes to employees who participated and correctly identified the compliance failures and corresponding UCF policy or regulation.
Conduct in person Clery Act compliance training and work with the university’s Clery Compliance Coordinator to develop an online training module
<ul style="list-style-type: none">➤ Collaborated with the university’s Clery compliance specialist to develop online Campus Security Authority (CSA) training in webcourses@UCF. The course is expected to be completed in the fall 2019.➤ Coordinated training efforts with the university Clery compliance specialist to transition future CSA training to be conducted by the UCF Police Department with assistance from UCER when needed.
Promote Gifts and Honoraria and Potential Conflicts online training modules and track employee completion
<ul style="list-style-type: none">➤ As of February 2019, all new employees must complete the Potential Conflicts – Florida Code of Ethics for Public Officers and Employees webcourse within 30 days of their start date.➤ Total number of employees who took the online course and passed the final quiz:<ul style="list-style-type: none">○ <i>Potential Conflicts – Florida Code of Ethics for Public Officers and Employees</i> = 555 employees.○ <i>Gifts and Honoraria</i> = 254 employees.
Issue annual memo on Vulnerable Persons Act
<ul style="list-style-type: none">➤ Prepared and issued the annual Vulnerable Persons Act Memo in March 2019.

Identify additional opportunities to develop and deliver compliance and ethics training

- Provided in person training on the UCF Gifts and Honoraria policy, Florida Code of Ethics for Public Officers and Employees, and scenarios involving paid travel to vice presidents, the College of Medicine Enterprise Group, SDES leadership team, and the College of Medicine faculty.
- Provided education and promotion of online training to employees following investigations and in response to questions submitted through our complianceandethics@ucf.edu email account.
- Hosted a table at the New Faculty Orientation in August 2018 and the employee benefits fair in October 2018 to raise awareness of the office and provide education on the UCF IntegrityLine and the conflict of interest and commitment reporting; featured the newly available online UCF Youth Protection training module in our *IntegrityStar* newsletter.
- Distributed University Compliance, Ethics, and Risk pamphlets and IntegrityLine wallet cards to employees during new employee orientation.
- Acquired new compliance training videos which were posted to the office’s training page website; Ethical Leadership and Kids on Compliance.
- Distributed video trainings including “Know the Code” Reporting Violations training in the October 2018 *IntegrityStar* edition and Kids on Compliance video in the March 2019 *IntegrityStar* edition.
- Recommended mandatory Gifts & Honoraria Training as well as Potential Conflicts – Florida Code of Ethics training to one college and one administrative department based on identified risks.
- As part of the Youth Protection Program, developed and launched an online Youth Protection training module; 736 individuals have completed the training since its launch in March 2019.

Issue additional regulatory alerts and updates as appropriate

- Issued the annual communication to all faculty and staff members to remind them of the standards of conduct and reporting responsibilities under Florida ethics laws in October 2018.
- Circulated notice regarding new BOG Regulation 6.021, Hazing Prohibited to appropriate university departments to coordinate efforts to review and update university policies and regulations

- Distributed to all compliance partners, the compliance matrix developed by the Higher Education Compliance Alliance containing a summary of key federal laws and regulations governing colleges and universities as a resource to review and evaluate any potential compliance gaps.
-

4. Revise and Develop Policies and Procedures

Chair the University Policies and Procedures Committee and provide guidance on policy development

- Chaired the University Policies and Procedures Committee. Provided coordination of the committee and management of the online Policies and Procedures Manual.
- Reviewed and edited policies and procedures prior to submission for approval to the committee. Worked directly with departments, provided guidance, and when needed revised policies to improve content and the communication of expectations to the university community. Reviewed and edited four new policies and 26 existing policies that were approved by the committee and president. The committee also repealed one policy that had been incorporated into another existing university policy.
- Continued progress on the five-year review project in compliance with UCF-2-001.5 University Policy Development to ensure that policies continue to be appropriate and current. Out of 38 policies initially identified as overdue, facilitated the review and approval of 24 policies, bringing the overdue count to 12.
- Announced approved policies to all employees via email, the message includes an invitation to sign up to receive notification when policies are posted and available for comment prior to approval.
- Worked with University IT to develop site analytics on the university policies and procedures website and began tracking site data.

Serve as members of the HIPAA Collaborative to develop university policies and procedures on HIPAA compliance

- Served on the UCF Health Sciences HIPAA Collaborative, a university-wide task force involved with the development of a single set of HIPAA Privacy and Security policies for the university. Provided guidance and communicated compliance expectations for development of policies.
- Six policies were discussed and updated during the year.

5. Conduct Internal Monitoring and Compliance Reviews

Manage university-wide conflict of interest and commitment processes

- In preparation for the 2017-18 conflict of interest and commitment disclosure process, revised seven training modules to reflect updates from the previous year and provided the trainings to faculty and staff members as an online resource.
- Implemented communication plan for the 2018-19 conflict of interest and commitment online disclosure process and launched the new disclosure year on August 13, 2018.
- Distributed a number of communications, monitored online disclosure submissions, conducted reviews, and worked with faculty and administrators to resolve potential conflicts. Tracked compliance rates and worked with Academic Affairs to address noncompliance.
- At the start of the report year, notified 2,778 employees by email to submit an online disclosure and 2,438 submitted within the deadline achieving an 88 percent compliance rate with employee submissions prior to the deadline. This is a significant decrease in the 30-day compliance rate in 2017-18 (98.4%) which is directly attributed to the increase in workload and decrease in staff within University Compliance, Ethics, and Risk during the report year.
- By the end of the report year, a total of 3,072 disclosures and 115 amendments were submitted. For any disclosure with at least one outside activity reported, the office serves as the final review. This year, there were 1,139 online disclosures for the office to review (a slight increase from the 1,116 last year), with potential conflicts identified in 91 requiring a monitoring plan or annual update to a monitoring plan (a decrease from 121 last year). At the time this report was completed, there were still 58 under review by the office.
- Completed 332 online reviews for the employment of relatives (an increase of 50 from 282 last year).
- Conflict of interest reviews outside the online system were also tracked and included 296 requests for review of potential conflicts and guidance provided to employees and departments (an increase of 149 from 147 last year).
- Reviewed and provided feedback on 17 research exemption requests prior to coordinating with the provost, president, and Chair of the Board of Trustees for approval as required by state statute. On behalf of the president and Board of Trustees, prepared the annual research exemption report and submitted it to the governor and legislature as required by state statute. Developed the report in partnership with the Research Integrity Compliance Office and submitted in February 2019.
- Received and completed 167 reviews of potential conflicts of interest associated with the attendance at conferences or events sponsored by vendors (an increase of 34 requests from 133 last year).
- Provided additional support to employees who meet the state definition of a reporting individual to include coordinating efforts with Human Resources to identify and notify reporting individuals of their mandatory filing requirements and monitoring the delinquent list posted on the Commission on Ethics' website to prevent employees from accruing fines.

Continue compliance partner reporting

- Compliance partners provided updates on their program activities during committee meetings and, when significant issues and challenges arose, through separate meetings and discussions.
- Compliance partner 2018 annual reports were consolidated with the activities of University Compliance, Ethics, and Risk and published in the 2018 compliance and ethics program annual report in November.
- Formal annual reports will be submitted again for 2019 with an expected publication in the fall 2019.

Conduct risk assessment

- Recruiting efforts to fill the new position of Director of Enterprise Risk and Insurance Management was finally completed in April 2019. The offer was made and accepted, the candidate began in June 2019.
- Preparations for conducting a formal risk assessment have begun and will continue into the 2019-20 report year.

Review UCF IntegrityLine and department database for trends, risk areas, and address appropriately

- Identified a trend of increased student complaints unrelated to potential employee misconduct submitted through the IntegrityLine; to address the issue the office revised the website landing page by identifying issues which should not be reported to the IntegrityLine.
- Through inquiries made to the office and IntegrityLine cases, identified one college and one university department with lower awareness of the gift and honoraria rules. Worked with the dean and associate vice president in those two areas to initiate mandatory gift and honoraria training for their employees.
- Performed a review of the IntegrityLine program with recommendations for improvements to the BOT Audit and Compliance Committee in April 2019 followed by preparing report to the full BOT in May 2019.

6. Respond Promptly to Detected Problems and Undertake Corrective Action

Receive and evaluate UCF IntegrityLine reports and allegations of misconduct made directly to the office and conduct investigations

- Provided administration and oversight of the UCF IntegrityLine to include review and tracking of all reports until completion, data compilation, trend review, and reporting. Received 194 reports through the UCF IntegrityLine alleging misconduct (an increase of 30 cases from 164 last year).
- Coordinated triage of reports with University Audit and the Office of Institutional Equity. When appropriate, reports were referred to a compliance partner or University Audit for review or investigation. During this time, 131 cases were investigated and closed.
- Received 19 allegations of misconduct directly to University Compliance, Ethics, and Risk (down six from 25 last year) and when appropriate, conducted investigations and provided recommendations for corrective actions and improvement of ethical conduct. Thirteen of these cases were closed.
- By request, traveled with Research HR to the Arecibo Observatory to conduct interviews regarding reported employee concerns in May 2019.

Provide recommendations for corrective actions and improvement of ethical conduct

- Continued providing recommendations for corrective actions and improvements of ethical conduct to the appropriate authorities following investigations or requests for guidance.
- Working with University Audit, compiled all recommendations made in various internal and external investigative and consulting reports related to inappropriate funding on Trevor Colbourn Hall and other capital projects along with the university's governance efforts, organizational design, and overall culture.

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

Develop and promote compliance and ethics incentive opportunities

- Offered incentives to employees during Compliance and Ethics Week activities. Awarded 28 prizes to employees who participated and correctly identified the compliance failures and corresponding UCF policy or regulation.
- In the October 2018 *IntegrityStar* newsletter, recognized all employees who have bravely stepped forward to report real or suspected misconduct either to the UCF IntegrityLine, through direct contact to our office, or through another central administrative office.
- Recognized two employees for their outstanding efforts in compliance and ethics in the March 2019, edition of the *IntegrityStar* newsletter.

Promote awareness of UCF regulations, policies and procedures, and regulatory requirements

- Highlighted new and revised UCF policies and regulations in the October 2018 and March 2019 editions of the *IntegrityStar* newsletter.
- *IntegrityStar* articles also featured policies, regulations, and training available.
 - March 2019 issue featured *UCF 2-005 Youth Protection and UCF 3-011 Background Checks*
 - October 2018 issue featured *UCF 2-010 Whistleblower Determination and Investigation* and Know the Code Reporting Violations training module
- Distributed campus email to all employees alerting them of the approval of 30 new or revised policies
- Provided overviews of new regulatory requirements to senior leadership, compliance partners, and the Board of Trustees Audit and Compliance Committee.

Promote accountability and consistent discipline

- Following investigations with outcomes of substantiated employee misconduct, recommended to the appropriate authorities the consistent discipline that ensured accountability.
- Continued serving as the point of contact and source for guidance to research compliance related to scientific misconduct, export controls, conflict of interest, and development of policies and procedures.

8. Measure Compliance Program Effectiveness

Develop and issue the University Compliance, Ethics, and Risk Annual Report

- Compiled and designed the annual report for 2017-18 which included the activities of our compliance partners and programs across the university. In November 2018 the annual report was presented to the Board of Trustees Audit and Compliance Committee and a copy was sent to the Board of Governors.
- Formal annual reports will be submitted again for 2019 with an expected publication in the fall 2019.

Develop, measure, and track department process improvement efforts using the university assessment process

- Outcomes and measures supporting the continuous improvement of several areas such as the UCF IntegrityLine continue to be reviewed, measured, and improved.
- Prepared the 2017-18 Assessment Results documenting the outcome of the office's efforts in increasing employee awareness of the UCF IntegrityLine and office of University Compliance, Ethics, and Risk, both identified in the first Culture Survey as requiring improvement. The second Culture Survey results showed a 22 percent increase in employee awareness of University Compliance, Ethics, and Risk and the UCF IntegrityLine, a higher increase than the targeted five percent.
- Prepared the 2018-19 Assessment Plan focused on the continued awareness of the office and UCF IntegrityLine as well as increased passing rates for UCF Employee Code of Conduct training.

9. New Regulations and Special Projects

Oversee compliance efforts with National Institute of Standards and Technology 800-171 (NIST) federal requirements

- Led NIST compliance meetings to bring the committee to agreement on the final path forward; turned the project over to the executive sponsor and responsible authority, vice president of Research and in collaboration with the Research Compliance Office.
- As reported by the Research Compliance Office, the NIST environment will be available in late August 2019. Final vendor agreements are being negotiated with Information Security Office (ISO) and GC. Most of the hardware is purchased, and technical personnel have been hired. Administrative procedures have been established and technology and data security plans with procedures have been developed. A formal kick-off meeting with training is planned for late August 2019.

Chair Youth Protection Committee and develop Youth Protection Program

- Distributed survey in October 2018 to 114 individuals to identify areas in the university that are currently hosting programs involving youth participants, collected and analyzed results.
- Youth Protection Program policy was presented to the University Policies and Procedures Committee in December 2018 and recommended for approval by the president, becoming effective December 20, 2018.
- Developed and launched a webpage for Youth Protection Program on the University Compliance, Ethics, and Risk website.
- Communicated via email the official launching of the program with the Youth Protection Program Committee, Housing and Residence Life, and Dean’s Council.
- Finalized and published training module in webcourses@UCF and vetted all program forms through the Office of the General Counsel. Collaborated with UCF Continuing Education to provide the training webcourse free to all non-affiliated UCF individuals. To date, 736 individuals have completed the Youth Protection training since its launch in March 2019.
- Delivered a presentation on Youth Protection Program requirements to the HR Advisory Council and UCFAA.
- Announced the official launch of the Youth Protection Program in the March 2019 edition of the *IntegrityStar* newsletter and via email to all newsletter recipients in April 2019 during Child Abuse Prevention month.
- Identified gaps and developed solutions to mitigate risk to minors.
- Processed 104 registrations since the launching of the program in March 2019.
- Currently reviewing software to procure a youth programs registration system for better efficiency in tracking programs and tracking program staff requirements.
- Conducted a compliance review of a youth program, including a site visit, to strengthen controls and bring the program into compliance with youth protection requirements.

Co-Chair working group on European Union General Data Protection Regulation (GDPR) compliance

- Developed and co-chaired with the ISO and GC a committee formed to address GDPR compliance.
- With GC and ISO, worked with outside legal counsel to develop a compliance manual and privacy notices, the firm delivered GDPR training on September 28 to a wide group of employees identified as having data subject to GDPR.
- Developed and launched a GDPR survey to assist us in identifying the legal basis for processing all data subject to the GDPR.

<p>Provided Support to Compliance Partners and University Stakeholders</p>
<ul style="list-style-type: none"> ➤ Participated in and provided support to the Office of Institutional Equity (OIE) on OFCCP and web accessibility program compliance efforts. ➤ Collaborated with the Office of Institutional Equity and Research Compliance Office to develop process for meeting new NSF reporting requirements on Title IX cases.Served on hiring committees for new compliance positions within the OIE. ➤ Attend campus partners portion for three OIE positions. ➤ Served on the Student Data & Analytics Ethics Working Group led by the Office of Institutional Management, as well as served on the University Records Management Advisory Board led by Administration and Finance. ➤ Responded promptly to public records requests from the press for information on the closed IntegrityLine cases, partnered with UCF News and Information and the GC on cases published in the media and communicated outcomes with the members of the Board of Trustees. ➤ Assisted GC with all public records requests related to the Trevor Colbourn Hall investigation. ➤ Continued intake and timely responses to emails submitted to the department email address complianceandethics@ucf.edu and conflict.
<p>Reconvened Biennial Review Committee in compliance with the University’s Alcohol and Other Drugs Program</p>
<ul style="list-style-type: none"> ➤ As part of the university’s compliance with the federal Drug-Free Schools and Communities Act, every two years UCF must conduct a review of the Alcohol and Other Drug prevention program to assess program effectiveness and the consistency of policy enforcement. Reconvened and served on the Biennial Review Committee, ➤ Hosted a webinar on the DFSCA regulation, which focused on explaining regulatory requirements, the biennial review process, and the issuance of fines by the Department of Education.
<p>Served on the University Assessment Committee and Divisional Review Committee Chair for the President’s Division</p>
<ul style="list-style-type: none"> ➤ Served as the Assessment Divisional Review Committee Chair for the President’s Division, voting member of the University Assessment Committee, and Assessment Coordinator for University Compliance, Ethics, and Risk which involved oversight of seven departments in developing their university assessment results from 2017-18 and plans for improvement in 2018-19. Departments achieved exemplary ratings. ➤ Transitioned this role to the Office of the President in preparation for the 2018-19 results and 2019-20 plan year reporting.

Served on State University System Compliance and Ethics Consortium

- Continued active participation in the Florida State University System Compliance Consortium, participating in conference calls in October 2018, April 2019 and in-person meeting hosted by USF in January 2019.
- Collaborate with Florida university peers and BOG Inspector General to define single set of effectiveness standards for use in SUS effectiveness reviews required under BOG Regulation 4.003.

Risk Management Office Transition to UCER

- Transitioned the university's Risk Management office to University Compliance, Ethics, and Risk in August 2018.
- Secured equipment, space, and budget to support the office and oversee the insurance portfolio for the university.
- Developed job description for a new Director of Enterprise Risk and Insurance Management, worked with Human Resources to formalize the position, post it, and charged a search committee.
- Recruiting efforts to fill the position was completed in April 2019. The offer was made and accepted, the candidate began in June 2019.

ITEM: INFO-5

UCF BOARD OF TRUSTEES
Audit and Compliance Committee
August 8, 2019

Title: Compliance and Ethics Annual Workplan 2019-20

Background:

The Compliance and Ethics Annual Workplan 2019-20 lists the required elements of an effective compliance and ethics program and the activities that University Compliance, Ethics, and Risk will perform from July 1, 2019, to June 30, 2020, to meet those requirements.

Issues to be Considered:

Whether the focus of the office for 2019-20 is appropriate and consistent with the expectations of the Committee.

Alternatives to Decision:

The Committee could recommend changes in proposed actions for the office, either adding additional projects or recommending that projects not be undertaken or deferred.

Fiscal Impact and Source of Funding:

Several of the projects contained within the work plan will require additional resources including the hiring of more staff and developing training programs and related materials.

Recommended Action:

No specific recommendations.

Authority for Board of Trustees Action:

UCF Audit and Compliance Committee Charter and Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs.

Contract Reviewed/Approved by General Counsel:

N/A

Committee Chair or Chairman of the Board approval:

Committee Chair Joseph Conte approved the agenda and all supporting documentation.

Submitted by:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Supporting Documentation:

Compliance and Ethics Annual Workplan 2019-20 Attachment A

Facilitators/Presenters:

Christina L. Serra, Director of Compliance and Ethics and interim Chief Compliance, Ethics, and Risk Officer

Board of Trustees/ Documents/ Agenda Documents

Attachment A



University Compliance, Ethics and Risk Office

Compliance and Ethics Annual Work Plan 2019-20

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 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, 2019, to June 30, 2020.

1. Provide 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
	Meet with executive leadership to update the Compliance and Ethics Accountability Matrix and reaffirm structure of compliance accountability
	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 that 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 newsletter
	Administer and promote the UCF IntegrityLine; verify posters are hanging in all employee common areas and IntegrityLine image with link appears on all compliance partner websites

	Coordinate timely responses to regulatory and other external agencies
	Maintain and promote the compliance and ethics website
	Disseminate compliance and ethics program information and educational materials in person during new faculty orientation and the benefits fair
3. Conduct Effective Training and Education	
Educate the UCF community on its compliance responsibilities and regulatory obligations, and on the university compliance and ethics program	Track employee completion of mandatory employee Code of Conduct and mandatory Potential Conflicts – Florida Code of Ethics for Public Officers and Employees online training modules and escalate any non-compliance to senior leadership
	Launch fifth annual Compliance and Ethics Week awareness campaign
	Collaborate with the university’s Clery compliance specialist to develop an online training module, and assist with conducting in person Campus Security Authority training as needed
	Promote Gifts and Honoraria and Potential Conflicts online training modules for current employees and track employee completion
	Issue annual memo on Vulnerable Persons Act
	Develop and implement an annual ethics training program with certifications for senior leadership*
	Develop and launch mandatory Speak Up online training module and escalate any non-compliance to senior leadership
	Promote Youth Protection online training module and monitor compliance for mandatory completion
	Identify additional opportunities to develop and deliver compliance and ethics training
	Issue additional regulatory alerts and updates as appropriate

*Contingent upon additional resources to support the initiative

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
	Continue to enforce 2-001.5 University Policy Development policy which requires annual policy reviews by department and mandatory five-year reviews by the University Policies and Procedures Committee
	Support policy development efforts outlined in the TCH Post Investigation Action Plan
	Review and update Reporting Misconduct and Protection from Retaliation policy
	Begin bi-annual review of the UCF Employee Code of Conduct
	Serve as members of the HIPAA Collaborative to develop university policies and procedures on HIPAA compliance
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 process; begin efforts to migrate to a new online reporting system
	Manage university-wide Youth Protection Program; begin efforts to source and implement a software solution to manage registration process
	Continue compliance partner reporting
	Collaborate with the director of enterprise risk and insurance management to conduct a formal risk assessment
	Review UCF IntegrityLine and department database for trends and risk areas and address appropriately
6. Respond Promptly to Detected Problems and Undertake Corrective Action	
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; conduct investigations
	Provide recommendations for corrective actions and improvement of ethical conduct

7. Enforce and Promote Standards through Appropriate Incentives and Disciplinary Guidelines	
Promote the compliance and ethics program and university regulations, policies and procedures, and consequences of noncompliance	Develop and promote compliance and ethics incentive opportunities
	Work with Human Resources to develop new employee appraisal templates that include compliance and ethics as a performance measure*
	Promote awareness of UCF regulations, policies and procedures, and regulatory requirements
	Promote accountability and consistent discipline
8. Measure Compliance Program Effectiveness	
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
	Launch third Compliance and Ethics Culture Survey to benchmark against 2016 and 2018 results
	Prepare and deliver compliance efficiency and benchmarking metrics report to the Board of Trustees
	Collaborate with Florida university peers and BOG Inspector General to define single set of effectiveness standards for use in SUS effectiveness reviews; engage third party to conduct the five-year review once finalized*
	Develop, measure, and track department process improvement efforts using the university assessment process
9. New Regulations and Special Projects	
	Oversee compliance efforts with National Institute of Standards and Technology 800-171 (NIST) federal requirements
	Oversee compliance efforts with European Union General Data Protection Regulation*

*Contingent upon additional resources to support the initiative