June 24, 2024 | Audit and Compliance Committee

Board of Trustees
UCF Student Union, Pegasus Ballroom
2024-06-24 10:45 - 11:45 EDT

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June 24, 2024 | Audit and Compliance Committee

Board of Trustees
Monday, June 24, 2024 at 10:45 AM EDT to Monday, June 24, 2024 at 11:45 AM EDT
UCF Student Union, Pegasus Ballroom
Virtual Link: https://www.youtube.com/live/OK3Gqgy2C5I?feature=shared

Agenda

I. Opening Actions   **10:45 AM**

A. Call to Order and Welcome
Presenter: Rick Cardenas, Chair, Audit and Compliance Committee

B. Roll Call
Presenter: Margaret Melli, Executive Assistant, University Compliance, Ethics, and Risk

II. Minutes from the February 22, 2024, meeting   **10:47 AM**
Presenter: Chair Cardenas

III. Action   **10:47 AM**

A. AUDC-1: Post-Tenure Review Report
Presenter: Robert Taft, Chief Audit Executive

B. AUDC-2: Enterprise Risk Management Program Plan
Presenter: Rhonda L. Bishop, Vice President for Compliance, Ethics, and Risk

IV. Discussion   **11:14 AM**

A. DISC-1: University Audit Update
Presenter: Robert Taft

B. DISC-2: Annual IntegrityLine Report
Presenter: Rhonda Bishop

C. DISC-3: University Compliance, Ethics, and Risk Update
Presenter: Rhonda Bishop

V. Information   **11:43 AM**

A. INFO-1: 2023-2024 Compliance and Ethics Work Plan Status January 1, 2024 – April 30, 2024
Presenter: Rhonda Bishop

VI. New Business   **11:44 AM**
Presenter: Chair Cardenas

VII. Adjournment   **11:45 AM**
Presenter: Chair Cardenas

Board of Trustees
Audit and Compliance Committee Meeting
February 22, 2024
Rosen College of Hospitality Management

MINUTES

Trustee Bill Christy, Chair of the Audit and Compliance Committee, called the meeting to order at 10:56 a.m. and stated that the meeting was covered by the Florida Sunshine Law and the public and press were invited to attend.

The following Committee members attended the meeting: Chair Christy, Vice Chair Tiffany Altizer, Trustees Stephen King, and Joseph Conte. Trustees Harold Mills and Danny Gaekwad were absent.

The following Board members attended the meeting: Board Chair Alex Martins, Trustees Rick Cardenas, Jeff Condello, Brandon Greenaway, and Michael Okaty.

MINUTES APPROVAL

Trustee Altizer made a motion to approve the minutes of the September 27, 2023, Audit and Compliance Committee meeting and Trustee Conte seconded. The committee unanimously approved the minutes as submitted.

ACTION
At Chair Christy's request, Youndy Cook, Vice President and General Counsel, confirmed there were no disclosures of conflict of interest from the Trustees.

Performance-based Funding Data Integrity Certification Audit Report (AUDC-1)
Robert Taft, Chief Audit Executive, reported on the results of the Board of Governors' Performance-based Funding Data Integrity Certification Audit. Vice Chair Altizer made a motion to accept the report, Trustee Conte seconded the motion; the report was unanimously accepted by the Committee.

Performance-based Data Integrity Certification Form (AUDC-2)
Taft gave an update on the Performance-based Data Integrity Certification Form. Vice Chair Altizer made a motion to approve the form, Trustee Conte seconded the motion; the form was unanimously approved by the Committee.

DISCUSSION

<u>University Compliance, Ethics, and Risk Charter (DISC-1)</u>
As set forth by the committee's charter, the committee completed the annual review of its charter and determined that no changes are warranted at this time.

<u>University Audit Plan Update (DISC-2)</u>
Taft provided highlights on upcoming audits, the key criteria for audit projects selection, and temporarily hiring a third-party firm to conduct internal IT audits.

<u>DSO External Audit Reports (DISC-3)</u>
Taft stated that the annual DSO External Audit Reports all came back with unqualified opinions.

<u>Five Year Quality Assurance Review (QAR) (DISC-4)</u>
Taft provided highlights of the recommendations received from the Five-Year Quality Assurance Review. The review was conducted by three Chief Audit Executives from peer institutions.

<u>University Compliance, Ethics, and Risk Update (DISC-5)</u>
Bishop provided an update on the Compliance and Ethics Program which included activities during Compliance and Ethics Week, Clery Act Compliance, the Youth Protection Program, and the Compliance and Ethics Culture Survey.

INFORMATION ITEM
One information item was included in the committee's meeting materials: 2023-2024 Work Plan Status of Activities (INFO-1).

NEW BUSINESS

No items of new business were brought forward.

ADJOURNMENT

Chair Christy adjourned the Audit and Compliance Committee meeting at 11:22 a.m.

Reviewed by: _____   _____
                        Bill Christy   Date
                        Chair, Audit and Compliance Committee

Respectfully submitted: _____   _____
                        Michael A. Kilbride   Date
                        Associate Corporate Secretary

Board of Trustees
Audit and Compliance Committee
June 24, 2024

Agenda Item

AUDC-1: Post-Tenure Review Report

Proposed Board Action

The Audit and Compliance Committee is asked to recommend to the Board of Trustees, on its non-consent agenda, adoption of the Post-Tenure Review Report, which was issued by University Audit on June 10, 2024.

Authority for Board of Trustees Action

Florida Board of Governors Regulation 10.003 Post-Tenure Faculty Review

https://www.flbog.edu/wp-content/uploads/2022/11/Regulation-10.003.pdf

Supporting Documentation Included
Attachment A: Post-Tenure Review Report

Facilitators/Presenters
Robert Taft, Chief Audit Executive

AUDC-1 Post-Tenure Review Report

EXECUTIVE SUMMARY

Objective

This agenda item was included on the committee's agenda as part of the university's responsibility to be in compliance with Florida Board of Governors Regulation 10.003 Post-Tenure Faculty Review.

Summary of Key Observations/Recommendations

The report was issued on June 10, 2024. While there was overall compliance with the regulation and the process was performed as intended with adequate documentation, a process improvement relating to the faculty selection process was identified.

We recommend that the report be adopted by the committee in its current format and then forwarded to the UCF Board of Trustees for adoption as a non-consent agenda item.

Additional Background

Below is the language from Regulation 10.003 (section 6—Monitoring and Reporting) outlining the process that must be followed to comply with the program reporting requirements.

2. Each university Board of Trustees shall consider the audit report at the next regularly scheduled Board of Trustees meeting after the report's publication date.

a. The chief academic officer or the auditor must present the audit report to the Board of Trustees. The Board of Trustees shall not adopt the report as a consent agenda item.

b. If the audit report shows that a university is in compliance with applicable state laws, Board of Governors' regulations, or university regulations and policies, a copy of the adopted audit report shall be provided to the Board of Governors consistent with Regulation 1.001(6)(g).

c. If the auditor finds that a university is out of compliance with applicable state laws, Board of Governors' regulations, or university regulations and policies, the auditor must present the report to the Board of Governors at its next regularly scheduled meeting.

Rationale

This item is included in the meeting agenda to meet the required timeline for submission of the report noted in the Additional Background section above.

Implementation Plan

The report will be provided to the Board of Governors after the June 25, 2024, UCF Board of Trustees meeting. University Audit will work with management to follow up on action items from the report and prepare for the next required program audit which must be performed on a three-year cycle.

Resource Considerations

No resources other than the time required by UCF personnel to complete the program on an annual basis and audit the results is required.

Conclusion

Recommend that the report be adopted by the committee in its current format and then forwarded to the UCF Board of Trustees for adoption as a non-consent agenda item.

Post-Tenure Faculty Review

Audit of Internal Controls and Compliance as of April 8, 2023

UCF

UNIVERSITY OF CENTRAL FLORIDA

University Audit
Audit #373
June 10, 2024

This work product was prepared in accordance with the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors, Inc.

UNIVERSITY OF CENTRAL FLORIDA

University Audit
Phone: 407-823-2889
P.O. Box 160080
Orlando, FL 32816-0080

MEMORANDUM

TO: Alexander Cartwright
            President

FROM: Robert J. Taft
            Chief Audit Executive

DATE: June 10, 2024

SUBJECT: Audit of Post-Tenure Faculty Review

The enclosed report represents the results of our audit of Post-Tenure Faculty Review.

We appreciate the cooperation and assistance provided to our office by personnel in Faculty Excellence during the audit.

cc: Rhonda Bishop
      Jana Jasinski
      Michael Johnson
      Mike Kilbride
      Board of Trustees
      State University System of Florida Inspector General
      UCF Board Office

Executive Summary

Based upon our audit, the University of Central Florida's (UCF) controls and processes for comprehensive post-tenure faculty review (PTR) are adequate to ensure compliance with the Florida Board of Governors (BOG) Regulation 10.003 Post-Tenure Faculty Review. However, during the 2023-24 PTR cycle, management identified a process improvement opportunity relating to identification of eligible faculty which was implemented for the 2024-25 PTR process.

Outcomes for 2023-24

Per BOG Regulation 10.003 (4)(f), faculty must be assigned one of four performance ratings:

	Performance rating	Definition
1.	Exceeds expectations	a clear and significant level of accomplishment beyond the average performance of faculty across the faculty member's discipline and unit
2.	Meets expectations	expected level of accomplishment compared to faculty across the faculty member's discipline and unit
3.	Does not meet expectations	performance falls below the normal range of annual variation in performance compared to faculty across the faculty member's discipline and unit but is capable of improvement
4.	Unsatisfactory	failure to meet expectations that reflect disregard or failure to follow previous advice or other efforts to provide correction or assistance, or performance involves incompetence or misconduct as defined in applicable university regulations and policies

The distribution of final performance ratings for the 94 faculty members having a comprehensive post-tenure review is:

- 30   Exceeds expectations,
- 54   Meets expectations,
- 8   Does not meet expectations, and
- 2   Unsatisfactory.

The faculty members were notified of their outcomes on April 4, 2024. The faculty members with "unsatisfactory" outcomes were provided an "intent to terminate" letter. The deans of those faculty members with outcomes of "does not meet expectations" were notified by email on April 5, 2024, with instruction to work with the faculty members and their immediate supervisor to develop performance improvement plans (PIP). The PIP must include:

- a deadline for the faculty member to achieve the requirements of the PIP not to extend more than 12 months,
- how the specific deficiencies will be remedied,
- set timelines for achieving goals and outcomes, and
- indicate the criteria for assessment.

To align with the academic calendar, Faculty Excellence established a target date of May 6, 2024, to issue PIPs to those faculty members with outcomes of "does not meet expectations". These faculty must complete quarterly check-ins with their dean and their chair or director to assess progress.

PTR Process for 2023-24

BOG Regulation 10.003 (2)(a) stipulates that 20% of eligible tenured faculty members should be included in the annual PTR. Eligible faculty include those with:

a) tenure dates before May 8, 2019,
b) who were not in an administrative appointment, and
c) not enrolled in the transition-to-retirement program.

The inaugural 2023-24 PTR process, managed by Faculty Excellence, included 70 out of the 417 eligible UCF faculty members, which is only 16.8%.

Also, for 2023-24, as stipulated by regulation, UCF identified an additional 24 faculty members who were in the fifth year following their last promotion that were required to undergo the PTR process. A total of 94 faculty members were reviewed.

Faculty Excellence's original process to identify "eligible" faculty members did not take into consideration that some faculty members selected for review had not formally notified the university of plans to retire or resign from their position before the review process would take place. The original PTR process also did not take into consideration the policy exception for five faculty members who had taken more than 160 days of approved leave during one semester within the five-year periods of review. Faculty Excellence had identified 87 eligible faculty members to go through the PTR process but 17 were eliminated after formal notification took place of which five were moved to the 2024-25 cycle. By the time Faculty Excellence became aware of all eliminations, it was too late in the 2023-24 PTR process to select additional faculty members to achieve the desired 20% minimum. Management adapted their process for the 2024-25 PTR to ensure minimum requirements are met. By the fifth year of review, all eligible faculty members will have been evaluated.

For the second year's review (2024-25), Faculty Excellence has updated their PTR procedures to select more than 20 percent of eligible faculty members for formal notification, with the express intention of ensuring UCF will still have evaluated the required minimum of 20 percent of eligible faculty members if some notified faculty members were to retire, resign, or have more than 160 hours of approved leave.

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Background

The 2022 Legislature passed Senate Bill 7044, which amends section 1001.706, Florida Statutes, adding that the Board of Governors may adopt a regulation requiring tenured State University System faculty to undergo a comprehensive post-tenure review every five years. The bill provides that the regulation must address accomplishments and productivity; assigned duties in research, teaching, and service; performance metrics, evaluations, and ratings; and recognition and compensation considerations, including improvement plans and consequences for underperformance.

The Board of Governors approved the new BOG Regulation 10.003 Post-Tenure Faculty Review on March 29, 2023, and amended it on November 9, 2023, to specify that faculty grievances may not be appealed beyond the university president or designee based on Senate Bill 266, signed into law on May 15, 2023, which created section 1001.741, Florida Statutes.

UCF Regulation 3.010 Faculty Evaluation and Improvement was amended on July 1, 2023, to include that tenured faculty members shall receive a comprehensive post-tenure review in accordance with BOG Regulation 10.003 and subject to any university policies related thereto. UCF Policy 4-410 Comprehensive Post Tenure Review was approved on August 5, 2023, which outlines UCF's process for the 5-year review. The process is intended to accomplish the following:

- Ensure high standards of quality and productivity among the tenured faculty of the university.
- Determine whether a tenured faculty member is meeting the responsibilities and expectations associated with assigned duties in research, teaching, service, and other assigned responsibilities, as well as compliance with state laws, Board of Governors' regulations, and university regulations and policies.
- Recognize and honor a tenured faculty member's exceptional achievement and provide an incentive for retention, as appropriate.
- When appropriate, refocus the academic and professional efforts of a tenured faculty member and take employment action.

BOG Regulation 10.003 (2)(a) Timing and Eligibility states: "Each tenured faculty member shall have a comprehensive post-tenure review of five years of performance in the fifth year following the last promotion or the last comprehensive review, whichever is later. For faculty hired with tenure, the hire date shall constitute the date of the last promotion.

> 1. In the first year following the effective date of this regulation, 20% of tenured faculty will be evaluated, in addition to faculty in the fifth year under (2)(a)."

Audit Objectives and Scope

BOG Regulation 10.003 (6) (a) 1. Stipulates:

"Beginning January 1, 2024, and continuing every three years thereafter, each university must conduct an audit of the comprehensive post-tenure review process for the prior fiscal year and submit a final report to the university's board of trustees by July 1."

"The report should include the following:

> a. The number of tenured faculty in each of the four performance rating categories as defined in (4)(f).
> b. The university's response in cases of each category.
> c. Findings of non-compliance with applicable state laws, Board of Governors' regulations, and university regulations and policies. "

The primary objective of this audit is to determine compliance of the PTR process with the timing, eligibility, review requirements, and process requirements outlined in the regulation, as well as evaluate the effectiveness of the PTR process and its alignment with university policies and procedures.

University Audit will follow up with management to verify process changes discussed above were made and the 20% criteria is achieved for the 2024-25 PTR. The next audit is scheduled for the 2026-27 PTR.

Audit Timeline

Beginning of audit: March 7, 2024
End of fieldwork: April 30, 2024

Audit Team Members

Dezso Nyitray, Auditor II
Vicky Sharp, Auditor III, Auditor In-Charge
Vallery Morton, Audit Manager, Level I Reviewer
Robert Taft, Chief Audit Executive, Level II Reviewer

Board of Trustees
Audit and Compliance Committee

June 24, 2024

Agenda Item

AUDC-2: Enterprise Risk Management Program Plan

Proposed Board Action

The Audit and Compliance Committee is asked to recommend to the Board of Trustees, on its consent agenda, approval of the university's enterprise risk management (ERM) program plan.

Authority for Board of Trustees Action

The Audit and Compliance Committee Charter states that one of the committee's responsibilities is to "Review and approve the University's enterprise risk policy to include approval of the University's risk appetite and tolerance."

Supporting Documentation Included
Attachment A: Enterprise Risk Management Program Plan Attachment B: Enterprise Risk Management Program Plan Presentation

Facilitators/Presenters
Rhonda L. Bishop, Vice President for Compliance, Ethics, and Risk

Enterprise Risk Management Program Plan
EXECUTIVE SUMMARY

Objective

To review and approve the university's Enterprise Risk Management (ERM) Program Plan.

Summary of Key Observations/Recommendations

ERM establishes a framework for effective decision-making regarding pursuit of strategies, initiatives, and programs including a mechanism to discuss when strategies are not aligned with the university's mission and vision. UCF, as is the case with many other entities, has finite resources and innumerable needs. Every unmet need represents a risk. The university must have a way to prioritize which risks should be addressed with the set number of resources available. ERM provides key information to focus university resources on critical risks with the potential for the most substantial impact. Additionally, ERM creates a mechanism to escalate risks when broader management and resources are needed. ERM provides a systematic approach for leadership to respond to risks and equips leadership with tools for greater speed in decision making.

In consultation with President Cartwright, a phased implementation approach was set for the development of an enterprise risk management program and was provided to the Audit and Compliance Committee of the Board of Trustees. The first phase was heavily focused on education and targeted risk assessments. The final item in phase 1 is the approval of the Enterprise Risk Management Program Plan. The plan outlines the tenets of the enterprise risk management program, responsibilities, how risk is assessed, and communication. The next phase of the program plan will expand further educational outreach to university units and offices and implementation of the foundational pieces of the program including governance structure and initial risk identification. The last phase is full program implementation including continued guidance and education of the university community on the identification and mitigation of identified risks with full risk assessment occurring every three years. In each phase, targeted risk assessments will occur in collaboration with university departments.

The ERM Program Plan includes:

- o The goal and value of an enterprise risk management program
- o Summary of international standard, ISO 31000, which will serve as the basis of the plan
- o Roles and responsibilities of certain functions critical to the plan's execution
- o Details of the risk assessment process

The Audit and Compliance Committee will oversee the university's ERM program as well as assist the Board in fulfilling its responsibility to oversee the university's management of risk. The president and president's cabinet will set the university's risk appetite and tolerance, report to the Board on enterprise risk topics, and establish the university's risk priorities. Risk owners will be responsible for managing risks and embedding risk management thinking into decision making. The Office of Enterprise Risk and Insurance will facilitate the ERM program including maintaining the university risk universe, coordinating risk reporting, and developing tools to support risk assessment.

The Office of Enterprise Risk and Insurance will work with cabinet members to identify risk champions from each area. These risk champions will serve on the Risk Champions Working group that will provide input on identifying top risks to be discussed by the cabinet when prioritizing the university's risk universe. To identify the potential risks for the university, the Office of Enterprise Risk and Insurance will conduct one-on-one interviews and facilitate risk workshops to identify risk across the university. Risks will be categorized into one of five categories (Compliance / Legal, Operational, Financial, Hazard / Safety, Strategic). Once risks are identified, they will be assessed and segregated into enterprise-level and unit-level risks. Risks will be prioritized based on potential exposure to the university by evaluating the potential reputational, financial, and operational impact as well as complexity of the risk, likelihood, and velocity. Prioritized risks will be evaluated to support decision making. Evaluation may result in further analysis of the risk, better understanding of treatment options, or no additional action. Ultimately, each step of the process leads to determining how to best treat and manage risk. The purpose of risk treatment is to select and implement options for addressing risk.

Annually the Audit and Compliance Committee will receive an update on the current state of the ERM program.

Additional Background

University Compliance, Ethics, and Risk hired the director of enterprise risk and insurance management and committed to developing and implementing a formalized enterprise risk management program as part of the 2019 post investigation action plan.

Rationale

The Audit and Compliance Committee Charter outlines the Audit and Compliance Committee roles and responsibilities including (1) review and approval of the university's enterprise risk policy to include approval of the university's risk appetite and tolerance and (2) oversight of the identification, assessment, and mitigation of the university's enterprise risks and opportunities.

Implementation Plan

University Compliance, Ethics, and Risk has established a target timeline for implementing an ERM program plan. Establishment of an enterprise risk management governance structure as well as university-wide risk identification will begin June 2024. An initial risk register is anticipated to be provided to the Audit and Compliance Committee during the September 2025 committee meeting. The ERM program plan outlines the facilitation of the formal risk identification process every three (3) years with ad-hoc assessments occurring as needed.

Resource Considerations

This item has no additional resource considerations at this time.

Conclusion

Recommend approval of the ERM program plan. Committee members are encouraged to ask questions and provide feedback related to the Enterprise Risk Management Program Plan.

Enterprise Risk Management Program Plan

May 2024

Background

Risk is defined as uncertainty of outcomes, whether positive opportunity or negative threats, of actions and events[1]. Enterprise risk management is a holistic approach to managing risks; risks which can impact the successful execution of the university's mission and objectives.

The goal of the UCF enterprise risk management (ERM) program is to provide a systematic approach to identify and manage various types of risk, regardless of the origin. Risks can include those affecting the whole of higher education, risks specific to the UCF, or risks related to certain units and processes.

A robust ERM program will benefit UCF by:

- ✓ Better aligning UCF's strategy and objectives to its risk appetite: UCF has a mission and vision that provide the basis for decision-making. Strategy and objectives are developed to support the university mission and vision, the development and execution of which come with risks. ERM establishes a framework for effective decision-making regarding pursuit of strategies, initiatives, and programs including a mechanism to discuss when strategies are not aligned with the university's mission and vision.

- ✓ Identifying and managing risk enterprise-wide: The university is faced with a myriad of risks. Sometimes the impacts of those risks are localized to one area, but more often the impacts are felt across various departments. It is important to consider a risk from an enterprise perspective to understand how actions taken can affect other departments and partners. An ERM program provides the vehicle to identify, discuss, and manage risks at an entity level to ensure actions taken represent the best option for the university.

- ✓ Improving resource deployment: UCF, as is the case with many other entities, has finite resources and innumerable needs. Every unmet need represents a risk. The university must have a way to prioritize which risks should be addressed with the set number of resources available. ERM provides key information to focus university resources on critical risks with the potential for the most substantial impact. Additionally, ERM creates a mechanism to escalate risks when broader management and resources are needed.

- ✓ Enhancing resilience: The landscape of higher education continues to evolve and change. New opportunities and challenges are identified almost daily. The university's continued viability is contingent on its ability to anticipate and respond to change. An effective ERM program helps identify factors that represent not just risk, but change, and how that change could impact performance and necessitate a shift in strategy.

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[1] Her Majesty's Treasury. Government and Finance Function. *UK Orange Book*, 2020.
https://www.gov.uk/government/publications/orange-book

The university will take a phased approach to ERM implementation.

Phase 1: Targeted risk assessment and education
• Risk tabletop with university leadership
• Education of university leadership
• Risk assessment of key initiatives / topics

Phase 2: Program foundation
• Education of university units and offices
• Articulation of university risk appetite
• Implementation of risk governance structure
• Initial risk identification of university-wide risks
• Risk assessment of key initiatives and topics

| **Phase 3: Full program implementation** |
| --- |
| • Roll-out of ERM program |
| • Continued education of university community |
| • Evaluation of program effectiveness |

The sections below outline the university's ERM program including the risk management standard that will serve as the basis for the program and the process used to identify, analyze, and evaluate risks.

Risk Management Standard: ISO 31000

ISO 31000 is the only international standard on the practice of risk management. The best practice guidelines provide principles, a framework, and a process for managing risk, which it defines as "the effect of uncertainty on objectives". The standard is flexible and can be customized to any organization, including public entities and institutions of higher education. It can be applied to any activity and decision-making at any level of the organization. Using ISO 31000 can help increase the likelihood of achieving objectives, improve the identification of opportunities and threats, and effectively allocate and
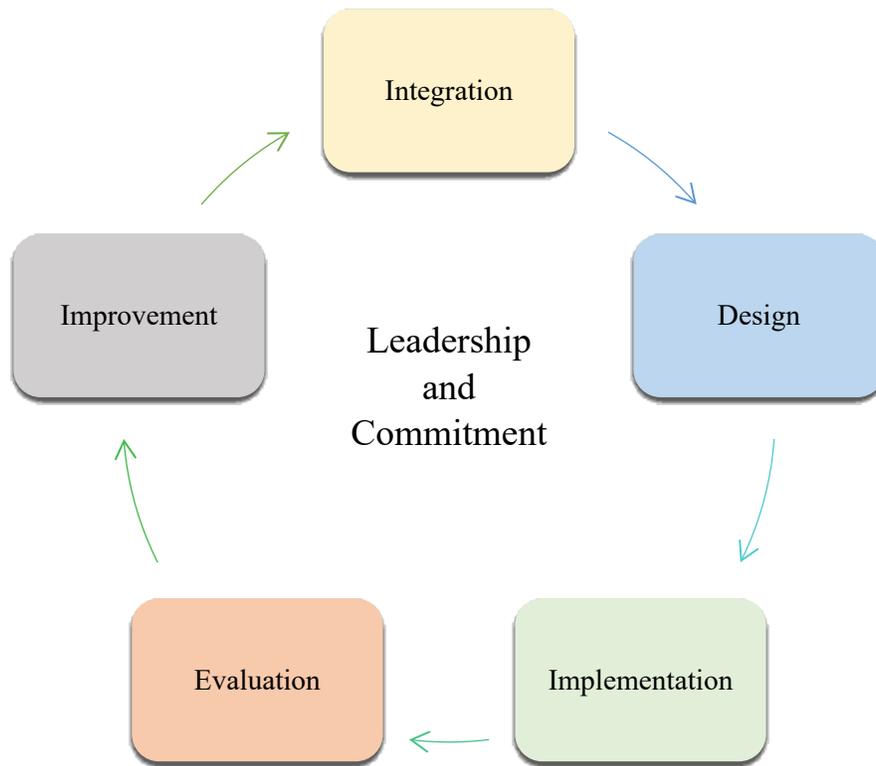
use resources for risk treatment. The standard creates a foundation to implement, maintain, and continually improve the enterprise risk management of an organization. The three tenets of the standard are pictured and described below.

Tenet 1: Principles
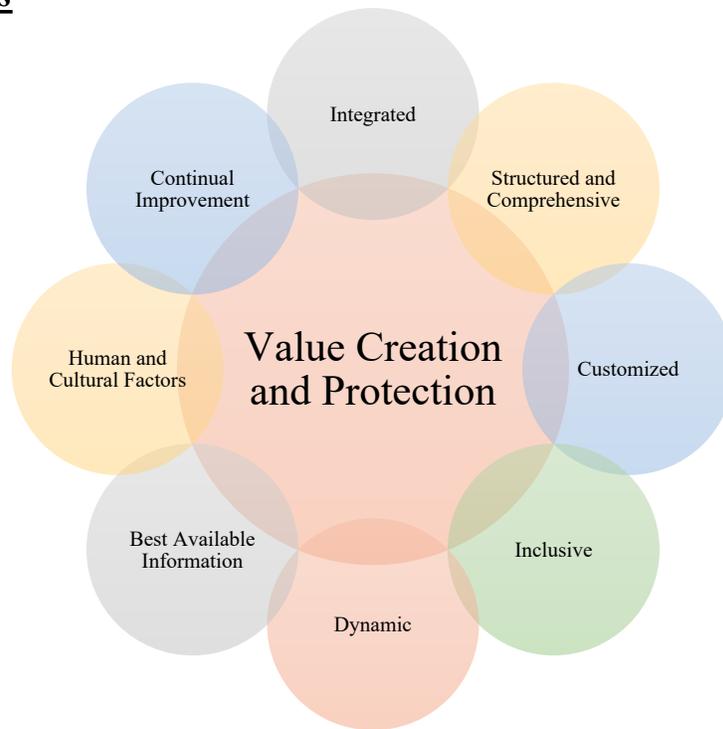
At its core, the purpose of ERM is to create and protect value of an organization. The principles serve as the basis for managing risk in a way that supports ERM's purpose. The eight principles outline important factors that should be incorporated when designing, planning, and implementing an effective ERM program. While each principle is important, having ERM embedded in the university's decision-making culture as well as establishing a program that can respond to risks as they emerge, change, or disappear are essential. The design and implementation of UCF's ERM program will be based on these principles.

Tenet 2: Framework

Integration → **Design** → **Implementation** → **Evaluation** → **Improvement** → (back to Integration)

Leadership and Commitment (center)

The framework provides guidance on implementing a value-creating program. One of the central elements of the framework is leadership and commitment. The UCF Board of Trustees and UCF leadership will be responsible for establishing the campus tone for ERM. The ERM program will align risk appetite to the university's objectives, strategies, and culture. To ensure the program is robust, it will be designed to factor internal and external aspects, establish and articulate roles and responsibilities, and integrate ERM into university activities, functions, and decision-making. The framework will be used to clearly define the decision-making process, communication expectations, and program objectives. UCF's ERM program will be continually monitored for improvement opportunities and modified as needed. Periodically, the ERM program will be evaluated for its effectiveness.

Tenet 3: Process
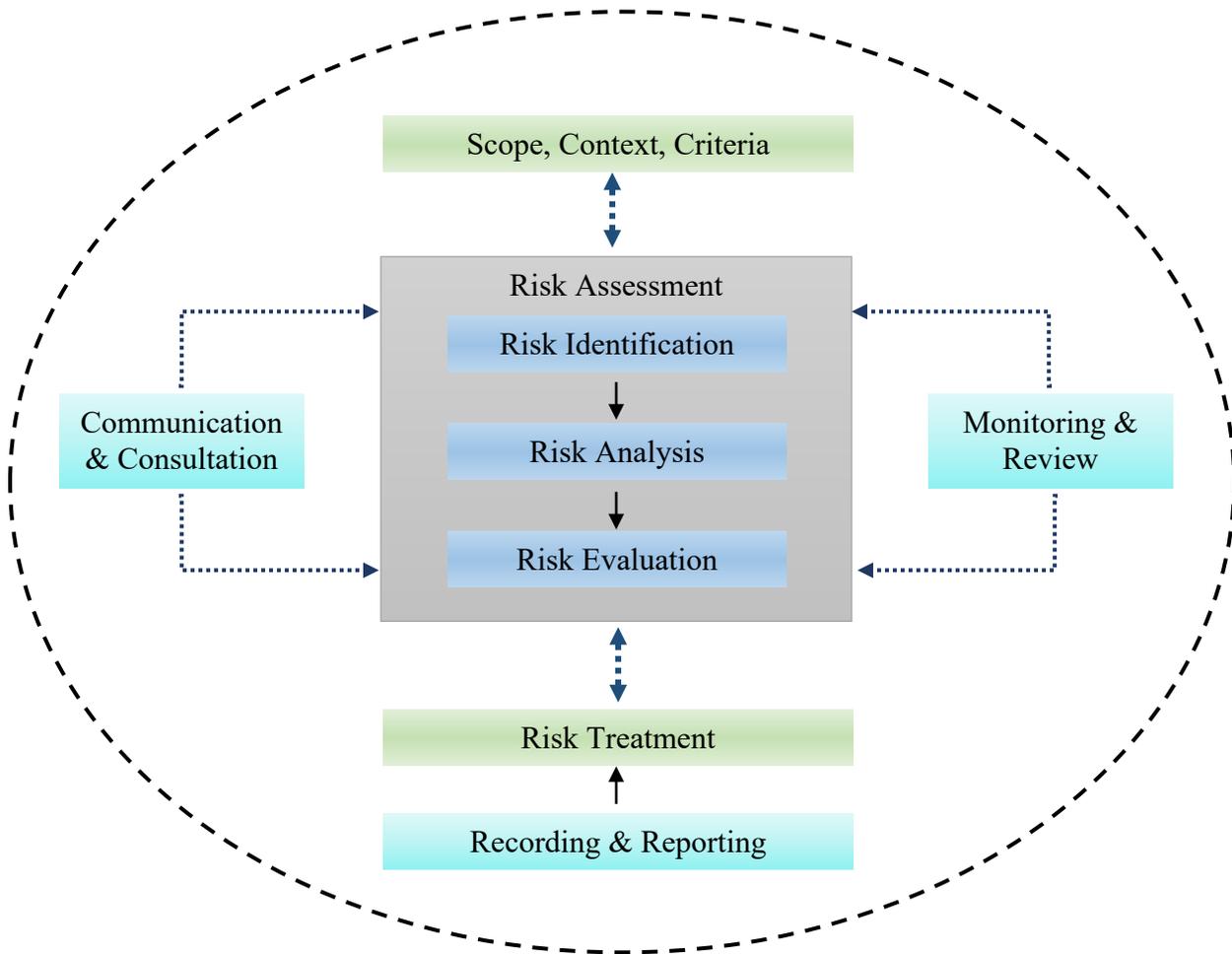
The process outlines the systematic tactical steps to implementing an ERM program. The process will engage multiple stakeholders across the organization to ensure different areas of expertise and risk are represented. The success of the ERM program will depend on input from various university members, and it will be important for each person to clearly understand the objectives, expectations, and value of the process. One of the key components of the risk process is to identify and implement the appropriate risk treatment strategy. Continually monitoring process outputs and communicating with leadership are essential fundamentals of the ERM process.

Enterprise Risk Assessment Process

While the guidelines outline principles and a framework, the primary focus of the remainder of this document is on governance and process. The risk assessment process has three key steps: risk

identification, risk analysis, and risk evaluation. Each step of the risk assessment process is outlined below including the governance structure to facilitate the risk assessment process.

Governance

As indicated in the framework overview, it is important to define the roles and responsibilities associated with ERM. While the role of managing risk is everyone's responsibility, certain functions will serve specific program oversight and facilitation functions.

Role	Responsibilities
Board of Trustees (Board)	• Provide oversight of university's risks by understanding leadership's approach to managing risk including risk culture, current processes, and effectiveness of identifying and mitigating the most significant enterprise-wide risk exposures • Provide oversight of the university's risk appetite and tolerance to be considered when approving strategy, making decisions, and managing relationships • Set the tone for ERM and risk decision-making including fostering a culture of risk awareness
Board of Trustees Audit & Compliance Committee	• Oversee the university's ERM program • Assist the Board in fulfilling its responsibility to oversee the university's management of risk • Obtain an annual update on the university's enterprise risk management program and risk assessment process • Update the Board on critical risks and risk-related considerations
President and President's Cabinet	• Accountable to the Board to manage the university's risks including those with the most significant risk exposure • Set university risk appetite and tolerance • Report to the Board on enterprise risk topics • Develop university strategy and ensure strategy's alignment with mission, vision, and risk appetite • Review, validate, and / or revise the university's risk priorities • Review proposed mitigation plans associated with certain enterprise-level risks and ensure plans align with university's strategy, objectives, and budgetary resources • Establish "tone" for the university regarding ERM by fostering a culture of risk awareness and actively supporting the development and implementation of the ERM program • Allocate resources to manage and mitigate risks
`Risk Champions	• Serve as an ERM liaison within their respective organization which includes supporting department / unit in (1) understanding ERM and risk, (2) risk-aware decision-making, (3) identifying and analyzing risks • Review landscape to identify emerging or changing risks • Support Office of Enterprise Risk and Insurance in prioritization of risks

	• Make recommendations on mitigation, where applicable • Identify risk owners for key risk areas • Support university-wide risk management including addressing functional, cultural, and departmental barriers to managing risks
Office of Enterprise Risk and Insurance	• Accountable to the President's Cabinet to prioritize identified risks • Advise Board, President, and university on risk management topics • Facilitate ERM program implementation and execution including providing ongoing oversight and management • Maintain university risk universe and coordinate risk reporting • Develop and maintain risk assessment procedures, tools, and documents • Provide support for risk aware decision-making
Risk Owners	• Manage and mitigate risks • Partner with the Office of Enterprise Risk and Insurance to assess and report risks • Embed risk management thinking into decision making

Risk Identification

The first step of the risk assessment process is risk identification. Risk identification involves scanning the internal and external environment for events, decisions, or actions that may impact the university's objectives. This process will occur by conducting one-on-one interviews, facilitated risk workshops, and surveying across campus. During risk discussions, the Office of Enterprise Risk and Insurance will seek to gather information regarding key business processes, legal and regulatory requirements, key suppliers and contracts, technology systems, major initiatives, and challenges faced by the unit. The Office of Enterprise Risk and Insurance will summarize the output and define the risks identified from the discussion; internal risk identification will be supplemented with risks from higher education and other sources as applicable. In conjunction with risk champions, risks will be appropriately categorized. Risks will be organized based on the categories outlined below. The categories will be further divided into sub-groups based on the specific nature of the risk.

The Office of Enterprise Risk and Insurance will provide tools to the university community to identify risks which can be used to evaluate changes to operations, new opportunities and partnerships, and / or new laws or requirements. Providing tools along with education will support embedding risk thinking into university decision-making. The formal risk identification process facilitated by the Office of Enterprise Risk and Insurance will occur every three years.

Categories of Risk

- **Compliance / Legal / Regulatory** – Risks related to adherence to federal and state laws and regulations, local municipal laws, case law, accreditation standards, university policies and procedures, and contractual obligations, including contractual agreements, employment contracts, and collective bargaining agreements.

- **Operational** – Risks related to people, processes, and technology systems including efficient and effective use of university resources.

- **Financial** – Risks related to the university's financial position and resources including tuition, government support, gifts, research funding, endowment, budgeting, accounting and reporting, investments, credit rating, fraud, cash management, long-term debt, etc.

- **Hazard / Safety** – Risks related to injury, damage, or health and safety of the campus population, including impacts caused by accidental or unintentional acts, errors or omissions, or external events such as natural disasters.

- **Strategic** – Risks related to achievement of UCF's strategy including development and execution of business plans and initiatives, change and disruption management, competition, adaptation, innovation etc.

Reputational risk is inherent in all activities and present in each risk category. Therefore, UCF's reputation will be evaluated for each risk as opposed to a defined risk category.

Risk Analysis

Once risks have been identified, the potential impacts to the university need to be considered. The risk analysis step will segregate risks into enterprise-level and unit-level risks and prioritize based on potential exposure to the university. To prioritize the various risks and thus the areas of focus, the impact, likelihood, velocity, and complexity of the enterprise risks will be defined. A consistent scale and formula will be used to comparably analyze and develop a risk score (see below). A summary of risks identified will be reviewed with each dean and vice president. The full set of risks will be shared with University Audit to support risk-based audit planning.

Inherent Risk Ranking	High (5)	Medium (3)	Low (1)
Reputational Impact (25%)	Potential for extensive media coverage or impact to UCF brand; failure to meet stakeholder expectations and loss of stakeholder trust; community engagement and participation impaired	Potential for significant media coverage or impact to UCF brand; inability to meet stakeholder expectations; community engagement and participation affected	Potential for little to no media coverage or impact to UCF brand; stakeholder expectations met or exceeded; community engagement and participation remain high
Financial Impact (20%)	Significant portion of federal funding, state funding, endowments, or auxiliary revenue at risk; research grant funding substantially impacted; inefficient and excessive costs with minimal to no positive return	Some portion of federal funding, state funding, endowments, or auxiliary revenue in jeopardy; research grant funding potentially impacted; inefficient cost management; significant additional costs to university	Ability to maintain level of federal funding, state funding, endowments, and auxiliary revenue to support university operations; research grant funding sustained; costs effectively managed; no additional costs to university

Operational Impact (20%)	Potential for major disruption or impairment to any of the following: academic activities, research activities, core or support activities, athletics, ability to meet student needs; expected to occur for sustained duration with long-term effects	Potential for moderate disruption to any of the following: academic activities, research activities, core or support activities, athletics, ability to meet student needs; disruption may occur for sustained period	Negligible to minor delay or disruption to any of the following: academic activities, research activities, core or support activities, athletics, ability to meet student needs
Complexity (10%)	Little to no understanding of topic, topic extremely dynamic or yet to be fully defined; significant gaps exist in resources to address, highly inter-connected with other risks, initiatives, and / or processes	Topic not fully understood and some variability present; limited resources exist to properly address; some interdependencies identified with plans for management in place.	Well-defined and understood topic; resources available to address; interdependencies limited and / or well-managed
Likelihood (10%)	High probability of occurrence in next five years and / or occurs quite often.	As likely to occur as not in the next five years and / or occurs sometimes	Low probability of occurrence in the next five years and / or occurs in rare occasions
Velocity (15%)	Impact materializes in days, weeks, or months	Impact materializes in one to three years	Impact materializes in three years or greater

Stakeholders widely defined as any of the following groups: students, parents, donors, regulators, legislators, Board of Governors, partnership associates, and the surrounding community.

Risk Score = Risk ranking weighted average

Risk Evaluation

The last step of the risk assessment process is to evaluate each risk in support of decision making. Risk evaluation leverages output of risk analysis to determine the appropriate next step to best protect the university. Next steps could include:

- ✓ Further analysis of the risk,
- ✓ Better understanding of risk treatment options,
- ✓ No additional steps based on the potential exposure, existing management, and available mitigation options.

For unit-level topics, the Office of Enterprise Risk and Insurance will provide a self-assessment tool to guide the decision-making process for each of the unit's risks. In determining additional actions, the university's mission, goals, objectives, and risk appetite and tolerance must be considered.

It is the responsibility of department leaders to escalate, as needed, any topic which would represent an enterprise risk either due to change in exposure or further evaluation. Risks should be escalated to the risk champion for their respective area. For risks identified as enterprise, the Office of Enterprise Risk and Insurance will work with risk owners and appropriate parties to understand the various drivers, existing risk mitigation and controls, and mitigation gaps, if any. If it is determined efforts are insufficient, the risk owner in conjunction with the Office of Enterprise Risk and Insurance, will evaluate if objectives should be reconsidered, further analysis conducted, or additional controls and plans implemented.

Enterprise Risk Treatment

Each step of the assessment process leads to determining how to best treat and manage risk. The purpose of risk treatment is to select and implement options for addressing risk. The process of risk treatment is iterative and includes:

1) Selecting treatment options,
2) Planning and implementing options,
3) Assessing effectiveness of treatment,
4) Deciding whether remaining risk is acceptable, and
5) Taking additional action if needed.

Risk Treatment Strategies
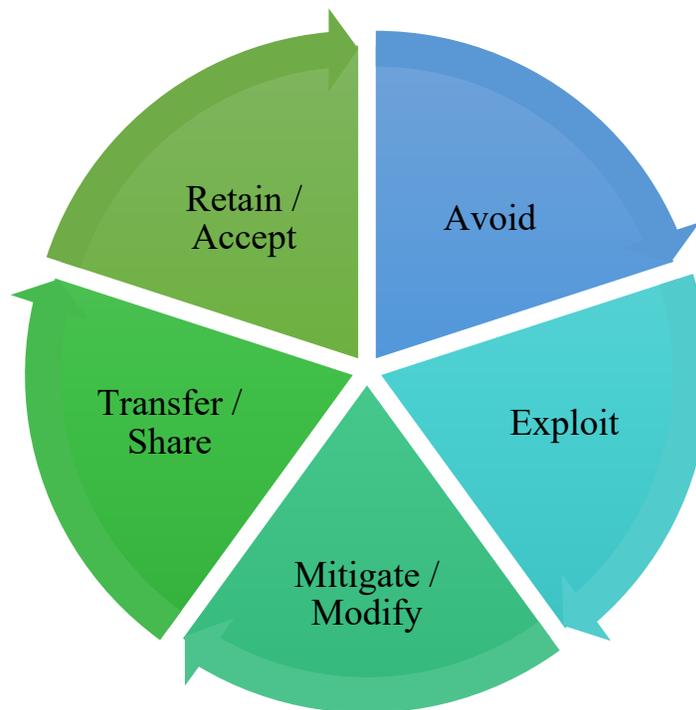
A combination of treatment options may be most appropriate. Selecting risk treatment option(s) should involve balancing the potential benefits versus costs, effort, or disadvantages of treatment option. If there are no treatment options available or if treatment options do not sufficiently modify the risk, the risk should be recorded and kept under ongoing review. For unit-level topics, the Office of Enterprise Risk and Insurance will provide a treatment and response plan template for units to collect key elements of treatment plans including responsible parties and actions. For risks identified as enterprise, risk owners, with support from the Office of Enterprise Risk and Insurance, will develop a treatment and response plan including a monitoring and communication strategy.

Based on the score of the risk determined during the risk analysis step, the following evaluation, management response, communication, and monitoring are recommended:

Risk Score	Response for Enterprise Risks
1.0 – 2.3	o Risk evaluation conducted at the unit level with support as needed from Office Enterprise Risk and Insurance o Treatment and response plan developed at the unit level o Periodic review and monitoring by appropriate university leadership o Communication of risk and plan(s) to appropriate university leader
2.4 – 3.7	o Risk evaluation conducted at the unit level with support as needed from Office of Enterprise Risk and Insurance o Treatment and response plan developed at the unit level o Continuous monitoring and periodic review by appropriate university leadership o Communication of risk and plan(s) to appropriate university leader and President, as needed
3.8 – 5.0	o Risk evaluation conducted by Office of Enterprise Risk and Insurance to support risk treatment plan development and resource allocation decisions o Development of treatment plan in 6 – 12-month timeframe o Continuous review by university leadership o Communication of risk and plan(s) to appropriate university leader, President, and Board, as needed

Enterprise Risk Management Communication

To support the Audit and Compliance Committee's oversight role, the Office of Enterprise Risk and Insurance will provide an annual update on the current state of the ERM program. Additionally, the Office of Enterprise Risk and Insurance will partner with the Board Relations Office to drive Board and Committee agenda items, as needed, based on topics identified during the assessment process. Annually the President and Cabinet will also receive an update. Department leaders will be responsible for providing updates to the President and respective Cabinet members on enterprise and / or unit risks as needed.

Enterprise Risk Management Program Plan

Rhonda Bishop

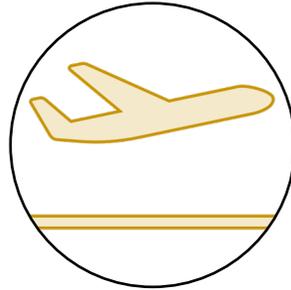Vice President, Compliance, Ethics, and Risk

June 24, 2024

Phased ERM Approach

Phase 1	Phase 2	Phase 3

Phase 1
- ✓ Program plan finalization
- ✓ Targeted assessments
- ✓ ERM Program Manager
- ☐ Program plan approval

Phase 2
- Governance structure
- University-wide risk identification
- Articulation of university risk appetite
- Assessment of key initiatives and topics

Phase 3
- Full program roll-out
- Continued assessment of initiatives and topics
- Rolling evaluation of program effectiveness

Ongoing risk education of leadership, units, and offices

ERM Program Plan – Key Roles

Audit and Compliance Committee

- Oversee ERM program and process

- Update the Board on critical risks and risk-related considerations

- Assist the Board in fulfilling its responsibility to oversee the university's management of risk

President and Cabinet

- Establish tone at the top

- Set university risk appetite and tolerance

- Allocate resources to mitigation plans aligned with strategic objectives

- Review and validate risk priorities

Risk Owners

- Mitigate and manage risks

- Partner with the Office of Enterprise Risk and Insurance to assess and report on risks

- Embed risk management thinking into daily decision-making

Office of Enterprise Risk

- Facilitate program execution

- Maintain university risk universe

- Develop risk assessment procedures, tools, and training

- Guide definition of risk appetite

ERM Program Plan – Highlights

RISK CATEGORIZATION
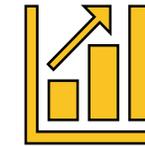
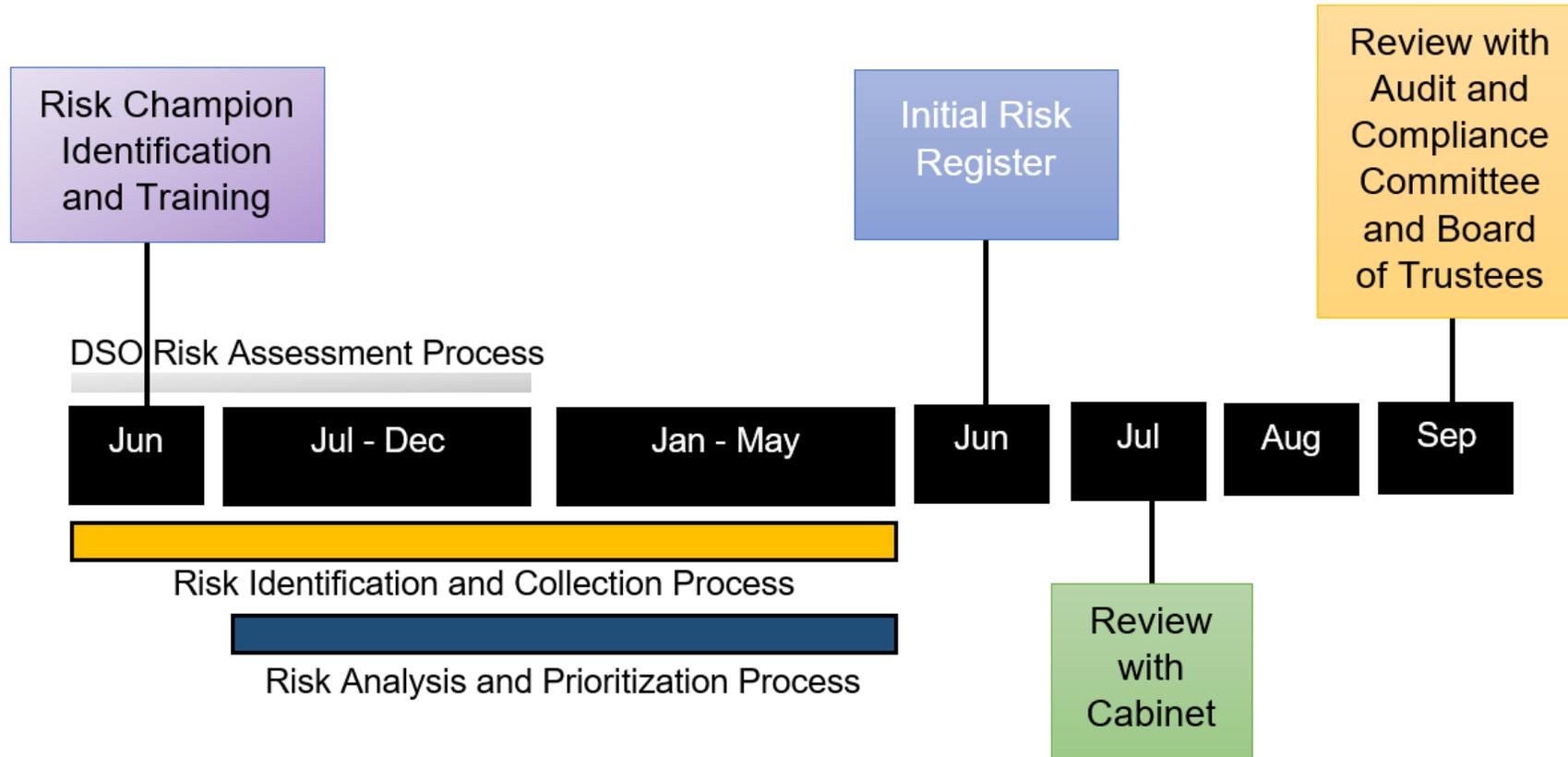| Compliance / Legal / Regulatory	Operational	Financial	Hazard / Safety	Strategic

Assessment Details

- Conduct enterprise risk assessment process every 3 years
- Facilitate 1-on-1 discussions and risk workshops
- Leverage cross-functional Risk Champions committee

Assessment Methodology

- Prioritize risk using consistent approach and scoring
- Evaluate impact (reputational, financial, operational)
- Assess complexity, likelihood, and velocity

Target Timeline for Implementation

Risk Champion Identification and Training

Initial Risk Register

Review with Audit and Compliance Committee and Board of Trustees

DSO Risk Assessment Process

| Jun | Jul - Dec | Jan - May | Jun | Jul | Aug | Sep |

Risk Identification and Collection Process

Risk Analysis and Prioritization Process

Review with Cabinet

Board of Trustees
Audit and Compliance Committee

June 24, 2024

Agenda Item

DISC- 1: University Audit Update

Proposed Board Action

This discussion will cover completed and proposed activities of the internal audit function, as well as management's plans for changes to objectives, key processes, and related internal control activities.

The attachment is intended to provide the committee with information regarding the work of University Audit to assist the committee in successfully completing their oversight duties.

Authority for Board of Trustees Action

N/A

Supporting Documentation Included
Attachment A: University Audit Update

Facilitators/Presenters
Robert Taft, Chief Audit Executive

University Audit Update

EXECUTIVE SUMMARY

Objective

This discussion will cover completed and proposed activities of the internal audit function, as well as management's plans for changes to objectives, key processes, and related internal control activities.

The attachment is intended to provide the committee with information regarding the work of University Audit to assist the committee in successfully completing its oversight duties.

Summary of Key Observations/Recommendations

Current Audit Activities

Since the last committee meeting, UCF Internal Audit has completed two projects and issued the following reports:

- College of Engineering and Computer Sciences – (Strategic Audit)
- Post-Tenure Review — (Required Audit)

Trustees are encouraged to reach out directly to Robert Taft, UCF's Chief Audit Executive, for any inquiries or questions regarding these reports.

Ongoing projects include:

- Foreign Influence – (Required Audit)
- Decentralized IT Strategy – (Strategic Audit—being performed by EisnerAmper)
- Management Advisory Services—*two projects focused on reviewing 1) UCFAA Construction Processes and 2) Carryforward Fund Management Process*

Currently, there are no significant concerns identified for the ongoing projects that require immediate attention or notification to the committee. A briefing was provided to the committee chair on the Decentralized IT Strategy by EisnerAmper and University Audit in May and we have provided the chair with several updates on the Carryforward project as well.

Additional Background

Conformance with the Institute of Internal Auditors' Global Standards

We are updating our department's charter to align with the recently updated Global Internal Audit Standards and will present it to the committee at our September meeting. Work continues towards 1) developing the department's strategic plan and 2) sending out a survey to our stakeholders on reporting and communication practices including identifying preferences on document content, frequency, etc.

IT Audit Co-sourcing initiative

From an IT Audit perspective, University Audit has signed a contract for the use of an external firm to provide co-sourced audit services. EisnerAmper is currently performing an audit on UCF's Decentralized IT Strategy. The target date for a draft report is late May/early June. The next project for EisnerAmper will be a Cybersecurity review including both internal and external monitoring resources and activities.

Fraud Risk Committee

The inaugural meeting of the committee took place on May 30th. The committee consists of members from a variety of departments across the university and will evaluate the risk exposure of fraud scenarios that UCF potentially faces based on industry trends including how to proactively reduce the residual risk with internal control enhancements and training. We will provide a detailed update at the December committee meeting.

Emerging Risks/Hot Topics

A PowerPoint presentation highlighting emerging risks and hot topics in higher education is being provided to the committee for discussion. The list was generated based on research, discussion with management and other stakeholders, interaction with other higher education Chief Audit Executives and use of ChatGPT-4o (latest version).

Rationale

The Audit Plan focuses on covering the UCF Strategic Plan as its primary objective.

Implementation Plan

We will continue to follow the Audit Plan through the remainder of the year and inform the committee of any significant changes.

Resource Considerations

Audits will be performed based on the anticipated level of internal and co-sourced resources.

Conclusion

Staff will incorporate suggestions and feedback from the committee as part of the audit selection and scheduling process.

University Audit Update

June 24, 2024

Emerging Risks/Hot Topics

Topic	What's Going On?	Potential activities
1. Cybersecurity and Data Privacy	• Universities are prime targets for cyberattacks due to the vast amount of sensitive data they hold, including personal information, research data, and intellectual property. • Breaches can lead to significant financial losses, reputational damage, and legal repercussions.	• Plan to perform an audit with EisnerAmper
2. Financial Sustainability and Budget Management	• Declining enrollments, reduced state funding, and increasing operational costs are challenging the financial sustainability of many institutions. • Universities need to optimize budget management to maintain financial health and continue providing quality education.	• Current carryforward review is evaluating the budget process

Emerging Risks/Hot Topics

Topic	What's Going On?	Potential activities
3. Remote Learning and Technology Integration	• The COVID-19 pandemic has accelerated the adoption of remote learning and technology integration in education. • Ensuring the quality and accessibility of online education is essential for student engagement and success.	• Monitoring demand trends for online and hybrid courses. • Procurement and investment in remote learning technology • Evaluate remote training programs for faculty
4. Diversity, Equity, and Inclusion (DEI)	• Increasing focus in multiple states on prohibiting funding of DEI programs and initiatives by colleges and universities	• No activities planned unless new regulatory requirements (Texas)

Emerging Risks/Hot Topics

Topic	What's Going On?	Potential activities
5. Regulatory Compliance and Governance	• Universities face a complex regulatory landscape, with compliance requirements spanning federal, state, and local laws. • Effective governance is essential for maintaining compliance and ensuring institutional integrity.	• Current Foreign Influence Audit • Follow-up on open HIPAA items from prior audit work. Potential use of EisnerAmper for HIPAA security project. • NIST 800-171 Readiness Assessment potential EisnerAmper project. • PCI (Payment Card Industry) Compliance
6. Student Mental Health and Wellbeing	• Increasing awareness of mental health issues among students necessitates comprehensive support systems. • Universities must prioritize mental health services to ensure student success and retention.	• Student Health Services tentatively planned for late 2025/early 2026. (Watch List item)

Emerging Risks/Hot Topics

Topic	What's Going On?	Potential activities
7. Environmental Sustainability and Climate Change	• Universities are expected to lead by example in promoting sustainability and addressing climate change. • Implementing sustainable practices can reduce the institution's environmental footprint and operational costs.	• Sustainability on Watch List. • UCF Sustainability Committee is being revamped in conjunction with STARS reporting. (Sustainability Tracking, Assessment & Rating System) https://stars.aashe.org/
8. Academic Integrity and Quality Assurance	• Maintaining high standards of academic integrity is crucial for preserving the university's reputation and accreditation. • Ensuring the quality of education and research is essential for student and faculty success.	• Recently completed Academic Integrity audit • Post-Tenure Review Audit • Monitoring of available technology

Emerging Risks/Hot Topics

Topic	What's Going On?	Potential activities
9. Innovation and Entrepreneurship	• Encouraging innovation and entrepreneurship among students and faculty can drive economic growth and societal impact. • Universities need to foster a culture of creativity and support entrepreneurial initiatives.	• Technology Transfer audit on Watch List (targeted for 2025).
10. Enrollment Management and Student Retention	• Fluctuating enrollment patterns and increasing competition require effective strategies for student recruitment and retention. • Ensuring student success and satisfaction is key to maintaining enrollment levels and institutional reputation.	• Performance Based Funding Audit • Academic Advising audit on Watch List

Board of Trustees
Audit and Compliance Committee

June 24, 2024

Annual IntegrityLine Report
EXECUTIVE SUMMARY

Objective

Annually, University Compliance, Ethics, and Risk performs an analysis on all UCF IntegrityLine reports submitted and closed during the calendar year and prepares a report on the outcomes including any trends identified. A report covering the data and trends from the IntegrityLine during the period of January 1, 2023, to December 31, 2023, is provided and outcomes will be discussed.

Summary of Key Observations/Recommendations

Reporting to the IntegrityLine has continued to stabilize after increased reporting due to the pandemic and a high-profile case in 2020 with 262 reports received in 2023. While the number of reports received continued to increase in comparison to the 2018 and 2019 report years, the number of reports received demonstrate employees and students' willingness to raise concerns. Based on research by George Washington University, *Evidence on the Use and Efficacy of Internal Whistleblower Systems*, there is a strong correlation between increased reporting volumes and positive business outcomes.

The IntegrityLine report data supports the university's strategic plan initiative and efforts to be *A Best Place to Learn and Work*. By understanding the data and trends associated with employee and student concerns, University Compliance and Ethics can assess and implement strategies, including working with the appropriate offices or leaders, to address undesirable behaviors affecting culture and workplace satisfaction. Beginning in 2019, a spike in reports categorized as Offensive or Inappropriate Communication was noted and reported to the committee. This issue type includes concerns related to inflammatory, derogatory, unduly critical or insulting communication, including bullying, and employees' failure to treat one another with respect in accordance with the UCF Ethical Standards. This category represented the majority of concerns raised to the IntegrityLine in 2019-2022.

As previously reported to the committee, in response to this trend University Compliance and Ethics collaborated with Human Resources to develop a communication, education, and awareness campaign to increase civility in the workplace. Throughout 2020, 2021, 2022, and 2023, the office delivered significant training and education on this topic and monitored IntegrityLine reports as well as culture survey responses to gauge the effectiveness of the efforts. Through these efforts we have for the first time since 2016 seen a significant reduction from 88 reports in 2021, to 66 reports for 2022, and now 33 reports in 2023. In comparison, data from NAVEX, the university's hotline provider, showed a continued increase in this category from 2022 to 2023. NAVEX reported the importance of watching this metric as it is considered an indicator of cultural and possibly mental health for an organization. University Compliance and Ethics will continue to raise awareness and provide education to supervisors and employees on expectations for healthy and respectful behaviors in the workplace.

While raising awareness and providing education to supervisors and employees has shown dramatic decreases in this reporting category, research has shown that to truly have sustainable impact on employee behavior and culture, an organization's leadership must set the tone for permanent change. To support this effort, the vice president for compliance, ethics, and risk on behalf of the president, coordinated an effort for education directed at the university's leadership. June 3-4, 2024, Stephen M. R. Covey provided *Leading at the Speed of Trust* leadership training at the inaugural retreat for the President's Leadership Team (vice presidents, deans, vice provosts, associate vice presidents, and chief officers). This training focuses on leaders developing skills to build trust within their teams and with other leaders with the goal of fostering a culture that drives results.

In addition to the leadership training, the vice president for compliance, ethics, and risk and the chief human resources officer have worked jointly to coordinate an employee satisfaction survey targeted to occur in the Fall semester. This survey will provide leadership with additional information on UCF's culture, what is working, and what areas need attention. This effort provides an informed pathway for fostering a lasting impact on culture and making UCF a Best Place to Learn and Work.

Additional Background

N/A

Rationale

N/A

Implementation Plan

N/A

Resource Considerations

N/A

Conclusion

The Annual IntegrityLine Report is provided to assist the committee in fulfilling their responsibility to provide oversight and be knowledgeable of the program. Committee members are encouraged to ask questions and provide feedback related to the report and trends identified.
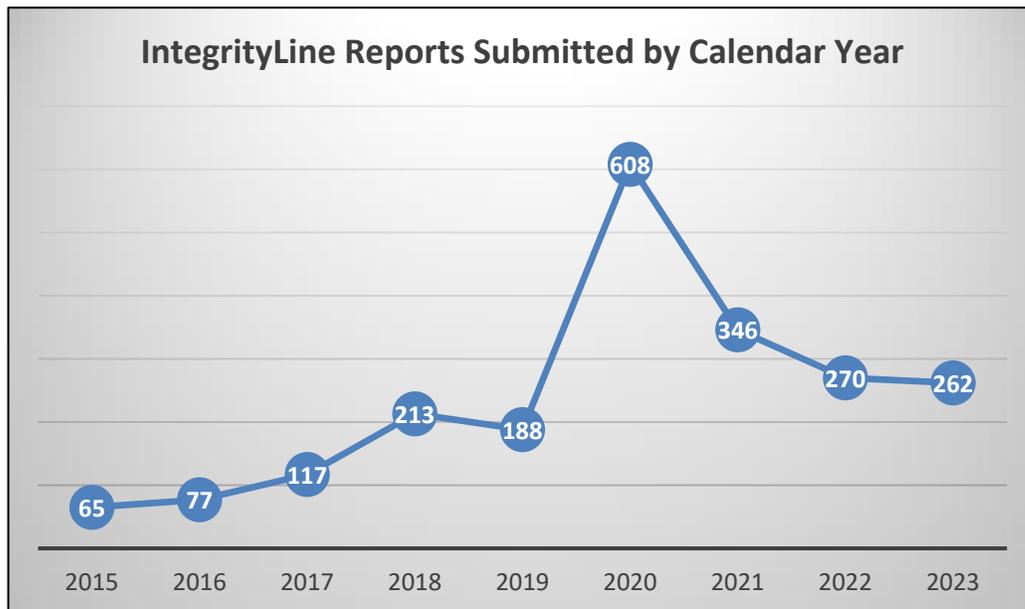
University Compliance and Ethics

UNIVERSITY OF CENTRAL FLORIDA

UCF IntegrityLine Report
January 1, 2023, to December 31, 2023

During the 2023 calendar year, the UCF IntegrityLine received a total of 262 reports. Of these reports 253 contained allegations of suspected misconduct or ethical concerns and nine reports were inquiries. Reports containing allegations of misconduct were triaged between University Compliance and Ethics and University Audit. Based on the nature of the report, it was either investigated by University Compliance and Ethics, the Office of Institutional Equity, University Audit, 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. Reports criminal in nature were referred to the UCF Police Department.

IntegrityLine Reports Submitted by Calendar Year

2015	2016	2017	2018	2019	2020	2021	2022	2023
65	77	117	213	188	608	346	270	262

Highest Number of Reports by Issue Type

17% Discrimination or Harassment	The highest number of reports made to the IntegrityLine in 2023 were categorized as Discrimination or Harassment with 44 reports representing 16.79% of the total reports submitted. These reports involve allegations of non- compliance with UCF 2-004 Nondiscrimination Policy, which includes but is not limited to uninvited and unwelcome verbal or physical conduct directed at an employee because of his or her sex, religion, ethnicity, or beliefs.

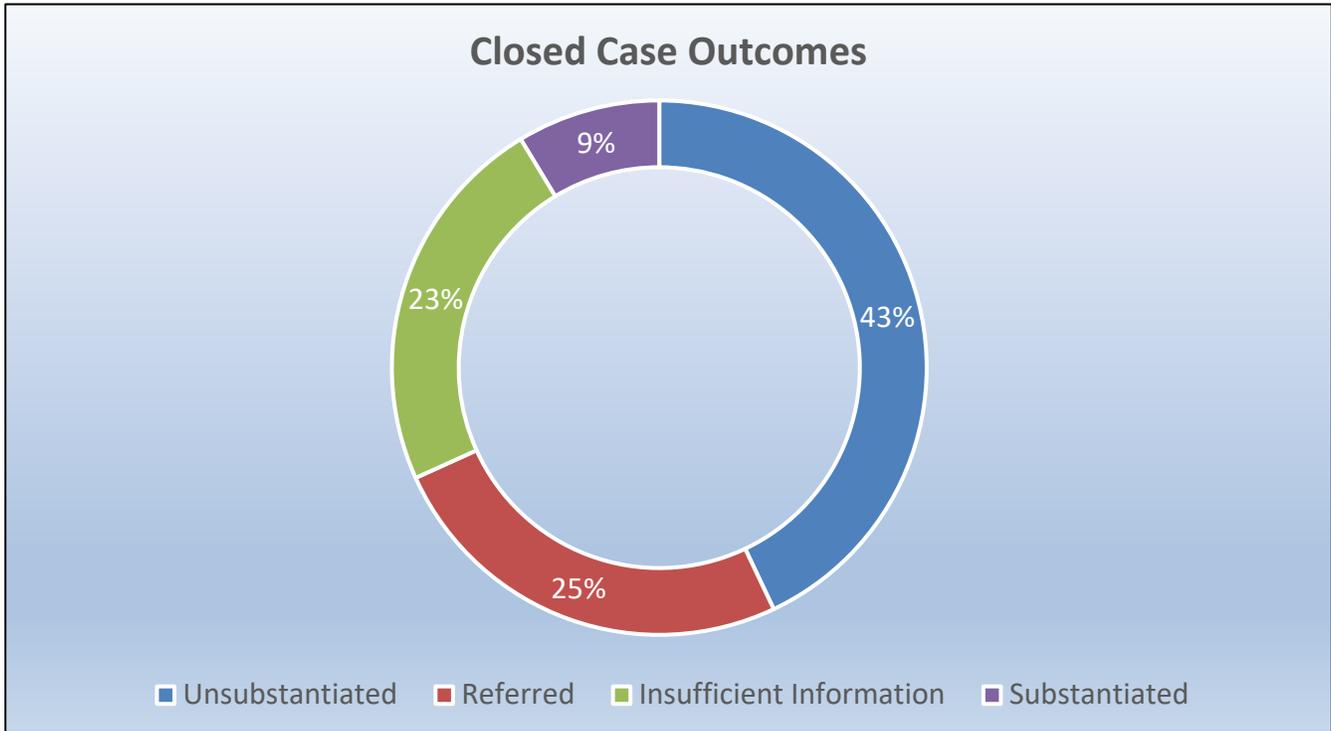| 13% Offensive or Inappropriate Communication	The second highest number of reports made to the IntegrityLine in 2023 were categorized as Offensive or Inappropriate Communication with 33 reports representing 12.60% of the total reports submitted. This issue type includes concerns related to inflammatory, derogatory, unduly critical, or insulting communication, and failure to treat one another with respect in accordance with the UCF Ethical Standards.
10% Employee Misconduct	The third highest number of reports made to the IntegrityLine in 2023 were categorized as Employee Misconduct with 27 reports representing 10.31% of the total reports submitted. This issue type involves any employee conduct that violates university regulation, policy, procedure, and/or the UCF Code of Conduct that does not fit within one of the other issue types.

All Issue Types

Reports submitted to the UCF IntegrityLine in 2023 spanned a total of 20 issue types.

Primary Issue	Total Reports	Percentage of Reports
Discrimination or Harassment	44	16.79%
Offensive or Inappropriate Communication	33	12.60%
Employee Misconduct	27	10.31%
Other Academic Affairs Matters	26	9.92%
Other Human Resources Matters	23	8.78%
Environmental and Safety Matters	22	8.40%
Sexual Harassment	19	7.25%
EEOC or ADA Matters	9	3.44%
Inquiry	9	3.44%
Alcohol / Drug Abuse	7	2.67%
Data Privacy / Integrity	7	2.67%
Waste, Abuse or Misuse of Institution Resources	7	2.67%
Conflict of Interest	6	2.29%
Other	5	1.91%
Other Financial Matters	5	1.91%
Cheating / Plagiarism	4	1.53%
Fraud	4	2.53%
Research Misconduct	2	0.76%
Retaliation	2	0.76%
Time Abuse	1	0.38%
Grand Total	**262**	

Closed Cases

During the 2023 calendar year, University Compliance and Ethics closed a total of 285 reports which included eight inquiries and 277 cases that alleged misconduct. Closed cases include a combination of cases received in 2023 as well as those submitted in a previous year. Below are the outcomes for the 277 cases closed in 2023.


Closed Case Outcomes

43% Unsubstantiated
25% Referred
23% Insufficient Information
9% Substantiated

Closed Case Outcomes	Total
Unsubstantiated	119
Referred	70
Insufficient Information	64
Substantiated	24
Grand Total	**277**

Closed Cases – Investigations with Substantiated and Unsubstantiated Findings

In 2023, a total of 84 of the 277 cases were closed after an investigation was conducted by University Compliance and Ethics, the Office of Institutional Equity, or University Audit. Additionally, University Compliance and Ethics oversaw and guided 59 investigations in conjunction with colleges and departments, providing guidance on appropriate corrective action when needed. The following are the outcomes of the investigations.

Substantiated Cases

Twenty-four cases investigated resulted in a substantiated finding (representing 9% of all closed cases that alleged misconduct) where investigations yielded evidence to support the complaint and a finding that misconduct occurred. The substantiated cases spanned a range of topics, with the highest in the category of Environmental and Safety Matters.
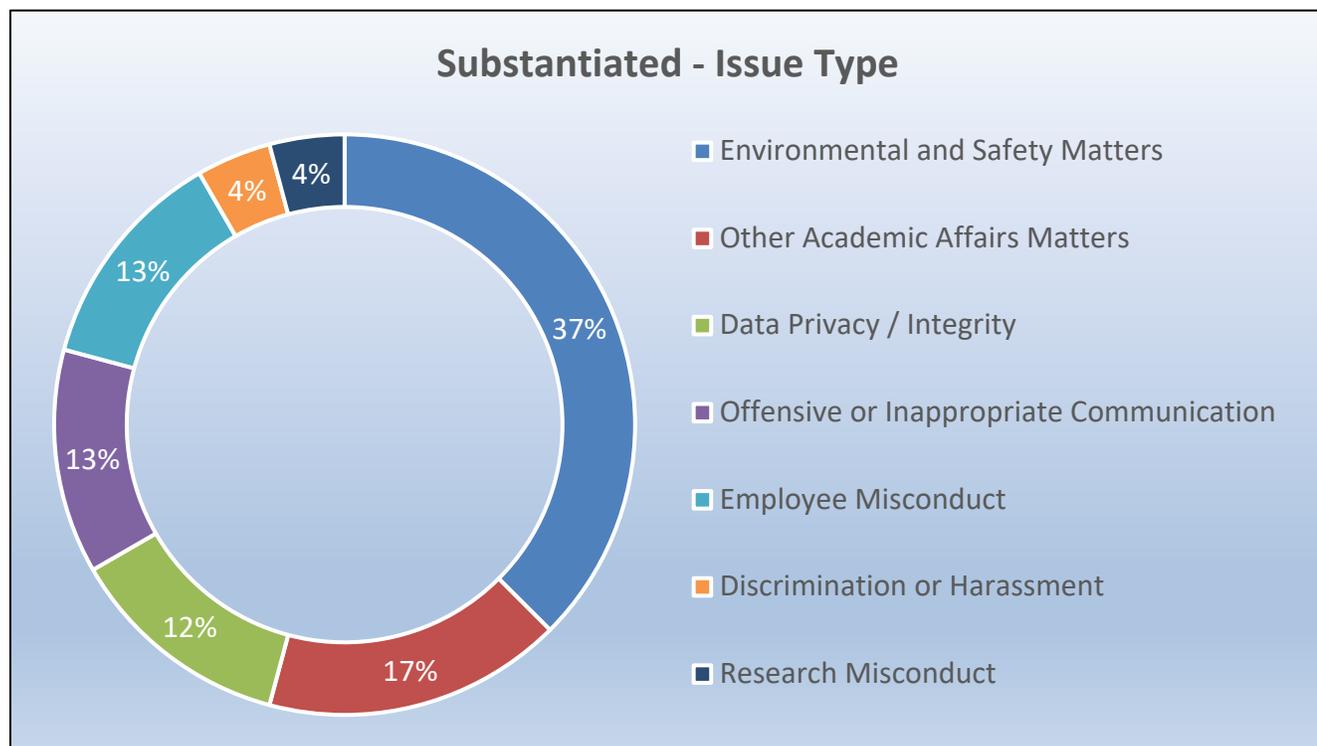
Primary Issue	Total
Environmental and Safety Matters	9
Other Academic Affairs Matters	4
Data Privacy / Integrity	3
Offensive or Inappropriate Communication	3
Employee Misconduct	3
Discrimination or Harassment	1
Research Misconduct	1
Grand Total	**24**

Substantiated Cases – Action Taken

For the 24 cases investigated that resulted in substantiated findings, the university took the appropriate action. Those actions included policy / process reviews, training, disciplinary action, and termination.

Substantiated - Action Taken
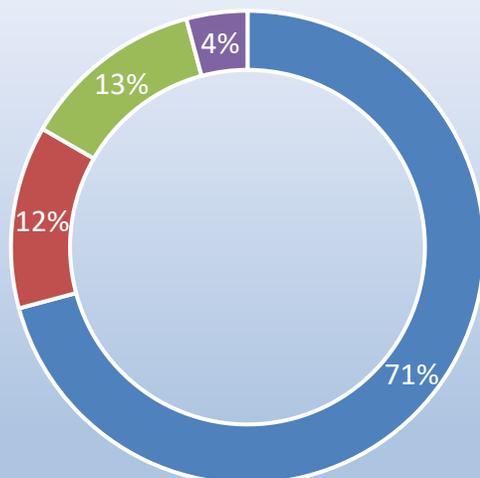
Action Taken	Total
Policy / Process Review	17
Discipline	3
Termination	3
Training	1
Grand Total	**24**

Unsubstantiated Cases

The remaining 119 cases (43% of closed cases that alleged misconduct) investigated yielded insufficient or no evidence to support that misconduct occurred and were closed with an unsubstantiated outcome. Despite the unsubstantiated finding, 63 of the cases resulted in recommendations for improvements such as a review in a policy, process, or training due to identified weaknesses.

Closed Cases – Referred or Insufficient Information

One hundred and thirty-four (134) cases were not investigated. Those cases were either referred out of the system or to another office or closed due to insufficient information.

Referred

A total of 70 cases (25% of all closed cases that alleged misconduct) were referred to the UCF Police Department, Student Conduct, or another college or department to address through the appropriate university process and closed out in the IntegrityLine system. These cases span the range of issues involving student misconduct such as alleged alcohol or drug abuse, grade disputes, and interpersonal conflicts. Once the report is referred to the appropriate office, it is closed in the
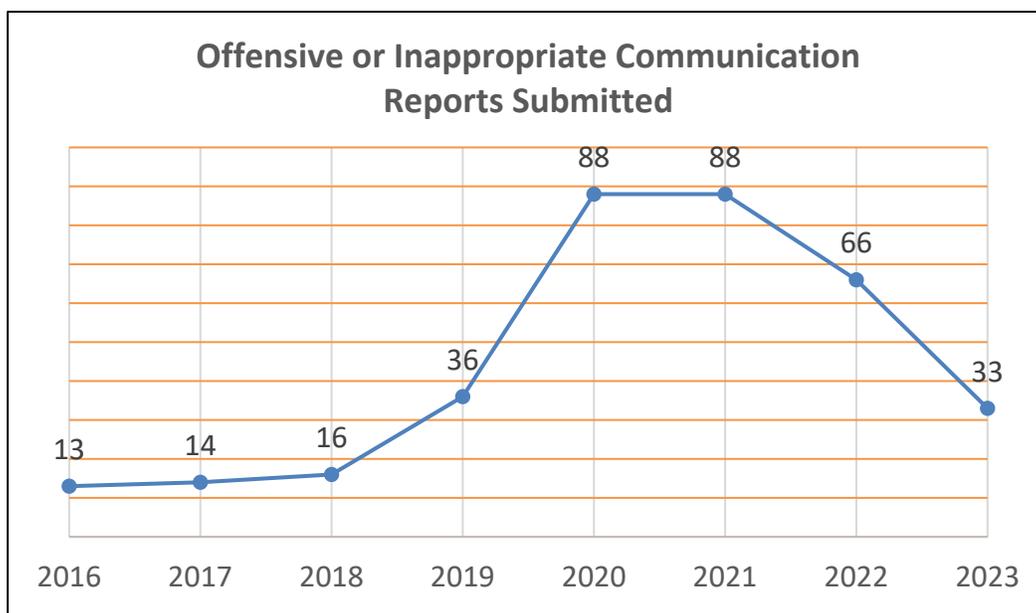
IntegrityLine system with a message posted back to the complainant.

Insufficient Information

For 64 cases (23.10% of all closed cases that alleged misconduct), questions were posted to the complainant requesting additional information with no response. These cases were closed due to insufficient information.

2023 IntegrityLine Trends

Since 2019 the office has monitored IntegrityLine reports with the issue type Offensive or Inappropriate Communication. These types of reports relate to inflammatory, derogatory, unduly critical, or insulting communication, including bullying, and employee's failure to treat one another with respect in accordance with the UCF Ethical Standards. In collaboration with Human Resources, the office developed a communication, education, and awareness campaign to increase civility in the workplace. Throughout 2020, 2021, 2022, and 2023, the office delivered training and education on this topic and monitored IntegrityLine reports as well as culture survey responses to gauge the effectiveness of the efforts. We are pleased to report that IntegrityLine reports with this issue type significantly dropped from 66 in 2022, down to 33 reports in 2023 indicating a very positive trend in this area.

Offensive or Inappropriate Communication Reports Submitted

Year	2016	2017	2018	2019	2020	2021	2022	2023
Reports	13	14	16	36	88	88	66	33

We continue to evaluate opportunities to expand the education and awareness program with the overall goal to improve the workplace and support the university's strategic plan aspiration to make UCF a best place to learn and work.

UCF IntegrityLine Report
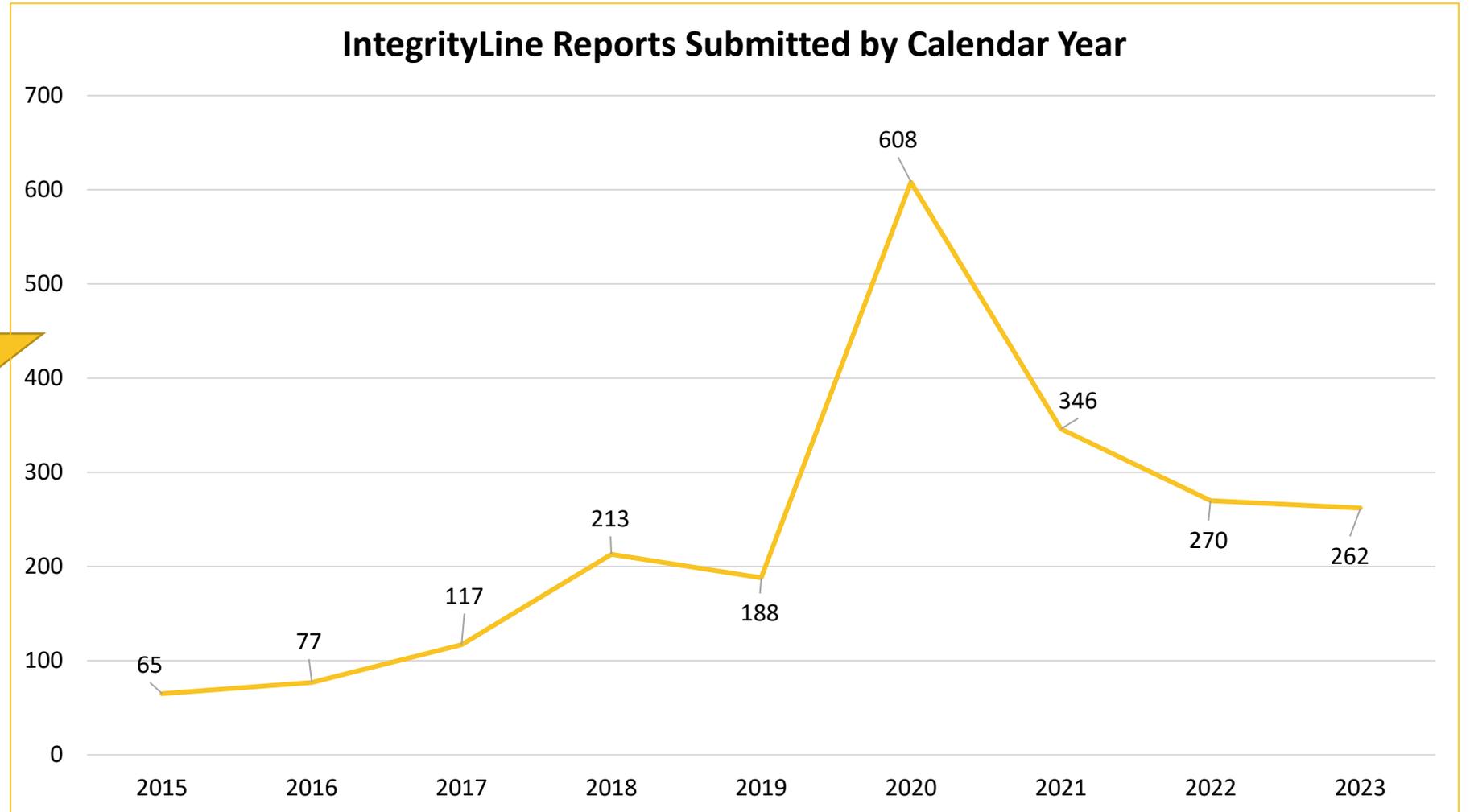
Board of Trustees Audit and Compliance Committee – June 24, 2024

2023 UCF IntegrityLine Report
Total Number of Reports Submitted

A Best Place to Learn and Work

IntegrityLine Reports Submitted by Calendar Year

Year	Reports
2015	65
2016	77
2017	117
2018	213
2019	188
2020	608
2021	346
2022	270
2023	262

2023 UCF IntegrityLine Report
Closed Case Outcomes
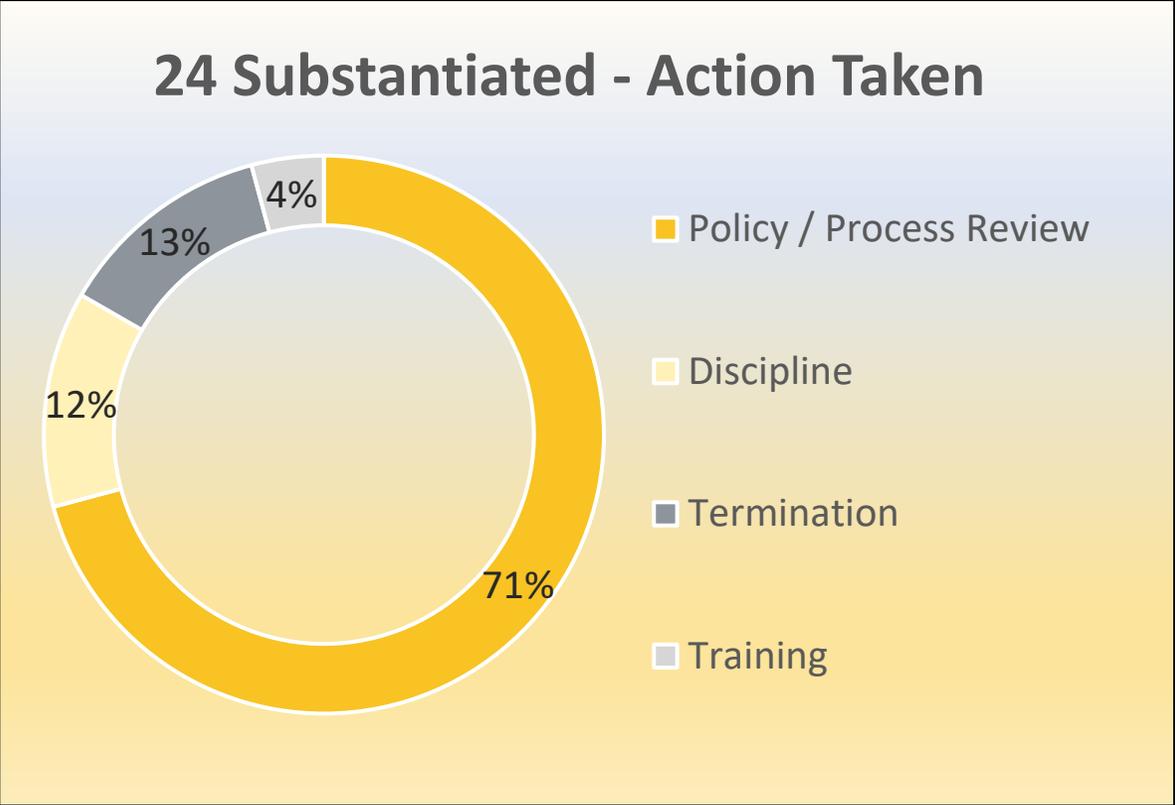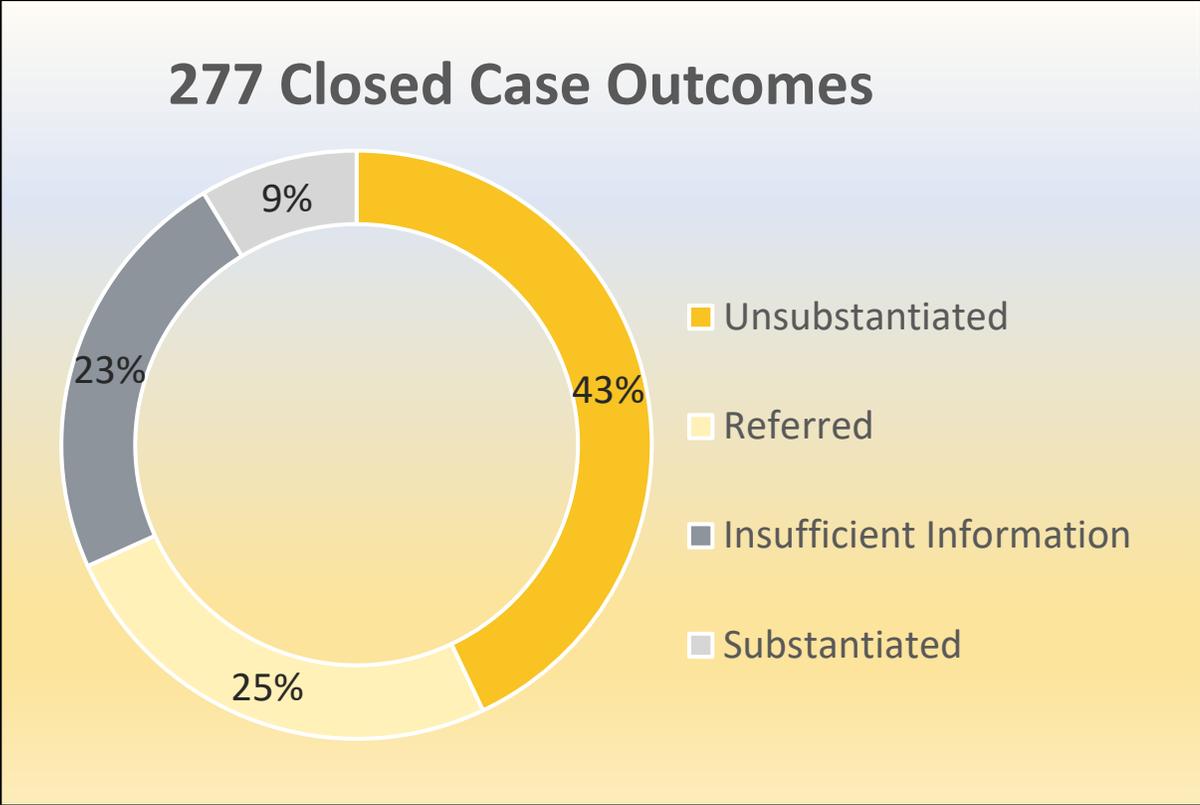
277 Closed Case Outcomes

- 43% Unsubstantiated
- 25% Referred
- 23% Insufficient Information
- 9% Substantiated

24 Substantiated - Action Taken

- 71% Policy / Process Review
- 12% Discipline
- 13% Termination
- 4% Training

2023 UCF IntegrityLine Report
Trends

A Best Place to Learn and Work

Offensive or Inappropriate Communication Reports Submitted

Year	Reports
2016	13
2017	14
2018	16
2019	36
2020	88
2021	88
2022	66
2023	33
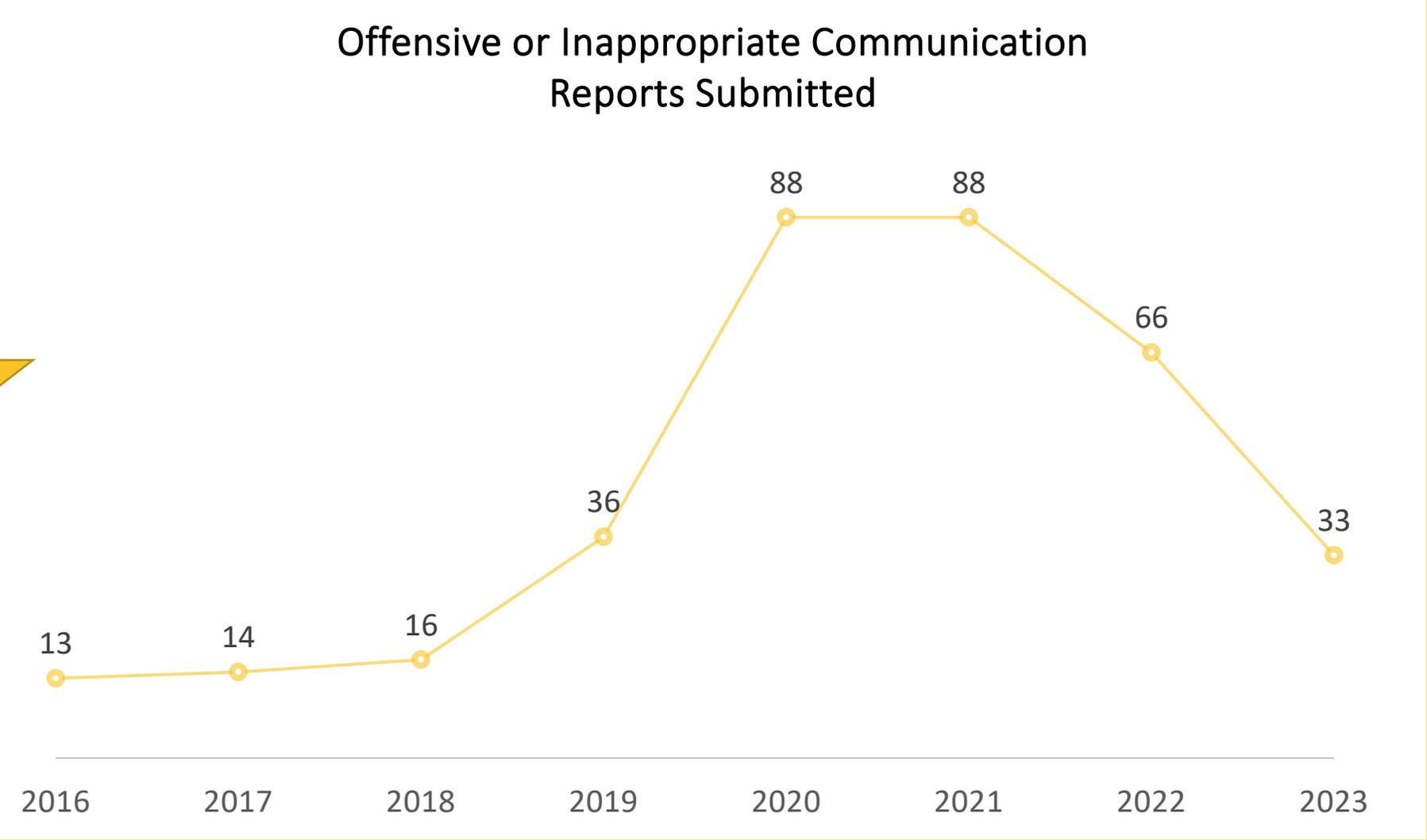
Board of Trustees
Audit and Compliance Committee

June 24, 2024

Agenda Item

DISC-3: University Compliance, Ethics, and Risk Update

Proposed Board Action

N/A

Authority for Board of Trustees Action

N/A

Supporting Documentation Included
Attachment A: University Compliance, Ethics, and Risk Update

Facilitators/Presenters
Rhonda L. Bishop, Vice President for Compliance, Ethics, and Risk

University Compliance, Ethics, and Risk Update

EXECUTIVE SUMMARY

Objective

The University Compliance, Ethics, and Risk update and any discussion will cover changes in federal or state requirements impacting the university, current or pending external compliance activities, and updates to the Committee on key compliance, ethics, and risk initiatives at UCF.

Summary of Key Observations/Recommendations

Data Privacy Day

The Compliance and Ethics Office launched the office's inaugural Data Privacy Day awareness campaign, celebrated annually on January 28, to promote awareness about data privacy and to educate individuals on how to secure their personal information. As part of Data Privacy Day activities occurred on Friday, January 26, and on Monday, January 29 providing two opportunities for employees and students to participate. Activities included:

- o A tabling event outside the Student Union on January 26th where students and employees had the opportunity to learn more about the office, ask questions about data privacy, enter a prize drawing, and take home UCF swag just for visiting the table.
- o A live webinar provided on January 26th, titled "Privacy[at]UCF" that explored how privacy compliance assists the campus community, explained what privacy is versus security, provided tips to protect data at home and at work, and offered resources for anyone interested in data protection and privacy as a career. The webinar slides were also added as a course for employees in Workday.

Changes to Federal Regulations

Since the beginning of the year, multiple changes to key regulations impacting the university have been finalized. University Compliance, Ethics, and Risk is working with impacted offices to ensure implementation of any needed policy and process changes by the effective date. Below is a brief overview with dates for when the university will need to be in full compliance.

Pregnant Workers Fairness Act, EEOC Regulations – Effective June 18, 2024

The Pregnant Workers Fairness Act became effective on 6/27/2023, and requires employers to provide reasonable accommodations to the known limitations related to pregnancy, childbirth or related medical conditions unless those accommodations would cause an undue hardship. The EEOC implementing regulations require employers to do the following:

- Provide reasonable accommodations for employees and applicants.
- Provide reasonable accommodations for pregnancy and pregnancy-related conditions (which includes infertility, menstruation, endometriosis, fertility treatments, miscarriages and abortions).

The regulations refer to known limitations that are more broadly defined than disability-related limitations. Disability is a physical or mental limitation that substantially impairs a major life

activity. For the Pregnant Workers Fairness Act, a known limitation is an impediment or problem that may be modest, minor and/or episodic. Additionally, unlike the Americans with Disabilities Act which does not require suspension of an essential job function, the Pregnant Workers Fairness Act regulations state that temporarily suspending one or more essential functions may be a reasonable accommodation (temporary means could be performed in the near future which is defined as 40 weeks). Reasonable accommodation examples include frequent breaks, schedule changes, part-time work, paid/unpaid leave, telework, light duty, job restructuring, temporarily suspending one or more essential job functions, or acquiring or modifying equipment, uniforms or devices.

Fair Labor Standards Act (FLSA) – Effective July 1, 2024 (Phase 1)
<div align="center">Effective January 1, 2025 (Phase 2)</div>

On April 23, 2024, the U.S. Department of Labor issued a final rule revising FLSA regulations and raising the minimum salary threshold before an employee can be classified as exempt from overtime pay under the Executive, Administrative, and Professional exemption. This change referred to as "Restoring and Extending Overtime Protections" increases compensation levels for exempt workers. The new regulations take a phased approach:

- on July 1, 2024, the threshold will rise to $844 per week ($43,888 annualized)
- on January 1, 2025, the threshold will rise further to $1,128 per week ($58,656 annualized)

The current exempt threshold is $35,568 with the first increase being minimal in comparison to the second threshold jump to $58,656. While the first increase has not been challenged, we expect that the second increase will see significant challenge. The final rule also includes language for automatic updating of the minimum salary threshold every three years based on salary data from the U.S. Bureau of Labor Statistics.

The rule does not impact the "duties" portion of the Executive, Administrative, and Professional exemption tests. Employees who meet the new minimum pay requirements must also meet all other requirements of the FLSA exemptions in order for one to apply.

At UCF, Human Resources led a workgroup to evaluate the impact of the new rule on employees and conducted a comprehensive review of job duties and exempt status for impacted employees to ensure that employees are properly classified. Human Resources developed communications to employees and supervisors as well as resources for supervisors that were launched in the beginning of June to assist in the transition of the identified employees from exempt to non-exempt.

Title IX Regulations - Effective August 1, 2024 – On Hold

Following approval of the proposed changes to Title IX, the Florida Department of Education and the Florida Board of Governors jointly issued a memo requiring that all State University System and Florida College System schools hold on implementation of any changes as Florida plans to vigorously fight the new regulations. The expectation is that Florida and other states will file lawsuits objecting to the changes to Title IX. In particular, the new regulations would force Florida institutions to violate Florida's Safety in Private Spaces Act. Below is a brief overview of the changes to Title IX:

- Compared to 2020 regulations, under the new regulations, a university's response obligation was expanded to all sex-based discrimination claims (not limited to sexual harassment claims as set forth in 2020 regulations), which includes discrimination based on sex stereotypes, sex characteristics, pregnancy and related conditions, sexual orientation and gender identity. The new regulations also expand to any conduct subject to the university's disciplinary authority (unlike the 2020 regulations which required the conduct to have occurred within the U.S. and as part of an educational program or activity).
- Where discrimination subjects students to more than a de minimus harm based on sex, the regulation is violated except where already permitted to discriminate based on sex (i.e., Greek life, residence halls, etc.). The federal Office of Civil Rights stated that not allowing individuals to access bathrooms and locker rooms consistent with their gender identity is more than de minimus harm.
- Hostile environment sex-based harassment's definition is broader than 2020 regulations; the new regulations defines hostile environment as severe or pervasive conduct that limits or denies an individual the ability to participate in the education program or activity (2020 regulations defined this as severe and pervasive and objectively offensive conduct that denies the ability to participate).
- The university is required to train all employees on an annual basis regarding reporting responsibilities, including confidential employees. This training also must include information on notification protocols when a student or employee discloses that they are experiencing pregnancy or a pregnancy-related condition.
- As to the university's grievance process, there is more discretion in structuring the process than under the 2020 regulations.
  - Unlike 2020 regulations, the university may have the decisionmaker in the case be the same person as the Title IX Coordinator or investigator (in other words, the single-investigator model is now permissible).
  - The regulations have made a live hearing with cross-examination optional whereas this was required under the 2020 regulations. That said, if the university chooses to not require a live hearing, the university must have the investigator or decisionmaker be able to ask the parties questions in individual meetings, provide the parties with an opportunity to propose questions to the other party, and the investigator/decisionmaker then must have follow up meetings to get responses to the proposed questions. Also, the university must provide recordings or transcripts of these meetings.

As to individuals who are pregnant or have a pregnancy-related condition, the regulations clarified that all students, employees, and applicants are protected under Title IX. The regulations also require that university personnel provide the individual disclosing pregnancy or a pregnancy-related condition with the Title IX Coordinator's contact information and a description of what the university can provide to ensure access to their education or employment.

Americans with Disabilities Act, Title II Regulations – Effective April 24, 2026

The purpose of the regulations is to ensure accessibility of web content and mobile applications for people with disabilities. The revised regulations requires digital content to comply with WCAG 2.1, level AA (WCAG is an acronym for Web Content Accessibility Guidelines). The standard of WCAG was not previously set forth in the ADA regulations. As a result, UCF will need to modify

its Digital Accessibility Policy to require compliance with this standard for all web content and mobile apps (not just for when an accommodation request is made). The regulations set forth five exceptions to the compliance requirement: (1) archived web content; (2) pre-existing conventional electronic documents (however, this exception does not apply to documents currently being used to access services/programs); (3) content posted by a third party where the third party is not posting content due to contract, license or other arrangement with the public entity (if the university is posting third party content, then it must be accessible); (4) individualized documents that are password-protected; and (5) pre-existing social media posts.

Additional Background

N/A

Rationale

N/A

Implementation Plan

N/A

Resource Considerations

N/A

Conclusion

Highlights of University Compliance, Ethics, and Risk activities are provided to assist the Committee in fulfilling their responsibility to provide oversight and be knowledgeable of the program. Committee members are encouraged to ask questions and provide feedback related to the compliance, ethics, and risk program.

University Compliance, Ethics, and Risk Update

Board of Trustees Audit and Compliance Committee – June 24, 2024

Data Privacy Day

★ Inaugural Data Privacy Day awareness campaign

   ★ January 26 Tabling Event

   ★ Live Webinar January 29

Privacy @ UCF

compliance.ucf.edu

New Regulations

★ Pregnant Workers Fairness Act – effective June 18, 2024

★ Fair Labor Standards Act – effective July 1, 2024 (phase 1)

★ Title IX – effective August 1, 2024

★ Americans with Disabilities Act – effective April 24, 2026

Agenda Item

INFO-1: 2023-2024 Compliance and Ethics Work Plan Status January 1, 2024 – April 30, 2024

Proposed Board Action

N/A

Authority for Board of Trustees Action

N/A

Supporting Documentation Included
Attachment A: 2023-2024 Compliance and Ethics Work Plan Status January 1, 2024 – April 30, 2024

Facilitators/Presenters
Rhonda L. Bishop, Vice President for Compliance, Ethics, and Risk

2023-2024 Compliance and Ethics Work Plan Status January 1, 2024 – April 30, 2024
EXECUTIVE SUMMARY

Objective

UCF's comprehensive compliance and ethics program is based on the elements of an effective compliance program as 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 and Ethics 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 2023-2024 Compliance and Ethics Annual Work Plan and includes the status of the activities completed from January 1, 2024, through April 30, 2024.

Summary of Key Observations/Recommendations

Key highlights include:

➢ The 2023 Code of Conduct refresher training containing customized modules (English and Spanish) addressing Conflicts of Interest, Accurate Books and Records, and Political Activities launched on October 22, 2023, with a completion deadline of November 1, 2023.
   o Number of employees auto enrolled: 7,731
   o Number of employees completing the training by the November 1, 2023, deadline: 6,716 (90.67%)
   o Implemented follow up process for delinquent training. By December 31, 2023, 7,310 (99.12%) had completed the training.
   o Reached 100% completion on April 3, 2024

➢ Analyzed 2023 IntegrityLine data and prepared the calendar year 2023 UCF IntegrityLine Report. Identified a significant drop in the reported issue type Offensive or Inappropriate Communication, from 66 reports in 2022, down to 33 in 2023. These types of reports relate to inflammatory, derogatory, unduly critical, or insulting communication, including bullying, and employee's failure to treat one another with respect in accordance with the UCF Ethical Standards. These results reflect a very positive trend and reinforce the efforts made by the office throughout 2020, 2021, 2022, and 2023 to increase civility in the workplace.

➢ Launched fifth Compliance and Ethics Culture Survey on March 4.
   o Initiatives this year to increase participation:
      ▪ UCF Marketing and Communications distributed all emails on behalf of the office in both English and Spanish
      ▪ Faculty Senate encouraged faculty participation
      ▪ University Compliance and Ethics directly contacted student employees to encourage participation, hosted a tabling event with QR Code to take the survey, and promoted a prize drawing – received 349 entries. Awarded 63

employees a series of UCF branded items, a newly printed UCF Employee Code of Conduct, and a personalized thank you card.
- o The survey closed on April 5. Achieved a 25.3% response rate which is an increase from the 17.7% rate in 2022.
- o The Office of Excellence and Assessment Support is analyzing the results and will issue final reports in June.

Additional Background

N/A

Rationale

The annual workplan serves to support the Audit and Compliance Committee's requirement to be knowledgeable of the compliance and ethics program with respect to its implementation and effectiveness. Chapter 8 of the Federal Sentencing Guidelines and BOG Regulation 4.003 requires the committee to be knowledgeable of the program and that the chief compliance and ethics officer regularly provide updates on the program's activities. To assist the committee in fulfilling these requirements, the workplan is laid out consistent with the required elements of an effective compliance and ethics program. Updates and the opportunity for discussion by committee members are provided to ensure that the elements of an effective program and the committee's charter are met.

Implementation Plan

N/A

Resource Considerations

There are no resource considerations.

Conclusion

Highlights of University Compliance and Ethics activities are provided to assist the committee in fulfilling their responsibility to provide oversight and be knowledgeable of the program. Committee members are encouraged to ask questions and provide feedback related to the compliance, ethics, and risk program.

University Compliance and Ethics

UNIVERSITY OF CENTRAL FLORIDA

2023-24 Compliance and Ethics Work Plan Status
January 1, 2024 – April 30, 2024

UCF's comprehensive compliance and ethics program is based on the elements of an effective compliance program as 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 and Ethics submits an Annual Work Plan 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 2023-2024 Compliance and Ethics Annual Work Plan and includes the status of the activities during the period January 1, 2024, through April 30, 2024.

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1. Provide Oversight of Compliance and Ethics and Related Activities

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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
➢ Developed materials and chaired the Compliance and Ethics Advisory Committee meetings in February and April. Discussions included challenges with the Federal Student Aid simplification process; NCAA antitrust lawsuits which may affect how athletics departments function in the future; and changes to Title IX, Title II of the ADA, and the Pregnancy Workers Fairness Act regulations. Additional discussions included 100% employee participation in the 2023 Code of Conduct Refresher Training was reached and that Goodcourse micro-learning eight-minute modules are available and can be tailored to the university.

CONDUCT QUARTERLY MEETINGS WITH COMPLIANCE PARTNERS AND SENIOR LEADERSHIP
➢ Met with vice presidents, key administrators, the faculty athletics representative, and compliance partners to provide updates on compliance and ethics initiatives and discuss any concerns or issues.

SERVE ON AND PROVIDE COMPLIANCE GUIDANCE TO THE TITLE IX WORKGROUP
➢ Provided guidance and support to the Title IX coordinator and served on and provided compliance guidance to the Title IX workgroup.

SERVE ON AND PROVIDE GUIDANCE TO THE SECURITY INCIDENT RESPONSE TEAM AND CO-CHAIR THE INFORMATION SECURITY AND PRIVACY ADVISORY COMMITTEE

➤ Continued to lead (co-chair) the Information Security and Privacy Advisory Committee and serve as a partner of the Data Governance Council.

SERVE AS MEMBERS OF AND PROVIDE GUIDANCE TO THE CLERY COMPLIANCE ADVISORY COUNCIL

➤ Provided guidance and support to the Clery Compliance Analyst and served on the Clery Compliance Advisory Council.

➤ With the Clery Compliance Analyst, met with the HR Compensation and Classification team and attended the HR Leadership meeting to discuss the process of identifying Campus Security Authorities (CSAs) moving forward.

➤ Assisted the Clery Compliance Analyst with finalizing, launching, and tracking of mandatory CSA training. There were 2,633 employees automatically assigned the training and 96.8% have completed it to date.

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 *INTEGRITYSTAR*, THE COMPLIANCE AND ETHICS NEWSLETTER

➤ Developed and issued the March edition of the *IntegrityStar* newsletter:
   o Articles included "Your Feedback Matters: UCF Compliance and Ethics 10 Minute Culture Survey," "April is Child Abuse Prevention Month," and "Athletics Compliance at UCF" including FAQs related to athletics compliance and athletics boosters. Also included was a video developed by the University of Texas at Austin, McCombs School of Business called "Educate Yourself with Ethics Unwrapped."
   o Case Corner section featured cases handled by leadership in support of the university's aspiration to be a best place to learn and work and the Privacy Points provided a recap on the 2024 Data Privacy Day activities.

ADMINISTER AND PROMOTE THE UCF INTEGRITYLINE, REINFORCE EXPECTATIONS FOR NON-RETALIATION, AND CONTINUE COMMUNICATIONS DURING AND AFTER INVESTIGATIONS

➤ Continued administration of the UCF IntegrityLine to include review and tracking of all reports, data compilation, trend review, and reporting.

➤ Initiated review of new IntegrityLine providers to create efficiencies and improved reporting.

➤ Promoted the UCF IntegrityLine in the March 2024 edition of the *IntegrityStar* newsletter; continued promoting the IntegrityLine in compliance videos; on the office's website; and on the websites of all compliance partners.

➤ Provided direct support and guidance to supervisors and employees involved in investigations.

COORDINATE TIMELY RESPONSES TO REGULATORY AND OTHER EXTERNAL AGENCIES

➤ As required by Section 117 of the Higher Education Act and Florida statute 1010.25, compiled a list of all UCF gifts and contracts with foreign entities and reported 13 foreign gifts and contracts that in aggregate exceeded $250,000 to the Federal Department of

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Education and 29 foreign gifts and contracts in aggregate that exceeded $50,000 to the Board of Governors (BOG) by the January 31, 2024, deadline.

➢ In response to the Board of Governors' September 6, 2023, Data Request, prepared and submitted on behalf of UCF, a description of the UCF policies, procedures, and processes that were revised in response to Board of Governors Regulation 9.012, Foreign Influence, by the March 8, 2024, deadline.

➢ In response to the Board of Governors' March 14, 2024, Data Request, oversaw the data collection and compilation of the number of students domiciled in a foreign country of concern prior to receiving a graduate assistantship in the 2021-2022, 2022-2023, and 2023-2024 academic years, and submitted the response on behalf of UCF by the deadline on April 5, 2024.

MAINTAIN AND PROMOTE THE COMPLIANCE AND ETHICS WEBSITE

➢ Promoted the compliance and ethics website in the University Compliance and Ethics pamphlets distributed during new employee orientation and tabling events.

➢ Updated the website to include the March 2024 *IntegrityStar* edition; revisions to content on the Our Staff, Training, and Youth Protection Program webpages; published the 2024 Compliance and Ethics Annual Report and the revised UCF Employee Code of Conduct; revised Youth Protection Program Resources; updated pdf files to be ADA compliant; and removed outdated files.

➢ Continued work on updating the website theme.

DISSEMINATE COMPLIANCE AND ETHICS PROGRAM INFORMATION AND EDUCATIONAL MATERIALS DURING TABLING EVENTS AND AT NEW EMPLOYEE ORIENTATIONS

➢ Provided the Privacy Compliance brochure and office promotional items at a Student Union tabling event promoting the activities for the 2024 Data Privacy Day.

➢ Provided the revised UCF Employee Code of Conduct, Speak Up wallet cards, and office promotional items at a Student Union tabling event promoting employees complete the 2024 Compliance and Ethics Culture Survey.

➢ Provided the revised UCF Employee Code of Conduct to Human Resources for distribution at ongoing new employee orientations.

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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.

DELIVER AND TRACK NEW EMPLOYEE COMPLETION OF MANDATORY CODE OF CONDUCT AND POTENTIAL CONFLICTS – FLORIDA CODE OF ETHICS FOR PUBLIC OFFICERS AND EMPLOYEES TRAINING

➢ Number of new employees who took the online course and passed the final quiz:
  o Employee Code of Conduct / Speak Up! = 1,086
  o Potential Conflicts – Florida Code of Ethics for Public Officers and Employees = 1,012

PROMOTE GIFTS AND HONORARIA AND POTENTIAL CONFLICTS ONLINE TRAINING MODULES FOR CURRENT EMPLOYEES AND TRACK EMPLOYEE COMPLETION

➢ Continued to promote the office's online training modules to employees.

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- ➢ Total number of existing employees who took the online courses and passed the final quiz during this reporting period:
  - o Gifts and Honoraria = 5
  - o Potential Conflicts – Florida Code of Ethics for Public Officers and Employees = 149

ISSUE ANNUAL MEMO ON VULNERABLE PERSONS ACT
- ➢ The optional Protection of Vulnerable Persons training was completed by 14 employees during this reporting period.
- ➢ The annual memo was distributed in March 2024.

DEVELOP AND LAUNCH MANDATORY ANNUAL CODE OF CONDUCT TRAINING WITH CERTIFICATIONS FOR NON-STUDENT EMPLOYEES AND MONITOR COMPLIANCE FOR COMPLETION
- ➢ The 2023 Code of Conduct refresher training containing customized modules (English and Spanish) addressing Conflicts of Interest, Accurate Books and Records, and Political Activities launched on October 22, 2023, with a completion deadline of November 1, 2023.
  - o Number of employees auto enrolled: 7,731
  - o Number of employees completing the training by the November 1, 2023, deadline: 6,716 (90.67%)
  - o Implemented follow up process for delinquent training. By December 31, 2023, 7,310 (99.12%) had completed the training.
  - o Reached 100% completion on April 3, 2024
- ➢ Began preparations for the 2024 Code of Conduct refresher training that will be distributed in September 2024.

MONITOR COMPLIANCE WITH COMPLETION OF THE YOUTH PROTECTION ONLINE TRAINING MODULE AS REQUIRED BY POLICY
- ➢ Required Youth Protection training was completed by 102 program staff working with minors during this reporting period.
- ➢ An additional Overnight Youth Program Staff training was completed by 46 program staff supervising minors overnight, as required.

IN PARTNERSHIP WITH THE INFORMATION SECURITY OFFICE, DELIVER MANDATORY SECURITY AND PRIVACY AWARENESS TRAINING, TRACK EMPLOYEE COMPLETION, AND LOOK FOR OTHER AVENUES TO RAISE SECURITY AND PRIVACY POSTURE
- ➢ Annual mandatory security and privacy course launched on March 11, 2024, and will automatically assign each employee annually thereafter from the date the employee last took the course.
- ➢ Launched the office's inaugural Data Privacy Day awareness campaign, celebrated annually on January 28, to promote awareness about data privacy and educate individuals on how to secure their personal information.
  - o Hosted activities on Friday, January 26, and on Monday, January 29 – offering two opportunities to participate.
  - o On January 26, University Compliance and Ethics hosted a tabling event outside the Student Union where students and employees had the opportunity to learn more about the office, ask questions about data privacy, enter a prize drawing, and take home some UCF swag just for visiting the table.

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- On January 29, University Compliance and Ethics delivered a live webinar, titled "Privacy[at]UCF" that explored how privacy compliance assists the campus community, explained what privacy is versus security, provided tips to protect data at home and at work, and offered resources for anyone interested in data protection and privacy as a career. The webinar slides were also added as a course in Workday.

IDENTIFY ADDITIONAL OPPORTUNITIES TO DEVELOP AND DELIVER COMPLIANCE AND ETHICS TRAINING
➢ Prepared and delivered custom conflict of interest training for UCFAA staff.
➢ Delivered training on state ethics laws to the Staff Advisory Council.
➢ Delivered gifts training to the English Language Institute.
➢ Responded to 75 training related inquiries.

ISSUE ADDITIONAL REGULATORY ALERTS AND UPDATES AS APPROPRIATE
➢ Continued oversight of task force efforts to establish internal controls in compliance with the BOG issued *Activity with Foreign Countries of Concern Guidance Document for State University System Institutions* dated September 2023, related to hiring specified positions.

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, PROVIDE OVERSIGHT OF THE POLICY PROCESS, 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 revised five policies.
➢ Updated resources in the online University Policy Library.
➢ Updated the Policies Requiring a Five-Year Review chart.

UPDATE AND PUBLISH REVISED UCF EMPLOYEE CODE OF CONDUCT
➢ Performed a comprehensive review of the UCF Employee Code of Conduct in coordination with university compliance offices and partners, and relevant university departments. The ADA compliant version of the revised Code of Conduct was published on the office's website in April and printed copies were provided to Human Resources to distribute to all new employees.
➢ Distributed print copies to employees in Environmental Health and Safety and in each prize pack awarded to employees for their participation in the 2024 Compliance and Ethics Culture Survey.

SERVE AS MEMBERS OF THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COLLABORATIVE TO DEVELOP UNIVERSITY POLICIES AND PROCEDURES ON HIPAA COMPLIANCE

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➤ Continued to serve on the UCF Health Sciences HIPAA Collaborative. Reviewed and updated the UCF Health Sciences HIPAA Collaborative roster to ensure appropriate membership and contact details for those individuals with HIPAA responsibilities.
➤ Reviewed and revised three new policies.

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
➤ Continued the review of outside activity and financial interest disclosures reported through the Huron COI system. Foreign influence red flag reviews were completed for each positive response to financial interests and outside activities disclosed with foreign entities. During this period, completed 37 red flag reviews with one resulting in disengagement of the activity.
➤ Reviewed 15 disclosed employment of relatives for potential conflicts.
➤ Received and completed 35 reviews of potential conflicts associated with attendance at conferences or events sponsored by vendors or receiving discounts or gifts.
➤ Reviewed and provided feedback on 17 research exemption requests and coordinated with the provost, president, and Chair of the Board of Trustees for their approval as required by state statute.
➤ Completed 108 conflict of interest reviews requested by employees and departments.
➤ Upon request, modified the Potential Conflict of Interest or Commitment, Outside Activity or Employment HR-11 form to route to the HRBCs instead of HR Records. Posted revised form in April 2024.
➤ Revised the Board of Trustees Policy Conflict of Interest Statement and Disclosure Form which was brought before the UCF Board of Trustees and approved on February 22, 2024.

MANAGE UNIVERSITY-WIDE YOUTH PROTECTION PROGRAM
➤ Youth program registrations approved by the department resulted in eight UCF organized and hosted youth programs and 11 third-party programs, serving a total of 820 minors during this reporting period.
➤ Processed and approved 46 youth program registrations (43 in-person / 3 virtual) that have or will occur. One was later canceled upon request by the program sponsor.
➤ Updated the Youth Protection website to include language clarifying exceptions to the policy based on policy revisions.
➤ Worked with the Squire vendor to add features in the system that enhances the registration and review process to be more thorough and accurate.
➤ Participated in Big 12 Youth Protection Network meetings and Higher Education Protection Network Resources Committee meetings.
➤ Responded to 144 Youth Protection Program related inquiries.

MANAGE AND PROVIDE OVERSIGHT OF THE UNIVERSITY'S FOREIGN INFLUENCE PROGRAM
➤ Continued oversight of the university's foreign influence compliance program including monitoring efforts with the Florida Foreign Influence Act, conducting regular meetings with the Office of International Collaboration and Export Control and Research

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Compliance Office to discuss foreign influence red flags, inquiries, and subsequent investigations.

DEVELOP AND MANAGE UNIVERSITY-WIDE PRIVACY PROGRAM
  ➢ Processed 28 Data Subject Access Requests, reviewed and processed 14 Vendor Risk Management requests, and performed eight Research-related ancillary reviews.
  ➢ Reviewed, provided guidance, and approved privacy related language in 24 contracts.
  ➢ Worked with the University Registrar on four Family Educational Rights and Privacy Act (FERPA) related reports/issues.
  ➢ Reviewed and investigated one IntegrityLine case.
  ➢ Initiated a work group to address privacy and compliance risks resulting from the email migration project. Met with department leaders who employ student employees to gather information to inform the mitigation strategy that will be incorporated in university policy and procedures.

CONTINUE COMPLIANCE PARTNER REPORTING
  ➢ Compliance partners continued to provide updates on their program activities during committee meetings and through separate meetings and discussions when significant issues and challenges arose.

REVIEW THE UCF INTEGRITYLINE AND DEPARTMENT DATABASE FOR TRENDS AND RISK AREAS AND ADDRESS APPROPRIATELY
  ➢ Analyzed 2023 IntegrityLine data and prepared the calendar year 2023 UCF IntegrityLine Report. Identified a significant drop in the reported issue type Offensive or Inappropriate Communication, from 66 reports in 2022, down to 33 in 2023. These types of reports relate to inflammatory, derogatory, unduly critical, or insulting communication, including bullying, and employee's failure to treat one another with respect in accordance with the UCF Ethical Standards. These results reflect a very positive trend and reinforce the efforts made by the office throughout 2020, 2021, 2022, and 2023 to increase civility in the workplace.

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
  ➢ 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 106 new reports through the UCF IntegrityLine and six new reports which came directly through our office alleging misconduct.
  ➢ Triaged incoming IntegrityLine reports with University Audit. When appropriate, reports were referred to a compliance partner, investigated by this office, University Audit, or the Office of Institutional Equity. During this time, 95 IntegrityLine cases and six cases which came directly to our office were investigated and closed.

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- ➢ Performed intake of eight potential cases that did not rise to the level of an investigation following the initial inquiry phase.
- ➢ Responded to six public records requests for IntegrityLine and investigation records.

PROVIDE RECOMMENDATIONS FOR CORRECTIVE ACTIONS AND IMPROVEMENT OF ETHICAL CONDUCT
- ➢ Continued providing recommendations for corrective actions and improvements of ethical conduct following investigations or requests for guidance.

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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.

DEVELOP AND PROMOTE COMPLIANCE AND ETHICS INCENTIVE OPPORTUNITIES
- ➢ Recognized *IntegrityStar* Award winner Melissa Dagley, Ed.D., Executive Director – UCF STEM, for her continuous support of the university's Youth Protection Program and collaboration with our office, in the March 2024 edition of the *IntegrityStar*.
- ➢ Awarded 63 employees prizes for their participation in the 2024 Compliance and Ethics Culture Survey.

PROMOTE AWARENESS OF UCF REGULATIONS, POLICIES AND PROCEDURES, AND REGULATORY REQUIREMENTS
- ➢ Highlighted in the March 2024 edition of the *IntegrityStar* a total of four new and revised UCF policies and four new and revised regulations that had been implemented since the last edition.
- ➢ Distributed two campus-wide emails to employees alerting them of the approval of five new, revised, and emergency policies.

PROMOTE ACCOUNTABILITY AND CONSISTENT DISCIPLINE
- ➢ Continue to provide recommendations for appropriate discipline for substantiated cases to ensure accountability and consistency in corrective actions.
- ➢ 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.

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8. *Measure Compliance Program Effectiveness*

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

DEVELOP AND ISSUE THE COMPLIANCE AND ETHICS ANNUAL REPORT
- ➢ The annual report for 2022-2023 including the activities of our compliance partners and programs across the university was submitted in December to the BOG as required by

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BOG Regulation and provided to the Audit and Compliance Committee of the Board of Trustees at the February 2024 meeting.

LAUNCH FIFTH COMPLIANCE AND ETHICS CULTURE SURVEY AND BENCHMARK RESULTS AGAINST PRIOR YEAR'S RESULTS IN 2016, 2018, 2020, AND 2022
- ➢ Survey was launched on March 4 and remained open until April 5.
- ➢ Initiatives this year to increase participation:
  - o UCF Marketing and Communications distributed all emails on behalf of the office in both English and Spanish
  - o Faculty Senate encouraged faculty participation
  - o University Compliance and Ethics directly contacted student employees to encourage participation, hosted a tabling event with QR Code to take the survey, and promoted a prize drawing – received 349 entries. Awarded 63 employees a series of UCF branded items, a newly printed UCF Employee Code of Conduct, and a personalized thank you card.
- ➢ Achieved a 25.3% response rate which is an increase from the 17.7% rate in 2022.
- ➢ Office of Excellence and Assessment Support is analyzing the results and will issue final reports in June.

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9. *New Regulations and Special Projects*

CONTINUE TO PARTNER WITH HUMAN RESOURCES TO ENSURE COMPLIANCE WITH EMPLOYEE ACKNOWLEDGMENT OF THE EMPLOYEE ANNUAL NOTICES
- ➢ In the spirit of continuous improvement and in an effort to create efficiencies, initiated a project to consolidate mandatory trainings. Collaborated with Human Resources, compliance offices and partners to identify which of the notices contained in the Employee Annual Notice were required under law. Implemented a process to include those legally required notices in the annual Code of Conduct refresher training that will launch in September. Through this initiative and in collaborating with the Compliance and Ethics Advisory Committee, the mandatory requirement for employees that would have normally been launched in March 2024 was discontinued.

TO ENSURE COMPLIANCE AND TRANSPARENCY SERVE OVERSAW THE WORKGROUP CHARGED WITH EVALUATING THE REPORTING OF RESEARCH EXPENDITURES TO THE NSF HERD SURVEY
- ➢ The Vice President for Compliance, Ethics, and Risk coordinated meetings every other week to evaluate the reporting of research expenditures for the current reporting period and to develop procedures to automate collection moving forward.
- ➢ The subgroup met with individuals from Arizona State University to discuss their use of Workday and the associated procedures for identifying research and development expenditures and the associated collection reports.

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