



COMMITTEE ON AUDIT AND COMPLIANCE

Pre-Meeting Minutes

Virtual Meeting

November 13, 2023

Time Convened: 10:59 a.m.

Time Adjourned: 11:51 a.m.

Committee and Board members present:

Daniel T. O’Keefe (Committee Chair), David L. Brandon, Richard P. Cole, Christopher T. Corr, Olivia E. Green, Morteza “Mori” Hosseini (Board Chair), Rahul Patel (Board Vice Chair), Marsha D. Powers, Fred S. Ridley, Danaya C. Wright, Patrick O. Zalupski, and Anita G. Zucker.

Others present:

Ben Sasse, President; Melissa Curry, Vice President for Human Resources; Elias Eldayrie, Vice President and Chief Information Officer; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; David Kratzer, Senior Vice President for Construction, Facilities, and Auxiliary Operations; Maria Gutierrez Martin, Interim Vice President for Advancement; David Nelson, Senior Vice President for Health Affairs and President of UF Health; Mary Parker, Vice President and Chief Enrollment Strategist; Curtis Reynolds, Vice President for Business Affairs; Raymond Sass, Vice President for Innovation and Partnerships; James Wegmann, Vice President for Communications; Heather White, Vice President for Student Life; Joe Cannella, Audit Director; Terra DuBois, Chief Compliance, Ethics, and Privacy Officer; Taylor Jantz, Office of the Chief Financial Officer; Colt Little, Associate Vice President for Enterprise Projects and Senior Counsel; Kate Moore, Director of Compliance and Ethics and Deputy Chief Compliance Officer; Dhanesh Raniga Chief Audit Executive; Olga Weider, Associate Vice President and University Controller; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Committee Chair O’Keefe welcomed everyone in attendance and called the meeting to order at 10:59 a.m.

2.0 Roll Call

Chief Compliance, Ethics, and Privacy Officer (CCO) Terra DuBois conducted a roll call, and all Committee members were present.

3.0 Review Draft Agenda for December Meeting

The following items were addressed by the Committee:

3.1 Review Draft Minutes

- June 8, 2023

3.2 Review Action Items

- **AC1 University of Florida Performance Based Funding and Preeminent Status Metrics Data Integrity (Audit Report) and Annual Data Integrity Certification**

Chief Audit Executive (CAE) Dhanesh Raniga provided an overview of the annual Performance Based Funding audit. He informed the Committee that Florida Statutes section 1001.706(5)(c) requires each university to conduct an annual data integrity audit to verify that the data submitted complies with the data definitions established by the Board of Governors (BOG). The results of the audit are required to be submitted to the BOG Office of the Inspector General as part of the university's certification process. He noted that the university's processes were matured and there were no audit observations noted; all controls and data submissions were in accordance with the requirements.

Committee Chair O'Keefe thanked all those involved with compiling and reporting the performance-based funding data so that the audit report was clean with no improvements or changes recommended.

- **AC2 Charter Review: UF Compliance and Ethics Charter**

CCO DuBois noted that the Board of Governors (BOG) Regulation 4.003, which governs compliance programs, requires a review of the Office of Compliance charter every three years. The Board adopted the charter in 2017 and made substantive revisions in 2020. CCO DuBois confirmed that her office has performed the required charter review, and she proposed a few editorial revisions and two minor additions. Specifically, the charter will be updated to reflect that the CCO is required to notify the Board and BOG of any significant issues of noncompliance and that the compliance program will undergo an external effectiveness review at least every five years.

Committee Chair O'Keefe reminded the committee that the proposed changes are included as redlines in the board materials for review.

- **AC3 Institutional Compliance FY23 Annual Report**

CCO DuBois presented a high-level summary of the Institutional Compliance Program FY23 Annual Report. She noted that the annual report is required pursuant to BOG regulation 4.003, and she certified UF's compliance with that regulation. CCO DuBois provided an overview of the scope of the institutional compliance program, explained how the annual report was created and organized, and provided key highlights of the university's compliance with the seven elements of effective compliance programs.

Committee Chair O'Keefe noted that the annual compliance report is an important tool that allows the Trustees to maintain oversight and gain assurances regarding the university's compliance and institutional controls.

3.3 Review Discussion Items

- **Charter Review: Internal Audit Charter**

CAE Raniga stated that the Board of Governors (BOG) Regulation 4.002(3) requires that the Internal Audit Charter be reviewed every three years. After a review of the current charter, he confirmed that it reflects current requirements and leading practices, and no substantive changes were recommended. Administrative changes have been made to reflect that the Office of Internal Audit now reports administratively to the Office of General Counsel and continues to functionally report to the Board and President.

- **Internal Audit Activity**

CAE Raniga shared the Internal Audit Activity Report, noting that ten reports had been completed and issued since the June board meeting. There were an additional nine audits that were either in progress or planning stage. He provided a high-level overview of the audit results for the completed audits, including the objectives, scope, and recommendations of each completed audit. In reviewing the findings of the audit of UF Governance Standards, CAE Raniga discussed the need to develop a central repository system to ensure compliance with these standards. Board Chair Hosseini agreed and stressed the importance of a centralized repository to ensure accountability for the Liaison for the Direct Support Organizations. He added not only is the department accountable, but the Office of Internal Audit is also accountable. Committee Chair O'Keefe confirmed that the centralized repository would facilitate oversight. CAE Raniga agreed and said the General Counsel would take the lead on this system.

In reference to the University Athletic Association (UAA) Ticket Operations audit, CAE Raniga shared the findings of overall good controls but there was a need for improved documentation of processes and procedures. Committee Chair O'Keefe asked how this would be implemented with partners at UAA. CAE Raniga explained that prior UAA staff had left without documenting processes, so new staff had to create new documentation to ensure continuity.

On the topic of the Major Construction audit, Committee Chair O'Keefe noted that there had been a tremendous amount of work done and that significant progress had been made working with the FCI Committee and Planning Design & Construction (PD&C) staff. Additional progress will require time and resources as there are over \$1 billion of projects in the pipeline. Trustee Brandon shared that there have been good discussions and progress already, and future initiatives will be integrated once master-level programs are settled with the university and prove compatible with PD&C.

Board Chair Hosseini agreed that a lot of work remains to be done and asked for a report on overall construction methodology and the newest methods of construction, including construction managers, hard bids, and profit sharing (cost savings sharing). He noted that after the audit is complete, the Board can consider the most efficient way to hire contractors.

- **Office of Internal Audit FY23 Annual Report**

CAE Raniga stated that the Board of Governors (BOG) Regulation 4.002 requires the Chief Audit Executive to prepare an annual report summarizing the activities of the office for the preceding year. He shared a strategic overview of the office which includes providing value-added services, proactively analyzing risks, and ensuring that internal audit reports are of value in improving and protecting the university's business. CAE Raniga said that the approved audit plan is reevaluated on a quarterly basis to determine if any new risks need to be addressed. He emphasized that audits are aligned with value-add projects rather than "auditing for the sake of auditing."

CAE Raniga noted that audit activity had increased over the years. Due to staffing and resource shortages, the Office of Internal Audit has utilized outside consultants and collaborated with internal partners, including UFIT and the Office of Compliance and Ethics, for the audits. CAE Raniga provided a high-level overview of the contents of the report, which included its purpose, mission, vision, values and required communications under the Institute of Internal Auditing Practicing Standards.

Committee Chair O’Keefe noted that the risk-based process implemented by the Office of Internal Audit in the last several years has been very helpful to the university.

- **Charter Review: Audit and Compliance Committee Charter**

CAE Raniga noted that, pursuant to Board of Governors (BOG) Regulation 4.002(2), the Audit and Compliance Committee charter must be reviewed every three years. He confirmed that his office and UF Compliance and Ethics had performed this review and had no recommended revisions to the Audit and Compliance Committee Charter. The Committee concurred with the review performed by the Office of Internal Audit and UF Compliance and Ethics.

- **Compliance and Ethics Office Update**

CCO DuBois notified the committee that the Conflict of Interest (COI) Program has been moved from the Provost’s Office into UF Compliance and Ethics. This move aligns the compliance functions of the COI team with some of the work her team performed regarding Florida Code of Ethics compliance. In addition, it creates a much better linkage with the team in the Office of Research that handles research conflicts of interest. She mentioned that her office was partnering with the Office of Research to upgrade UFOLIO, the current disclosure software system, and add a research COI module, which will provide enhancements and create efficiencies for faculty and staff.

- **Anti-Fraud Framework Update**

Assistant Vice President and University Controller Olga Weider gave a high-level overview of the most recent efforts related to the antifraud framework. The controller’s office has developed branding to assist with communications and outreach across campus. AVP Weider shared that the goal is to create a culture of accountability and stewardship and emphasize that everyone at UF has a role in the antifraud framework to protect UF. AVP Weider discussed the rebranding and redesign of the Fraud Awareness course required for fiscal officer certification, which was rolled out in Fall 2023. The Internal Controls course is currently being redesigned and should be ready for Spring 2024. She noted that the response and feedback to the new course has been overwhelmingly positive.

AVP Weider highlighted campus outreach activities that included Council of Research Associate Deans lunch meeting, a program for new chairs to help them transition from their academic role to an administrative role, and the Fiscal Responsibility for UF Leaders course. The fiscal responsibility course is a collaborative workshop attended by unit leaders along with their fiscal, HR, and research staff to enhance fiscal accountability.

Committee Chair O’Keefe thanked AVP Weider for a great update.

4.0 New Business

There was no new business to come before the committee.

President Sasse thanked the committee for their efforts.

5.0 Adjourn

There being no further discussion, Committee Chair O’Keefe adjourned the meeting at 11:51 a.m.