



COMMITTEE ON AUDIT AND COMPLIANCE

Meeting Minutes

June 6, 2019

President's Room 215B, Emerson Alumni Hall

University of Florida, Gainesville, FL

Time Convened: 8:05 a.m.

Time Adjourned: 8:25 a.m.

Committee and Board members present were:

Marsha D. Powers (Chair), David L. Brandon, Michael C. Murphy, Rahul Patel, Robert G. Stern, Ray G. Thomas

Others present were:

W. Kent Fuchs, President; Winfred Phillips, Executive Chief of Staff; Joseph Glover, Provost and Senior Vice President for Academic Affairs; Charlie Lane, Senior Vice President and Chief Operating Officer; Amy Hass, Vice President and General Counsel; Elias Eldayrie, Vice President and Chief Information Officer; Jodi Gentry, Vice President For Human Resources; Antonio Farias, Chief Diversity Officer and Senior Advisor to the President; Jodi Gentry, Vice President for Human Resources; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; Michael McKee, Vice President and Chief Financial Officer; Thomas Mitchell, Vice President for Advancement; David Nelson, Senior Vice President for Health Affairs and President of UF Health, David Norton, Vice President for Research; Nancy Paton, Vice President for Strategic Communications and Marketing; Curtis Reynolds, Vice President for Business Affairs; Scott Stricklin, Director of Athletics; other members of the University of Florida community, and other members of the public and the media.

1.0 Verification of Quorum

Senior Vice President Lane verified a quorum with all members present.

2.0 Call to Order

Committee Chair Marsha D. Powers welcomed everyone and called the meeting to order at 8:05 a.m.

3.0 Review and Approval of Minutes

Chair Powers asked for a motion to approve the minutes of the March 28, 2019 Committee meeting, which was made by Trustee Stern, and a second, which was made by Trustee Brandon. Chair Powers then asked for further discussion, and then all in favor of the motion and any opposed, and the motion was approved unanimously.

Chair Powers then asked for a motion to approve the minutes of the May 3, 2019 Committee meeting, which was made by Trustee Stern, and a second, which was made by Trustee Thomas. Chair Powers asked for further discussion, and then all in favor of the motion and any opposed, and the motion was approved unanimously.

The Committee next considered the one Action Item that it had to address.

4.0 Action Item

AC1. Office of Internal Audit Work Plan – June 1, 2019 – December 31, 2019

The Office of Internal Audit establishes its audit coverage with a work plan that identifies the activities and issues they plan to cover. Interim Chief Audit Executive Joe Cannella presented the current work plan reflecting the planned projects for the period from June 1, 2019 to December 31, 2019. He stated the work plan was prepared, based on the previous audit risk assessment with addition of known projects. The objective is to address key functions, activities and units of the university for the purpose of evaluating and improving the effectiveness of its risk management, internal controls and governance processes. The audit work plan will be reviewed semi-annually in response to changing priorities, conditions, or audit resources and is expected to utilize the efforts of the university's evolving enterprise risk management program.

Chair Powers asked for a motion to approve Committee Action Item AC1, which was made by Trustee Powers, and a second, which was made by Trustee Thomas. Chair Powers asked for any further discussion, and then asked for all in favor of the motion and any opposed and the motion was approved unanimously. This is the final action on this matter. Further Board of Trustees action is not required.

The following Discussion/Informational Items were the addressed by the Committee:

5.0 Discussion/Information Items

5.1 Update on External Audits

Chair Powers provided an update on external audit activity that has been conducted by the Auditor General's Office. Chair Powers explained that there are currently three audits under way at this time: the financial statement audit of the university for the FYE June 30, 2019, the Bright Futures audit covering the FYE June 30, 2018 and 2019, and the operational audit of the university. Results for these audits are expected during the first quarter of the next calendar year.

5.2 Compliance Program Update

Executive Associate Vice President Ruszczyk gave a compliance update, which included the status of the required institutional ethics and conflicts of interest training being developed by UF leadership for the trustees, and UFOLIO, a new and improved online outside interests and activities disclosure form.

Executive Associate Vice President Ruszczuk advised that they are midway through development of the training, which is being demonstrated to various user and advisory groups and subject matter experts within the university. Board Chair Hussein expressed his interest in the university taking the lead on this important, required training and the importance of working quickly and collaboratively with the General Counsel's office to develop a policy and set of guidelines. Trustee Patel advised that this policy has been discussed in the Governance Committee and they are working with the General Counsel's office to incorporate into the university's Governance standards, which he expects to be ready in time for the September BOT meeting.

5.3 Audits and Other Reviews

Interim Chief Audit Executive Joe Cannella presented the following internal audit projects that had been issued since the last Committee meeting:

- 1) UFF Financial Monitoring Controls
- 2) Driver and Information Database
- 3) Online Education

The reports and summaries, which had been previously provided to the Committee for detailed review, were briefly discussed and questions were answered.

Interim Chief Audit Executive Cannella also discussed the Executive Expense Review Protocol, which was expanded to include that the Office of Internal Audit will regularly report to the Trustees on the review process, including an evaluation of the procedures and independent testing to verify that controls are working as intended.

5.4 Quarterly Follow-up

Interim Chief Audit Executive Cannella also reported on the follow-up status of comments and action plans from previously issued internal and other audits and indicated that there was nothing of significance to report, nor any follow-up ceased due to departmental inaction.

6.0 New Business

Senior Vice President and Chief Operating Officer Lane gave an update on the Chief Audit Executive search and indicated that the search has produced some fantastic applicants. The search committee is scheduled to meet on June 7, interviews to take place on July 17 and 18, finalists to be named by early August and a decision made in late August.

7.0 Adjourn

There being no further discussion, Committee Chair the meeting was adjourned at 8:25 a.m.