



COMMITTEE ON AUDIT AND COMPLIANCE

Pre-Meeting Minutes

Virtual Meeting

November 19, 2020

University of Florida, Gainesville, FL

Time Convened: 3:06 p.m.

Time Adjourned: 3:48 p.m.

Committee and Board members present:

Marsha D. Powers (Committee Chair), Richard P. Cole, Leonard H. Johnson, Rahul Patel, Trevor J. Pope

Others present:

Amy Hass, Vice President and General Counsel; Curtis Reynolds, Vice President for Business Affairs; Terra DuBois, Chief Compliance, Ethics, and Privacy Officer; Dhanesh Raniga, Chief Audit Executive; Joe Cannella, Audit Director; Alan West, Assistant Vice President and University Controller; members of the University of Florida community, and other members of the public.

1.0 Call to Order and Welcome

Committee Chair Powers welcomed everyone in attendance and called the meeting to order at 3:06 p.m.

2.0 Roll Call

Board Staff conducted a roll call of all Committee and Board members present.

3.0 Review Agenda for December 3, 2020 Meeting

The following items were addressed by the Committee:

3.1 Review Minutes

June 4, 2020, Committee on Audit and Compliance Minutes

3.2 Action Items

AC1 Review Charters

1.1 Audit and Compliance Committee Charter

The Audit and Compliance Committee charter is required to be reviewed every three years as per BOG Regulation 4.002 (2). Dhanesh Raniga, Chief Audit Executive, gave an overview of the process to review the charter and advised that the audit and compliance duties and responsibilities of the committee are

now combined into one concise section in the charter. The duties and responsibilities regarding financial reporting and disclosure, internal audit and compliance oversight were updated to provide clarity and make references to BOG regulations, where appropriate. Terra DuBois, Chief Compliance, Ethics, and Privacy Officer confirmed that compliance duties are now included in the charter and reflect the BOG regulations.

1.2 Office of Internal Audit Charter

Chief Audit Executive Raniga discussed updates to the Internal Audit charter that were made, to incorporate BOG regulations and consolidate internal audit services and responsibilities to remove duplication.

1.3 UF Compliance and Ethics Charter

Chief Compliance, Ethics, and Privacy Officer DuBois discussed the UF Compliance and Ethics (UFCE) charter, which was reviewed as required by BOG Reg. 4.003 every three years. Minor revisions were made to reflect the changes in the office name and the chief compliance officer reporting structure. A new section was added to include the professional standards the CCO and UFCE staff adhere to.

AC2 University of Florida Performance Based Funding and Preeminent Status Metrics – Data Integrity (Audit Report) and Annual Data Integrity Certification

Chief Audit Executive Raniga gave a brief overview of the report and advised that the audit has been conducted by his office for the last seven years. There were no reportable issues noted regarding data integrity or the information submitted. The certification needs to be approved and signed by President Fuchs and Board Chair Hosseini.

AC3 Institutional Compliance Annual Report

Chief Compliance, Ethics, and Privacy Officer DuBois presented key points of the Institutional Compliance Annual Report which is also required by the BOG. The report is organized into the seven elements of an effective compliance program and provides, for each element, a high-level summary of UFCE activities followed by highlights of compliance partners' efforts and initiatives. Fifty-seven units contributed to the annual report.

AC4 Office of Internal Audit Work Plan January 1, 2021 - June 30, 2021

Chief Audit Executive Raniga discussed the work plan, which includes areas of high risk and where internal audit can add the most value. The plan focuses more towards assurance type internal audit projects and included significant areas of the University's business and operations. The audit plan includes areas such as Payroll, Research Compliance, Construction, IT Security and audits at the decentralized locations. Time has been allocated to facilitate the University's Enterprise Risk Management program, which will assist in informing the future internal audit plans. The plan included some carry-over projects which are in progress.

3.3 Discussion Items

Update on External Audits

Committee Chair Powers briefed the committee that the external auditors recently issued an audit report on P.K. Yonge, which included a few findings and plans for improvement.

Compliance and Ethics Program Update

Chief Compliance, Ethics, and Privacy Officer DuBois gave an update on the Compliance and Ethics Program. The major points included the status of key projects, an update on the office staffing, and more details on the institutional compliance annual report. Other updates included Youth Compliance Services functions being folded into UFCE and the Office taking the centralized responsibility for meeting the Department of Education foreign gifts and contacts reporting.

Audits of Affiliated Organizations

Assistant Vice President and University Controller Alan West reviewed the audits of affiliated organizations and advised that almost all audits came in for the DSO's as clear, unmodified. The auditor's opinion on the Gator Boosters financial statements was accepted by their board. The opinion on the Cattle Enhancement Board financial statements has been drafted, with plans to issue by end of month. Mr. West also gave an overview of management letter comments for UF Development Corporation and Florida Health Professions Association, Inc. He also mentioned that an audit at UF Health Shands was pending due to the external auditors requiring time to audit the CARES Act requirements in relation to the financial statements.

Audits and Other Reports

Audit Director Joe Cannella gave a brief overview of the audits that have been issued since the last committee meeting or will be issued before the December BOT meeting: UFF Information Technology General Controls, UFF Restricted Gifts (Endowed and Non-Endowed), Research Shield Computing, Construction Funding, and Performance-Based Funding and Preeminence Data Integrity, as well as other advisory reports and the internal audit annual report. The Committee received a copy of the annual report in the materials. Audit Director Cannella also provided a brief review of the content of the annual report and stated it would be issued after the meeting.

Quarterly Follow-up

Audit Director Joe Cannella reported the follow-up status of comments from previously issued internal and other audits. He explained the purpose and objectives for the follow-up processes.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

There being no further discussion, Committee Chair Powers adjourned the meeting at 3:48 p.m.