



**COMMITTEE ON AUDIT AND COMPLIANCE**

**Pre-Meeting Minutes**

**Virtual Meeting**

**May 17, 2021**

**University of Florida, Gainesville, FL**

**Time Convened: 2:01 p.m.**

**Time Adjourned: 3:08 p.m.**

**Committee and Board members present:**

Marsha D. Powers (Chair), David L. Brandon, Cooper L. Brown, Richard P. Cole, Sylvain Doré, Morteza “Mori” Hosseini, Tom Kuntz, Rahul Patel, Fred S. Ridley, Anita G. Zucker.

**Others present:**

Chris Cowen, Senior Vice President and Chief Financial Officer; Amy Hass, Vice President and General Counsel; Charlie Lane, Senior Vice President and Chief Operating Officer; Curtis Reynolds, Vice President for Business Affairs; Terra DuBois, Chief Compliance, Ethics, and Privacy Officer; Dhanesh Raniga, Chief Audit Executive; Joe Cannella, Audit Director; Olga Weider, Assistant Vice President and University Controller; Joe Cannella, Audit Director; Carrie Bush, Chief of Staff to the Chief Operating Officer; Meghan St George with Baker Tilly; other members of the University of Florida community and public.

**1.0 Call to Order and Welcome**

Committee Chair Powers welcomed everyone in attendance and called the meeting to order at 2:01 p.m.

**2.0 Roll Call**

Terra DuBois, Chief Compliance, Ethics and Privacy Officer conducted a roll call of Committee members present.

Committee Chair Powers recommended reordering the agenda so that Action Item AC1 and Discussion Item on Enterprise Risk Management were addressed concurrently because external consultants from the firm Baker Tilly were present for both of these agenda items.

**3.0 Review Draft Agenda for June 2021 Meeting**

**3.1 Review of Draft Minutes**

**3.2 Review Action Items**

**• AC1 External Review of Compliance and Ethics Program**

Terra DuBois, Chief Compliance, Ethics, and Privacy Officer (CCO) stated that this was the first external assessment of the Compliance and Ethics Program which was conducted by Baker Tilly.

She reminded the committee members that the assessment must be approved by the BOT with a copy sent to the Board of Governors (BOG).

Meghan St George, with Baker Tilly, summarized the assessment's key findings by highlighting the program's strengths and opportunities. They looked at the current structures and processes in place and noted very positive areas, such as the CCO's expertise, system-wide compliance training, strong top-down support, and good collaboration on hotline management. Opportunities include enhancing the strategic oversight, a two-tier committee structure to support the CCO, conducting compliance risk assessments, and ensuring resources align with the program as it evolves. St George also discussed the Maturity Model as a tool to help visualize and guide the Compliance and Ethics Program. She stated that overall, the UF Compliance Program received the rating of "Generally Conforms" based on the BOG suggested rating scale.

Trustee Doré noted that faculty spend a lot of hours in training and asked the CCO to consider consolidating some of the training system wide. Trustee Patel inquired about the rules Baker Tilly used in the assessment as a benchmark. St George replied that, in addition to the BOG Regulations, they looked at the Federal Sentencing Guidelines, the Department of Justice guidance, and other industry standards. Trustee Patel suggested a discussion to ensure we can create some synergy and alignment with the UF specific governance standards. Trustee Powers agreed.

- **AC2 Office of Internal Audit Work Plan July 1, 2021 – June 30, 2022**

Chief Audit Executive Dhanesh Raniga presented the proposed Internal Audit work plan for the 2021-22 fiscal year. He provided an overview of the process for developing the work plan, which included input from the senior University executives and the Committee members. An assessment was performed to identify areas of risk that would tie into the strategic and operational plans and included management's concerns. An Assurance Map was also developed to document the University's significant activities, key business processes and related auditable topics. A risk rating was assigned to the auditable areas and the Assurance Map will be periodically updated as the University's risk profile changes. For the longer term, the enterprise risk management results will provide additional input for the Assurance Map. Mr. Raniga highlighted areas of audit focus for the 2021-22 work plan and the rationale for selecting certain topics for internal audit assessment. Mr. Raniga also provided his views on the current internal audit staffing profile and the areas of investment that will be required in order to meet the work plan objectives. Committee Chair Powers thanked the Committee and University leaders who provided input to Chief Audit Executive Raniga for the work plan.

#### **Discussion Items**

- **Enterprise Risk Management Update**

Chief of Staff to the Chief Operating Officer Carrie Bush gave a detailed update of the Enterprise Risk Management, including structure and governance, an update of initial and current risk assessments, and an overview of the next steps. Committee Chair Powers advised that it was important for Compliance and Ethics and Internal Audit to combine their efforts to recognize and address risks from the ERM. Trustee Doré asked to add a focus on the research area for staff. Trustee Patel added that they need to also focus on compliance with the Governance Standards.

Board Chairman Mori Hosseini requested additional information on the objectives of ERM, and the relationship with functions such as compliance and other areas within the University that manage risks. SVP Lane and VP Hass explained their vision of ERM within the University. He recommended that Trustee Powers work with SVP Lane and VP Hass to determine where the responsibility for ERM lies within University governance and report back to him.

- **Update on External Audits**

Assistant Vice President and University Controller Olga Weider briefed the committee that an entrance conference has been scheduled for later this month with the state Auditor General. According to information from the Auditor General's office, the 2020-21 financial, federal, and operational audits will include the Higher Education Emergency Relief Funding, Bright Futures, and Florida Student Assistance Grant programs.

- **Internal Audit Activity**

Chief Audit Executive Dhanesh Raniga and Audit Director Joe Cannella gave an overview of the current status of the 2020-21 work plan. The Procurement internal audit was completed, and he advised that four additional internal audits are in final stages. They include the Clinical Research Billing Compliance, Payroll for Non-Exempt Employees, IT Security Risk Management, and Business Continuity Planning and Disaster Recovery. Mr. Raniga provided an overview of the significant comments that are included in the internal audit reports. Audit Director Joe Cannella then advised that audit follow-up activities are up to date.

#### **4.0 New Business**

There was no new business for the Committee.

#### **5.0 Adjourn**

There being no further discussion, Committee Chair Powers adjourned the meeting at 3:08 p.m.