



## COMMITTEE ON AUDIT AND COMPLIANCE

### Pre-Meeting Minutes

#### Virtual Meeting

May 24, 2022

Time Convened: 2:00 p.m.

Time Adjourned: 2:33 p.m.

#### Committee and Board members present:

Marsha D. Powers (Committee Chair), David C. Bloom, David L. Brandon, Richard P. Cole, Morteza “Mori” Hosseini (Board Chair), Lauren D. Lemasters, Rahul Patel, and Fred S. Ridley

#### Others present:

Joe Cannella, Audit Director; Chris Cowen, Senior Vice President and Chief Financial Officer; Terra DuBois, Chief Compliance, Ethics, and Privacy Officer; Charlie Lane, Senior Vice President and Chief Operating Officer; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; Dhanesh Raniga, Chief Audit Executive; Curtis Reynolds, Vice President for Business Affairs; Olga Weider, Assistant Vice President and University Controller members of the University of Florida community, and the public.

#### 1.0 Call to Order and Welcome

Committee Chair Marsha D. Powers welcomed everyone in attendance and called the meeting to order at 2:00 p.m.

#### 2.0 Roll Call

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

#### 3.0 Review Draft Agenda for June Meeting

Committee Chair Powers reviewed the Agenda for the June 16, 2022 meeting and commented that Olga Weider, Assistant Vice President and University Controller, would provide an update on the Financial Internal Controls at the University Support Organizations.

The following items were addressed by the Committee:

##### 3.1 Review Draft Minutes

- April 21, 2022, Committee on Audit and Compliance Minutes

##### 3.2 Review Action Item

- **AC1: July 1, 2022 – June 30, 2023 Office of Internal Audit Work Plan**

Chief Audit Executive (CAE) Dhanesh Raniga presented the Internal Audit work plan for the 2022-23 fiscal year, as required by the BOG regulations and the Internal Audit Charter. CAE Raniga provided an overview of the process for developing the risk-based work plan, which included input from senior University executives, Trustees, higher education sector risk factors, the University's assurance map, the University's strategic plans, and other related information. CAE Raniga highlighted areas of audit focus for the 2022-23 work plan and the rationale for selecting certain topics for internal audit assessment. He also discussed partnering with the Compliance and Ethics Office to address mutual areas of high-risk topics noted in the workplan. He informed the Committee that the workplan included an increased focus on assurance-type internal audit projects to validate key internal controls while assessing for leading business practices and efficiency. It also covered significant areas of the University's operations and addressed current issues in higher education, including allowance for the decentralized operations and current university initiatives. The workplan will be flexible to allow for a changing risk profile and assumes that staff hires will be made to fill vacant positions.

Chair Hosseini asked CAE Raniga about post-audit communication with Senior Vice President and Chief Financial Officer Chris Cowen regarding financial/operational concerns that may be found in an audit. CAE Raniga and SVP and CFO Cowen each explained that their offices regularly engage in collaborative discussions about pertinent issues, observations, and information.

Committee Chair Powers thanked those who provided input on the audit plan, especially Trustee Brandon, who provided his expertise regarding the construction audit, which is in progress.

### **3.3 Review Discussion Items**

- **Internal Audit Activity**

CAE Raniga and Audit Director Joe Cannella updated the Committee on three audits that have been completed since the April 2022 Committee meeting: Disbursements, IT Project Management, and the UAA Cyber Security Risk Management. Audit Director Cannella gave an overview of the reports, advised that the Lab Safety audit was in the final stages of completion, and reviewed follow-up statistics.

- **UF Compliance and Ethics Program Overview**

CCO DuBois informed the Board members of two items. First, CCO DuBois notified the Committee that she would circulate to the Board in early August 2022 the required summary report of all internal travel undertaken at the University, pursuant to Florida Statutes 1010.36. Second, CCO DuBois notified the Committee that she would present an educational session to the Board every year. At the June 16, 2022, meeting she will focus on tips and ideas on how trustees can engage in the Compliance and Ethics Program.

In reference to the travel summary, Chair Hosseini asked about the University's rules for traveling in business or first class since that had drawn legislative attention. CCO Terra DuBois responded that University's travel policy dictates that business class is only available to travelers on flights of 9 hours or more. SVP and CFO Cowen added that the new travel system will have restrictions that will prevent selecting the wrong ticket class and make reporting much easier. Vice President and General Counsel Amy Hass pointed out that this new system will increase efficiencies and will be a good resource for our compliance functions.

Senior Vice President and Chief Operating Officer Charlie Lane applauded how the audit plan has been progressing, and the number of the projects completed and planned was a significant improvement. He noted that the internal audit team had purchased software to improve the audits, which should make the process more efficient and effective, allowing more time to address audit outcomes with auditees. Committee Chair Powers agreed and commented that the audit reports' quality had significantly increased.

#### **4.0 New Business**

Chair Hosseini noted that after the final presentations from the Colleges during the June meeting, the Board will have individual administrative departments make presentations to the Board.

#### **5.0 Adjourn**

There being no further discussion, Committee Chair Powers adjourned the meeting at 2:33 p.m.