

COMMITTEE ON AUDIT AND COMPLIANCE

Pre-Meeting Minutes

Virtual Meeting

November 15, 2022

Time Convened: 2:00 p.m.

Time Adjourned: 2:58 p.m.

Committee and Board members present:

Marsha D. Powers (Committee Chair), David L. Brandon, Richard P. Cole, Thomas G. Kuntz, Lauren D. Lemasters, Daniel T. O’Keefe, Rahul Patel, Amanda J. Phalin, and Anita G. Zucker.

Others present:

Chris Cowen, Senior Vice President and Chief Financial Officer; Amy Hass, Vice President and General Counsel; Curtis Reynolds, Vice President for Business Affairs; Olga Weider, Assistant Vice President and University Controller; Joe Cannella III, Audit Director; Dhanesh Raniga, Chief Audit Executive; Terra DuBois, Chief Compliance, Ethics, and Privacy Officer; Kate Moore, Director, Compliance and Ethics; Rebecca DeCesare, Assistant Director for Clery Compliance; 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 of all Committee and Board members present.

3.0 Review Draft Agenda for December 2022 Meeting

3.1 Review Draft Minutes

- June 16, 2022
- August 16, 2022

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 gave an overview of the internal audit report and advised that the audit was undertaken in compliance with Florida Statutes 1001.92 and 1001.7065 which requires each university to conduct an annual audit to verify that the data submitted complies with the data definitions established by the Board of

Governors (BOG). CAE Raniga reported that the University has good controls and no observations or findings were noted regarding data integrity, or the information submitted to the BOG. He advised that he would recommend that the University submit the Data Integrity Certification, which is required to be signed by President Fuchs and Board Chair Hosseini.

- **AC2 Institutional Compliance Annual Report**

CCO DuBois presented a high-level summary of the Institutional Compliance Program Annual Report. The report is organized around the compliance focus areas representing those units that have significant compliance activities across the university. CCO DuBois pointed out a few highlights in the compliance efforts and initiatives across campus aligning them with the seven elements of an effective compliance program.

Trustee Cole noted that though compliance and audit activities can be tedious, they are really important for the university. Chair Powers agreed and expressed how vital it is to be educated on what our responsibilities are.

3.3 Review Discussion Items

- **BOG's Request – Update on Review of Financial Internal Controls at University Support Organizations**

Assistant Vice President and University Controller (AVP/UC) Olga Weider provided details on the two recommendations in the final report that was issued by Crowe. The University is working with DSOs and Affiliates to provide corrective action status which is required by the BOG by December 9, 2022.

CAE Raniga advised that the results of the report were good for the university enterprise. CAE Raniga also mentioned that he, CFO Chris Cowen, and AVP/UC Weider worked diligently with Crowe to ensure the final report was factually accurate, and the University should be pleased with the results. CAE Raniga reported that internal audit will be performing their follow up procedures to ensure that the recommendations were timely implemented.

- **Antifraud Framework Overview**

AVP/UC Weider provided information about the various components of the Antifraud Framework, the University's response to mitigating the risks of fraud, waste, and abuse. AVP/UC Weider discussed the components of the framework, the efforts to continually enhance and expand the framework, and efforts to educate and engage faculty, business officers, and other stakeholders so that the framework becomes integrated into university culture.

- **Office of Internal Audit FY22 Annual Report**

CAE Raniga and Audit Director Joe Cannella gave an overview of the Office of Internal Audit's (OIA) annual report as required by BOG regulation 4.002 and the Institute of Internal Auditing standards. CAE Raniga provided highlights of the year, including an overview of staffing and related activities, an enterprise-wide risk assessment and update of the University's assurance map, the annual risk-based audit work plan, implementation

of audit management software, incorporating data analytic tools into internal audit methodology, utilizing subject matter resources, and other OIA activities related to improving University internal control environment, project management, leadership, and educational activities. He also provided an overview of the required communications regarding the internal audit's compliance with the Institute of Internal Audit's (IIA) professional practicing standards. An external, five-year assessment of OIA to assess compliance with the IIA standards will be planned for next year.

- **Internal Audit Activity**

CAE Raniga reported that four internal audits had been completed since the August 2022 Committee meeting: IT Security Risk Assessment; Performance Based Funding and Preeminence Metrics; Restricted Gifts Compliance; and Aviation Operations. CAE Raniga gave an overview of the reports and advised that two additional audits were in the final stages of completion and nine other audits were in planning or in progress. He also updated the committee on other audit-related activities and staffing and recruitment efforts; a staff investigator joined the OIA, and recruiting efforts are in progress for three senior auditors. Audit Director Joe Cannella provided details on the follow-up status of internal audit recommendations, including those which are extended or ceased. CAE Raniga also provided an updated on the status of completing the approved internal audit plan which was included in the presentation to the Committee. Chair Powers added that Trustee Brandon and Trustee Patel's input should be obtained prior to finalizing the construction and governance audits.

- **Annual Security and Fire Safety Reports Overview**

CCO DuBois introduced Rebecca DeCesare, Assistant Director for the Clery Compliance Program. She reminded the Trustees that they had received a copy of the Annual Security and Fire Safety Reports in September and that Rebecca was there to answer any questions they may have. Dr. DeCesare went over the major milestones of the Clery Compliance Program, one of which being the creation of a dynamic Clery Geography map that identifies our 37 Clery Campuses.

Trustee Cole asked if some of the Clery efforts could be incorporated in the new app being developed for students. The Compliance team stated they will connect with UF Information Technology and other units to discuss including safety-related information in the new app. Trustee Cole also asked what efforts are undertaken to learn from tragedies at other universities, such as at the University of Virginia and the University of Idaho. Vice President Curtis Reynolds explained that the UF Police Department reviews incidents of that nature and incorporates any lessons learned into their current practices.

Trustee Brandon added how the campus-wide improvements across the university, such as the cameras and security call stations, are great security enhancements as well. Trustee Phalin thanked Trustee Brandon and his committee for working on these important improvements.

4.0 New Business

Chair Powers asked if there was any new business. There was none.

5.0 Adjourn

There being no further discussion, Committee Chair Powers adjourned the meeting at 2:58 p.m.

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