

**USF Board of Trustees
Audit & Compliance Committee
NOTES
Thursday, February 16, 2017
Tampa Campus - Marshall Student Center Room# 3707**

I. Call to Order and Comments

The meeting of the Audit & Compliance Committee was called to order by Chair Nancy Watkins at 8:03am.

Committee members present: Nancy Watkins, Stephanie Goforth, and Byron Shinn.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

BOT Chair Brian Lamb joined the meeting at this time.

a. Approval of October 26, 2016 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Watkins requested a motion for approval, it was seconded and the October 27th meeting notes were unanimously approved as written.

b. Approval of Compliance & Ethics Program Charter

Jeff Muir, Chief Compliance Officer, presented the charter for the Compliance & Ethics Program. The new charter is mandated by new BOG regulation 4.003. The charter details the changes in the reporting relationship and structure of the Chief Compliance Officer and the separation of the audit and compliance programs.

A motion was made to move the Compliance & Ethics Program Charter to the full board with a recommendation for adoption of the charter. The motion was seconded and approved by all committee members present.

c. Approval of the Revised Audit Program Charter

Kate Head, Interim Executive Director of University Audit & Compliance (UAC), presented the revised Audit Program charter. The revised charter brings the university into compliance with BOG regulations 4.001 and 4.002. The charter effectively separates the current office of University Audit & Compliance into two programs: USF System Compliance and Ethics, and USF System Audit. The charter also includes additional BOG reporting requirements which UAC was already doing as best practices.

A motion was made to move the revised Audit Program Charter to the full board with a recommendation for adoption of the revised Audit Program Charter. The motion was seconded and approved by all committee members present.

d. Approval of the Adoption of USF System Regulation: Waste, Fraud, or Financial Mismanagement Prevention and Detection

Hilary Black, Sr. Associate General Counsel, presented the USF System regulation on Waste, Fraud, or Financial Mismanagement Prevention and Detection. USF has always had a policy on this issue and is now required by the BOG to have a regulation. The BOT is being asked to repeal the policy and adopt the regulation. New requirements in the regulation include timely notification to the BOG and articulating how the university will address any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the chief audit executive, chief compliance officer, the university president or a board of trustees member.

A motion was made to move the USF System Regulation on Waste, Fraud, or Financial Mismanagement Prevention and Detection to the full board with a recommendation to repeal the existing policy and adopt the new system regulation. The motion was seconded and approved by all committee members present.

IV. New Business – Information Items

a. Update – Performance-Based Funding Data Integrity Audit

Provost Ralph Wilcox gave an update on the Performance-Based Funding Data Integrity Audit. The Provost explained that through our own internal audit process, we've identified an anomaly (flaw in an algorithm) in the data file for tracking hours to degree (and the courses to degree table that affects the excess hours metric), resulting in our underreporting of metric 9. We have been given authority to make corrections and rerun the data. We will submit by the February 24th BOG deadline. We have been underreporting our students graduating without excess hours. The correction/submission may show us doing better on the metric than was originally submitted.

V. Adjournment

Chair Watkins stated that we now have charters which give clear direction for audit and compliance and meeting requirements of the BOG. We are well on our way to completing all the BOG requirements. USF has set some best practices that are now included so we are well ahead of other SUS institutions and well on our way to full compliance.

Chair Lamb thanked Chair Watkins and the team for all the accomplishments to date. USF was well positioned for these BOG changes and requirements. He asked what the next steps are, does the BOG have to approve. Chair Watkins responded that we must submit the new/revised charters to the BOG, but they will not take any action. Mr. Muir confirmed.

Having no further business, Chair Watkins adjourned the Audit & Compliance Committee meeting at 8:21am.