



**USF Board of Trustees
Audit & Compliance Committee
NOTES
May 24, 2022
Microsoft Teams Virtual Meeting**

I. Call to Order and Comments

The meeting of the Audit & Compliance Committee was called to order by Chair Sandra Callahan at 10:07am. Chair Callahan asked Kiara Guzzo to call roll. Ms. Guzzo called roll with the following committee members present: Sandra Callahan, Oscar Horton, and Lauran Monbarren. A quorum was established.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of February 21, 2022, Meeting Notes

Upon request and receiving no changes to the meeting notes, Chair Callahan requested a motion for approval, it was seconded, and the February 21st meeting notes were unanimously approved as written.

b. 5-Year Independent Peer Review of USF Compliance & Ethics Program

Dr. Caroline Fultz-Carver, Chief Compliance Officer, presented highlights of the 5-Year Independent Peer Review of USF Compliance & Ethics Program. Per Board of Governors' regulation, at least once every five (5) years, the USF President and Board of Trustees (BOT) shall be provided with an external review of the design and effectiveness of the USF Compliance & Ethics (C&E) Program and any recommendations for improvement. The assessment shall be approved by the BOT and a copy provided to the BOG. This independent, external peer review is of the last five years (2017-2021) activity with focus on the past two years (2020-2021), assessing C&E effectiveness in meeting the seven elements of an effective compliance program under Federal Sentencing Guidelines as well as BOG Regulation 4.003. The review utilizes an effectiveness tool developed by the SUS Compliance & Ethics Consortium based on regulatory requirements, industry best practices, and guidance provided by the BOG Inspector General and Director of Compliance. The effectiveness tool is essentially a self-assessment tool where we review our program and then provide the completed tool to the reviewers along with supplemental documentation to support our self-assessment. C&E provided over 2,000 pages of documentation to the reviewers as part of their evaluation. In addition, the reviewers performed interviews of key personnel across the university including the President and Chair Callahan. The reviewers noted the following observations and positive attributes: strong working relationship between leadership of our University, Board, and Compliance Program; experienced, credentialed compliance

leadership; assuring consistent, appropriate progressive discipline for noncompliance; policies reflecting successful practices (Waste, Fraud, & Financial Mismanagement; Progressive Discipline; Criminal History Background Check; and Discrimination and Harassment); EthicsPoint anonymous reporting hotline widely advertised; and New Employee Orientation and Board Compliance Training. C&E received an overall rating of highly effective. This is the highest rating on a scale of three – highly effective, generally effective, or not currently effective. Of the sixteen measures, we were highly effective on 13 and generally effective on 3. The reviewers made two sets of recommendations in the areas where we were generally effective (performing our responsibilities in an acceptable manner, they suggested some areas for improvement). For executive management and BOT ACC: 1) annually update Enterprise Risk Assessment and Management Plan (ERM); 2) allocate sufficient resources to enable the achievement of goals; and 3) update background check policy. For Chief Compliance Officer: 1) monitor university policies to assure their periodic evaluation and update; and 2) send the Compliance and Ethics Annual Report to all USF employees and confer with leadership. Dr. Fultz-Carver presented the action plans in place for addressing all recommendations.

Chair Callahan noted that she did talk with the reviewers and they are knowledgeable and experienced compliance officers at Florida universities. The review was done within a framework provided by the BOG that was very comprehensive. We should feel very gratified that these professionals thought as highly as they did of the Compliance & Ethics Program here at USF. She commended Dr. Fultz-Carver and her team for running a program that warranted that kind of peer review.

A motion was made to accept the Five-Year Independent Peer Review of the USF Compliance & Ethics Program and recommend approval to the full Board. The motion was seconded and approved by all Committee members present.

IV. New Business – Information Items

a. Update – Review of Financial Internal Controls/University Support Organizations

Virginia Kalil, Executive Director and Chief Internal Auditor, provided another update to the financial internal control review taking place at the university's support organizations. Ms. Kalil reminded the group that this is a review of the financial internal controls for all university support organizations in the SUS at the direction of the BOG. This review is being conducted by Crowe, an external consulting firm. The review is assessing whether financial controls are reasonable over each support organization's financial processes and records to protect the organization from theft or malfeasance, as well as assessing whether duties of the responsible employees are adequately segregated with proper oversight and monitoring. There are 90 support organizations throughout the SUS including 14 at USF. This review consists of four phases – planning, risk assessment, testing, and reporting. Crowe began with us in mid-May. Crowe has begun testing in 9 of the University's support organizations and they estimate completing testing by the end of May. At the conclusion of testing, they will begin their reporting. Ms. Kalil was very concerned about timing as they began with USF later than expected. The original overall project deadline of June 30, 2022 was extended by the BOG initially to July 29, 2022, and now even more time has been provided. Ms. Kalil wants to be sure that USF gets a very thorough and complete review of all support organizations, not because she has concerns, but because this is the right thing to do. Internal Audit (IA) meets with Crowe weekly to keep on top of their requests and be sure they are getting what they need and that the support organizations are also getting what they need. Crowe has been very complimentary of USF's information that has been provided

to date, which has allowed for timely progress. This is a direct result of the diligence that the support organizations put into completing the questionnaires and providing all the supporting documentation as well as IA's initial screening of that information to ensure that the packages provided to Crowe were complete and in good form for them to hit the ground running with their work. At this time, there are no results available as Crowe is still in the testing phase.

b. Healthcare Compliance Program Overview

Jamie Sotelo, Healthcare Compliance Officer, gave an overview of the Healthcare Compliance Program. The focus of the Program is assuring the accuracy of the claims and revenues generated through our clinical practice plan are valid and in alignment with the regulations that govern that area. The Program was created over 25 years ago, back when healthcare programs were not required to have compliance programs, but it was suggested. In 2010, with the Affordable Care Act, that became a mandate to have a compliance program in healthcare. Our mission has continued to be to prevent, detect, and correct any violations of the complex regulations that apply to the healthcare space. Ms. Sotelo reviewed the reporting and oversight of the Program as well as explained the scope of the program which is quite large. University Medical Services Association (UMSA), as the transactional vehicle to the practice plan's operations, is the key management area the Program works with to ensure appropriate guidelines and guardrails are in place. The Program looks at contracting and credentialing as well as anything internal or that should be contracted such as revenue cycle services. UMSA files an average of over 2.5 million claims per year. The Program's focus continues to be on fraud, waste, and abuse prevention. This is modeled after the fundamental elements of a compliance program. The Program has policies that set process expectations; they provide education; they provide risk-based monitoring; they respond to any concerns of non-compliance; and, should they find there has been an error, they ensure the error is corrected and that there is consistent disciplinary action. There can be significant risks of non-compliance – financial, regulatory, reputational, etc. The Healthcare Compliance Program is a team of three very seasoned personnel. The program is solely funded by UMSA and they continue to work with their budget process for any needs.

Trustee Horton asked if this program is appropriately staffed for the volume of work and level of detail needed to keep us in compliance. Ms. Sotelo noted that they have identified through their effectiveness review some opportunities to make right staffing recommendations that they will be addressing through the budget process this year.

c. Privacy Compliance Program Overview

Barbara Wolodzko, Privacy Compliance Officer, gave an overview of the Privacy Compliance Program. The mission of the Program is to ensure that individuals' health information is properly protected in compliance with federal and state laws, while allowing the flow of health information needed to provide and promote high quality health care. Goal is to protect our patients' health care information as well as our staff, our providers, and the organization at large. Ms. Wolodzko provided the historical development of the privacy program, its scope of responsibility within our university, and the program's reporting structure. She also highlighted federal and state laws governing privacy, ongoing compliance monitoring efforts, and how the program contributes to a culture of compliance. There can be significant risks of non-compliance in this area as well; we need to be HIPAA (federal law protecting healthcare information) compliant at all times. One of the strategic priorities of

the Program is to make sure we have adequate staffing levels to ensure we meet our obligations to the University.

Chair Callahan asked how we monitor/handle privacy in the outside of the scope areas presented. Ms. Wolodzko stated their office will address/assist if it results in sensitive information that needs to be handled. However, currently we do not have a staffed position that addresses privacy university-side, but we hope to address this in the future as we are aware of this need. Dr. Fultz-Carver explained that we have a distributed model for the other privacy areas. For example, FERPA (federal law protecting student education information) would be addressed by the Registrar's Office, oversight for GDPR (international privacy rules) falls under Office of Compliance & Ethics. In the US, there is no universal federal law governing all aspects of data privacy; it is cut up into bits and pieces. We are moving towards having a centralized privacy officer to address all the moving parts so nothing falls through the cracks, but that is still in the future.

d. Healthcare and Privacy Compliance Programs Effectiveness Review and Validation

Ms. Sotelo and Ms. Wolodzko presented the Healthcare and Privacy Compliance Programs Effectiveness Review and Validation. This was a self-assessment and was validated by Internal Audit. The self-assessment of the programs was performed to evaluate the programs' design, effectiveness, and, as appropriate, provide recommendations for improvement. The following gaps and opportunities were identified: ensure program policies and procedures and job descriptions accurately reflect current governance structure; address inadequate software support (corporate LMS (Learning Management System) support/build and role-based Human Resources system data); and address inadequate staffing and resources. Internal Audit recommendations for future self-assessment activities include awareness surveys, knowledge questionnaires, and testing of program components to evaluate if functioning as intended.

Chair Callahan stated that in the charter for this committee, it is clear that the members are expected to understand and assess the effectiveness of our Compliance & Ethics Program. The peer review is very helpful in this regard as is the annual report. Equally important is the ability to understand what we have in place across the organization to accomplish this. Chair Callahan expressed her thanks for the educational presentations today on these complex areas and for the staff in place who monitor these programs.

Trustee Horton stated that this is a very sensitive area and it is very important that we meet all of our obligations. Current staffing levels are concerning. We need to pay close attention to employee needs, so that our staff don't leave and go elsewhere in this current environment. Dr. Fultz-Carver expressed that they are very aware of the current, highly competitive job market and we are doing everything we can to attract and retain quality individuals. We have requested additional resources in the current budget process to help us to do this.

V. Adjournment

Having no further business, Chair Callahan adjourned the Audit & Compliance Committee meeting at 10:51am.