



**Board of Trustees Audit & Compliance Committee**

Tuesday, August 16, 2022  
11:00am – 12:00pm (or upon adjournment of previous committee meeting)  
Microsoft Teams Virtual Meeting

*Trustees:* Sandra Callahan, Chair; Oscar Horton, Lauran Monbarren

**A G E N D A**

- I. Call to Order and Comments Chair Sandra Callahan
- II. Public Comments Subject to USF Procedure Chair Callahan
- III. New Business – Action Items
  - a. [Approval of May 24, 2022 Meeting Notes](#) Chair Callahan
  - b. [Internal Audit Work Plan FY23](#) Exec Director/Chief Internal Auditor  
Virginia Kalil
- IV. New Business – Information Items
  - a. [Internal Audit Annual Report 2021-22](#) Exec Director/Chief Internal Auditor  
Virginia Kalil
  - b. [2021 Compliance & Ethics Annual Report](#) Chief Compliance Officer  
Caroline Fultz-Carver
  - c. [2022 Foreign Travel Annual Report](#) Director of Research Integrity & Compliance  
Jason Ramage
  - d. [Update – Review of Financial Internal Controls  
University Support Organizations](#) Exec Director/Chief Internal Auditor  
Virginia Kalil
- V. Adjournment Chair Callahan



**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 21<sup>st</sup> 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.

**Agenda Item: IIIb**

**USF Board of Trustees**

September 6, 2022

**Issue:** Internal Audit (IA) Work Plan FY23 – FY24

---

**Proposed action:** Approval of the IA Work Plan and allocation of available resources.

---

**Executive Summary:** In accordance with the USF IA Charter, the USF Board of Trustees' Audit and Compliance Committee and the President have the responsibility to review approve the IA Work Plan. Additionally, the International Standards for the Professional Practice of Internal Auditing (IIA Standards), Board of Governors' regulations, and the IA Charter require the Chief Audit Executive to communicate the plans and resource requirements to senior management and to the board for review and approval.

The Board should consider whether the IA Work Plan is aligned with USF's strategic plans, objectives, and enterprise risk. Consider whether this plan optimizes the use of IA resources and the value added by the audit activity in the following areas: results of operations, programs, or projects, including accomplishment of objectives and effective use of resources; reliability and integrity of financial and operating information; compliance with policies, laws, regulations, and ethical standards; the means to safeguard assets; loss prevention; fraud detection; and process improvement.

**Financial Impact:** N/A

---

**Strategic Goal(s) Item Supports:** To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

**BOT Committee Review Date:** 8/16/2022

**Supporting Documentation Online (please circle):** ☒ Yes ☐ No

*FY23-24 IA Work Plan FR.pdf*

**Prepared by:** Virginia Kalil, Executive Director/Chief Internal Auditor, USF Internal Audit



# INTERNAL AUDIT WORK PLAN

*Fiscal Years 2023 & 2024*



UNIVERSITY of  
**SOUTH FLORIDA**  
Office of Internal Audit

## **Introduction**

The Office of Internal Audit (IA) provides the University of South Florida (USF) with independent and objective assurance and advisory services to assist the University in effectively and efficiently achieving its strategic goals by evaluating and improving risk management, control, compliance, and governance processes. These services add value and promote stewardship, accountability, integrity, efficiency, and compliance. In order to facilitate these services, IA develops a risk-based work plan to ensure internal audit resources are appropriate, sufficient, and effectively deployed.

## **Professional Standards**

Professional auditing standards<sup>1</sup> require the Chief Audit Executive (CAE) to establish a risk-based plan prioritizing the internal audit activity, consistent with the organization's goals. Additionally, the CAE must review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. The CAE must then communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.

## **Risk Assessment**

In developing the risk-based plan, IA consults with senior management, the board, and other internal risk professionals (Compliance, Risk Management, Information Security, Legal, Human Resources, Police, etc.) to obtain an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes. The risk assessment also includes evaluating risks and updating risk models for over 150 auditable areas.

## **Resources**

Once the risk assessment is complete, projects are identified and prioritized in the areas of highest risk and interest (board, senior management, IA). Project hours are then estimated and aligned with available resources. The work plan presented for fiscal years 2023 and 2024 includes allocation of hours for 14 internal audit professionals, including the CAE. Adjustments are included for two vacant positions that are estimated to be filled by January 1, 2023. Lastly, consideration for use of supplemental auditing services is also incorporated into the planned resources.

## **Plan Highlights**

The work plan for fiscal years 2023 and 2024 will include coverage of core processes, academic areas, information technology, research, regulatory/compliance areas, and direct support organizations (DSOs). In addition, IA will provide advisory services related to fraud awareness and the implementation of the new Human Capital Management system recently approved by the Board of Trustees. Lastly, the plan includes upgrading IA's audit management software by migrating to the vendor's cloud service solution and conducting a comprehensive quality self-assessment in preparation for the department's 5-year external quality assurance review.

---

<sup>1</sup> International Standards for the Professional Practice of Internal Auditing (Standards) – Performance Standards 2010 Planning and 2020 Communication and Approval



## Work Plan Fiscal Years 2023 &amp; 2024

	% of Effort	2022-23 Hours	% of Effort	2023-24 Hours
<b>DIRECT SERVICES</b>				
<i><b>Audit Services</b></i>				
<b>Core Processes:</b>				
Attractive Items		200		
Procure to Pay (Jaggaer)		500		
Construction				800
Decentralized Human Resource Controls				800
<b>Academic Areas:</b>				
PBF Data Integrity		500		400
Preeminence Data Integrity		500		500
College of Nursing				800
Degree Certification				800
<b>Information Technology (IT):</b>				
End User Computing		500		
Decentralized IT		700		
Identity Management		External		External
Remote Access				700
DSO: IT Governance Assessment				750
<b>Research</b>				
USFH Research				700
<b>Regulatory/Compliance</b>				
Driver and Vehicle Information Database Access (DAVID)				250
<b>Direct Support Organizations (DSOs)</b>		4,300		4,300
<i><b>Follow-up; Coordinate External Audits</b></i>		850		600
<i>Subtotal</i>		8,050		11,400
<i><b>Consulting &amp; Other Direct Services</b></i>				
Quality Assurance Review Self-Assessment		500		-
Risk Assessment		600		600
Fraud Awareness		200		200
Human Capital Management System		200		200
Other Services - compliance, financial, IT				300
<i><b>Investigations @ 10%</b></i>		2,900		2,900
<i><b>Contingency @ 7%</b></i>		1,800		2,000
<b>TOTAL DIRECT SUPPORT</b>	49%	14,250	60%	17,600
<b>INDIRECT SUPPORT</b>				
Activities Include: Leave, Holiday, Training, Administrative Activities, Quality Assurance Program		11,514		11,520
On Boarding		400		-
Audit Management Software Migration		500		-
<b>TOTAL INDIRECT SUPPORT</b>	43%	12,414	40%	11,520
<b>VACANCY</b>	8%	2,456		-
<b>TOTAL HOURS AVAILABLE (CAE + 13 STAFF)</b>	100%	29,120	100%	29,120

4202 E. Fowler Ave., Mail Stop ALN145 • Tampa, FL 33620  
(813) 974-2705 • [www.usf.edu/audit](http://www.usf.edu/audit)

**Agenda Item: IVa**

**USF Board of Trustees  
Audit & Compliance Committee  
August 16, 2022**

**Issue:** USF Office of Internal Audit (IA) Annual Report for 2021-22

---

**Proposed action:** Informational

---

**Executive Summary:**

The IA Work Plan for fiscal year 2021-22 was approved by the Audit & Compliance Committee on August 10, 2021. This Annual Report describes the internal audit, consulting, and investigative activities and allocation of resources as compared to the approved Work Plan.

In FY 2022, the audit team completed 9 audits, 4 consulting projects, and 11 investigations. Project summaries are included in the report. Additionally, semi-annual reports were produced summarizing the status of management's implementation of IA's recommendations.

As part of the department's Quality Assurance and Improvement Program (QAIP), internal assessments performed throughout the year confirmed Audit's conformance with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Auditing, Code of Ethics, and Core Principles.

**Financial Impact:** N/A

---

**Strategic Goal(s) Item Supports:** To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

**BOT Committee Review Date:** 08/16/2022

**Supporting Documentation Online (please circle):**

**Yes**

**No**

2021-22 Annual Report Overview 081622 FR.ppt

2021-22 Internal Audit Annual Report 080522 FR.pdf

**Prepared by:** Virginia Kalil, Executive Director/Chief Internal Auditor, USF Internal Audit

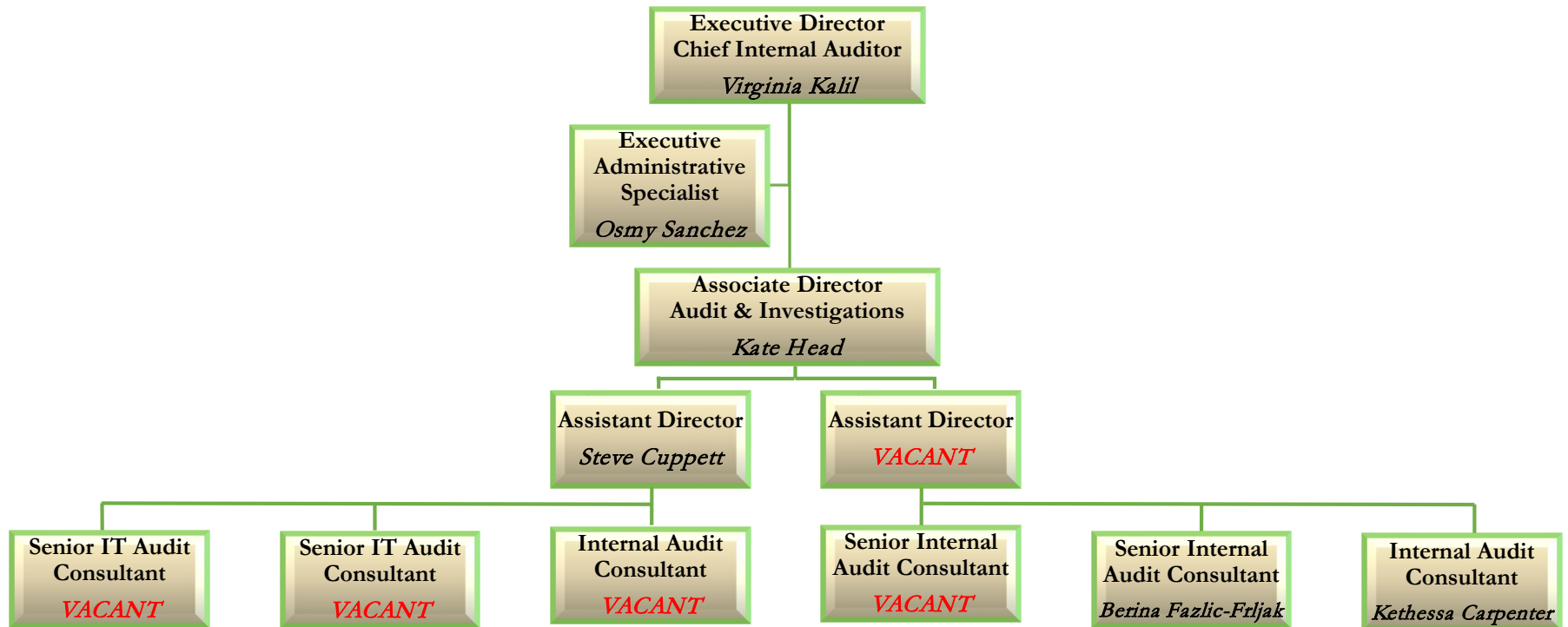
# Annual Report FY2021-22

**Virginia L. Kalil**  
**Executive Director/Chief Internal Auditor**

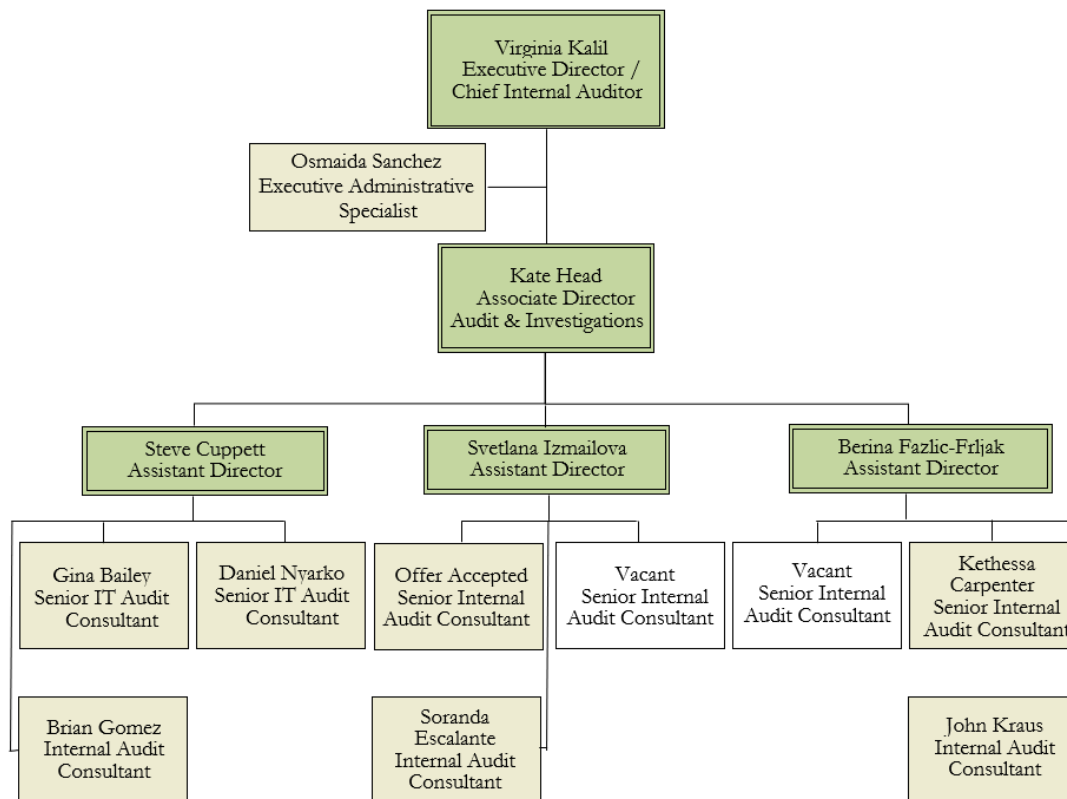
Audit & Compliance Committee | August 16, 2022



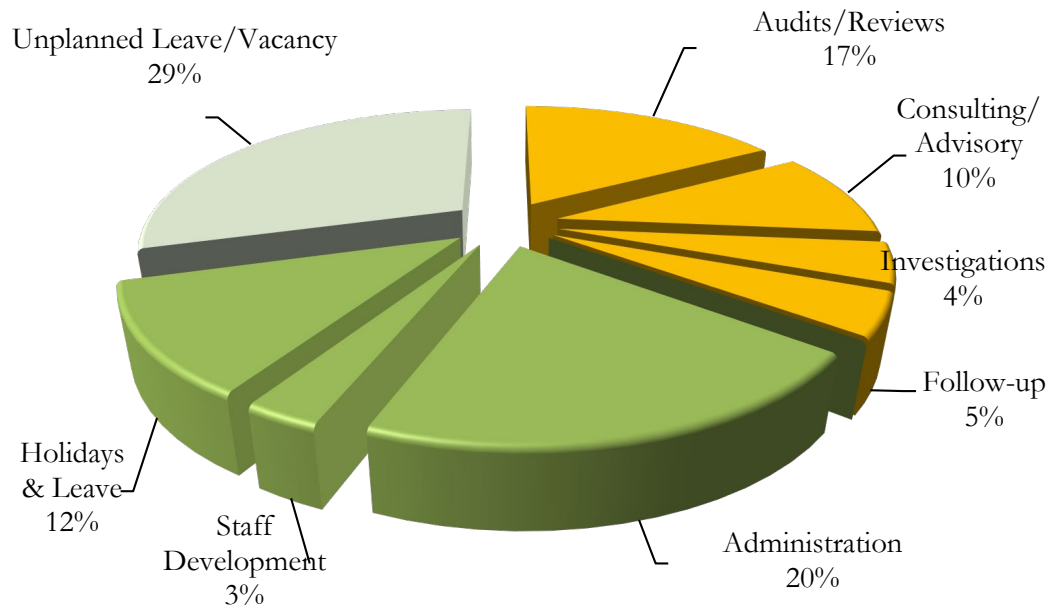
# Organizational Chart as of July 2021



# Organizational Chart as of July 2022



# Total Resource Allocation



PROJECT	BUDGET	%	ACTUAL	%
<b>DIRECT SERVICES:</b>				
Audits/Reviews	5,825	25%	3,829	17%
Consulting/ Advisory	1,500	7%	2,233	10%
Investigations	1,878	8%	1,023	4%
Follow-up	500	2%	1,051	5%
Contingency	1,306	6%	0	0%
<b>Total</b>	<b>11,009</b>	<b>48%</b>	<b>8,136</b>	<b>36%</b>
<b>OTHER:</b>				
Administration	3,853	17%	4,628	20%
Staff Development	359	2%	664	3%
Holidays & Leave	3,446	15%	2,684	12%
Unplanned Leave/Vacancy	4,213	18%	6,768	29%
<b>Total</b>	<b>11,871</b>	<b>52%</b>	<b>14,744</b>	<b>64%</b>
<b>TOTAL</b>	<b>22,880</b>	<b>100%</b>	<b>22,880</b>	<b>100%</b>

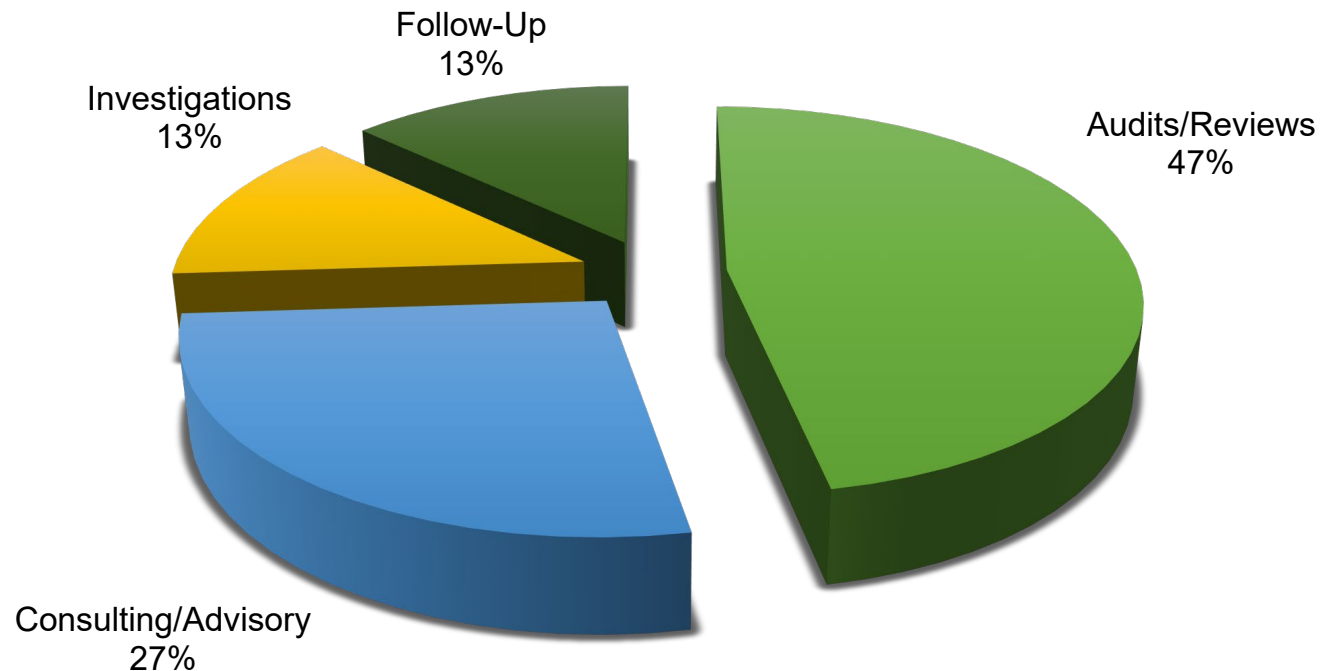
## Direct Services Highlights

### Completed

- 9 audits
- 4 consulting projects
- 11 investigations

### In Progress

- 3 audits
- 1 consulting project
- 7 investigations





## Audits Completed

- Performance-Based Funding Data Integrity
- Preeminence Data Integrity
- Higher Education Emergency Relief Funds Institutional Aid
- Student Success – Resource Management & Development
- USF Research Foundation Access Controls
- University Procurement Card Program
- Direct Support Organization – Procurement Card Programs (3)

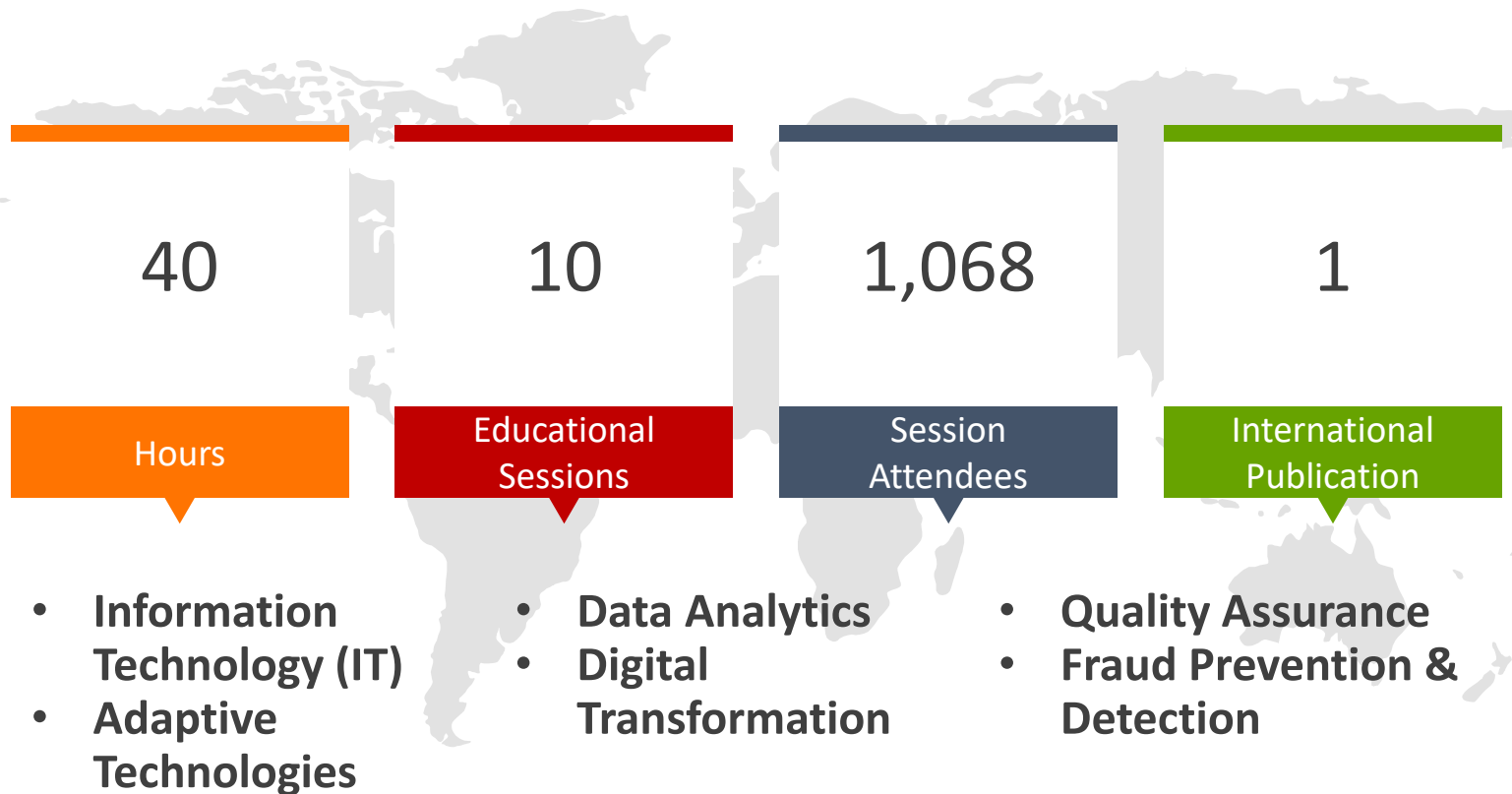
# Recommendations & Implementations

- Categories:
  - *Assignment of Responsibility*
  - *Authorization: Adequacy & Timeliness*
  - *Effective & Efficient Operations*
  - *Donor/Grantor Intent*
  - *IT: Confidentiality, Integrity, & Availability of Data*
  - *Reporting: Accuracy, Completeness, & Timeliness*
  - *Safeguarding of Assets*
  - *Separation of Duties*
  - *Training & Guidance: Accuracy, Completeness, & Timeliness*
- 64% implementation rate of audit recommendations

## Quality Assurance & Improvement Program

- Internal assessments confirmed conformance with IIA Standards
- External assessment required every five years and last one conducted in 2018 confirmed conformance with IIA Standards
- Next external assessment planned to be conducted in Spring 2023

# Service to the Profession





# 2021-22 ANNUAL REPORT

*Office of Internal Audit*



UNIVERSITY of  
**SOUTH FLORIDA**  
Office of Internal Audit

## EXECUTIVE SUMMARY

*It is my pleasure to present the Office of Internal Audit's (IA's) Annual Report for fiscal year 2022. IA concluded the year by completing:*

- ✓ *Nine (9) audits, including one (1) related to Information Technology (IT) and four (4) conducted by contracted IA services,*
- ✓ *Four (4) consulting projects, and*
- ✓ *11 investigations.*

*Also, projects in progress at year-end included:*

- *three (3) audits,*
- *one (1) consulting project, and*
- *seven (7) investigations.*

*One of the department's most significant events this year included transitioning all internal audit activities from the University's support organizations into IA. This involved significant effort to consolidate work plan and risk assessment responsibilities, follow up on management's outstanding corrective actions, and integrate audit management tools and methodologies. Additionally, IA facilitated an independent, external review of financial internal controls at all support organizations at the request of the Board of Governors (BOG).*

*The IA team's efforts throughout the year assisted leadership with ensuring the appropriate internal control structure was in place to: minimize the risk of asset loss, including fraud; promote effectiveness and efficiency of resources; comply with applicable laws, rules, and regulations; and ensure data supporting the preeminence and performance-based metrics could be relied upon. Summaries of the work performed are included within this report.*

*In response to the audit work performed and in demonstrating their commitment to excellence, leadership improved the control environment through the implementation of 64% of the audit recommendations open during the fiscal year.*

*Along with the internal work performed, the team continued to support external services received from the Governor's Chief Inspector General, the State Auditor General, the BOG's Office of Inspector General and Compliance, and other external auditors.*

*As part of the Quality and Assurance Improvement Program, IA's internal assessments confirmed conformance to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (IIA Standards), Code of Ethics, and Core Principles. Additionally, an external assessment, which is required at least once every five years, was performed in 2018. Based on the internal and external assessments, it was determined IA "generally conforms" to the IIA Standards, Code of Ethics, and Core Principles, which is the highest level of achievement in the assessment process.*

*Lastly, IA is proud of the experience and professionalism of its staff. The team's continued service to the internal audit profession included, but was not limited to, providing subject matter experts to share knowledge and experience through working groups, speaking engagements, conferences, and specific training events with the Association of College and University Auditors, the Institute of Internal Auditors, the Association of Inspectors General, and the USF Muma College of Business. Specific highlights this year included:*

- *40 hours facilitating*
- *10 educational events to*
- *1,068 participants, and*
- *1 international journal publication.*

*Also, in alignment with the team's strategic objective to improve advanced data analytical skills, three team members achieved the Analytics Certified Data Analyst designation.*

*Congratulations to the team for a job well done, especially during quite a challenging year! Thank you to the Board of Trustees, President, and senior leadership for their support in this year's accomplishments.*

*Virginia L. Kalil*  
CIA, CFE, CISA, CRISC

## USF INTERNAL AUDIT

Virginia Kalil, Executive Director/Chief Internal Auditor

- Certified Internal Auditor
- Certified Information Systems Auditor
- Certified Fraud Examiner
- Certified in Risk and Information Systems Control
- BS Accounting, University of South Florida

Kate Head, Associate Director

- Certified Public Accountant
- Certified Information Systems Auditor
- Certified Fraud Examiner
- Certified Inspector General
- BS Accounting, Oklahoma State

Steve Cuppett, Assistant Director

- Certified Public Accountant
- Certified Internal Auditor
- Certified Information Systems Auditor
- BS Accounting, University of South Florida
- MAcc, University of South Florida

Berina Fazlic-Frljak, Assistant Director

- Certified Internal Auditor
- Certified in Risk Management Assurance
- MBA, Louisiana State University
- BS International Trade and Finance, Louisiana State University

Svetlana Izmailova, Assistant Director

- Certified Public Accountant
- Certified Information Systems Auditor
- Certified Fraud Examiner
- BS Accounting, University of South Florida
- BS Business Administration, Alcorn State University

Kethessa Carpenter, Senior Audit Consultant

- Certified Public Accountant
- Certified Internal Auditor
- BA Business Administration & Accounting, St. Leo University

Gina Bailey, Senior Information Technology Audit Consultant

- Certified Public Accountant
- Certified Information Systems Auditor
- Certified Fraud Examiner
- BS Accounting, University of Tampa
- MBA Finance, University of Tampa

Soranda Escalante, Audit Consultant

- BS Accounting, Florida Agricultural and Mechanical University

Brian Gomez, Audit Consultant

- BS Accounting, University of South Florida

Osmaida Sanchez, Executive Administrative Specialist

- BS Business Administration, Florida International University





## TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	2
USF INTERNAL AUDIT.....	3
MISSION, PURPOSE, AND ORGANIZATION.....	5
AUDITS.....	5
▪ Performance-Based Funding Data Integrity.....	5
▪ Preeminence Data Integrity .....	5
▪ Student Success – Resource Management and Development .....	6
▪ Higher Education Emergency Relief Funds Institutional Aid.....	6
▪ USF Research Foundation Access Controls.....	6
▪ University Procurement Card Program.....	6
▪ Direct Support Organizations (DSOs) – Procurement Card Programs (3).....	6
INFORMATION TECHNOLOGY .....	7
CONSULTING SERVICES .....	7
ADVISORY SERVICES.....	7
INVESTIGATIONS .....	8
FOLLOW-UP ACTIVITY .....	8
ACTIVITY ANALYSIS.....	10
QUALITY ASSURANCE AND IMPROVEMENT PROGRAM .....	11
PROFESSIONAL ACTIVITIES .....	11
UPCOMING YEAR.....	11



## MISSION, PURPOSE, AND ORGANIZATION

The Office of Internal Audit (IA) provides the University of South Florida (USF) with independent and objective assurance and advisory services to assist the University in effectively and efficiently achieving its strategic goals by evaluating and improving risk management, control, compliance, and governance processes. These services add value and promote stewardship, accountability, integrity, efficiency, and compliance.

In order to effectively fulfill its responsibilities, IA is organizationally independent from the University's operational activities and structurally reports at an appropriate level within the organization to support its organizational independence. IA reports functionally to the Audit and Compliance Committee (ACC) of the Board of Trustees (BOT) and administratively to the University President. This reporting relationship ensures responsibilities are carried out in a manner free from actual or perceived impairment.

The nature and scope of services provided by IA include audits, compliance reviews, management advisory services, consulting, and investigations. IA is committed to being insightful, proactive, and future-focused and upholding the values of integrity, objectivity, respect, confidentiality, excellence, and collaboration in the performance of their duties.

## AUDITS

IA projects are performed in accordance with the [Institute of Internal Auditors \(IIA\) International Standards for the Professional Practice of Internal Auditing \(the "IIA Standards"\)](#), [Code of Ethics](#), and [Core Principles](#). The IIA is the

recognized authority for those in the internal audit profession and the IIA standards are required by the [Florida Board of Governor's Regulation 4.002 \(6\)\(a\) State University System Chief Audit Executives](#).

USF has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Control Framework which is utilized by IA to assess the effectiveness of the University's internal control systems in place. USF's internal control objectives are communicated to all USF employees via [USF Policy 0-023 Internal Control](#).

## Performance-Based Funding Data Integrity

IA reviewed the processes and controls established to ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG) in support of the Performance-Based Funding measures.

Based on the review, IA concluded there was an adequate system of internal controls in place.

## Preeminence Data Integrity

IA reviewed the processes and controls established to ensure the completeness, accuracy, and timeliness of data submissions relied upon by the BOG to support calculations for the 12 preeminence metrics and assess USF's eligibility under the Florida Statute 1001.7065 Preeminent state research universities program.

Based on the review, IA concluded there was an adequate system of internal controls in place over all 12 metrics (Metrics A-L).

## **Student Success – Resource Management and Development**

IA reviewed the control infrastructure of Student Success – Resource Management and Development to provide management with an objective assessment of the design of the internal control environment. The audit included a risk assessment and internal controls evaluation of the administrative and financial controls.

Based on the review, IA concluded there was an adequate system of internal controls in place assuming corrective actions were taken to address the six medium-priority risks related to reconciliation procedures, system access, separation of duties, management of capital assets and attractive items, adequacy of employee training and guidance, and enforcement of the RMD governance structure.

## **Higher Education Emergency Relief Funds Institutional Aid**

IA reviewed the design and effectiveness of the administrative and financial controls related to the CARES Act Institutional Aid. The audit focused on those controls performed by the University Controller's Office (UCO) and the Resource Management & Analysis (RMA) Division, over the distributions of the institutional portion of the CARES Act Higher Education Emergency Relief Fund (HEERF) received by USF to ensure compliance with federal regulations, including its reporting requirements.

Based on the review, IA concluded there was an adequate system of internal controls in place to meet the audit objectives.

## **USF Research Foundation Access Controls**

IA reviewed user privileges to the USF Research Foundation Financial Edge NXT (FE) accounting system. The focus of this audit was to review user privileges to the FE system to evaluate if access was appropriately limited to those with a business need, and whether user roles were properly designed and documented.

Based on the review, recommendations were made to address risks identified. This report was classified as confidential due to the sensitive nature of the IT issues disclosed.

## **University Procurement Card Program**

IA contracted with Protiviti, a global consulting firm, to perform an audit of the University Procurement Card (PCard) Program as part of the Internal Audit 2021-2022 Work Plan. The focus of this audit was to assess the design and effectiveness of internal control processes related to the administration, distribution, use, and accounting for procurement cards.

Based on Protiviti's review, IA concluded there was an effective system of internal control in place, assuming corrective actions were taken timely to address the two medium-priority risks related to the PCard clearing account reconciliation and physical location of Ghost Cards.

## **Direct Support Organizations (DSOs) – Procurement Card Programs (3)**

At the specific request of the BOT, IA contracted with Protiviti, a global consulting firm, to perform audits of the procurement card (PCard) programs managed by DSOs independent of the University's PCard

program. The focus of this audit was to assess the controls in place over the PCard programs. The following DSOs were included in the reviews: USF Foundation, USF Alumni Association, and the Health Professions Conferencing Corporation.

Based on Protiviti's reviews, Protiviti concluded overall there was adequate segregation of duties as well as sufficient review and approval controls in place throughout the Pcard processes. One improvement opportunity was noted for implementing a formal review of all cardholder credit limits at least annually to ensure credit limits are in line with management expectations.

## INFORMATION TECHNOLOGY

Fifty-six percent (56%) of the IA team is certified with IT-related designations. IA's information system projects are performed in accordance with the ISACA (formerly Information Systems Audit and Control Association) standards and guidelines. ISACA has designed this guidance as the minimum acceptable level of performance required to meet the professional responsibilities set out in the ISACA Code of Ethics for Auditing and Control Professionals. ISACA standards and guidelines are consistent with the Control Objectives for Information and Related Technology (COBIT), an IT governance framework which enables management to bridge the gap between control objectives, technical issues, and business risk. IA performed an audit of user privileges to the USF Research Foundation FE accounting system.

The IT IA Team focuses on factors which impact the confidentiality, integrity, and availability of the university's information systems as well as the resources held within those systems. Confidentiality not only

addresses the security of sensitive data, but also whether access to such data is effectively controlled.

IA utilizes an integrated audit approach whereby the IT IA Team assists the general IA Team on audit and consulting projects with significant information systems components. Integrated audit projects this year included Performance-Based Funding Data Integrity and Preeminence Data Integrity.

## CONSULTING SERVICES

Consulting services are collaborative projects between university leadership and IA. These services may be requested in advance and included as part of the annual work plan; however, many requests are made throughout the year. A project's objective will vary depending on the needs of leadership but may include: improving a process or procedure; assisting in the implementation of a new system; interpreting laws, rules, policies, and other guidance; or facilitating education/training programs. These services are proactive in nature and can be helpful to any university function or department.

The following three consulting projects were completed this year:

- ✓ USF Health Professional Integrity Office Compliance Self-Assessment
- ✓ University Medical Services Association (UMSA) Physical Inventory
- ✓ USF Foundation (USFF) Material Weakness
- ✓ Payroll High Risk Follow-up

## ADVISORY SERVICES

IA is committed to providing proactive advice on internal controls, operations, and compliance. Requests for advisory services

may come from various management levels throughout the University and often involve emerging issues in research, IT, or compliance. The information we provide through these services assists management in decision-making and improving operations. Results of these types of services are communicated verbally or through a memorandum.

## INVESTIGATIONS

The BOT and President have charged IA with performing investigations related to the University and its associated organizations. Investigations are an objective review of evidence related to a complaint or allegation.

IA may receive complaints or allegations from EthicsPoint, the University's anonymous reporting system, directly from an individual, or referred by various university offices or state and local government agencies.

Reports of complaints, allegations, or concerns may or may not be supported by the facts. Hence, it is critical that the investigative process be managed discreetly and confidentially to ensure the integrity of the process and protect the reputations of named individuals. Florida law supports the need for confidentiality during investigations and permits active investigations to be classified as exempt from public record. Only those with a legitimate business need are provided with information related to ongoing investigations.

Out of 28 such reports of complaints, allegations, or concerns received by IA, 10 were referred to other units and 7 remained open as of June 30, 2022. Of the 11 completed investigations, four were substantiated and two resulted in recommendations to improve the control environment. The substantiated recommendations related to misuse of the Avis rental car contract, failing to register all

employees who attended training, mismanagement of cash collections, and asset misappropriation.

## FOLLOW-UP ACTIVITY

In accordance with IIA Standards, IA follows up on all IA recommendations to determine if corrective actions have been taken. Utilizing a web-based tracking system, university leadership can continuously update the status of their corrective actions, including action plans and target implementation dates, and IA can efficiently and effectively monitor their progress. Follow-Up Reports, covering activity from July 1 through December 31, 2021, and January 1 through June 30, 2022 were issued during the fiscal year demonstrating a fiscal year implementation rate of 64%.

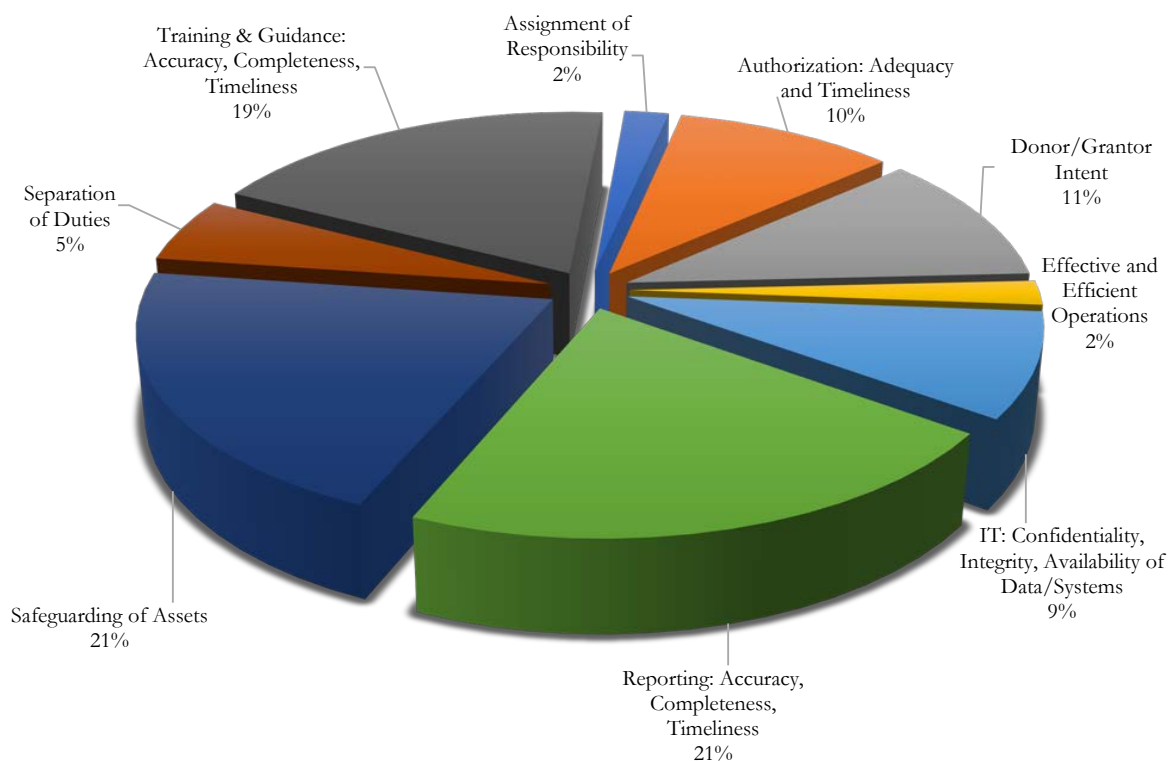
During this fiscal year, leadership implemented corrective actions related to recommendations in the following categories:

- Assignment of Responsibility
- Authorization: Adequacy & Timeliness
- Donor/Grantor Intent
- Effective and Efficient Operations
- IT: Confidentiality, Integrity, Availability of Data/Systems
- Reporting: Accuracy, Completeness, Timeliness
- Safeguarding of Assets
- Separation of Duties
- Training & Guidance: Accuracy, Completeness, Timeliness

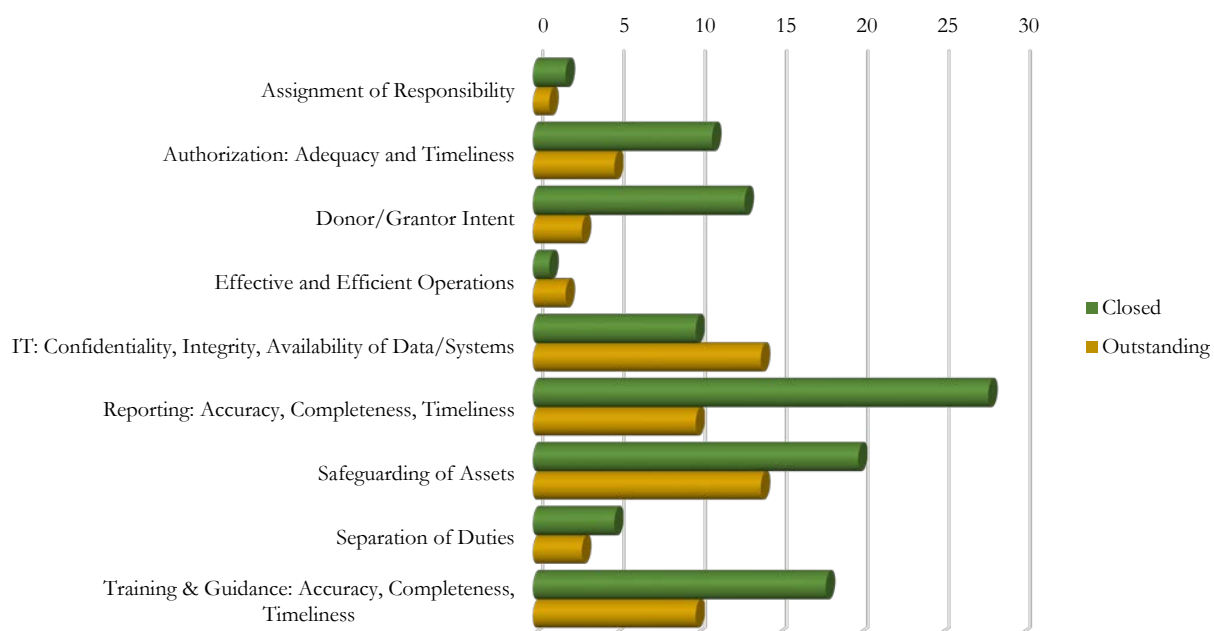
The following graphs depict summaries of the 149<sup>1</sup> new recommendations made during the fiscal year and the status of implementing 108 corrective actions for all 170 outstanding recommendations, including those carried forward from the prior year.

<sup>1</sup> This includes 79 recommendations issued by the support organizations' former auditors, which were transferred to IA during the fiscal year.

## Recommendations

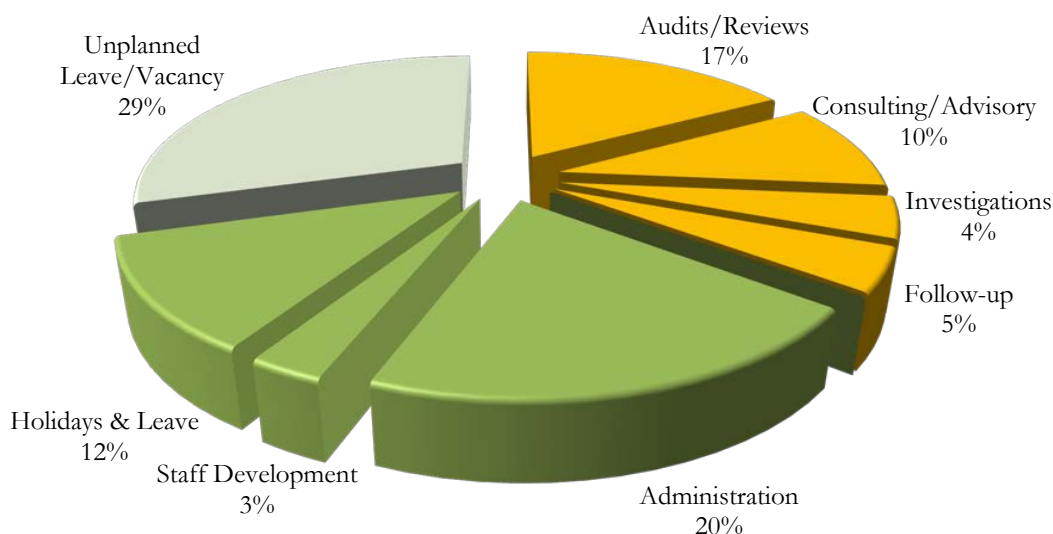


## Implementations



## ACTIVITY ANALYSIS

### Total Hours FY 2022



PROJECT	BUDGET	%	ACTUAL	%
<b>DIRECT SERVICES:</b>				
Audits/Reviews	5,825	25%	3,829	17%
Consulting/Advisory	1,500	7%	2,233	10%
Investigations	1,878	8%	1,023	4%
Follow-up	500	2%	1,051	5%
Contingency	1,306	6%	0	0%
<b>Total Direct Services</b>	<b>11,009</b>	<b>48%</b>	<b>8,136</b>	<b>36%</b>
<b>OTHER:</b>				
Administration	3,853	17%	4,628	20%
Staff Development	359	2%	664	3%
Holidays & Leave	3,446	15%	2,684	12%
Unplanned Leave/Vacancy	4,213	18%	6,768	29%
<b>Total Other</b>	<b>11,871</b>	<b>52%</b>	<b>14,744</b>	<b>64%</b>
<b>TOTAL</b>	<b>22,880</b>	<b>100%</b>	<b>22,880</b>	<b>100%</b>

IA's direct services include activities related to the performance of audits, consulting and advisory projects, investigations, and follow-up. The fiscal year 2022 work plan budgeted 48% of IA's resources for direct services. Actual direct services of 36% fell less than budget due to unplanned leave and vacancies. Direct services for resources in place during the fiscal year were 50% which exceeded budget expectations.



## QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

In conformance with IIA Standards, BOG regulations, and the USF IA Charter, it is the responsibility of the Chief Audit Executive (CAE) to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and includes both internal and external quality components. Internal assessments were performed throughout the audit processes by IA leadership to confirm conformance with the IIA Standards, Code of Ethics, and Core Principles. Additionally, an external assessment, which is required at least once every five years, was last performed in 2018. Based on the internal and external assessments, it was determined IA **“generally conforms”** to the [IIA Standards](#), [Code of Ethics](#), and [Core Principles](#), which is the highest level of achievement in the assessment process. The full external report, USF Internal Audit Self-Assessment with Independent Validation, was issued on June 29, 2018, and is available on IA’s website at [www.usf.edu/audit/publications](http://www.usf.edu/audit/publications).

## PROFESSIONAL ACTIVITIES

IA is proud of the experience and professionalism of its staff. During 2021-22, we continued our involvement with the following organizations that support higher education, internal auditing, information technology, and compliance activities.

- Association of College and University Auditors (ACUA)
- Institute of Internal Auditors (IIA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA (formerly, the Information Systems Audit & Control Association)
- American Institute of Certified Public Accountants (AICPA)
- Association of Inspectors General (AIG)

The team’s involvement included, but was not limited to, providing subject matter experts to share their knowledge and experience through working groups, speaking engagements, conferences, and specific training events with ACUA, the IIA, the AIG, and the USF Muma College of Business. Specific highlights include:

- 40 hours facilitating
- 10 educational events to
- 1,068 participants, and
- 1 international journal publication.

Also, in alignment with the team’s strategic objective to improve advanced data analytical skills, three team members achieved the Analytics Certified Data Analyst (ACDA) designation.

## UPCOMING YEAR

The Work Plan for fiscal years 2023 and 2024, as summarized on the next page, was approved by the BOT ACC on August 16, 2022. This multi-year plan offers IA the flexibility to move projects between years as schedules warrant.

The IA Work Plan is aligned with USF’s strategic plans, objectives, and enterprise risks, and optimizes the use of available IA resources. Significant changes to the plan will be communicated to the BOT ACC as appropriate.

## Work Plan Fiscal Years 2023 &amp; 2024

	% of Effort	2022-23 Hours	% of Effort	2023-24 Hours
<b>DIRECT SERVICES</b>				
<i><b>Audit Services</b></i>				
<b>Core Processes:</b>				
Attractive Items		200		
Procure to Pay (Jaggaer)		500		
Construction				800
Decentralized Human Resource Controls				800
<b>Academic Areas:</b>				
PBF Data Integrity		500		400
Preeminence Data Integrity		500		500
College of Nursing				800
Degree Certification				800
<b>Information Technology (IT):</b>				
End User Computing		500		
Decentralized IT		700		
Identity Management		External		External
Remote Access				700
DSO: IT Governance Assessment				750
<b>Research</b>				
USFH Research				700
<b>Regulatory/Compliance</b>				
Driver and Vehicle Information Database Access (DAVID)				250
<b>Direct Support Organizations (DSOs)</b>		4,300		4,300
<i><b>Follow-up; Coordinate External Audits</b></i>		850		600
<i>Subtotal</i>		8,050		11,400
<i><b>Consulting &amp; Other Direct Services</b></i>				
Quality Assurance Review Self-Assessment		500		-
Risk Assessment		600		600
Fraud Awareness		200		200
Human Capital Management System		200		200
Other Services - compliance, financial, IT				300
<i><b>Investigations @ 10%</b></i>		2,900		2,900
<i><b>Contingency @ 7%</b></i>		1,800		2,000
<b>TOTAL DIRECT SUPPORT</b>	49%	14,250	60%	17,600
<b>INDIRECT SUPPORT</b>				
Activities Include: Leave, Holiday, Training, Administrative Activities, Quality Assurance Program		11,514		11,520
On Boarding		400		-
Audit Management Software Migration		500		-
<b>TOTAL INDIRECT SUPPORT</b>	43%	12,414	40%	11,520
<b>VACANCY</b>	8%	2,456		-
<b>TOTAL HOURS AVAILABLE (CAE + 13 STAFF)</b>	100%	29,120	100%	29,120



4202 E. Fowler Ave., ALN145 • Tampa, FL 33620  
(813) 974-2705 • [www.usf.edu/audit](http://www.usf.edu/audit)

**Agenda Item: IVb**

**USF Board of Trustees  
Audit & Compliance Committee  
August 16, 2022**

**Issue:** 2021 Compliance & Ethics Annual Report

---

**Proposed action:** Informational

---

**Executive Summary:**

The 2021 Compliance & Ethics Annual Report summarizes the activities of the the USF Office of Compliance & Ethics from January 1, 2021, to December 31, 2021. This report is organized under the “essential elements” of an effective compliance program as prescribed by Federal Sentencing Guidelines and fulfills annual reporting requirements contained in BOG Regulation 4.003 and the USF Office of Compliance & Ethics Program Plan.

**Financial Impact:** N/A

---

**Strategic Goal(s) Item Supports:** N/A

**BOT Committee Review Date:** 8/16/2022

**Supporting Documentation Online (*please circle*):**

**Yes**

**No**

**USF or Campus specific:** USF

**Prepared by:** Caroline Fultz-Carver, Chief Compliance Officer

# 2021 Annual Report

Office of Compliance & Ethics

Caroline Fultz-Carver, PhD, CCEP | August 16, 2022



# Office of Compliance & Ethics

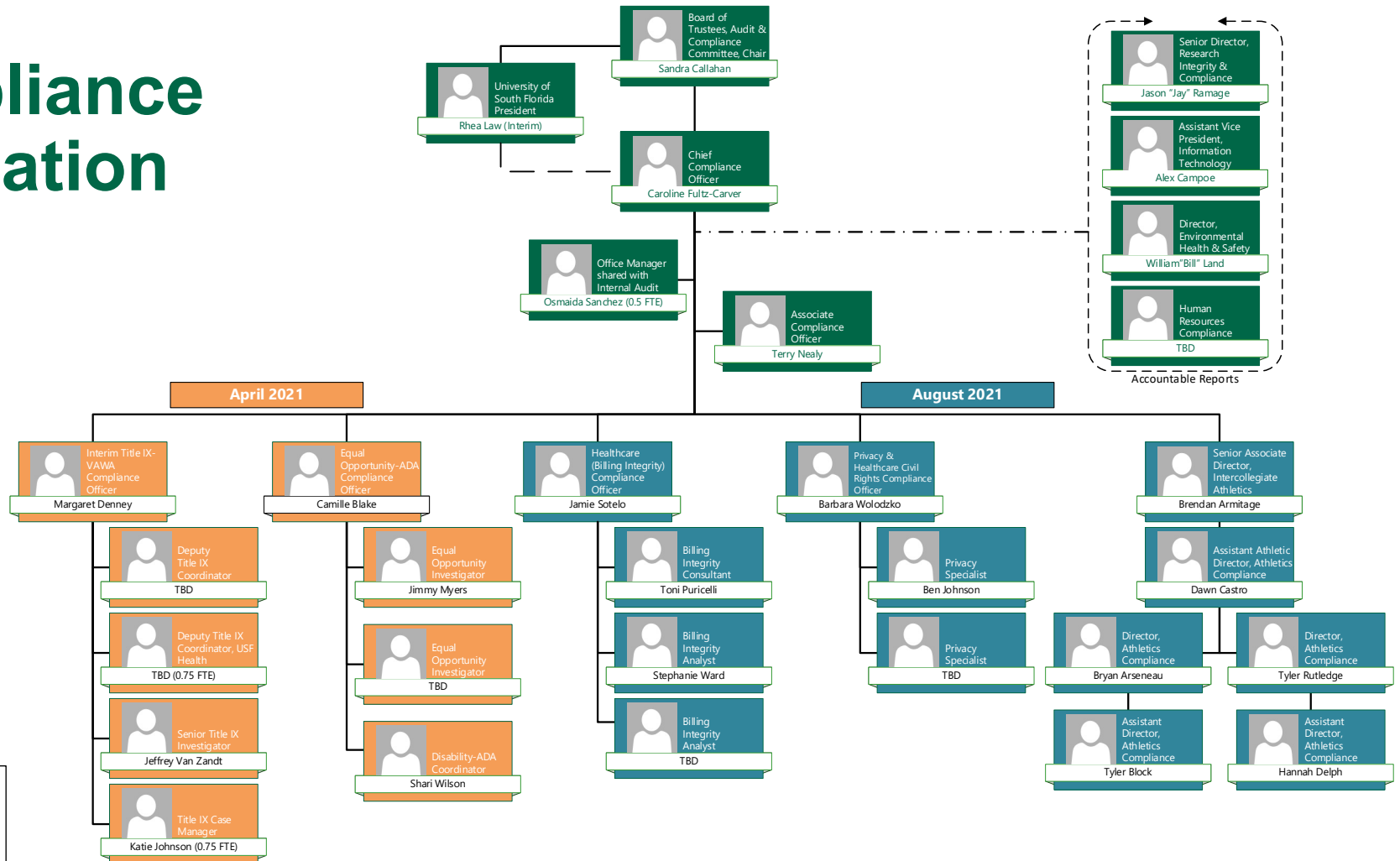


*The Chief Compliance Officer shall report at least annually on the effectiveness of the program.*

*A copy of the annual report shall be provided to the Board of Governors.*

*BOG Regulation 4.003 (7)(g)8  
State University Compliance and Ethics Programs*

# Compliance Unification



# Highlights

- Foreign Influence
  - Screening Foreign Researchers
  - Foreign Travel and Research Institutions
  - Foreign Gifts to and Contracts with USF Reporting
  - International Cultural Agreements
  - Researchers' Outside Activity and Financial Interest Disclosure
- 5-Year Program Effectiveness Review
- eDisclose
- EthicsPoint

## Annual Florida Code of Ethics Disclosure



Sarasota-Manatee

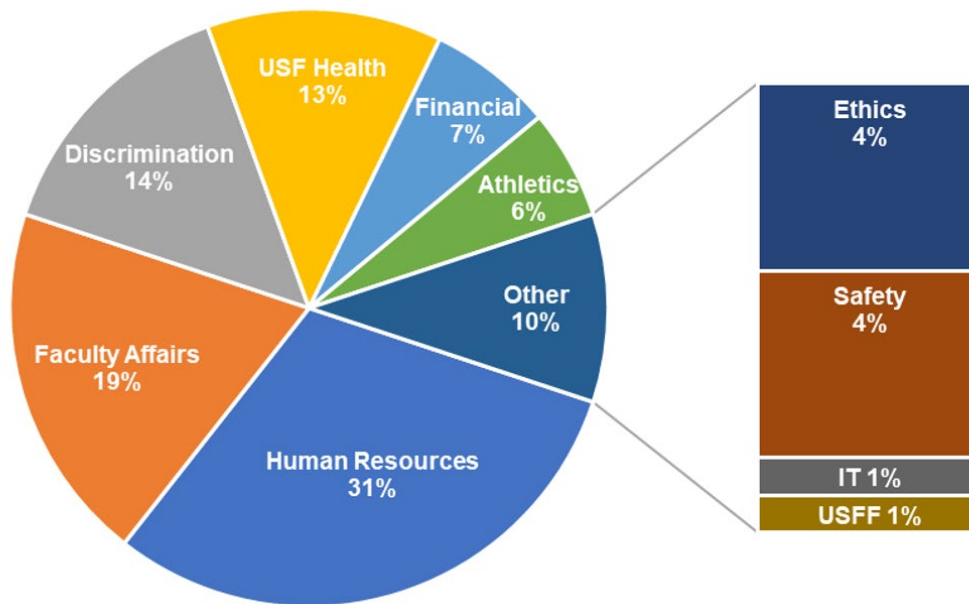


Tampa (Health too)



St. Petersburg

# EthicsPoint Reports



	Substantiated	Unsubstantiated	Referred	Open	Total
Human Resources	0	29	2	5	36
Faculty Affairs	2	15	5	1	23
Discrimination	0	12	5	0	17
USF Health/Medical	1	9	3	2	15
Financial	0	4	1	3	8
Athletics	0	6	1	0	7
Ethics	1	4	0	0	5
Safety	1	2	2	0	5
Information Technology	0	1	0	0	1
USF Foundation	0	1	0	0	1
<b>Total</b>	<b>5</b>	<b>83</b>	<b>19</b>	<b>11</b>	<b>118</b>



# Discussion

A photograph of a University of South Florida campus. In the foreground, there is a brick pillar supporting a sign that reads "UNIVERSITY of SOUTH FLORIDA". Below the sign is a circular seal featuring a sun, a globe, and the words "UNIVERSITY of SOUTH FLORIDA" and "1956". The background shows a green lawn, bushes, and trees under a blue sky.

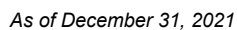
# 2021 ANNUAL REPORT

**OFFICE OF COMPLIANCE AND ETHICS**

## TABLE OF CONTENTS

ORGANIZATIONAL CHART .....	3
ELEMENT 1: GOVERNANCE & HIGH-LEVEL OVERSIGHT .....	4
A. Board of Trustees Audit and Compliance Committee .....	4
B. Office of Compliance & Ethics .....	5
C. Compliance Officers Workgroup.....	5
D. State University System of Florida Compliance & Ethics Consortium .....	17
ELEMENT 2: ESTABLISH STANDARDS OF CONDUCT, POLICIES, & PROCEDURES..	17
A. Implementation of Researchers' Outside Activity and Financial Interest Disclosure Requirements .....	18
B. New State of Florida Foreign Influence Laws .....	19
C. Higher Education Act .....	23
ELEMENTS 3 & 4: CREATE A FAIR AND ETHICAL CULTURE & OPEN LINES OF COMMUNICATION .....	25
ELEMENT 5: EDUCATION AND TRAINING.....	27
A. Compliance & Ethics Training for New Employees.....	27
B. Compliance & Ethics Training for Current Employees.....	27
ELEMENT 6: DETECTION, REMEDIATION, AND ENFORCEMENT .....	27
A. Form One Financial Interest Disclosure .....	28
ELEMENT 7: RISK ASSESSMENT, AUDIT, AND MONITORING .....	28
A. Annual FCOE Disclosure Compliance Monitoring .....	28
B. Annual Sponsored Research Exemption Reporting .....	29
ELEMENT 8: ASSESSMENT OF EFFECTIVENESS.....	30
A. 5-Year Compliance Program Effectiveness Review .....	30
B. Annual Report.....	31





## 2021 ANNUAL REPORT

### USF Office of Compliance & Ethics

The University of South Florida created a compliance and ethics program in 2007 as a component of University Audit & Compliance (UAC) with the appointment of a Chief Compliance Officer (CCO). USF was the first institution within the State University System to implement a compliance and ethics program. The CCO was charged by the USF President and the USF Board of Trustees (BOT) to create and maintain an effective compliance and ethics program based on best practices to prevent, monitor, detect, and respond to non-compliance; and recommend corrective actions to fully meet regulatory requirements. In 2017, UAC separated into two entities: USF System Audit and the USF System Compliance & Ethics Program. This separation was made in accordance with [Board of Governors \(BOG\) Regulation 4.003](#), a regulation based on [Chapter 8, Part B, Section 2\(b\) of the Federal Sentencing Guidelines](#); the [Florida Code of Ethics for Public Officers and Employees](#); and industry best practices. With the consolidation of our three separately accredited institutions into one USF in 2020, USF System Audit became the Office of Internal Audit and the USF System Compliance & Ethics Program became the Office of Compliance & Ethics ("Compliance & Ethics"). During 2021 the following compliance programs, whose directors or unit representative held an accountable reporting relationship to the CCO, began reporting directly to the CCO: Athletics, Equal Employment Opportunity, Disability and Americans with Disabilities Act, Healthcare (Billing Integrity), Privacy and Healthcare Civil Rights, and Title IX.

This annual report summarizes the activities of Compliance & Ethics from January 1, 2021, to December 31, 2021. This report is organized by the "essential elements" for an effective compliance and ethics program as prescribed by the Federal Sentencing Guidelines and fulfills our annual reporting requirements in accordance with BOG Regulation 4.003 and our USF Board of Trustees (BOT)-approved [Program Plan](#).

### Element I: Governance & High-Level Oversight

---

The University of South Florida addresses this element through the BOT Audit and Compliance Committee, the Office of Compliance & Ethics, and the Compliance Officers Workgroup.

#### **A. Board of Trustees Audit and Compliance Committee**

In accordance with BOG Regulation 4.003, the BOT Audit and Compliance Committee (the "BOT ACC") has audit and compliance oversight responsibilities for the University of South Florida. The [BOT ACC Charter](#) outlines these responsibilities.

## B. Office of Compliance & Ethics

Compliance & Ethics reports functionally to the BOT ACC and administratively to the USF President. This reporting relationship ensures the independence of Compliance & Ethics and assures adequate consideration of its compliance and ethics recommendations. The purpose, authority, and responsibilities of Compliance & Ethics are set forth in the following policy, charter, and program plan pursuant to Chapter 8, Part B, Section 2(b) of the Federal Sentencing Guidelines and BOG Regulation 4.003:

- [USF Policy 0-026: Office of Compliance & Ethics](#) provides our compliance and ethics program with the authority to coordinate and manage all USF compliance and ethics activities.
- [USF Office of Compliance & Ethics Charter](#) identifies the purpose, authority, and responsibilities of our compliance and ethics program.
- [USF Compliance & Ethics Program Plan](#) (“Program Plan”) summarizes the current status of our compliance and ethics program

## C. Compliance Officers Workgroup

The Compliance Officers Workgroup assists the CCO in maintaining an effective and broad-based program designed to prevent, monitor, and detect areas of non-compliance and, when necessary, to fully meet compliance requirements and recommend corrective actions. At the onset of 2021, this workgroup was comprised of senior compliance officers in the following “high-risk” compliance units within USF.

- Athletics Compliance
- Diversity, Inclusion & Equal Opportunity
- Environmental Health & Safety
- Professional Integrity Office, USF Health
- Research Integrity & Compliance
- Information Technology Security

In April 2021, USF took unprecedented steps to reimagine Diversity, Inclusion & Equal Opportunity (DIEO) in accordance with its commitment to further strengthen the University’s diversity, equity, and inclusion efforts. As part of USF’s commitment to best practices, the USF President redirected the following compliance functions within DIEO to report directly to the Office of Compliance and Ethics: Equal Employment Opportunity (EO), Title IX, and Disability/Americans with Disabilities Act (ADA). Prior to unification, these compliance functions had an accountable reporting relationship to the CCO via the EO Director position. The remaining diversity, equity, and inclusion functions of DIEO were placed under the leadership of an Interim Vice President for Institutional Equity under a new office named the Office of Diversity, Equity and Inclusion (DEI). These compliance function unifications aimed to provide a better, more seamless experience for

our students, faculty, and staff; help USF maintain its commitment to equity by focusing and resourcing EO, ADA, and Title IX compliance; and streamline the processes for these essential university functions.

The EO and ADA compliance functions were joined together into a new compliance program called EO-ADA Compliance. The responsibilities of the EO Director position were expanded to include ADA compliance and the position was reclassified as the EO-ADA Compliance Officer responsible for EO-ADA Compliance. Title IX compliance functions were joined with Violence Against Women Act (VAWA) compliance functions, historically housed in Compliance & Ethics, into a new compliance program called Title IX-VAWA Compliance. The responsibilities of the Title IX Coordinator position were expanded to include VAWA compliance and reclassified as the Title IX-VAWA Compliance Officer responsible for Title IX-VAWA Compliance.

In August 2021, Athletics Compliance and USF Health's Professional Integrity Office (PIO) unified with Compliance & Ethics. The PIO encompassed two compliance programs: the Billing Integrity Program and the HIPAA Privacy Program. These compliance programs were renamed upon joining Compliance & Ethics as the Healthcare Compliance Program and the Privacy and Healthcare Civil Rights Compliance Program, respectively. The director positions for these programs were reclassified as the Healthcare Compliance Officer and Privacy & Healthcare Civil Rights Compliance Officer, respectively.

Due to these governance changes, the resultant Compliance Officer Workgroup is comprised of the three remaining senior compliance officers in the following "high-risk" compliance functions who retained their accountable reporting relationships to the CCO:

- Environmental Health & Safety
- Research Integrity & Compliance
- Information Technology Security

Brief descriptions of accountable and direct reporting compliance programs and highlights from this reporting period are provided below.

### ***Athletics Compliance***

Athletics Compliance ensures compliance with National Collegiate Athletic Association (NCAA) and American Athletic Conference (AAC) rules and associated USF regulations and policies through its education, monitoring, and enforcement efforts. During the 2021-22 academic year, Athletics Compliance provided 240 in-person and virtual rules educational sessions. These sessions educated 700+ athletics employees, student-athletes, on-campus constituents, and external constituents. During this reporting period, Athletics Compliance drafted and submitted 19 waivers (NCAA and AAC waivers combined). Of these 19 waivers, 17 (89%) were approved and two were denied (11%).

### *NCAA Major Infractions Case*

On October 29, 2021, the NCAA publicly released its Negotiated Resolution concluding its major infractions case against the University related primarily to multiple rules violations by football and women's basketball occurring between 2017 and 2020. The case resulted in several sport-specific penalties as well as three years of probation for the University. In response, the University implemented several best practice initiatives aimed at mitigating future compliance issues including, but not limited to, the following: increasing athletics compliance staff by 50%; relocating a full-time athletics compliance staff member to the Muma Basketball Center; centralizing the athletics compliance reporting structure such that it directly reports to the Office of Compliance & Ethics; and fortifying rules education and monitoring programs.

### *New Name, Image, and Likeness Statute*

Florida Statute, §1006.74, Intercollegiate Athlete Compensation and Rights, went into effect on July 1, 2021. This statute made it permissible for current student athletes at any Florida institution to use their name, image, and likeness ("NIL") for monetary gains. Previously, the NCAA's guiding amateurism principles and subsequent bylaws prohibited the use of student athletes' NIL for their own monetary gain. However, the NCAA reversed course on July 1, 2021, and began allowing student athletes to follow their state's NIL legislation. The new statute requires the University to adhere to the following:

- 1) USF must provide the opportunity for up to five (5) hours of life skills, financial literacy, and branding education to our current student athletes.
- 2) USF employees may not "cause" compensation and, thus, USF staff cannot have any direct or indirect involvement in the securing or arranging of NIL deals or agreements.
- 3) USF may not reduce or cancel an athletics scholarship because of the value of a NIL deal a student athlete receives.
- 4) Student athletes must disclose their NIL deals and transactions through a centralized system outlining the details of the arrangement.
- 5) NIL deals cannot be used as either a recruiting inducement or as pay-for-play.

USF Athletics contracted a digital branding company, INFLCR, to provide a software platform which aids our student athletes in navigating the NIL landscape and assists them with NIL opportunities. The contractual relationship between INFLCR and USF Athletics provides Athletics Compliance with a disclosure monitoring platform for NIL deals involving student athletes pursuant to Florida Statute, §1006.74. This platform also provides student athletes with on demand educational videos related to helping them build their brand and financial literacy as well as an external marketplace for them to explore NIL opportunities.

From July 1, 2021, to December 31, 2021, there were 114 total NIL-related transactions using the new INFLCR platform. Student athletes' transaction types included sponsored



social media posts, product reviews, private lessons, camps and clinics, apparel endorsements, and appearances and autograph events. The total transactional value for all student athletes during this period was \$13,355.74.

## ***Environmental Health and Safety***

USF Environmental Health and Safety (EH&S), a department within the Division of Facilities Management, ensures potential safety and environmental hazards are properly mitigated or remediated in accordance with applicable federal, state, and local requirements; USF policies, procedures, guidelines; and industry best practices. EH&S serves as the liaison between the University and external agencies and provides environmental health and safety awareness and compliance training. EH&S administers multiple programs to achieve this end. Some highlights from FY2020-2021 include:

- Provided safety and compliance training to approximately 7,703 faculty, staff, students, and affiliates via classroom-based and online training courses.
- Conducted approximately 84 emergency evacuation drills and 44,712 fire extinguisher inspections (3,726/month); provided Fire Safety Education and Training sessions for approximately 110 individuals; and, issued 12 hot work permits.
- Performed 199 laboratory and facility safety/compliance related inspections (387 deficiencies; 97% corrected to date). Tested 691 fume hoods and conducted 37 laboratory or research related incident investigations.
- Coordinated the compliant management, treatment, and/or disposal of approximately 79,314 pounds of chemical waste, 6,936 pounds of pharmaceutical waste, and 3,498 containers of biomedical waste for the University.
- Facilitated the following external regulatory agency inspections:
  - 1 inspection by the Florida Department of Health (biomedical waste).
  - 13 inspections by the Environmental Protection Commission (regulated storage tanks and industrial wastewater compliance).
  - 261 fire and life safety code inspections by the Office of the State Fire Marshal (1.4 violations/inspection).
- Evaluated or mitigated approximately 212 Industrial Hygiene/Occupational Safety related issues and/or complaints (i.e., asbestos, ergonomics, mold, noise, odor, etc.).
- Provided permitting and code or safety-related inspection support for approximately \$95.1 million in construction-related value for the University.
- Processed or coordinated approximately 207 workers' compensation claims to ensure injured or ill workers receive proper medical treatment, disability leave, and supplemental wages, as necessary.
- Successfully completed the renewal of the Industrial Wastewater Permit for the Tampa Campus, effectively reducing the frequency of effluent monitoring requirements for several parameters.

- Developed and trained users on best management practices (BMPs) for the closed-loop water recycle system operated by USF Athletics and Recreation Departments on the Tampa campus. The BMPs and associated training assists the facility with maintaining compliance with permit requirements as well as effective operation to minimize pollution potential.
- Completed a Risk & Resilience Assessment and Emergency Response Plan (ERP) for the Tampa campus public water system (PWS) in order to satisfy new regulatory requirements as well as prepare for potential emergencies or issues that could affect the campus water supply.
- Supported the MDH Ambulatory Surgical Center team by conducting facility walkthroughs and maintenance record reviews with life safety inspectors to ensure continued Agency for Health Care Administration (AHCA) licensure and Accreditation Association for Ambulatory Healthcare (AAAHC) accreditation.
- Updated the University's regulatorily-required Spill Prevention, Control, and Countermeasure (SPCC) plan to include new oil filled equipment and updated spill prevention practices.

### ***Research Integrity & Compliance***

Research Integrity and Compliance (RIC), a division within USF Research & Innovation, ensures research performed within USF is safe, ethical, and complies with all applicable laws, regulations, University policies, and best practices. Highlights from FY2020-2021 include the following, organized by compliance oversight function:

#### ***Conflict of Interest in Research***

- Reviewed 117 project-specific disclosures reporting research-related financial conflicts of interest. Of these, 88 (75%) required a management plan.

#### ***Human Subjects Research***

- The Institutional Review Boards (IRBs) reviewed and approved 1,092 initial human subjects research study applications (816 Social Behavioral studies and 276 Biomedical studies).
- Reviewed and signed off on 191 human subjects research applications where USF investigators requested to use an external IRB.
- Provided live and online training to 4,210 individuals engaged in human subjects research.

### *Animal Care and Use*

- The Institutional Animal Care and Use Committee (IACUC) reviewed and approved 263 new projects involving the use of live, vertebrate animals, including time-sensitive projects concerning COVID rapid response; 417 procedural changes; 699 amendments to approved protocols; and conducted 425 continuing reviews of previously approved projects.
- Certified 265 new individuals to work with animals.
- Performed 15 pre-performance reviews with veterinary staff for specialized projects.
- Processed 10 Memoranda of Agreement for inter-institutional collaborations involving live, vertebrate animals.
- Conducted inspections of 469 separate spaces used in animal research projects. Spaces included the central vivarium (housing areas, surgical suites, and procedural areas) and research laboratories where animals are housed and used. Inspections were conducted during semiannual program reviews and inspections; post-approval monitoring; and during the setup of new research spaces.

### *Biosafety*

- Performed 101 inspections of laboratories in which infectious biological agents, biological toxins, select agents/toxins, and/or recombinant or synthetic nucleic acid molecules are being used.
- Provided biosafety training to 880 individuals.
- Responded to and investigated six biosafety incidents.
- The Institutional Biosafety Committee (IBC) reviewed and approved 75 new research projects; reviewed and approved 235 amendments to existing research protocols; and conducted 133 continuing reviews of ongoing projects.
- Coordinated with the Centers for Disease Control and Prevention (CDC) Division of Select Agents and Toxins (DSAT) on a hybrid inspection of USF's select agent program.

### *Scientific Diving and Boating Safety*

- Coordinated training, planning, and execution of 72 divers to account for over 1,971 research dives through the safe passage of over 4,800 miles underway.

## ***Equal Opportunity and Americans with Disabilities Act Compliance***

EO-ADA Compliance is responsible for ensuring USF workplace and academic environments are free from discrimination, harassment, and retaliation based on protected categories of race, color, sex (including sexual harassment), national origin, sexual orientation, religion, age, disability, marital status, gender identity and expression, and veteran's status, as provided under Titles VI, VII, and II. EO-ADA Compliance has jurisdiction to engage in conflict resolution and/or investigate complaints that fall under the following anti-discrimination policies: [USF Policy 0-007, Diversity and Equal Opportunity: Discrimination and Harassment](#) and [USF Policy 0-108, Disability and Accommodations](#). EO-ADA Compliance is also responsible for preparing the annual Affirmative Action Plan. Some highlights from this reporting period include:

- Received 86 reports alleging discrimination based on a protected class of which 17 were investigated. Of those investigated, one (6%) was substantiated and 16 (94%) were unsubstantiated based on the preponderance of evidence standard.
- Maintained Equal Opportunity Liaisons (EOLs) list and revised as needed to facilitate EOLs were identified, notified they were EOLs, and ensured their completion of mandatory online EOL training.
- Completed six Civil Rights Form checklists on behalf of departments receiving federal grant monies. This checklist is required by federal entities in order for departments to be eligible for their federal funding.
- Served as member of USF President's Staff Salary Equity Task Force.
- Drafted the 2019 and 2020 Affirmative Action Plans for all three campuses.
- Served as EthicsPoint System Administrator backup to the CCO.
- Substantially revised and improved the Equal Opportunity and Disability/ADA websites.
- Resolved 18 student, staff, and faculty issues based on disability access or accommodations concerns.
- Administered the Johnson Scholarship including preparation of the Johnson Student Applicant Report and the Johnson Scholarship Verification Report for the academic year for the Board of Governors; and provided students with scholarship orientation.
- Created Johnson Scholarship Report and Verification Process Step-by-Step Guide.
- Assisted City of Tampa with Youth Leadership Award.
- Collaborated with City of Tampa-Freedom Playground Opening.
- Assisted City of Tampa with ADA anniversary video.
- Created Public Accommodations FAQs for ADA website.
- Collaborated with 3rd year USF medical students on accessibility for women in medical settings.
- Updated transgender or unisex bathroom guide for the ADA website.

## ***Title IX and Violence Against Women Act Compliance***

During this reporting period, Title IX compliance functions, which moved from DIEO to Compliance & Ethics, were consolidated with the Violence Against Women Act (VAWA) compliance functions historically housed within the Office of Compliance & Ethics. These consolidated compliance functions were placed under the leadership of a newly created Title IX-VAWA Compliance Officer position. Several requirements under the VAWA are duplicative or enhance Title IX requirements; therefore, the combination of these compliance functions resulted in programmatic efficiencies. This new position reports directly to the CCO.

The Title IX-VAWA Compliance Program is responsible for ensuring the USF workplace and academic environments are free from discrimination based on sex including sexual harassment, sexual violence, relationship violence, stalking, and discrimination based on pregnancy. The Title IX-VAWA Compliance Program has jurisdiction to investigate and resolve complaints that fall under [USF Policy 0-004 Sexual Misconduct/Sexual Harassment \(Including Sexual Violence\)](#). Some highlights from this reporting period include:

- Streamlined procedures, reducing the average number of days to process a case from 54 to 40 days for the 2021 calendar year, which resulted in a 26% reduction in processing time. During the last six months of 2021 (July 1 to December 31) further streamlined process to reduce the average days to process a case to 23 days, which resulted in an overall 57% reduction in processing time.
- Provided 59 trainings to 3,424 attendees, including 2,909 USF employees, 237 members of Fraternity & Sorority Life, 178 student athletes, and 100 student ROTC cadets.
- Created and implemented online Title IX training and updated Title IX website.
- Maintained legal externship program with community law schools, including supervision of five legal externs.
- Received Outstanding Staff Awards for two of our Title IX team members.
- Received 357 reports during calendar year 2021 of which 40 (11%) were in progress from the previous calendar year and 317 (89%) were new submissions. Of these 357 reports processed during 2021, 338 (95%) were closed and 19 (5%) remained in progress by close of the calendar year.
- Of the seven investigations completed during 2021, two (29%) were substantiated and five (71%) were unsubstantiated based on the preponderance of evidence standard.

- The below chart summarizes the closure type for the 338 reports closed during calendar year 2021:

Closure Type	Report Count	Percentage of Closed Reports
Insufficient information	140	41%
Not Title IX jurisdiction/policy definition unmet	103	30%
Complainant requested closure	18	5%
Referred to another USF Unit	39	12%
Implemented Supportive Measures or Informal Remedy	25	7%
Formal Investigation Completed	7	2%
Merged with another report or addressed Externally	6	2%
<b>Total Count Closed Reports:</b>	<b>338</b>	<b>100%</b>

### ***Healthcare Compliance***

The Healthcare Compliance Program, formerly Billing Integrity within PIO, focuses on compliance with federal, state and insurance-provider regulations and policies governing the provision of and billing for healthcare services provided by USF Health practitioners. Highlights from 2021 are provided below:

- Continued educational efforts from 2020 regarding 2021 outpatient Evaluation and Management (E&M) coding changes with an additional six department training sessions and three drop-in Teams Q&A sessions.
- Followed up education with random spot checks of over 600 claims and related provider feedback.
- Continued to support USFH practice plan with guidance related to telehealth workflows, EHR best practices and related regulatory coverage, documentation, and billing policies.
- Provided 153 individual new provider billing integrity orientations.
- Received and resolved over 300 direct inquiries/reported concerns (email, chat, phone, Helpline).
- Provided three requested specialty group trainings.
- Formalized a risk-based provider/service monitoring policy based on prior year pilot.
- Provided oversight for external engagement of surgical coding education and assessment.
- Investigated three internal reports of noncompliance and facilitated implementation of corrective actions, including refunds as applicable.

- Received 11 external audit requests and responded timely to nine with two remaining open at calendar year-end.
- Served as USF lead advisory for establishment of compliance program for USF Tampa General Physicians.

### ***Privacy and Healthcare Civil Rights Compliance Program***

The Privacy & Healthcare Civil Rights Compliance Program, formerly the HIPAA/Privacy compliance in PIO, focuses on compliance with the Health Insurance Portability and Accountability Act (HIPAA), federal and state privacy laws, regulations, and internal policies. Highlights from this reporting period include:

- Monitored unauthorized access within the electronic health record (“EHR” also known as the Epic system) and conducted randomized access audits to confirm compliance with HIPAA.
- Received and responded to over 2,500 emails and telephone calls from the general public, patients, and USF workforce members regarding patients’ privacy and health care civil rights related concerns.
- Received and investigated more than 400 access alerts generated by the FairWarning program. Imprivata purchased FairWarning in 2021 greatly reducing the number of false positive alerts and the number of alerts in general.
- Monitored and analyzed over 350 communications deleted within Epic by providers and clinical staff to assure no privacy incident resulted prior to deletion of said communication.
- Received, monitored, and investigated over 150 privacy incidents reported via CompliancePro Solutions software by our workforce members to determine if breach notification was required and if a policy violation occurred.
- Prepared and mailed breach notification letters to 14 patients and reported such privacy breach notifications to the Office of Civil Rights Health and Human Services (OCR/HHS) as required by law.
- Decreased our privacy investigations and reporting times by almost half this calendar year. Our days to investigate and report was down from an average of 26 days last year to only 13.3 days this calendar year. HIPAA allows for the maximum reporting time of 60 calendar days and our reporting time is 13.3 calendar days.
- Monitored and enforced compliance with mandatory HIPAA privacy training through our learning management system (SABA) for all workforce members within 10 days of hire and annually thereafter.



- Audited access to the EHR by researchers to ensure access to protected health information was authorized and within the research parameters pursuant to Institutional Review Board approval.
- Worked in conjunction with USF Health Information Management to provide guidance and ensure timely responses to patient requests for amendments to their electronic medical records, accounting of disclosures, requests for alternative communications, and requests for copies of medical records.
- Assisted and investigated privacy incidents forwarded by Tampa General Corporate Compliance regarding VIP patients and access issues regarding USF workforce members who have access to Tampa General Hospital's Epic platform.
- Performed root-cause analysis of misdirected faxes generated from within the EHR to determine if a reportable breach occurred and corrected facsimile numbers or referring provider names as appropriate.
- Conducted, trained, and provided feedback to our HIPAA liaisons within the clinics through monthly HIPAA questions/reports that they must complete. This identifies potential HIPAA violations and problem areas therefore reducing HIPAA violations.
- Reviewed and advised on MyChart proxy access questions for the information technology team to determine whether access should be granted to MyChart (the patient medical record portal).
- Notified workforce members of overlays (overlying one patient's medical records with another patient's information) created in the EHR and monitored completion of required Epic overlay retraining within 30 days to reduce the chance of creating another overlay.
- Investigated reports of HIPAA privacy potential breaches and facilitated corrective actions as needed, including retraining and other sanctions.
- Attended meetings, provided feedback, and fielded numerous inquiries regarding the implementation and requirements under the newly implemented 21st Century Cures Act.
- Reviewed and analyzed over 200 psychotherapy notes to ensure proper classification as "sensitive notes" to comply with the release requirements of the 21st Century Cures Act.
- Participated on the legal and compliance subcommittee for the implementation of Tampa General Hospital and USF Health's endeavor to form the Academic Medical Group (AMG), which does business as (d/b/a) USFTGP.
- Provided privacy monitoring services to AMG d/b/a USFTGP. Such services are paid for by USFTGP. Began tracking percentage of time spent providing these services to confirm payment meets our time expenditure.
- Drafted and negotiated Business Associate Agreements for USF and USFTGP, including obtaining annual re-certifications as mandated under HIPAA.
- Reviewed and approved individuals who applied to be observers in USF clinics.



- Closed an OCR/HHS investigation successfully without incurring financial penalties or having to enter into a corrective action plan.
- Reviewed all existing HIPAA privacy policies as required annually.
- Drafted and reviewed policies for the new organization AMG d/b/a USFTGP.
- Drafted and launched a new HIPAA annual training module for AMG d/b/a USFTGP workforce members under the learning management system (Mind Lab).
- Drafted and launched new HIPAA annual training module for USF workforce members within the learning management system (SABA).

### ***Information Technology Security***

Information Security ensures the security of USF information systems. Highlights from this reporting period include:

- Worked with external consultants brought in to perform a risk assessment of the HIPAA environment at USF Physician's Group.
- Participated in several audits led by the State Auditor General's office and the USF Office of Internal Audit (Internal Audit).
- Participated in multiple incident investigations on behalf of Human Resources, Internal Audit, General Counsel, and the Professional Integrity Office, determining the severity of the incident and the potential need for breach notification to appropriate state and federal entities.
- Reviewed and updated several USF IT processes, policies, and standards.
- Secured Box (cloud storage) folders for HIPAA and other high sensitivity data to be stored, controlled, and/or monitored.
- Reviewed almost 290 research contracts and Data Use Agreements.
- Reviewed multiple contracts for export-controlled projects for the College of Engineering, College of Medicine, and College of Arts and Sciences for IT security compliance.
- Worked with colleges and departments to identify and implement security control requirements in accordance with applicable Federal and State laws and regulations.
- Managed multiple rooms specifically identified for physical security needs per research contractual obligations containing more than 250 managed research computers.
- Implemented a framework to perform ongoing access reviews of critical system databases.
- Began implementation of a Privileged Access Management solution to mitigate the risks associated with compromised privileged accounts.

## **D. State University System of Florida Compliance & Ethics Consortium**

In addition to being the first compliance and ethics program at a State University System (SUS) institution and the first SUS institution to fully implement BOG Regulation 4.003, we continued our participation in the SUS Compliance & Ethics Consortium (Consortium). The Consortium was established on June 27, 2013, to provide an avenue for member universities to discuss the development and improvement of SUS compliance and ethics programs, new federal and state regulations, best practices, and issues these institutions may be encountering. The purpose of the consortium is to ensure effective communication and collaboration in the development of compliance and ethics programs across the SUS. The consortium is comprised of Chief Compliance Officers and representatives from their respective compliance and ethics programs within the SUS; and, as non-voting, ex officio members, the Inspector General and Director of Compliance and his/her representatives from the SUS Florida Board of Governors.

During this reporting period, consortium member institutions were required to initiate their inaugural 5-year review of the effectiveness of their respective compliance and ethics programs (“peer review”) as required by BOG Regulation 4.003. Using the peer review process developed by the Consortium, USF served as secondary reviewer for the peer review of the effectiveness of University of North Florida’s compliance and ethics program, where Florida Polytechnical University served as the lead reviewer. USF was the subject of its own peer review performed by Consortium members, highlighted in *Element 8, Section A*.

The Consortium facilitated a several month collaborative effort to identify opportunities and challenges for SUS institutions implementing the four new foreign influence laws enacted by the legislature in 2021 and the existing state foreign influence law enacted in 2020. Compliance & Ethics leveraged the Consortium’s collaborative process to offer insights into our implementation process and assess the best practice policies and procedures leveraged by other SUS institutions. Additional details about the four new state foreign influence statutes and their impact on USF’s foreign influence compliance is discussed in *Element 2, Section B*.

## **Element 2: Establish Standards of Conduct, Policies, & Procedures**

During the reporting period, Compliance & Ethics reviewed new USF policies and revisions to existing USF policies issued by the Office of the General Counsel for comment. Compliance & Ethics provided the Office of the General Counsel, whenever possible, with draft language aimed at harmonizing language with existing policies; reducing or eliminating redundant policy statements with existing policies; and clarifying language to facilitate understanding. Below are highlights from this reporting period:

## **A. Implementation of Researchers' Outside Activity and Financial Interest Disclosure Requirements**

Florida Statute, §1012.977, effective July 1, 2020, significantly impacted the reporting responsibilities of USF employees engaged in the design, conduct, or reporting of research ("USF Researchers"). This statute requires USF Researchers to disclose outside activities related to their expertise and financial interests of any value other than that provided directly by USF. These new disclosure requirements significantly expanded the outside activity and financial interests disclosure requirements already in place for all USF employees under [USF Policy 0-027: Florida Code of Ethics for Public Officers and Employees \(FCOE\): Compliance and Disclosure](#), and [USF Policy 0-309: Individual Conflicts of Interest in USF Research Projects and USF Financial Conflicts of Interest \(FCOI\)](#). This statute also requires universities to suspend employees failing to disclose any outside activity or financial interest as required by §1012.977 pending the outcome of an investigation which shall not exceed 60 days. Upon conclusion of the investigation, this statute permits universities to terminate the contract of the employee.

Prior to F.S. §1012.977, USF employees' outside activity disclosure requirements were limited to outside activities involving one or more of the following six types of activities:

- 1) More than incidental use of USF facilities, equipment, or services.
- 2) Supervising or evaluating a USF student or employee in an outside activity the disclosing employee also supervises or evaluates as part of their assigned duties for USF.
- 3) Waiving or assigning their or USF's rights to inventions or works.
- 4) Candidacy for or holding public office.
- 5) Compensation (for faculty this requirement is limited to "professional compensation" under the UFF CBA).
- 6) Any other activity the employee should reasonably conclude may create a conflict of interest or commitment.

Under the new state disclosure requirements, USF Researchers must also disclose "any outside activity related to their expertise"; thereby, significantly increasing the types of outside activities requiring disclosure, review, and approval via the eDisclose system, administered by Compliance & Ethics.





Prior to F.S. §1012.977, USF Researchers were required to disclose financial interests which constituted a significant financial interest (SFI) as defined by USF Policy 0-309. Under the new state disclosure requirements, USF Researchers must also disclose all financial interests not provided by USF; thereby significantly increasing the types of financial interests requiring disclosure, review, and approval. The eCOI system, administered by the Research COI Program in Research Integrity & Compliance, part of Research & Innovation, was designed to enable the disclosure, review, and mitigation of SFIs. There was no disclosure and review system in place to collect the types of financial interests requiring disclosure and review under the new statute.

During this reporting period, Compliance & Ethics continued its partnership with Sponsored Research and Research Integrity & Compliance in the Office of Research & Innovation; USF Health Faculty Affairs; and the Office of the General Counsel to implement these new outside activity and financial interest disclosure and review requirements. New language was integrated into the eDisclose and eCOI systems; USF Policies 0-027 and 0-309 were updated; and design specifications were developed and implemented to identify researchers in eDisclose and direct them to new data collection forms for outside activities and financial interests not constituting an SFI. Likewise, new review and approval processes were developed and implemented in eDisclose to ensure compliance with this unfunded mandate from the state. As a result of this partnership, the University was able to successfully respond to the August 2021 Florida Board of Governor's Request for Information from all SUS institutions regarding the status of their compliance with F.S. §1012.977.

## **B. New State of Florida Foreign Influence Laws**

The State of Florida enacted four new foreign influence-related statutes in July 2021. This new legislation emphasized increased vigilance against undue foreign influence on SUS institutions' research by seven foreign countries of concern (FCOC). These FCOCs are statutorily defined as the following: People's Republic of China; Russian Federation; Islamic Republic of Iran; Democratic People's Republic of Korea; Republic of Cuba; Venezuelan regime of Nicolas Maduro; Syrian Arab Republic; or any agency of, or any other entity under significant control of, any of the above countries. These new statutes require significant review, screening, approval, monitoring, and reporting responsibilities of our university without concomitant state funding to ensure compliance.

The Foreign Influence Committee (FIC), chaired by the CCO, established four subcommittees, one for each new statute. The subcommittees were charged with developing proposals for ensuring compliance with the new state requirements with an emphasis on leveraging existing USF policies, procedures, and resources. When current procedures or resources could not be successfully leveraged to ensure compliance, the FIC requested the subcommittees' proposals include implementation options and their associated budgetary impacts. The FIC and its subcommittees worked on the development of foreign influence implementation proposals between August 2021 until December 2021, at the end of which a consolidated framework of proposals was provided to the USF President for consideration. The budgetary impacts were summarized in the subcommittees' proposals and included the below dashboard identifying proposals with potentially significant budgetary impact (\$475K-\$2M, red), moderate budgetary impact (\$20K yellow), or no budgetary impact (\$0, green).

Unfunded Budget Impact	Florida Statute	Subcommittee Name
	§1010.35	Screening Foreign Researchers
	§1010.36	Foreign Travel-Research Institutions
	§1010.25	Foreign Gift Reporting
	§288.860	International Cultural Agreements

In addition to the subcommittee proposals, the FIC recommended the establishment of a new USF Foreign Influence Officer (FIO) position. This position would be responsible for coordinating and ensuring compliance with the four new statutes cited above as well as the F.S. §1012.977 described in the previous section and the Department of Education, Section 117, requirements for disclosing foreign gifts to and contracts with USF. The FIO's recommended responsibilities would include assessing foreign influence-related compliance activities, risks, and implementation requirements; addressing non-compliance concerns; recommending compliance mitigation strategies to management based on current law, guidance, and best practices.

A summary of the four new statutes and the subcommittees' proposals are provided below, listed by subcommittee name.

### ***Screening Foreign Researchers***

Section 1010.35, Florida Statutes, required screening of certain applicants for employment in research or research-related support positions. This new law impacts recruitment for positions or appointments responsible for the design, conduct or reporting of research ("Researchers"), including, but not limited to, positions or appointments responsible for accessing unpublished research data, processes, or findings. Prior to interviewing or offering employment, USF must screen applicants for certain research-related positions such as the following employment in research or research-related support positions, including graduate and undergraduate students seeking such positions; or employment as a visiting researcher. The Board of Governors requires the USF Chief Audit Executive to perform an operational audit of USF's compliance with these foreign researchers screening requirements by July 1, 2025.

The Screening Foreign Researchers Subcommittee was comprised of 15 members representing the following eight USF units: Central Human Resources, USF Research & Innovation (Export Controls), USF Information Technology, Office of General Counsel,

Office of the Provost, Research Integrity & Compliance, USF World, and USF Health Faculty Affairs.

To avoid significant delays during the recruitment process, as well as the potential loss of exceptional candidates who may be deterred by the exhaustive screening requirements under the new law, the University needed to implement screening procedures that balanced cost effectiveness and efficiency. To this end, the subcommittee suggested the institution consider the benefits and challenges of two options: 1) A less costly and efficient USF-only screening process that may result in candidates accepting opportunities from institutions able to make offers sooner, or 2) a more expensive, third-party screening solution that would ensure a more rapid screening process considering the volume of applicants requiring these new screening protocols. Their recommendations included increases in Human Resources and Research Integrity & Compliance staffing based on which of these two options USF implemented.

### ***Foreign Travel-Research Institutions***

Section 1010.36, Florida Statutes, requires state universities to establish an approval and monitoring program for international travel by January 1, 2022. The international travel program must require the Research Integrity Office (RIO), an office which the statute required the USF President designate as such, to preapprove and screen any employment-related foreign travel and employment-related foreign activities engaged in by all USF faculty, researchers, and research department staff. The law specifies the RIO's preapproval be based on the following:

- Travelers' review and acknowledgment of guidance related to countries under sanctions or other state or federal restrictions ("Travel Guidance"). The statute mandated the content of this Travel Guidance; and
- Travelers' binding commitment or "attestation" to follow USF's travel policy and to provide records related to outside funding for foreign travel.

In addition, the new statute requires USF to submit an annual foreign travel report to BOG or other appropriate governing board beginning in 2022 for foreign travel which occurred during the previous fiscal year. The annual foreign travel report must include the names of the travelers, foreign locations visited, and foreign institutions visited. BOG Regulation 9.012, Foreign Influence, requires USF's Chief Audit Executive to perform an operational audit of USF's compliance with these foreign travel screening requirements by July 1, 2025.

The Foreign Travel-Research Institutions Subcommittee was comprised of 12 members representing the following four USF units: USF World, USF Information Technology, USF Research & Innovation, and the University Controller's Office.

The subcommittee proposed modifying USF's travel request system to capture additional data points needed for annual reporting; travelers' review and acknowledgement of the



Travel Guidance; and travelers' attestations. The subcommittee also developed a process for RIO to meet its review, preapproval, monitoring, and annual foreign travel reporting responsibilities.

### ***Foreign Gift Reporting***

Section 1010.25, Florida Statutes, Foreign Gift Reporting, requires SUS institutions to disclose gifts USF received directly or indirectly from any foreign source with a value of \$50,000 or more during a single fiscal year to the Board of Governors (BOG) on a semi-annual basis. Under this new law the term "gift" means any contract, gift, grant, endowment, award, or donations of money or property of any kind, or any combination thereof, including a conditional or an unconditional pledge of such contract, gift, grant, endowment, award, or donation. The new law specifies the type of information which must be disclosed, including, but not limited to, information about the source, value, timing, purpose, and any conditions or restrictions of the gift. There are exemptions to the disclosure requirement for information that is deemed confidential or exempt by state or federal law. USF's first foreign gift report submission to the BOG was provided by the January 31, 2022. This statute requires the BOG's Office of the Inspector General and Director of Compliance to conduct annual audits or inspections to determine SUS institutions' compliance with these new foreign gift reporting requirements beginning July 1, 2022.

This subcommittee was comprised of 24 members representing the following 13 USF units: Office of Compliance & Ethics, University Controller's Office, Office of Intercollegiate Athletics, Office of Financial Aid, Office of General Counsel, USF Health Office of Research, USF Sponsored Research, USF Research Integrity & Compliance, USF Research & Innovation, Office of Resource Management, University Advancement, Government Relations, and USF Health Faculty Affairs. Membership of the Foreign Gifts/Contracts Group was leveraged for this subcommittee. The Foreign Gifts/Contracts Group was established by Compliance & Ethics in 2019 to facilitate compliance with foreign gifts and contracts reporting under federal law as requirement by to the Department of Education. Compliance & Ethics administers this group, coordinates their work product, and ensures compliance with federal foreign gift and contract reporting requirements.

Leveraging the gift and contract reporting process in place to comply with federal law, the subcommittee developed a process to comply with the new state foreign gift reporting requirements. This process includes the use of BOG-provided submission template and new reporting database, called Information Request System (IRS). USF was one of several SUS institutions asked to beta test and provide feedback regarding the BOG's submission template and IRS. The new process resulted in additional duties and responsibilities for the Foreign Gifts/Contracts Group without a concomitant cost increase to USF.

## ***International Cultural Agreements***

Section 288.860, Florida Statutes, placed restrictions on and required greater oversight for agreements entered into with FCOCs. The statute states a “state university authorized to expend state-appropriated funds may not participate in any agreement with or accept any grant from a FCOC which: (a) Constrains the freedom of contract of such public entity; (b) Allows the curriculum or values of a program in the state to be directed or controlled by the [FCOC]; or (c) Promotes an agenda detrimental to the safety or security of the United States or its residents. Prior to the execution of any cultural exchange agreement with a FCOC, the substance of the agreement shall be shared with federal agencies concerned with protecting national security or enforcing trade sanctions, embargoes, or other restrictions under federal law. If such federal agency provides information suggesting that such agreement promotes an agenda detrimental to the safety or security of the United States or its residents, the public entity may not enter into the agreement.”

The International Cultural Agreements Subcommittee was comprised of two members representing the following USF units: Office of General Counsel and USF World.

The International Cultural Agreements Subcommittee proposed a supplemental review process for international agreements involving FCOCs. The proposed process is triggered by a faculty member's answers to an additional section on USF World's Feasibility Form. The additional section will 1) confirm the FCOC; 2) require the faculty member to provide greater details of the proposed international agreement; and 3) alert the subcommittee of the need for increased review of the proposed program. The subcommittee will provide oversight and additional review of the proposed agreement to ensure compliance with Florida Statute and any future guidance from the BOG.

## **C. Higher Education Act**

The Higher Education Act of 1965 (HEA) governs the administration of federal funding for higher education programs. The university must comply with HEA in order to remain eligible for Title IV funding from the U.S. Department of Education (ED) and for funding from other federal agencies sponsoring USF research projects.

### ***Foreign Gifts to or Contracts with USF***

Under Section 117 of HEA, institutions of higher education must disclose contracts with or gifts (“gifts/contracts”) to USF from a foreign source that, alone or combined, have a value of \$250,000 or more for a calendar year. Institutions must disclose these gifts and contracts to the ED on January 31<sup>st</sup> or July 31<sup>st</sup>, whichever occurs first after the reporting threshold is crossed. Although these requirements have been in place for more than 30 years, the ED never issued regulations. In early 2019, the ED initiated investigations into compliance with Section 117 at four prominent research universities. The ED also advised institutions of their intent to modernize their information collection portal. These portal changes required the disclosure of significantly more information. Using the new portal



was voluntary in January 2020 and mandatory thereafter. On June 22, 2020, the ED issued new foreign gifts or contracts reporting guidance effective for July 2020 reporting. Prior to this new guidance, USF was required to report gifts and contracts received. Under the new guidance, USF must report any gift promised which meets the reporting threshold, regardless of whether USF receives the full value of the promised gift. The guidance also required USF to report the value of any contract meeting the reporting threshold, regardless of whether USF receives all of the payments promised under the contract.

During calendar year 2021, Compliance & Ethics continued to leverage the Foreign Gifts and Contracts Group to comply with these federal foreign gifts and contracts reporting requirements. Compliance & Ethics continued its responsibility for coordinating receipt and compliance review of foreign contracts and gifts data prior to submission to the ED. During this reporting period, 45 foreign gifts to and contracts with USF were reported to the Department of Education in accordance with Section 117.

### ***Higher Education Opportunity Act (HEOA)***

The Higher Education Opportunity Act of 2008 (HEOA) amended HEA and includes compliance with the following federal laws:

- Jeanne Clery Disclosure of Campus Security Policy and Crime Statistics Act (Clery);
- Violence Against Women Act (VAWA) amendments to the Clery Act;
- Equity in Athletics Disclosure Act (EADA);
- Student Right to Know Act; and
- The Drug Free Schools and Communities Act (DFSCA).

For the purposes of this report, the term “HEOA” refers collectively to the above-listed federal laws and their associated regulations. HEOA requirements are complex and often involve cross-jurisdictional compliance risks, e.g., regulatory risks affecting more than one university leadership area and/or more than one campus. Below is a summary of our 2021 HEOA compliance activities:

### ***Clery Annual Security and Fire Safety Report***

Compliance & Ethics continued to assist the University in meeting its HEOA compliance responsibilities in accordance with [USF Policy 0-233: Higher Education Opportunity Act \(HEOA\) Initiative: USF, Portal, and Security & Fire Safety Reporting Compliance](#). Our office worked closely with the Clery Coordinator at the USF Police Department to facilitate a process for producing Annual Security and Fire Safety Reports (ASRs) for each campus (USF Tampa, USF Health South, USF St. Petersburg, and USF Sarasota-Manatee) as defined by the Clery Act. ASR production by the federally mandated deadline of October 1 each year, involves compilation of content from 13 authors across three campuses,

including distribution of these reports to all current USF students and employees and submission of required VAWA and other crime statistics to the U.S. Department of Education.

### ***Department of Education Financial Aid Eligibility Notification***

In August 2021, the Program Director of the Office of Financial Aid requested assistance from Compliance & Ethics regarding revising language concerning eligibility for financial aid and student drug offenses based on new policies adopted by the U.S. Department of Education. Our office worked with Financial Aid to adjust its notification language, procedures, and web-based disclosures to ensure consistency with the new Department of Education policy.

### ***Constitution and Citizenship Day***

Compliance & Ethics continued its compliance oversight activities relating to the *Consolidated Appropriations Act of 2005*. This federal legislation commemorates the September 17, 1787, signing of the United States Constitution. This legislation requires each educational institution that receives federal funds to hold an educational program on the United States Constitution for students served by the educational institution on September 17<sup>th</sup> each year in order to remain eligible for federal funds. In addition, some research sponsors require evidence of compliance with this requirement in order for USF to remain eligible for study sponsor funding. Compliance & Ethics contacted Student Success and the USF Center for Leadership and Civic Engagement in August 2021 and reviewed their plans for 2021 to assure compliance with this annual requirement. The USF Center for Leadership and Civic Engagement planned and subsequently implemented both virtual and on-campus events across all USF campuses ensuring compliance with this federal requirement.

## **Elements 3 & 4: Create a Fair and Ethical Culture & Open Lines of Communication**

---

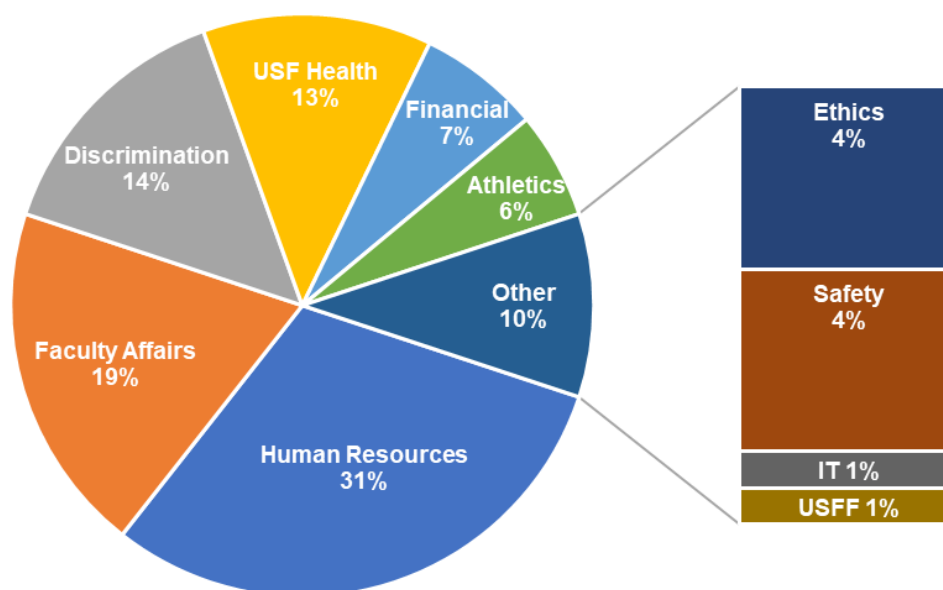
Under the provisions of [USF Regulation 5.001: Fraud Prevention and Detection](#), all USF managers and their employees are responsible for preventing, detecting, and reporting waste, fraud, financial mismanagement, or other violations of USF policy or regulation.

EthicsPoint—our third party hosted hotline—enables USF employees and other members of the USF community to safely, securely, and anonymously report activities which may involve misconduct, fraud, abuse, and other violations of USF policies. This hotline serves as one of the primary tools assisting USF in our efforts to create and maintain a “culture of compliance”.

During calendar year 2021, we addressed 118 reports. Of these, 107 (91%) were closed and 11 (9%) remained open. Of the closed reports, 5 (4.67%) were substantiated, 83 (77.57%)

were unsubstantiated, and 19 (17.76%) were referred. Reports are “referred” when the reported incident falls outside of the scope of EthicsPoint, e.g., academic matters involving faculty or students. Please see the below chart and table for more detailed information by primary issue.

**EthicsPoint Reports By Primary Issue**



	Substantiated	Unsubstantiated	Referred	Open	Total
Human Resources	0	29	2	5	36
Faculty Affairs	2	15	5	1	23
Discrimination	0	12	5	0	17
USF Health/Medical	1	9	3	2	15
Financial	0	4	1	3	8
Athletics	0	6	1	0	7
Ethics	1	4	0	0	5
Safety	1	2	2	0	5
Information Technology	0	1	0	0	1
USF Foundation	0	1	0	0	1
<b>Total</b>	<b>5</b>	<b>83</b>	<b>19</b>	<b>11</b>	<b>118</b>

## Element 5: Education and Training

---

### A. Compliance & Ethics Training for New Employees

Our program provides compliance and ethics training or training content to new USF employees as follows:

- Online compliance and ethics training required of new administration and staff employees on the Tampa campus as part of new employee orientation, a program administered by Central Human Resources. During 2021, 442 new employees completed this training.
- We received no requests for in-person training during 2021, due to training being offered/delivered exclusively in an online format.
- One-on-one orientation sessions with new Sarasota-Manatee faculty, administration, and employees, which is provided by their Human Resources representatives, continued to use materials provided by our program.

### B. Compliance & Ethics Training for Current Employees

Certain USF employees are required to complete an annual Florida Code of Ethics (FCOE) disclosure in eDisclose, our online disclosure and review system. This disclosure includes education on current FCOE, nepotism, outside activity, and financial interest prohibitions and restrictions under the FCOE and [USF Policy 0-027](#). The following employee position types must annually complete an FCOE disclosure:

- All Faculty;
- All Administration employees;
- Staff employees issued a procurement card (PCard) or role in FAST (our financial accounting system); and
- Temporary employees issued a PCard or FAST role.

During 2021, 6,804 FCOE disclosures were submitted by USF faculty, administration, staff, and temporary employees in eDisclose. This translated to 6,384 individual USF employees receiving FCOE, nepotism, outside activity, and financial interest training during calendar year 2021.

## Element 6: Detection, Remediation, and Enforcement

---

Compliance & Ethics continues to work with compliance units to detect compliance gaps. When such gaps are identified, our program convenes multidisciplinary teams to develop and implement cross-jurisdictional policies and procedures aimed at addressing compliance gaps, including enforcement.

## A. Form One Financial Interest Disclosure

Since 2018, Compliance & Ethics holds university-wide responsibility for ensuring compliance with financial interest disclosure requirements under Florida Statutes, Section 112.3145. Under this statute, USF employees with statutorily defined titles, roles, or spending authority (“Form 1 Filers”) must report their financial interests directly to the Florida Commission on Ethics (COE) using their Form 1-Statement of Financial Interest (Form 1). Such disclosures are required upon becoming a Form 1 Filer, annually thereafter, and when the filer no longer meets the criteria of a Form 1 Filer. In furtherance of this responsibility, a procedure was developed and implemented to define roles and responsibilities for Form 1 disclosure by “specified state employees” (VPs, Deans, etc.), “state officers” (board members), and “purchasing agents”. Effective processes ensuring compliance with these financial interest disclosure requirements for our Board of Trustee members and employees assists them in avoiding fines of \$25 per day for failure to timely file. During 2020, our method for identifying Form 1 Filers was reviewed in consultation with the Office of the General Counsel to ensure our reporting reflected current statutory criteria for identifying filers. This resulted in an updated procedure, created in collaboration with Human Resources, Purchasing, Procurement Card, and Board of Trustees administrative support units, including the campus boards at our St. Petersburg and Sarasota-Manatee campuses.

During this reporting period, Compliance & Ethics submitted a proposal to IT to develop a technology-based process to streamline and automate the manual Form 1 Filer identification, notification, and reporting process. This project is ongoing.

## Element 7: Risk Assessment, Audit, and Monitoring

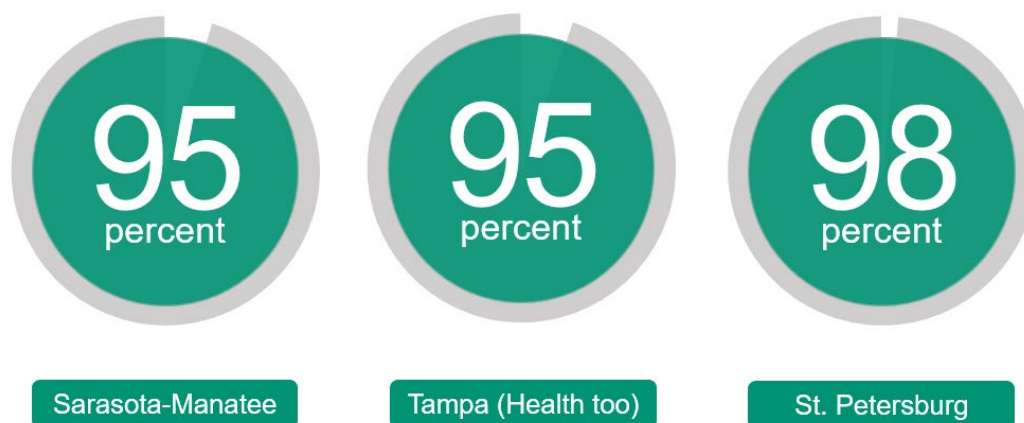
Compliance & Ethics performs compliance reviews, risk assessments, and other consulting projects for known or suspected compliance gaps. Such compliance gaps can arise when USF has no known internal controls or existing controls are inconsistent with the law or industry best practices. Such reviews, assessments, and projects performed by our office aim to bring the process or unit into compliance and, thereby, mitigate risk to the institution. Below is a discussion of compliance reviews, risk assessments, and other consulting projects performed by our program this reporting period.

### A. Annual FCOE Disclosure Compliance Monitoring

Compliance & Ethics continued its monitoring of employee compliance with the annual Florida Code of Ethics (FCOE) disclosure requirements as set forth in USF Policy 0-027. New employees must complete an FCOE disclosure within the first 30 days of their employment start date. Employees receive three reminders prior to expiration of their most recent FCOE disclosure. In addition, our program sends senior managers monthly FCOE Disclosure Compliance Reports (FCOE Reports) identifying all employees under their purview who are required to complete an annual FCOE disclosure and whether they

have done so within the past 12 months. Senior managers and their designees then follow up with noncompliant employees to ensure they complete their annual FCOE disclosure in eDisclose.

During 2021, our monitoring and subsequent follow up by senior managers resulted in an overall FCOE disclosure compliance rate of 95% for USF. The percentage of employees meeting their annual FCOE disclosure requirement is provided by campus below.



## B. Annual Sponsored Research Exemption Reporting

The Florida Code of Ethics for Public Officers and Employees (FCOE) prohibits USF employees from having employment or contractual relationships with business entities also doing business with the USF, unless an exemption under §112.313(12)(h) applies. There are multiple exemptions afforded under the FCOE, one of which, the Sponsored Research Exemption (SRE), when approved by the President and Board of Trustees Chair, must be reported to the Florida Governor and Legislature by March 1 each year.

USF employees disclose relationships which may be eligible for an SRE as part of their annual FCOE disclosure in eDisclose. Compliance & Ethics is responsible for reviewing FCOE disclosures and determining whether an SRE applies to the disclosed relationship. Our program, in collaboration with Patents and Licensing and the Office of the General Counsel, utilizes a multi-jurisdictional procedure to ensure transactions eligible for an SRE are identified, reviewed, approved, and reported pursuant to statutory requirements.

During 2021, we reported nine employment or contractual relationships with USF employees eligible for a sponsored research exemption to the Governor and Legislature.

## Element 8: Assessment of Effectiveness

---

During 2021, Compliance & Ethics completed two assessments of effectiveness required under Board of Governors Regulation 4.003(7)(c) and 4.003(8): a 5-year compliance program effectiveness review and our annual report, respectively.

BOG Regulation 4.003(7)(c) requires at least once every five (5) years, the president and board of trustees shall be provided with an external review of our compliance and ethics program's design and effectiveness and any recommendations for improvement, as appropriate. BOG Regulation 4.003(8) requires Compliance & Ethics to report at least annually on the effectiveness of the Program.

### A. 5-Year Compliance Program Effectiveness Review

During this reporting period, external reviewers from New College of Florida and the University of North Florida, where New College served as the lead reviewer, began their review of the design and effectiveness of the Compliance & Ethics Program. The review used metrics and a self-assessment tool developed by the SUS Compliance Officer Consortium in conjunction with BOG Inspector General guidance. The self-assessment tool is based on the seven elements of an effective compliance program under Chapter 8 of the Federal Sentencing Guidelines, BOG Regulation 4.003 requirements for such programs, and best practices. The external review began in October 2021.

During this reporting period, our office completed the extensive self-assessment including the provision of 69 documents and over 2,036 pages of supporting material to the external review team for their consideration when evaluating the effectiveness of the USF Compliance & Ethics Program. We also prepared and provided preparatory training and guidance for the following key USF representatives for their interviews with the external reviewers: Trustee Sandra Callahan, Chair, USF Board of Trustees Audit & Compliance Committee; USF President Rhea Law; Senior Vice Provost Dwayne Smith; General Counsel Gerard Solis; Chief Audit Executive Virginia Kalil; Assistant Vice Chancellor and Dean of Students, St Pete Campus, Dr. Jake Diaz; and USF Health Assoc Vice President for Faculty Relations, Olga Joanow. These representatives participated in a critical component of the assessment; that is, establishing senior leaders' level of commitment and support for USF's compliance functions through their one-on-one interviews with the external reviewers. The "tone from the top" and leadership knowledge about the compliance and ethics program is a critical component of demonstrating an effective compliance program under the Federal Sentencing Guidelines, BOG regulation, and industry best practices.



## **B. Annual Report**

Under BOG Regulation 4.003(8), the CCO is required to provide an annual report on the effectiveness of our program ("Annual Report") to the BOT. Any Program Plan revisions based on the CCO's Annual Report must be approved by the BOT. Copies of this Annual Report and, revisions to our Program Plan based on the Annual Report, must be provided to the BOG.

This Annual Report fulfills our annual reporting requirement on the effectiveness of the Compliance & Ethics program pursuant to BOG Regulation 4.003. Revisions to our Program Plan, based on this Annual Report, are recommended by Compliance & Ethics due to the governance changes whereby accountable reporting of high-risk compliance functions has changed to direct reporting to the Office of Compliance & Ethics.



**Agenda Item: IVc**

**USF Board of Trustees  
Audit & Compliance Committee  
August 16, 2022**

**Issue:** Annual Foreign Travel Report

---

**Proposed action:** Informational

---

**Executive Summary:**

Florida Statute 1010.36, Foreign Travel and Research Institutions, requires all SUS institutions to establish an approval and monitoring program for international travel by January 1, 2022. Section 1010.36(4) requires USF to submit an annual report of employment-related foreign travel to countries of concern to the Board of Governors (BOG) or other appropriate governing board. In April of this year, the BOG issued guidance clarifying that the annual travel report must be submitted to the USF Board of Trustees on July 31, beginning in 2022. The attached report represents the inaugural annual foreign travel report and covers the period from January 1, 2022 through June 30, 2022.

**Financial Impact:** N/A

---

**Strategic Goal(s) Item Supports:** N/A

**BOT Committee Review Date:** August 16, 2022

**Supporting Documentation Online (please circle):** Yes

**No**

**Prepared by:** Jorge Rodriguez, Senior Foreign Influence Analyst and Jason Ramage, Director of Research Integrity & Compliance

# 2022 Foreign Travel Annual Report

Research Integrity & Compliance

Jay Ramage, MS, MBA, PMP | August 16, 2022



## Requirements:

- FS 1010.36: SUS institutions to establish approval/monitoring program for international travel by January 1, 2022.
- Section 1010.36(4): USF to submit foreign travel annual report to BOG.
- BOG guidance: Annual report submitted to USF BOT yearly on July 31, beginning 2022.

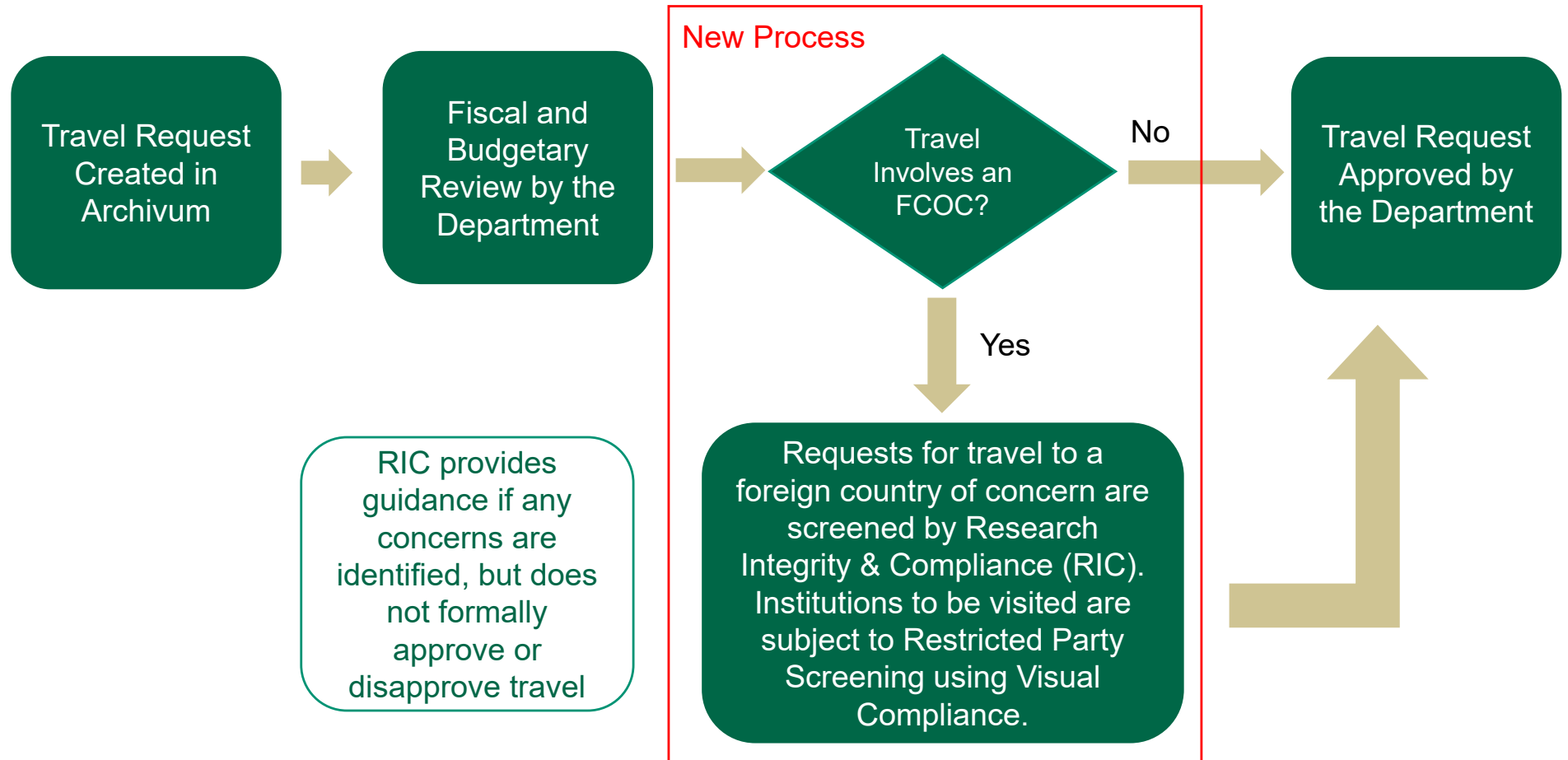
## Foreign Countries of Concern (FCOC)

- People's Republic of China
- Russian Federation
- Islamic Republic of Iran
- Democratic People's Republic of Korea (North Korea)
- Republic of Cuba
- Venezuelan regime of Nicolás Maduro
- Syrian Arab Republic

## Program Activities

- Foreign Influence Committee, Foreign Travel Subcommittee:
  - 12 members representing USF World, Information Technology, Research & Innovation, and the Controller's Office.
  - Developed institutional policies and processes.
  - Updated processes to travel and information systems.
- Research Integrity & Compliance (RIC) and USF World adapted existing travel review process.
- RIC responsible for submitting annual report.
- Senior Foreign Influence Analyst hired in June 2022; second analyst will start mid-August.

## Travel Review and Approval Process



# Annual Foreign Travel Report

## January 1, 2022 – June 30, 2022

Traveler	Foreign Country of Concern Visited	City Visited	Institution(s) Visited
Alexei Volinsky	Russian Federation	Tomsk	Tomsk State University

Note: Section 1010.36, Florida Statutes, established January 1, 2022, as the date USF's international approval and monitoring program must be in place. BOG guidance requires an annual report be submitted each July 31<sup>st</sup>, beginning in 2022. Therefore, our inaugural Annual Foreign Travel Report has a six-month reporting period.

# Discussion



July 29, 2022

Trustee Sandra Callahan  
University of South Florida  
Office of the Board of Trustees Operations  
4202 E. Fowler Avenue, CGS301  
Tampa, FL 33620

Re: Annual Foreign Travel Report

Dear Trustee Callahan:

Effective July 1, 2022, Florida Statute 1010.36, Foreign Travel and Research Institutions, requires all State University System institutions to establish an approval and monitoring program for international travel by January 1, 2022. Section 1010.36(4) requires USF to submit an annual report of employment-related foreign travel to countries of concern to the Board of Governors (BOG) or other appropriate governing board. In April of this year, the BOG issued guidance clarifying that the annual foreign travel report must be submitted to the USF Board of Trustees each July 31, beginning in 2022. The attached report represents the inaugural annual foreign travel report and covers the period from January 1, 2022, through June 30, 2022.

One individual traveled to Russia during the reporting period. Details are included in the report attached to this memorandum.

Please let me know if I may answer any questions.

Respectfully,

DocuSigned by:

*Jason Ramage*

C609B218103B47E...  
Jason G. Ramage

Director, Research Integrity & Compliance

Encl.

cc: Sylvia Thomas, Interim Vice President for Research & Innovation  
Keith Anderson, Assistant Vice President for Research & Innovation  
Marcia Taylor, Director, Office of International Services  
Jorge Rodriguez, Senior Foreign Influence Analyst  
Caroline Fultz-Carver, Chief Compliance Officer

---

**Research Integrity & Compliance**

University of South Florida / 3702 Spectrum Blvd., Suite 165 / Tampa, FL 33612 / 813-974-5638



Annual Foreign Travel Report  
January 1, 2022 – June 30, 2022

<b>Traveler</b>	<b>Foreign Country of Concern Visited</b>	<b>City Visited</b>	<b>Institution(s) Visited</b>
Alexei Volinsky	Russian Federation	Tomsk	Tomsk State University

Note: Section 1010.36, Florida Statutes, established January 1, 2022, as the date USF's international approval and monitoring program must be in place. BOG guidance requires an annual report be submitted each July 31<sup>st</sup>, beginning in 2022. Therefore, our inaugural Annual Foreign Travel Report has a six-month reporting period.

**Agenda Item: IVd**

**USF Board of Trustees  
Audit & Compliance Committee  
August 16, 2022**

**Issue:** Review of Financial Internal Controls – University Support Organizations

---

**Proposed action:** Informational

---

**Executive Summary:** During the June 23, 2021 Board of Governors (BOG) meeting, former Chair Kitson directed each university board of trustees chair to develop a plan to evaluate the financial internal controls at their institution's support organizations. The review was expected be conducted by an entity not routinely or directly connected with the operations or internal oversight of the support organization. Additionally, the review was to assess whether financial controls were reasonable over each support organization's financial processes and records to protect the organization from theft or malfeasance and that duties were properly segregated among employees with proper oversight and monitoring activities. Upon completion of the review, a summary report was to be provided to the BOG.

Furthermore, the BOG, through its Chief Financial Officer, Tim Jones, encouraged all universities to work together on a shared contract with one outside entity to complete the reviews. As a result, Crowe, LLP (Crowe), was selected to conduct these reviews at the 12 universities.

At the University of South Florida (USF), the scope of the review includes 14 support organizations which began on or about April 11, 2022. Crowe has completed its review and DSO-level reporting. Crowe is finalizing the University's summary report.

**Financial Impact:** Support organizations represent approximately 22% of overall university expenditures.

---

**Strategic Goal(s) Item Supports:** To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

**BOT Committee Review Date:** 08/16/2022

**Supporting Documentation Online (please circle):**

**Yes**

**No**

20220816 Support Org Financial IC Review Presentation FR.pptx

**Prepared by:** Virginia Kalil, Executive Director/Chief Internal Auditor, USF Office of Internal Audit

# Financial Internal Controls – USF Support Organizations

**Virginia L. Kalil**  
**Executive Director/Chief Internal Auditor**

Audit & Compliance Committee | August 16, 2022



# Assessment Scope

- Policies and procedures
- Segregation of duties
- System access controls
- Management review and approval requirements
- Account reconciliations
- Monitoring practices
- Exception reporting
- Entity-level controls and governance

## Functional Areas

1. Accounts Payable
2. Accounts/Pledges Receivable
3. Capital Asset Management
4. Cash Management
5. Contract Management
6. Corporate Governance
7. Debt Service/Loans Payable
8. Investment Management
9. Journal Entries
10. Payroll
11. Procurement
12. Related Party Transactions
13. Revenue and Billing

SUPPORT ORGANIZATIONS	
State University System	90
University of South Florida	14
Phase 1: Planning	✓
Phase 2: Risk-Controls Assessment & Key Control Identification	✓
Phase 3: Key Control Testing	✓
Phase 4: Reporting:	
<i>Support Organizational Reports</i>	✓
<i>USF Summary</i>	✓

## Financial Internal Controls Review

- 4 support organizational reports included observations for improvement
- 5 observations reported in total in the areas of:
  - *Completeness/Timeliness/Accuracy*
  - *Review & Approval*
  - *Segregation of Duties*