### Topic

<table>
<thead>
<tr>
<th>Topic</th>
<th>Proposed Action</th>
<th>Tab</th>
</tr>
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<tbody>
<tr>
<td><strong>Executive Session to discuss:</strong></td>
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<tr>
<td>• C.G.S. 1-200(6)[E] – Preliminary drafts or notes that the public agency has determined that the public’s interest in withholding such documents clearly outweighs the public interest in disclosure. [1-210(b)(1)]</td>
<td>Review</td>
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<tr>
<td>• C.G.S. 1-200(6)[E] – Records or the information contained therein pertaining to strategy and negotiations with respect to pending claims regarding Recovery Audit Contractor (RAC) Audits [1-210(b)(4)]</td>
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<tr>
<td>• C.G.S 1-200(6)(E) – Records, reports and statements privileged by the attorney-client relationship. [1-210(b)(10)]</td>
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<tr>
<td>• C.G.S. 1-200(6)[C] – Records of standards, procedures, processes, software and codes not otherwise available to the public, the disclosure of which would compromise the security and integrity of an information technology system. [1-210(b)(20)]</td>
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<tr>
<td><strong>Opportunity for Public Comments</strong></td>
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<tr>
<td><strong>Minutes of the February 16, 2017 JACC Meeting</strong></td>
<td>Approval</td>
<td>1</td>
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<tr>
<td><strong>Storrs &amp; UConn Health Significant Compliance Activities</strong></td>
<td></td>
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<tr>
<td>• Storrs Compliance Monitoring Efforts</td>
<td>Update</td>
<td>2</td>
</tr>
<tr>
<td>• Athletics Update</td>
<td></td>
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<tr>
<td>• HealthONE Update</td>
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<tr>
<td><strong>Storrs &amp; UConn Health Significant Audit Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Status of Audit Assignments</td>
<td>Update</td>
<td>3</td>
</tr>
<tr>
<td>• Audit Follow-up Activity</td>
<td></td>
<td></td>
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<tr>
<td><strong>Auditors of Public Accounts</strong></td>
<td></td>
<td></td>
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<tr>
<td>• State of Connecticut Single Audit Report for the Fiscal Year Ended June 30, 2016</td>
<td>Presentation</td>
<td>4</td>
</tr>
<tr>
<td><strong>External Engagements</strong></td>
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<tr>
<td>• Status of External Engagements</td>
<td>Update</td>
<td>5</td>
</tr>
<tr>
<td>• CohnReznick – Audit of Substantially Complete UConn 2000 Construction Projects and Agreed Upon Procedures on UConn 2000 Expenditures for Fiscal Year 2016</td>
<td>Presentation</td>
<td></td>
</tr>
<tr>
<td><strong>Informational/Educational Items</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Article – Defining the Meaning of ‘Auditing’ and ‘Monitoring’ and Clarifying the Appropriate Use of the Terms</td>
<td>Information Only</td>
<td>6</td>
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<tr>
<td>• Compliance Newsletters – UConn &amp; UConn Health</td>
<td></td>
<td></td>
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<tr>
<td><strong>Conclusion of Full Meeting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information Session with OACE and External Auditors</strong></td>
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</table>

*The next meeting of the JACC will be held on Thursday, September 14, 2017 at 10:00 am
Rome Commons Ballroom, Storrs*
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University of Connecticut
&
UConn Health

Joint Audit & Compliance Committee Meeting
The meeting of the Joint Audit and Compliance Committee (JACC) was called to order at 10:05 a.m. by Trustee Nayden. 

ON A MOTION made by Trustee Nayden and seconded by Trustee Carbray, THE JACC VOTED to go into executive session to discuss:

- C.G.S. 1-200(6)[E] – Preliminary drafts or notes that the public agency has determined that the public’s interest in withholding such documents clearly outweighs the public interest in disclosure. [1-210(b)(1)]
- C.G.S 1-200(6)(E) – Records, reports and statements privileged by the attorney-client relationship. [1-210(b)(10)]
- C.G.S. 1-200(6)[C] – Records of standards, procedures, processes, software and codes not otherwise available to the public, the disclosure of which would compromise the security and integrity of an information technology system. [1-210(b)(20)]

Executive Session was attended by the following: Joint Audit & Compliance Committee Members: F. Archambault, R. Carbray, T. Holt, and D. Nayden; OACE Staff members: K. Bailot, C. Chiaputti, P. DeMeo, K. Fearney, C. Gray, H. Hildebrandt, A. Marsh, I. Mauriello, and K. Violette; Senior Staff: A. Agwunobi, J. Geoghegan, S. Jordan, L. Silbart, R. Rubin, J. Seemann and L. Silbart; General Counsel: R. Orr; Asst. Attorney General: J. Blumenthal, B. White; Portions of Executive Session were also attended by: A. Diamond, G. Johnson, K. Larsen, K. Metcalf, M. Mundrane, J. Pufahl, and C. Weiskopf.

The Executive Session ended at 10:45 a.m. and the JACC returned to open session at 10:46 a.m.

There were no public comments.

Tab 1 – Minutes of the Meeting

ON A MOTION made by Trustee Nayden and seconded by Director Archambault the minutes of the December 14, 2016, JACC meeting were approved.

TAB 2 – Storrs & UConn Health Significant Compliance Activities

K. Fearney and I. Mauriello provided an update on compliance activities.

C. Connolly, Sr. Export Control Officer, provided an overview of UConn’s Export Controls policy and procedures.

TAB 3 – Significant Audit Activities

C. Chiaputti provided the JACC with an update on the status of audit assignments (Storrs and UConn Health). The JACC accepted three audits presented, in addition, OACE had fifteen audits in progress during this reporting period.
ON A MOTION made by Trustee Nayden and seconded by Director Holt, the JACC approved the hiring of Marcum, LLP, for Financial Statement Audits of the University of Connecticut Health Center – John Dempsey Hospital (JDH), Finance Corporation, and the University Medical Group (UMG) for the upcoming period 2017-2020.

CohnResnick LLP provided the committee with a Conflict of Interest Management Plan.

Tab 8 - Informational / Educational Items
The committee was provided with the following:

• Compliance Newsletters – UConn and UConn Health,

There being no further business, ON A MOTION made by Trustee Nayden and seconded by Director Holt, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Angela Marsh
University of Connecticut
&
UConn Health

Joint Audit & Compliance Committee Meeting
SIGNIFICANT COMPLIANCE ACTIVITIES

STORRS

Compliance Monitoring -

- OACE has taken steps to expand and diversify its ongoing compliance monitoring activities. Efforts include the development of monitoring plans and tools, the implementation of a new compliance self-assessment initiative (described later in your materials), as well as conducting onsite monitoring visits of university youth activities registered with the Minor Protection Program. Activities are designed to measure compliance, foster collaboration, and promote accountability among University departments. OACE plans to continue these efforts throughout the next academic year.

Compliance Training and Education -

- 2017 Annual Compliance Training for faculty and staff is scheduled to be completed by the end of May. Graduate Assistant Compliance Training will be updated in August to include new material on Environmental Health and Safety compliance.
- OACE’s new compliance podcast series, “Compliance Chats” continues with new episodes dedicated to compliance topics such as information security, protection of minors, faculty consulting, and health and safety.

Protection of Minors –

- UConn’s protection of minors efforts have received national attention and have been viewed as a model for other institutions. For example, the University’s Minor Protection Coordinator, Omar Andujar, recently collaborated on an article featured in the American Camp Association’s Camping Magazine. Additionally, UConn’s efforts have been highlighted in several venues, including the 2017 Association of Collegiate Conference and Events Directors-International (ACCED-I) Conference, the 2016 Conference on Youth Protection Programs in Higher Education, and the 2016 SCCE Higher Education Compliance Conference.

Privacy -

- The University’s Privacy Officer (Storrs and Regional Campuses), Rachel Krinsky Rudnick, was appointed as a member of the Institutional Review Board (IRB).
SIGNIFICANT COMPLIANCE ACTIVITIES

UConn Health

• **Overpayment refunds** –
  o Billing errors for services reimbursed under the surgeon’s global surgery payment
  o Billed for certain Pharmacist services in error

• **Department of Health & Human Services, Office of Inspector General Work Plan** – Work Plan items of key importance to UConn Health have been sent to stakeholders with responsibility for oversight of the identified risk areas. Assessment by stakeholders of the internal controls in place to assure compliance is underway. The Compliance Office staff will consider additional monitors of the internal controls identified in the stakeholder’s review of the Work Plan. Specific monitors of the following areas are currently underway by the Compliance Office staff:
  o intensity modulated radiation therapy
  o drug waste of single-use vial drugs
  o sleep disorder clinic

• **Information Security & Privacy Governance Committee (ISPG)** – This committee is being developed at UConn Health. The purpose of the ISPG is to advise and recommend to the Executive Vice President for Health Affairs and the Compliance Work Group an information security and privacy program that achieves the necessary confidentiality of UConn Health information and data. Periodic reports of ISPG activities will be provided to the JACC.

• **Finance Compliance Committee (UHFCC)** – This committee has been initiated at UConn Health and has begun meeting. The purpose of the UHFCC is to advise the Compliance Work Group regarding activities that assure achievement of the necessary compliance with the revenue cycle for clinical services. Periodic reports of UHFCC activities will be provided to the JACC.

• **HealthONE Electronic Medical Record Project** – UConn Health has been working with Epic Systems Corporation for our comprehensive Electronic Medical Record (EMR), referred to as HealthONE, planned for go-live April of 2018. The Compliance and Privacy Staff in OACE have been providing subject matter expertise to the project including but not limited to the areas of, standards and policy development, medical orders, patient portal, legal record identification, role based security, clinical roles and resident/student documentation, researcher use of the EMR, access and revenue cycle function, various clinical workflows, chart correction, identification of confidential patient types, electronic record sharing with other providers for treatment, and obtaining compliance, quality and privacy reports out of the system.
Overview of Compliance Monitoring Activities

As part of its ongoing monitoring activities, the Compliance Office recently launched a new collaborative self-assessment initiative designed to complement other Office of Audit, Compliance and Ethics (OACE) efforts. The overarching objective of this initiative was to equip University staff with the tools and support necessary to assess and guide their compliance efforts. To begin piloting this initiative, Compliance engaged selected partners responsible for University Clery Act and Drug Free Schools and Campuses Act (DFSCA) compliance efforts.

The enclosed attachments (see Appendix I) describe the principal steps involved in the self-assessment process, which included planning the scope of work, facilitating activities, analyzing and reporting results, and evaluating the overall process. Compliance – in collaboration with key stakeholders – developed compliance self-assessment checklists (see Appendix II) for each area being reviewed. Selected partners were asked to complete the checklist and discuss responses with Compliance. Following completion of the self-assessment process, results were jointly analyzed with the appropriate partners to identify possible next steps. Agreed upon next steps and additional considerations were then summarized and presented to key stakeholders (see Appendix III).

Key Highlights

We feel that there are a number benefits to adopting this type of strategic initiative as a part of our compliance monitoring efforts, including:

- The checklists developed by OACE served as reflective teaching tools that helped guide and document self-assessment activities
- The self-assessment process enabled Compliance and selected compliance partners to gain an enhanced understanding of existing efforts
- The process provided stakeholders with a vehicle to proactively identify areas for improvement and opportunities for increased effectiveness and efficiency
- The act of jointly analyzing self-assessment results provided opportunities to render necessary guidance and collaborate on identifying and prioritizing steps to address potential gaps
- The process appears to foster increased awareness of compliance responsibilities, accountability, and ownership among compliance partners

Lessons Learned and Future Plans

As expected, the initial development of tools (for each area) demanded considerable time and effort. In order to improve on the efficiency and effectiveness of our monitoring activities, including self-assessment, we plan on developing a compliance self-monitoring schedule, standardizing our procedures, and continuing to engage key stakeholders earlier in the process. Additionally, we will continue to gather and incorporate feedback from our key partners into our process. The progress achieved with this new initiative demonstrates that the process can be easily adapted to evaluate compliance within other functional areas, such as Environmental Health and Safety, or units managing components of the Higher Education Opportunities Act.
OVERVIEW

The Drug Free Schools and Campuses Act (DFSCA) compliance assessment program is part of the Office of Audit, Compliance and Ethics (OACE) ongoing efforts to promote a culture of compliance and ethics across University departments. The objective of this program is to provide a framework for assessing compliance with applicable DFSCA requirements. Additionally, this program establishes a method for partnering with key internal stakeholders and sharing necessary feedback and recommendations.

SCOPE

Planned activities will focus on assessing and understanding the University’s DFSCA compliance efforts, and identifying issues that may require compliance assistance education. OACE will use the enclosed assessment tool to document and guide planned activities. This tool will serve as a checklist and a questionnaire to be completed by the appropriate University department. Identified areas of non-compliance will be jointly assessed throughout this process and the appropriate department will communicate planned corrective actions. OACE may also consult with the Office of General Counsel to assess potential inconsistencies with applicable regulations or university policies. Specific observations and next steps will be detailed in a close-out presentation with key stakeholders.

PROJECTED TIMELINE

Listed below is a summary of the planned phases and timelines of this initiative:

<table>
<thead>
<tr>
<th>Planned Phases</th>
<th>Projected Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Planning – Draft assessment plan and related tools and review with key stakeholders.</td>
<td>11/30/16</td>
</tr>
<tr>
<td>▪ Communication – Share initial objectives and proposed assessment tools with key stakeholders for input and to begin coordinating planned activities.</td>
<td>12/30/16</td>
</tr>
<tr>
<td>▪ Implementation</td>
<td></td>
</tr>
<tr>
<td>○ Initiate planned assessment</td>
<td>3/10/17</td>
</tr>
<tr>
<td>○ Contacts submit completed assessment</td>
<td>3/17/17</td>
</tr>
<tr>
<td>○ Address any follow-up questions with the DFSCA contacts</td>
<td>3/24/17</td>
</tr>
<tr>
<td>○ Discuss assessment results and recommended next steps with the DFSCA contacts</td>
<td>4/10/17</td>
</tr>
<tr>
<td>▪ Evaluation – Review compliance assessment program and plan for necessary modifications.</td>
<td>4/27/17</td>
</tr>
</tbody>
</table>

Appendix I
OVERVIEW

The Clery compliance assessment program is part of the Office of Audit, Compliance and Ethics (OACE) ongoing efforts to promote a culture of compliance and ethics across University departments. The objective of this program is to provide a framework for assessing: 1) the effectiveness of operational and administrative controls related to compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act), 2) performance of the Clery Compliance Oversight Committee, and 3) compliance with applicable Clery Act requirements. Additionally, this program establishes a mechanism for jointly analyzing key elements of the Clery Act, as they apply to the University, and sharing necessary feedback and recommendations.

SCOPE

Planned activities will focus on assessing and understanding the University’s Clery Act compliance efforts, and assisting in targeting issues that may require compliance assistance education. OACE will use the enclosed assessment tool (which was compiled from multiple sources including, DOE’s 2016 Handbook for Campus Safety and Security Reporting, recent audit reports, and OACE internal guides) to document and guide planned activities. This tool will serve as a checklist and a questionnaire to be completed by the appropriate University department. Identified areas of non-compliance will be jointly assessed throughout this process and the appropriate department will communicate planned corrective actions. OACE may also consult with the Office of General Counsel to assess potential inconsistencies with applicable regulations or university policies. Specific observations and next steps will be detailed in a close-out presentation with key stakeholders.

PROJECTED TIMELINE

Listed below is a summary of the planned phases and timelines of this initiative:

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<th>Projected Deadline</th>
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</thead>
<tbody>
<tr>
<td>▪ Planning – Draft assessment plan and related tools and review with key stakeholders.</td>
<td>11/30/16</td>
</tr>
<tr>
<td>▪ Communication – Share objectives and proposed timelines with key stakeholders for input and to begin coordinating planned activities.</td>
<td>12/30/16</td>
</tr>
<tr>
<td>▪ Implementation</td>
<td></td>
</tr>
<tr>
<td>○ Initiate planned assessment</td>
<td>1/30/17</td>
</tr>
<tr>
<td>○ Address any follow-up questions with the Clery Compliance Coordinator and other key stakeholders.</td>
<td>3/10/17</td>
</tr>
<tr>
<td>○ Present assessment results and recommended next steps to the Clery Compliance Oversight Committee and other key stakeholders.</td>
<td>3/31/17</td>
</tr>
<tr>
<td>▪ Evaluation – Review compliance assessment program and plan for necessary modifications.</td>
<td>4/10/17</td>
</tr>
</tbody>
</table>
Assessment performed by: Office of Audit, Compliance & Ethics/Wellness and Prevention Services  
Assessment Completion Date: 

Sample Purpose: To assess UConn’s compliance with the Drug-Free Schools and Communities Act (DFSCA). The Act’s general requirements are:
- Adopt and implement a drug and alcohol abuse prevention program to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by all students and employees on school premises or as part of any of its activities.
- Distribute information annually to each student and employee information about the institution’s standards of conducts, legal sanctions, health risks, treatment programs, and institutional sanctions.
- Provide written certification that it has adopted and implemented a drug prevention program.
- Conduct biennial reviews of its drug and alcohol abuse prevention program.

Sample Scope: Broadly, the Drug Free Schools and Campuses Act Compliance Monitoring Program assesses compliance efforts across the institution. However, due to the nature of University structure, programming and resources, this particular compliance self-assessment tool focuses on activities performed by the University to meet DFSCA requirements for the student population. A similar, but separate tool, was completed to monitor DFSCA efforts relevant to employees.

Guide to Completing the Assessment: The table below gives instructions for how to complete the assessment. To begin/review the assessment, go to page 2.

<table>
<thead>
<tr>
<th>Category</th>
<th>Requirement</th>
<th>Responsible Office</th>
<th>Items</th>
<th>Additional Comments/Questions</th>
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<tbody>
<tr>
<td></td>
<td>Included here is a short title describing each requirement.</td>
<td>Included here is a detailed description of each specific requirement.</td>
<td>Included here is the office tasked with meeting each requirement.</td>
<td>Included here are targeted questions that aim to document the methods used and activities performed to in order to provide evidence of compliance with each requirement. Individuals completing the assessment should answer these questions to the best of their ability. This section also serves to identify any potential gaps where the University could make improvements with how compliance is met.</td>
</tr>
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</table>

Appendix II
This document is the template used to summarize each compliance assessment. It outlines results and agreed upon next steps.

OVERVIEW OF THE COMPLIANCE ASSESSMENT

<table>
<thead>
<tr>
<th>Assessment Period:</th>
<th>Time frame planned for the assessment.</th>
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<tbody>
<tr>
<td>Scope and Objectives:</td>
<td>The extent of the assessment and projected goals.</td>
</tr>
<tr>
<td>Primary Contacts:</td>
<td>Individuals participating in the assessment and their role at the University</td>
</tr>
</tbody>
</table>

SUMMARY OF MONITORING RESULTS

Sample Language: The Drug Free School and Campuses Act (DFSCA) monitoring process provided a way to document ongoing compliance activities and identify opportunities for improvement related to DFSCA. The following chart summarizes how the University is complying with the DFSCA (for student-based programs and requirements) and agreed upon next steps and additional considerations developed between OACE and Prevention and Wellness Services. Prevention and Wellness Services has taken on much of the responsibility to ensure DFSCA requirements are met, and therefore, serves as a leader in facilitating ongoing efforts to comply with the Drug Free Schools and Campuses Act.

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Summary</th>
<th>Next Steps/Additional Considerations</th>
</tr>
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<tbody>
<tr>
<td>I. Section Heading</td>
<td>Summary of activities that promote compliance with each requirement.</td>
<td>Agreed upon next steps discussed with stakeholders and other potential opportunities for improvement.</td>
</tr>
</tbody>
</table>

Appendix III
# HealthOne EMR Project Update

## Monthly Progress Report - April 2017

<table>
<thead>
<tr>
<th>OVERALL PROJECT STATUS</th>
<th>OVERALL SCORE</th>
<th>DAYS UNTIL GO-LIVE</th>
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<tr>
<td>Satisfactory</td>
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<td>April 28, 2018</td>
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</table>

**RECIPIENTS**
- EMR Steering Committee,
- Project AVP, Directors and PMs.

Overall Budget tracking on target
HealthOne EMR Project Update

• Go-Live set for April 28, 2018
• Four waves of build complete
• Mass migration of data moved to test environment May 2nd and 3rd – Major milestone
• Testing will begin May 15th
HealthOne EMR Project Update

- Development of training plan underway
- 3000 individuals will need training
- 40 plus trainers will be needed to execute training
- Training to begin 6-8 weeks before go-live
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<thead>
<tr>
<th>Audit Project</th>
<th>UConn (UC) or UConn Health (UH)</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Pre-draft/ Draft Reporting</th>
<th>Final Draft Report Issued</th>
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<tr>
<td>Innovative Partnership Building (IPB) Review</td>
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<tr>
<td>UConn HealthONE</td>
<td>UH</td>
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<td>Family Medical Leave Act (FMLA)</td>
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<td>Family Medical Leave Act (FMLA)</td>
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<td>Waterbury IT Controls</td>
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<td>Clinical Contracts</td>
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<td>Logging and Monitoring Policy Review</td>
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<td>Graduate School Fellowships</td>
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<td>Faculty Consulting – FY16</td>
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<td>Energy Services Performance Contract Project – Phase 1 Report 2</td>
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<td>Cancer Center</td>
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<td>Purchasing – Contract Administration</td>
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<td>School of Law Financial Aid</td>
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<td>Controlled Substances in Research</td>
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<td>Software Licensing</td>
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<td>Building Access Controls</td>
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<tr>
<td>Mandatory Training Compliance – on hold</td>
<td>UH</td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>Space Management Process – on hold</td>
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<td>Office of the Fire Marshal &amp; Building Inspector</td>
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<td>CLAS IT Audit</td>
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<td><strong>TOTAL AUDITS (23)</strong></td>
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<td>(05) (08) (01) (09)</td>
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<th>Special Projects/Consulting</th>
<th>UConn (UC) or UConn Health (UH)</th>
<th>Planning</th>
<th>Field Work</th>
<th>Review Pre-draft</th>
<th>Project Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move &amp; Relocation Procedures</td>
<td>UC</td>
<td></td>
<td></td>
<td>X</td>
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<td>Center on Aging</td>
<td>UH</td>
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<td>Athletics Travel</td>
<td>UC</td>
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<tr>
<td><strong>TOTAL SPECIAL PROJECTS/CONSULTING (03)</strong></td>
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Open Items by Finding Category - Storrs

- Business Process
- Business Purpose
- Documentation
- Physical Security of Assets
- Policy
- Procedures
- Regulatory Compliance
- Security
- Technology
- Training
Open Items by Finding Category - UConn Health

- Business Process
- Business Purpose
- Governance
- Monitoring
- Physical Security of Assets
- Policy
- Procedures
- Regulatory Compliance
- Segregation of Duties
- Technology
- Training

UConn Health
Low

Meaningful reportable issue for client consideration that in the Auditor’s judgment should be communicated in writing. The finding results in minimal exposure to the University or UConn Health and has little or no impact on the University’s or UConn Health’s compliance with laws and regulations. The issues related to this control weakness will typically not lead to a material error.

Medium

Significant exposure to the area under review within the scope of the audit. The finding results in the potential violation of laws and regulations and should be addressed as a priority to ensure compliance with University’s or UConn Health’s policies and procedures. The significance of the potential errors related to this control weakness makes it important to correct.

High

Significant exposure to the University or UConn Health that could include systemic University or UConn Health wide exposure. The finding could result in a significant violation of laws and regulations and should be viewed as a highest priority which the University or UConn Health must address immediately.
University of Connecticut
&
UConn Health

Joint Audit & Compliance Committee Meeting
University of Connecticut
Single Audit Report Excerpts
FYE 6/30/2016

- Issue Date – March 31, 2017

The audit was performed in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards for financial audits issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

- Complete Statewide Report -

- Applicable University Federal Programs
  1) Research and Development
  2) Federal Student Financial Assistance (FSFA)
Federal Funds

- Total Federal Assistance Statewide - $9,390,000,000
- Type A Program Threshold
  ($<10B = \text{Larger of } $3\text{m or } FFA \times 0.003) - $28,170,000

- Federal Assistance Expended at the University System:
  1. University R&D $84,000,000
  2. Health Center R&D $67,600,000
  3. Student FFA $222,000,000 (Storrs $208m UCHC $14m)

  TOTAL FFA $373,600,000
1. **Period of Performance (University) 2016-500**

- Title 2 Code of Federal Regulations 200.309 only allows a non-Federal entity to charge to the Federal award costs incurred during the period of performance.

We reviewed 21 federal accounts with average daily cash balances of $10,000. The review found 2 account balances of $62,982 and $17,091 for which the period of performance had elapsed. The balances were not refunded to the federal awarding agencies/pass through entities as of January 12, 2017.

*Agency Response – “Management concurs with the recommendation and has contacted both pass through entities to initiate the refund.”*
2. Reporting (University) 2016-501

- Title 2 Code of Federal Regulations 200.327 requires the submission of federal financial reports in the manner specified by the Office of Management and Budget.

We reviewed financial reports filed for 10 awards and noted clerical errors on reports for 3 Department of Agriculture National Institute of Food and Agriculture awards. The clerical errors would have been detected and corrected had the reports been subject to review by a supervisor or other higher level staff prior to submission.

Agency Response – “Management concurs with the recommendation. In each of the reports identified in the finding, none of the reports resulted in a disadvantage to the government. However to improve our internal control structure, Sponsored Program Services has implemented a secondary review and approval of all federal financial reports within the central office.”
Audit Findings - FSFA

1. Special Tests – Enrollment Reporting (University) 2016-656

- Title 34 Code of Federal Regulations 685.309(b)(2), requires changes in enrollment to less-than-half-time, graduated, or withdrawn, must be reported within 30 days. However, if a roster file is expected within 60 days, the data may be provided on that roster file.

We selected 10 students that separated from the university and noted 1 instance in which a student’s change in enrollment status was not reported in a timely manner. In this instance, the student was academically dismissed from the university on June 3, 2016 and was subsequently reported as withdrawn to the NSLDS on September 6, 2016. The delay was 35 days.

*Agency Response – “We agree with this finding. After being made aware of the one student issue, which is attributed to human error, steps were taken to update the student’s status in the National Student Clearinghouse (NSC). UConn staff reviewed the entire dismissed student population statuses in NSC and reaffirmed internal procedures. This internal review of students and procedures was completed on September 19, 2016. See the separate corrective action plan.”*
Audit Findings - FSFA

2. Special Tests: Student Loan Repayments (University) 2016-657

- Title 34 Code of Federal Regulations (CFR) Section 674.31(b)(2) states that repayment begins nine months after the borrower ceases to be at least a half-time regular student at the institution.
- Title 34 CFR Section 674.42(b) requires an institution to conduct exit counseling with the borrower before the student ceases to be enrolled on at least a half-time basis.
- The FSA Handbook further states that a grace period is always day specific. An initial grace period begins on the day after the day the borrower drops below half-time enrollment.

We selected 10 borrowers at the university who entered repayment during the audited period and noted the following:

- In 3 instances in which the university was aware that the borrower was graduating, exit counseling was not conducted before the end of the semester. The exit counseling was initiated between 39 and 55 days after the end of the semester.
- In 7 instances, the university reported the incorrect separation date to its third party service provider. In all 7 instances, the separation dates reported were 1 day later than the actual separation dates.

Agency Response – “We agree with this finding.”
Audit Findings - FSFA

3. Special Tests: Student Loan Repayments – Default (University) 2016-658

- Title 34 Code of Federal Regulations Section 674.42(c) requires that an institution must contact a federal Perkins Loan borrower with a nine-month grace period at the 90-day, 150-day and 240-day point of the grace period.

- The 2015-2016 Federal Student Aid Handbook states that a grace period is always day specific. An initial grace period begins on the day after the day the borrower drops below half-time enrollment.

We selected an additional 10 borrowers at the university whose loan went into default during the audited period and noted the following:

- Five instances in which required contact letters were not sent to the borrower. We noted 3 instances in which the 90-day contact letter, and 2 instances in which the 150-day contact letter were not sent.

- Six instances in which 1 or more of the required grace letters were not sent in a timely manner. These grace letters were mailed 3 to 4 days late.

Agency Response – “We agree with this finding.”
Audit Findings - FSFA

4. Special Tests: Federal Work Study Agreements (University) 2016-659

- Title 34 Code of Federal Regulations Section 675.20 states that if an institution wants to have its students employed under the Federal Work-Study Program (FWS) by a federal, state or local public agency, or a private nonprofit or for-profit organization, it shall enter into a written agreement with that agency or organization.

We selected 16 off-campus FWS agreements for testing at the university and noted 1 instance in which the FWS agreement on file was executed after students began employment with the off-campus agency.

Agency Response – “We agree with this finding.”
Per Title 34 Code of Federal Regulations 668.14(a)(1), an institution may participate in any Title IV, Higher Education Act (HEA) program, only if the institution enters into a written program participation agreement with the Secretary, on a form approved by the Secretary. A program participation agreement conditions the initial and continued participation of an eligible institution in any Title IV, HEA program upon compliance with the provisions of this part, the individual program regulations, and any additional conditions specified in the program participation agreement that the Secretary requires the institution to meet.

The university did not include its Sixth-Year Graduate Certificate programs, for which federal aid was offered, on its application to participate in the federal student financial aid programs. The Program Participation Agreement for the university, effective October 7, 2014, with an expiration date of June 30, 2017, did not include these Sixth-Year programs until January 14, 2016. We identified 48 students enrolled in Sixth-Year Graduate Certificate programs that received total Direct Loans of $450,429 during the current audited year.

Agency Response – “We agree with this finding.”
Title 34 Code of Federal Regulations Section 668.5(d)(3) states the institution that calculates and disburses a student's Title IV, Higher Education Act program assistance must take into account all the hours in which the student enrolls at each institution that apply to the student's degree or certificate when determining the student's enrollment status and cost of attendance.

During our review of 15 consortium agreements at the university, we noted 7 instances in which a student’s incorrect enrollment status was reported to the National Student Loan Data System (NSLDS).

Agency Response – “We agree with this finding.”
2016-xxx  Special Tests: Enrollment Reporting

Federal Perkins Loans – Federal Capital Contributions (CFDA #84.038)
Federal Pell Grant Program (CFDA #84.063)
Federal Direct Student Loans (CFDA #84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: The National Student Loan Data System (NSLDS) is the United States Department of Education's central database for federal student aid disbursed under Title IV of the Higher Education Act of 1965, as amended. Among other things, NSLDS monitors the programs of attendance and the enrollment status of Title IV aid recipients.

Criteria: Title 34 Code of Federal Regulations Section 685.309(b)(2), changes in enrollment to less-than-half-time, graduated, or withdrawn, must be reported within 30 days. However, if a roster file is expected within 60 days, the data may be provided on that roster file.

Condition: We selected ten students that separated from the University of Connecticut. We noted one instance which a student’s change in enrollment status was not reported in a timely manner. In this instance, the student was academically dismissed from the university on June 3, 2016 and was subsequently reported as withdrawn to the NSLDS on September 6, 2016. The delay was 35 days.

Context: This condition appears to be an isolated incident. The university reported 3,278 students that separated during the 2015-2016 award year. We were unable to determine how many of the 3,278 students, were academically dismissed. The sample, which is not statistically valid, consisted of ten students. Three of the ten students were academically dismissed.

Questioned Costs: $0

Effect: Enrollment information was not provided to the NSLDS for this student in a timely manner.

Cause: We were informed that the university’s enrollment reporting service provider was manually provided the enrollment information but it did not get reported to the NSLDS.

Prior Audit Finding: This finding has not been previously reported.
Recommendation: The University of Connecticut should review its procedures to ensure that enrollment status changes are submitted timely to the National Student Loan Data System in accordance with the federal regulations.

Agency Response: We agree with this finding. After being made aware of the one student issue, which is attributed to human error, steps were taken to update the student’s status in the National Student Clearinghouse. University of Connecticut staff reviewed the entire dismissed student population statuses in NSC and reaffirmed internal procedures. This internal review of students and procedures was completed on September 19, 2016.

Corrective Action Plan: The error correction, review of student population and internal review of procedures have been completed.

Anticipated Completion Date: The corrective action plan was completed on September 19, 2016.

Contact Person: Lauren DiGrazia, Registrar
lauren.digrazia@uconn.edu, (860)486-3903

2016-xxx Special Tests: Student Loan Repayments

Federal Perkins Loan – Federal Capital Contributions (CFDA#84.038)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations (CFR) Section 674.31(b)(2) states that repayment begins nine months after the borrower ceases to be at least a half-time regular student at the institution.

Title 34 CFR Section 674.42(b) requires an institution to conduct exit counseling with the borrower either in person, by audiovisual presentation, or electronically, shortly before the student ceases to be enrolled on at least a half-time basis. If a borrower withdraws without the institution’s prior knowledge or fails to complete an exit counseling session, the institution must provide the exit counseling material to the borrower within 30 days.

The 2015-2016 Federal Student Aid (FSA) Handbook states that a Perkins borrower is entitled to an initial grace period of nine consecutive months after dropping below half-time enrollment. If the borrower returns to school on at least a half-time basis before the nine months has elapsed, the initial grace period has not been used. The borrower is entitled to a full initial grace period of nine consecutive months from the date that he or she graduates, withdraws or drops below half-time enrollment again.
The FSA Handbook further states that a grace period is always day specific, an initial grace period begins on the day after the day the borrower drops below half-time enrollment.

**Condition:** We selected ten borrowers at the University of Connecticut who entered repayment during the audited period and noted the following:

- In three instances in which the university was aware that the borrower was graduating, exit counseling was not conducted before the end of the semester. The exit counseling was initiated between 39 and 55 days after the end of the semester.

- In seven instances, the university reported the incorrect separation date to its third party service provider. In all seven instances, the separation dates reported were one day later than the actual separation dates.

**Context:** The first condition appears to be isolated to graduate students and/or students who applied for graduation late. The second condition appears to be systemic because it was the university policy at the time to report the student’s withdrawal date, as the end of the commencement weekend, instead of the last day of the semester. The university reported 932 students that entered repayment during the audit period. The sample, which is not statistically valid, consisted of ten students.

**Questioned Costs:** $0

**Effect:** The university was not in compliance with the federal due diligence requirements.

**Cause:** The university’s procedures are not in compliance with federal regulations governing repayment and exit counseling.

University procedures during our audited period were to send an anticipated graduation list to its service provider four weeks into the semester, when the deadline for students to apply for graduation had passed. In one instance, a borrower submitted the application to graduate after the list was sent to its service provider. In the two other instances, the students were graduate students and they were not on the university’s anticipated graduate list. We were informed that the university modified its procedures and added graduate students to the listing beginning with the fall 2015.

In addition, the university policy for reporting the separation date to its service provider for graduated students was to report the date as the end of the commencement weekend, instead of the last day of the semester.
Prior Audit Finding:  This was previously reported as finding 2015-659.

Recommendation:  The University of Connecticut should ensure that policies and procedures regarding Perkins Loan repayments and exit counseling are in compliance with the federal regulations.

Agency Response:  We agree with this finding.

Corrective Action Plan:  With respect to the three instances regarding exit counseling, in last year’s audit response to finding CFDA #84.038 which addressed the same finding, the University stated that it had completed the implementation of its corrective action plan, October, 2015. The three instances cited were during the time period prior to the corrective action being completed. To reiterate what has been done to address this portion of the current finding, beginning spring 2014, the University enhanced procedures regarding the timeliness of exit counseling to graduating students. It sends its third party servicer additional anticipated graduation lists, including the graduate student population, after the University deadline to apply for graduation has passed. This ensures students who apply late are provided with timely exit counseling. Additionally, to capture the correct separation dates, the University reconciles the anticipated graduation list with the actual graduation list to identify students who have not yet graduated even though they applied. In the three instances cited in this current year’s audit, the students’ graduation dates were prior to October, 2015, before the University procedures were changed as stated in last year’s audit response. Therefore, no additional corrective action is needed as our updated procedures have already been implemented.

In the seven instances identified in which the University provided its third party servicer with incorrect separation dates, the University had reported the commencement date as the last date of the semester not last date of finals, based on its understanding of the federal regulations, consistently applied over the years. This condition was not addressed in the current year under audit because UConn misinterpreted the auditors’ guidance related to the federal interpretation of the last date of attendance. Moving forward, for any student that completes the semester whether they graduate or fail to return, we will use the last date of finals (last date of attendance) as the separation date. Using either the last date of finals or commencement date does not change the repayment date and has no financial implication. As of fall 2016, the University has changed the separation date per this audit recommendation.
Anticipated Completion Date: Completed October 2015 and December 2016, respectively.

Contact Person: Margaret Selleck, Bursar
margaret.selleck@uconn.edu, (860)486-1675

2016-xxx Special Tests: Student Loan Repayments - Default

Federal Perkins Loan – Federal Capital Contributions (CFDA#84.038)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations Section 674.42(c) requires that an institution must contact a federal Perkins Loan borrower with a nine-month grace period at the 90-day, 150-day and 240-day point of the grace period.

The 2015-2016 Federal Student Aid Handbook states that a grace period is always day specific. An initial grace period begins on the day after the day the borrower drops below half-time enrollment.

Condition: We selected ten borrowers at the University of Connecticut whose loan went into default during the audited period and noted the following:

- Five instances in which required contact letters were not sent to the borrower. We noted three instances in which the 90-day contact letter, and two instances in which the 150-day contact letter was not sent.

- Six instances in which one or more of the required grace letters were not sent in a timely manner. These grace letters were mailed three to four days late.

Context: The first condition appears to be isolated to those students who unofficially withdrew from the university. In these instances, the university was unaware of the separation until after the contact letters were due. The second condition appears to be systemic because it was the third party servicer’s policy to send the grace contact letters on the tenth day of the month following the student’s separation. The university provided us a report of 86 borrowers whose loan went into default during the audited period. The sample, which is not statistically valid, consisted of ten students.

Questioned Costs: $0
Effect: The university was not in compliance with the federal due diligence requirements.

Cause: Regarding the lack of contact letters, it appears the university became aware that these students separated after the grace letters were due. Therefore, the third party service provider did not send the letters.

The third party service provider’s policy is to send the grace contact letters on the tenth day of the month following the student’s separation.

Prior Audit Finding: This was previously reported as finding 2015-660.

Recommendation: The University of Connecticut should ensure that policies and procedures regarding Perkins Loans due diligence requirements are being performed in accordance with federal regulations.

Agency Response: We agree with this finding.

Corrective Action Plan: The five instances identified in which borrowers were not sent 90 and/or 150-day grace letters were associated with unofficial withdrawals. In these circumstances, the University reports the separation date as the last date of the semester he/she attended as a full time student. Often when this is discovered, some or all of the borrower’s grace period may have been exhausted and the 90 and/or 150-day contact period has passed, and therefore the earlier letters were not sent since the time had already passed. Currently when the borrower is provided with exit counseling, they are informed that some or all of their grace has expired. In addition to providing the borrower with this information at exit counseling, the University will work with its third party servicer to send any past grace letter(s) regardless if some or all of the grace has expired, to comply with these federal regulations to send the borrower three separate grace letters, regardless whether the grace period had expired.

Per the 2015-2016 FSA Handbook, volume 6, chapter 4, page 6-128, lenders/schools are able to establish standard repayment dates following the conclusion of the grace period. The University’s third party servicer establishes their repayment date as the first of the subsequent month following the expiration of the grace period. Grace period notifications are sent when the billing calculation occurs rather than based on the specific separation date. The third party servicer’s process resulted in the six instances where the grace letters were not sent to borrowers in a timely
manner. Moving forward, the University will work with the third party servicer to generate the grace letters based on the separation date rather than the repayment date.

Anticipated Completion Date: April 2017

Contact Person: Margaret Selleck, Bursar
margaret.selleck@uconn.edu, (860)486-1675

2016-xxx  Special Tests: Federal Work-Study Agreements

Federal Work-Study Program (CFDA # 84.033)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations Section 675.20 states that if an institution wants to have its students employed under the Federal Work-Study Program (FWS) by a federal, state or local public agency, or a private nonprofit or for-profit organization, it shall enter into a written agreement with that agency or organization.

Condition: We selected 16 off-campus FWS agreements for testing at the university. We noted one instance where the FWS agreement on file was executed after students began employment with the off-campus agency.

Context: This condition is an isolated incident. We reviewed all off-campus agreements that employed university students on file. When we selected our sample, there was not an agreement on file to review for the agency in question.

Questioned Costs: Federal Work-Study Program (CFDA # 84.033) - $19,110. This was all nine students employed by the same off-campus employer.

Effect: Nine students were paid FWS funds prior to a written agreement on file that stipulated the work conditions required by the federal regulations.

Cause: We were informed that this was an administrative oversight. The Office of Financial Aid Services believed that the entity that employed the students was administered by another agency under a valid FWS written agreement.
Prior Audit Finding: This finding has not been previously reported.

Recommendation: The University of Connecticut should ensure that students employed under the Federal-Work Study Program have the required written agreement executed and on file prior to the commencement of employment.

Agency Response: We agree with this finding.

Corrective Action Plan: In December 2016 the Federal Work Study funds earned by the nine students ($19,110) was returned to the program and replaced with university student labor funds.

Anticipated Completion Date: Completed December 2016.

Contact Person: Mona Lucas, Director of Student Financial Aid Services mona.lucas@uconn.edu, (860) 486-2470

2016-xxx Special Tests: Institutional Eligibility

Federal Direct Student Loans (CFDA #84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: Per the 2015-2016 Federal Student Aid Handbook, to participate in the Federal Student Aid programs, a school must apply to and receive approval from the United States Department of Education (USDOE). The Sixth-Year diploma is not a degree, but is generally recognized as an academic credential beyond the master’s degree. In general, the school’s eligible non-degree programs are specifically named on the Eligibility and Certification Approval Report. Per Office of Management and Budget Form No. 1845-0012, Application for Approval to Participate in Federal Student Financial Aid Programs, Section E, an institution is required to provide information for each educational program that it is requesting to be eligible to participate in federal student financial aid programs that will be provided as of the date of the application or that will be provided during the current award year.

Criteria: Per Title 34 Code of Federal Regulations 668.14(a)(1), an institution may participate in any Title IV, Higher Education Act (HEA) program, other than the Leveraging Educational Assistance Partnership and National Early Intervention Scholarship and Partnership programs, only if the institution enters into a written program participation agreement with the Secretary, on a form approved by the Secretary. A program participation agreement
conditions the initial and continued participation of an eligible institution in any Title IV, HEA program upon compliance with the provisions of this part, the individual program regulations, and any additional conditions specified in the program participation agreement that the Secretary requires the institution to meet.

**Condition:**

The University of Connecticut (UConn) did not include its Sixth-Year Graduate Certificate programs, for which federal aid was offered and disbursed, on its application to participate in the federal student financial aid programs. The Program Participation Agreement (PPA) for UConn, effective October 7, 2014 with an expiration date of June 30, 2017, did not include these Sixth-Year programs until January 14, 2016.

In our Statewide Single Audit (SSA) covering the fiscal year ended June 30, 2015, we noted the same condition. In that report, we disclosed that the university reported that 63 students enrolled in Sixth-Year Graduate Certificate programs received total federal Direct Student Loans (Direct Loan) of $918,975, during the fiscal year ended June 30, 2015.

**Context:**

This condition appears to be isolated to the fall 2015 semester.

Immediately after this condition was disclosed in the SSA covering the fiscal year ended June 30, 2014, the university began working with the USDOE to formally add the programs to their PPA. The Sixth-Year Graduate Certificate programs were approved for Title IV eligibility and added to the university’s PPA in January 2016.

**Questioned Costs:**

Direct Loan (CFDA # 84.268) - $450,429. This was the amount disbursed to 48 students enrolled in the Sixth-Year programs not approved on the PPA.

**Effect:**

The university offered federal aid to students enrolled in Sixth-Year Graduate Certificate programs that were not included on the university’s PPA.

**Cause:**

The university continued to follow its procedures for students enrolled in Sixth-Year Graduate Certificate programs and package these students as 2nd Master’s Degree students.

**Prior Audit Finding:**

This was previously reported as finding 2015-662.

**Recommendation:**

The University of Connecticut should only disburse financial aid to programs listed on the approved Program Participation Agreement. The university should work with the United States Department of Education regarding the resolution of any questioned costs associated with the federal student aid amounts disbursed for eligible non-degree programs in the fall 2015 term prior to the approval of these programs on January 14, 2016.
Agency Response: We agree with this finding.

Corrective Action Plan: Once the Final Determination Letter is received (expected September 2017), the Director of Student Financial Aid Services will work with the US Department of Education regarding resolution of any questioned costs associated with loans disbursed prior to January 14, 2016. Given the university’s cohort default rate and the fact that the loans awarded were unsubsidized, questioned costs are not anticipated.

Anticipated Completion Date: September 2017

Contact Person: Mona Lucas, Director of Student Financial Aid Services
mona.lucas@uconn.edu, (860)486-2740

2016-xxx  Special Tests: Written Arrangements

Federal Supplemental Educational Opportunity Grants (CFDA#84.007)
Federal Work-Study Program (CFDA # 84.033)
Federal Perkins Loan Program – Federal Capital Contributions (CFDA # 84.038)
Federal Pell Grant Program (CFDA # 84.063)
Federal Direct Student Loans (CFDA # 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: If an enrolled student is unable to complete required classes at the host institution, an approved consortium agreement may be used to allow the student to take the required course(s) at another eligible institution and retain financial aid.

Criteria: Title 34 Code of Federal Regulations Section 668.5(d)(3) states the institution that calculates and disburses a student's Title IV, Higher Education Act program assistance must take into account all the hours in which the student enrolls at each institution that apply to the student's degree or certificate when determining the student's enrollment status and cost of attendance.

Condition: During our review of 15 consortium agreements at the University of Connecticut, we noted seven instances where a student’s incorrect enrollment status was reported to the National Student Loan Data System (NSLDS).
Context: This appears to have been primarily isolated to the seven students with applicable consortium credits that were enrolled in the fall 2015 semester. The sample, which is not statistically valid, consisted of 15 students.

Questioned Costs: $0

Effect: Inaccurate enrollment information was sent to the NSLDS.

Cause: We were informed that the university’s enrollment reporting service provider did not update the NSLDS with enrollment information when it was submitted by the university.

Prior Audit Finding: This was previously reported as finding 2015-663.

Recommendation: The University of Connecticut should ensure that enrollment information reported to the National Student Loan Data System, for students with consortium credits, is timely and accurate in accordance with federal regulations.

Agency Response: We agree with this finding.

Corrective Action Plan: In October 2016, the office of Student Financial Aid Services enhanced the administrative procedures for the consortium agreement process. A manual review of the NSLDS status is now conducted regularly to ensure that the appropriate updates are reflected.

Anticipated Completion Date: Completed October 2016

Contact Person: Mona Lucas, Director of Student Financial Aid Services
mona.lucas@uconn.edu, (860) 486-2470
University of Connecticut
&
UConn Health

Joint Audit & Compliance Committee Meeting
<table>
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<th>Area</th>
<th>Scope</th>
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<tr>
<td>Marcum, LLP</td>
<td>UConn Health</td>
<td>Audits of the John Dempsey Hospital and Dental Clinics (Clinical Programs Fund), including the OHCA filings, UConn Medical Group (UMG) and the University of Connecticut Health Center Finance Corporation for FY 2017, 2018 and 2019.</td>
<td>The JACC approved the appointment of Marcum for FY 2017, 2018 and 2019 at their February meeting. Engagement is underway.</td>
</tr>
<tr>
<td>CohnReznick, LLP</td>
<td>UConn &amp; UConn Health</td>
<td>Annual audit of UCONN 2000 named projects substantially completed and deferred maintenance projects with designated budgets substantially completed in FY2016, 2017, and 2018, and annual agreed upon procedures performed on total UCONN 2000 expenditures (named projects, deferred maintenance and equipment) for FY2016, 2017, and 2018.</td>
<td>The JACC approved the appointment of CohnReznick for FY2016, 2017, and 2018 at their September meeting. The FY 2016 engagement is underway. The draft report will be presented at the May JACC meeting.</td>
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<td>BKD</td>
<td>UConn Athletics</td>
<td>NCAA agreed upon procedures performed on all revenues, expenses, and capital expenditures for or on behalf of the University’s Athletics Program for FY2016, 2017, and 2018.</td>
<td>The request for approval for the FY 2017 engagement fee will be brought to the JACC at the September 2017 meeting.</td>
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Defining the Meaning of ‘Auditing’ and ‘Monitoring’ & Clarifying the Appropriate Use of the Terms

By Mark P. Ruppert, CPA, CIA, CISA, CHFP

The focus group of Health Care Compliance Association (HCCA) and Association of Healthcare Internal Auditors (AHIA) members continues to explore opportunities to better define and explain auditing and monitoring, clarify the roles of compliance and internal audit functions as they address issues within their healthcare organizations, and develop guidance and reference materials on key aspects of health care auditing and monitoring processes. The Seven-Component Framework developed by the AHIA-HCCA focus group for compliance auditing and monitoring is comprised of the following activities:

- Perform a risk assessment and determine the level of risk
- Understand laws and regulations
- Obtain and/or establish policies for specific issues and areas
- Educate on the policies and procedures and communicate awareness
- Monitor compliance with laws, regulations, and policies
- Audit the highest risk areas
- Re-educate staff on regulations and issues identified in the audit

This article provides the focus group’s view regarding the definition and appropriate use of the terms “auditing” and “monitoring.”

A. Conclusion

While consisting of similar tasks, auditing and monitoring are separate concepts and activities.

Typically used in tandem throughout the current healthcare industry, “auditing” and “monitoring” do not represent a single concept. The primary defining characteristics distinguishing auditing and monitoring are independence, objectivity and frequency. Auditing represents evaluation activities completed by individuals independent of the process on a periodic basis and monitoring represents evaluation activities completed by individuals who may not independent of the process on a routine or continuous basis. Auditing should thereby provide for a more objective assessment, at least in appearance.

B. Auditing & Monitoring Definitions

Auditing: Auditing is a formal, systematic and disciplined approach designed to evaluate and improve the effectiveness of processes and related controls. Auditing is governed by professional standards, completed by individuals independent of the process being audited, and normally performed by individuals with one of several acknowledged certifications. Objectivity in governance reporting is the benefit of independence.

Typical characteristics of an audit include the following:

- Formal review governed by professional standards
- Completed by professionals independent of the operation
- Formal, systematic and structured approach
- Involves planning, sampling, testing, and validating
- Formal communication with recommendations and corrective action measures
- Documented follow-up of corrective actions
- Audit accountability is typically to the Chief Audit Executive and the Audit Committee
- Involves routine, formal communication to the Board and Management

Monitoring: Monitoring is an on-going process usually directed by management to ensure processes are working as intended. Monitoring is an effective detective control within a process.
Typical characteristics of monitoring efforts include the following:

- Often less structured than auditing, though audit techniques may be employed
- Usually completed by operations or compliance personnel
- Involves on-going checking and measuring
- Can be periodic spot checks, daily/weekly/monthly tests
- May identify the need for an audit
- Accountability for monitoring is typically to operations leadership
- Typically completed by department staff and communicated to department management
- If completed in relation to a compliance work plan, formal communication to Chief Compliance Officer and Compliance Committee
- May involve internal audit or compliance

C. Usage of the Terms “Auditing” and “Monitoring”

Board and Management understanding of auditing and monitoring activities is important. Using the term audit, especially since the enactment of the Sarbanes-Oxley Legislation, has a specific meaning. If used improperly, inaccurate assumptions may be made regarding the type of work conducted and the reliability of the results.

Management uses monitoring tools and processes to verify that controls it has implemented are working on a routine basis and that business risks are being identified and addressed. However, because management is checking on their own operations, an inherent conflict is evident in that reporting may reflect what management prefers to report instead of what the actual results portray. Also, in many respects, operational personnel have a better understanding of the data and therefore may create the most appropriate and effective monitoring tools. However, those tools are not necessarily tempered by objectivity or the perspectives/knowledge of an experienced auditor.

In this regard, the term “auditing” includes the term “audit.” The term “monitoring” includes the term “monitor.”

- **Auditing:** To be named an audit, the activity should have been completed by Internal Audit or another independent party with reporting responsibility to the CEO and/or Board. In this regard, compliance audit activities completed at the Direction of the Compliance Officer or Privacy officer that are reported to the CEO and/or Board may be properly labeled as audits.

- **Monitoring:** All other activities that support management efforts to ensure compliance, including certain activities completed as part of a compliance work plan, should be labeled monitoring.

D. Why Distinction Is Important

Auditing and monitoring as a joint concept were introduced by the Federal Sentencing Guidelines and related Office of Inspector General compliance program guidance. Since many organizations also have internal audit departments, most of which predated formal compliance programs, this lack of guidance can create confusion among employees, management and the Board when they are used interchangeably. Separate definitions and term usage will minimize if not reduce this confusion.

The fifth requirement of the Federal Sentencing Guidelines is the existence of auditing, monitoring and reporting systems designed to detect criminal or non-compliant conduct. Even with the recently issued amendment to the Guidelines, specific requirements for auditing and monitoring are not provided. Additionally, compliance program guidance provided by the Office of the Inspector General excludes explicit guidance in this regard.

However, two formal audit processes currently exist in the business world: financial statement auditing and internal auditing. Each of these types of auditing are governed by professional standards and represented by professions that existed long before corporate compliance plans were developed and implemented. In both cases, the concept of “auditing” is specific and includes the concepts of independence and objectivity. These standards, Generally Accepted Auditing Standards for financial statement audits and the Standards for the Professional Practice of Internal Auditing for internal audits, also refer to objectivity-related concepts such as due professional care and professional skepticism.
Additionally, both sets of standards refer to “monitoring” in the context of actions taken by management to ensure its controls function effectively.

Given this available guidance for audit, definitions for auditing versus monitoring can and should be established and communicated within an organization.

E. Where Auditing and Monitoring Intersect and Benefit Each Other
Auditing and monitoring can benefit from each other. Auditors can use the results of monitoring efforts to identify risks, reduce audit duration or frequency, and/or focus more audit efforts in other areas. Monitoring is also part of the internal control structure evaluated by auditors.

Monitoring mechanisms can be driven and/or validated by audit tests and results. Also, monitoring methodologies can be reviewed by your audit department to ensure that a consistent approach for documenting efforts/results and reporting findings is in place.

Monitoring mechanisms are also typically applied by Corporate Compliance and Internal Audit as part of their ongoing risk assessment programs.

F. The Need to Retain Evidence of Auditing and Monitoring Efforts
In discussions above regarding the Federal Sentencing Guidelines, we emphasized the importance of distinguishing between auditing and monitoring initiatives. It is important to develop a methodology for warehousing all auditing and monitoring initiatives over time to allow easy retrieval. Many facilities have implemented the use of the intranet and dashboard reporting to catalogue all efforts over time and map these efforts to specific departments, financial statement categories and risk areas.

G. About the AHIA/HCCA Focus Group
The AHIA/HCCA focus group will continue to address compliance auditing and monitoring directives through white papers, articles and educational initiatives.

Members of the focus group are:

Mark P. Ruppert, Cedars-Sinai Health System  Debi Weatherford, CHAN Healthcare Auditors
Randall Brown, Baylor Health Care System  Kathy Thomas, Duke University Health System
Jan Coughlin, Scripps Health  Debra Muscio, Central Connecticut Health Alliance

Mark P. Ruppert, CPA, CIA, CISA, CHFP is the Director of Audit Services at Cedars-Sinai Health System, Los Angeles, California. He is a former Chairman of the Board of AHIA. He may be contacted at Mark.Ruppert@cshs.org
Annual Compliance Training Information

Faculty and Staff are REQUIRED to complete Compliance Training every year. You may complete the training in person OR online.

Remaining Dates for In-Person Sessions, held at the Student Union Theatre, are:

Tuesday, April 18, 2017 at 1:00-2:30 PM and Thursday May 4, 2017 At 10:00-11:30 AM

To register for an in-person session, please use the following link: Compliance Training Registration. Individuals arriving later than 10 minutes after the start of the session will not be admitted. To receive credit for the training, attendees must remain for the entire session.

To complete the web-based (online) training click here. This year the training will be launched in the Saba platform, providing more ease of use and better tracking of attendance. Any technical questions should be directed to Brandi Morrell in Human Resources at 860-486-0422.

Any compliance questions may be directed to: Liz Vitullo at 860-486-2530 or email compliance.training@uconn.edu. The deadline to complete this year’s training is May 17, 2017.

Phishing—Protect Yourself from Scams

Phishing, n. The fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords and credit cards. (Oxford Online Dictionary).

Cyber security has become more complex over the years, yet one thing remains clear: some of the most effective phishing attacks can be quite simple. Hackers use basic tactics, such as impersonation, to attempt to deceive their target and gain access to valuable information, systems or networks.

Employees should always be the lookout for these attacks, because a successful “phishing expedition” may lead to both personal and institutional harm. In general, you should never volunteer confidential or personal information based on any contact that you did not explicitly initiate. Furthermore, the University or any reputable organization will never ask you for your password. If you have questions about the validity of a message, ask the UITS Help Center (helpcenter@uconn.edu) to review it. Common phishing elements are described at: http://security.uconn.edu/2017/02/14/0214-w2-phishing-scam-alert/. Any message suspected to be a phishing attempt can also be forwarded to reportphishing@uconn.edu.

For more information on phishing attacks, including additional tips on how to protect yourself from phishing scams, please visit: uits.uconn.edu/2017/01/27/phishing-attacks-and-how-to-avoid-being-scammed/.

Congrats to the Spirit Award Nominees!
The UConn Spirit Awards honors staff and faculty for stellar contributions and dedication to civility in the workplace. We are proud that one of OACE’s own, Omar Andujar, has been nominated this year among other outstanding peers.

REPORTLINE

1-888-685-2637

https://uconncares.alertline.com/gcs/welcome
HELP SPREAD THE WORD!

Did you know that April is National Child Abuse Prevention Month?

During this month-long observance, communities and organizations across the country raise public awareness about preventing child maltreatment and enhancing child well-being. Throughout the past year, the University of Connecticut has announced a number of initiatives intended to promote a safe and secure experience for children and youth at UConn. These resources include the Protection of Minors and Child Abuse and Neglect Policy and Procedures, an online training module, and UConn’s Minor Protection website.

Below are a few more key reminders and updates regarding University’s Minor Protection Program. If you have not already done so, we invite you to become acquainted with these resources and help spread the word in order to increase awareness about UConn’s Minor Protection efforts.

Reporting Expectations

Virtually all University employees are Mandated Reporters of child abuse and neglect, and must comply with the reporting requirements in state mandated reporting laws. It is important for units hosting youth activities to have clear steps for reporting known or suspected child abuse or neglect, and to share such expectations with those working with minors.

Key Reminders on Reporting Child Abuse/Neglect:

- **If you witness child abuse or if there is an imminent or ongoing threat to an individual or the community, immediately call 9-1-1.**

- Child abuse and/or neglect must be verbally reported to the CT Department of Children and Families (DCF) and/or law enforcement, as soon as possible, but no later than 12 hours.

- Within 48 hours of making verbal reports, a written report must be made to DCF using DCF’s 136 Form.

- In addition to statutory reporting requirements, University employees must also comply with any other University policies that impose additional reporting obligations, such as the Policy Against Discrimination, Harassment, and Related Interpersonal Violence.

- Visit [http://minorprotection.uconn.edu/reporting/](http://minorprotection.uconn.edu/reporting/) for additional guidance on reporting child abuse and/or neglect.

Did you hear? We’re ON-AIR.

The Office of Audit, Compliance and Ethics launched a new podcast series (Compliance Chats) intended to keep faculty and staff up-to-date on various compliance matters. Its most recent episode highlighted UConn’s Minor Protection Program. Click Here to tune-in!

Timely registration of activities

University activities involving minors must register with the Minor Protection Program at least 30 days prior to the start of the activity. Not hosting a program for a few months? That’s okay! You can start the registration process as early as you would like. Click Here to learn about the registration process.

Minors in Labs

In addition to meeting UConn’s Protection of Minors requirements, activities involving minors in labs or in environments with chemicals or hazardous materials must also comply with applicable lab safety requirements. For additional guidance please contact EH&S.

Wait... What do we have to do again?

In an effort to assist units with navigating through standards for University activities involving minors, we have developed a number of tools and resources. For more information, please visit our website at [http://minorprotection.uconn.edu/tools-and-resources/](http://minorprotection.uconn.edu/tools-and-resources/).

Also feel free to email us or contact us at (860) 486-5682.
The Compliance Office is a component part of the Office of Audit, Compliance and Ethics (OACE), a joint office of UConn and UConn Health. Our mission is to assist the University, including UConn Health in achieving their financial, operational and strategic goals while maintaining compliance with all associated laws and/or regulations. The Compliance Office accomplishes this goal by identifying institutional risks; reviews and investigations; augmenting institutional compliance through effective education and training programs; and fostering the values of knowledge, honesty, integrity, respect and professionalism as outlined in the University’s Code of Conduct.

Because a primary function of the University of Connecticut Board of Trustees and University of Connecticut Health Center Board of Directors is to ensure effective control of the administration and operations of our institution, the Joint Audit and Compliance Committee (JACC) of the Board of Trustees has mandated the establishment of a Compliance Program. In order to ensure its objectivity and independence, the Office reports functionally to the Chair of the JACC and for administrative purposes only, to the President.

The purpose of the Compliance Program is to promote a University-wide culture of compliance and ethics by assisting Senior Administration in the effective discharge of their responsibilities.

The Compliance Program is a valuable resource for compliance-related information and training. In addition, the department is responsible for developing compliance policies, overseeing and monitoring compliance activities, and identifying weaknesses in our compliance systems. Compliance Staff also serve as the centralized office for compliance with privacy laws as well as liaison to the State of Connecticut’s Office of State Ethics.

We accomplish our goals by:

- Developing and implementing effective training programs to ensure that employees are aware of, adhere to and report potential violations of laws, regulations, policies, and procedures;
- Developing effective ways to mitigate compliance risk though collaboration with our institution’s community and the implementation of appropriate monitoring plans.
- Investigating potential violations of laws, regulations, and policies;
- Providing a confidential reporting mechanism, REPORTLINE at 1 (888) 685-2637 to allow individuals to report or seek guidance regarding potential or actual criminal or other non-compliant conduct without fear of retaliation.

The success of the Compliance Program depends on individual and collective cooperation. As members of the UConn Health community, we all share a commitment to uphold the highest educational, business, and ethical standards. Contact the Compliance Office with any questions, suggestions or concerns. Iris Mauriello, Compliance Integrity & Privacy Officer, (860) 679-3501, mauriello@uchc.edu

REPORTLINE 1-888-685-2637
Consultation Visits Must be Performed Independently

National Government Services (NGS), the contractor for Medicare in Connecticut, has updated their E&M FAQs to include two important changes. NGS corrected prior posted information on the topic of Consultations by noting that Split/Shared billing is not appropriate for these services. CMS rules on consultative services have not changed, despite the use of standard E&M coding for inpatient and outpatient consultative services since 2010. When a provider requests the consultative opinion of another provider, the consulting provider must perform the service independently, and cannot split/share the required elements of the consultative E&M service.

Please see this FAQ as posted on NGS website:

**Question:** Can a consultative service in the hospital setting be performed on a split/shared basis?

**Answer:** CMS rules on consultative services have not changed, despite the use of standard E&M coding for inpatient and outpatient consultative services since 2010. When a provider requests the consultative opinion of another provider, the consulting provider must perform the service independently, and cannot split/share the required elements of the consultative E&M service.

For questions, please contact Margaret DeMeo, Associate Compliance Officer at 860-679-1226 or demeo@uchc.edu.

Guidelines for Accepting Honoraria

An important consideration in determining whether or not an employee may personally accept an honorarium or fee for doing a presentation, writing an article, participating as part of a panel or engaging in some other activity outside of UConn Health is whether the employee is doing so in his or her “official capacity.” As noted in the University Guide to the State Code of Ethics, in general, if an employee is invited to participate in an activity and his or her UConn Health role is the predominant reason for that invitation, it is likely the participation will be considered to be in the employee’s official capacity. If an invitation to participate in an activity is extended based primarily upon a particular expertise, even an expertise developed through the employee’s UConn Health role, the participation is usually considered to be outside of the employee’s official capacity.

Honoraria or fees may be personally accepted only for activities that are deemed outside of an employee’s official capacity. Honoraria or fees offered for activities performed in an employee’s official capacity may be directed to a UConn Health account for future UConn Health-related business. Because situations are often fact-specific, employees are encouraged to seek individual guidance as needed.

For questions, contact Ginny Pack, UConn Health Ethics Liaison at pack@uchc.edu or 860-679-1280 or the Office of State Ethics at 860-263-2400 or ethics.code@ct.gov.