



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

Friday, June 2, 2017
8:15 am

Florida International University
Modesto A. Maidique Campus
College of Business Complex, Special Events Center, Room 233

Committee Membership:

Gerald C. Grant, Jr, *Chair*; Natasha Lowell, *Vice Chair*; Leonard Boord; Michael G. Joseph; Krista Schmidt; Kathleen L. Wilson

AGENDA

1. Call to Order and Chair's Remarks Gerald C. Grant, Jr.
2. Approval of Minutes Gerald C. Grant, Jr.
3. Action Items
 - AC1. Office of Internal Audit Policy and Charter Allen Vann
 - AC2. Internal Audit Plan, 2017-18 Allen Vann
 - AC3. University Compliance and Ethics Program Plan Karyn Boston
 - AC4. University Compliance and Ethics Work Plan, 2017-18 Karyn Boston
4. Discussion Items (*No Action Required*)
 - 4.1 Office of Internal Audit Status Report Allen Vann
 - 4.2 University Compliance and Ethics Quarterly Report Karyn Boston
5. Reports (*For Information Only*)
 - 5.1 Athletics Compliance Report Jessica Reo
 - 5.2 Health Sciences Compliance Report Alicia Robles De La Lama
6. New Business Gerald C. Grant, Jr.
 - 6.1 Office of Internal Audit Discussion of Audit Processes
7. Concluding Remarks and Adjournment Gerald C. Grant, Jr.

The next Audit and Compliance Committee Meeting is scheduled for Wednesday, September 6, 2017

This page intentionally left blank

2. Approval of Minutes

Approval of Minutes

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017

Subject: Approval of Minutes of Meeting held March 2, 2017

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on Thursday, March 2, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center, Room 243.

Background Information:

Audit and Compliance Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Thursday, March 2, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center, Room 243.

Supporting Documentation:	Minutes: Audit and Compliance Committee Meeting, March 2, 2017
----------------------------------	--

Facilitator/Presenter:	Gerald C. Grant, Jr., <i>Audit and Compliance Committee Chair</i>
-------------------------------	---

This page intentionally left blank



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
MARCH 2, 2017**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Audit and Compliance Committee meeting was called to order by Committee Chair Gerald C. Grant, Jr. at 8:36 am on Thursday, March 2, 2017, at the Modesto A. Maidique Campus, Graham Center, Room 243.

The following attendance was recorded:

Present

Gerald C. Grant, Jr., *Chair*
Natasha Lowell, *Vice Chair*
Alian Collazo
Michael G. Joseph
Kathleen L. Wilson

Excused

Leonard Boord

Board Chair Claudia Puig, Trustee Alian Collazo, and University President Mark B. Rosenberg were also in attendance.

Committee Chair Grant welcomed all Trustees, faculty, and staff to the meeting. On behalf of the Committee, he extended his gratitude to Alian Collazo, Student Trustee and Student Government President for the Modesto A. Maidique Campus, for his leadership and dedication to the Board, the University and the students. Trustee Collazo stated that it was a great honor for him to have the privilege to serve the students of the University as well as an honor to serve as a member of the Board.

2. Welcome and Introduction: Charge of the Audit and Compliance Committee

Committee Chair Grant noted that the approach over internal controls is a collaborative effort that is integral to the University's function. He then provided a brief overview of the Audit and Compliance Committee's responsibilities, noting that this included reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices, and overseeing the overall audit process. He stated that the BOG has recognized FIU's internal audit function for conforming to industry best practices and a common set of standards that are now being followed throughout the State University System.

3. Follow-up to Item from Finance and Audit Committee Meeting

Provost and Executive Vice President Kenneth G. Furton noted that in response to Trustee Leonard Boord's request for follow-up on the audit of the Chaplin School of Hospitality and Tourism Management, a plan detailing the actions taken by the University was included in the agenda materials. Provost Furton noted that the School's Institute for Hospitality and Tourism Education and Research has been downsized, adding that its discontinuation was possible if a new major contract was not secured. He stated that personnel actions are planned for the individuals responsible for the oversight of various program accounts. Provost Furton indicated that regular follow-up audits are advisable in order to ensure the effectiveness of the corrective actions. He also stated that the identified findings could serve as a resource tool to help further FIU's shared commitment over internal controls and that the audit of the Chaplin School of Hospitality and Tourism Management was shared with the University Deans.

4. Action Items

AC1. Performance Based Funding Metrics Data Integrity

A. Performance Based Funding – Data Integrity Certification

B. Audit of Performance Based Funding Metrics

Chief Audit Executive Allen Vann presented the Data Integrity Certification and the results of the third Audit of Performance Based Funding Metrics for Committee review. He noted that the State University System of Florida Board of Governors (BOG) requires the Chief Audit Executive to audit Performance Based Funding-related controls, processes, and data submissions. He presented the audit findings and recommendations, stating that the current audit confirms that the University has good process controls for maintaining and reporting performance metrics data. Mr. Vann further indicated that the results of the current audit provide assurances to the President and Board of Trustees that data submitted to the BOG is accurate and reliable.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Board of Trustees:

1. Approve the Performance Based Funding – Data Integrity Certification to be signed by the Chair of the FIU Board of Trustees; and
2. Approve the Audit Report - Audit of the Performance Based Funding Metrics Data Integrity

AC2. Approval of the Compliance and Ethics Charter for the Office of University Compliance and Integrity

Assistant Vice President and Chief Compliance Officer Karyn Boston presented the Compliance and Ethics Charter for the Office of University Compliance and Integrity for Committee review, noting that this was a requirement set forth in the new BOG Regulation 4.003 - State University System Compliance and Ethics Programs. She added that the Regulation became effective November 2016 and requires full implementation by November 2018. She reported on the University's progress, noting that 11 of the 19 elements in the BOG checklist have already been implemented. She then presented an overview of the requirements, indicating that the Regulation provides for Board oversight of the program, designation of a senior level administrator as the chief compliance officer, requires a charter, and provides program components describing authorities, duties, and responsibilities. She delineated key elements contained within the Charter, mentioning

that the Charter was reviewed by an external organization in order to ensure that it was aligned with Federal Sentencing Guidelines, BOG Regulation 4.003, and best practices. She further stated that the Charter will be reviewed at least every two (2) years in order to align with the review of the Committee's Charter.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Board of Trustees approve the Compliance and Ethics Charter for the Office of University Compliance and Integrity.

5. Discussion Items

5.1 Office of Internal Audit Status Report

Mr. Vann presented the Internal Audit Report, providing updates on the recently completed audits. He reported that the Financial Aid audit disclosed that controls and procedures need improvement and internal controls could be strengthened. He stated that Football attendance data reported to the NCAA on the 2016 Football Paid Attendance summary sheets are supported by sufficient, relevant, and competent records. He introduced the Committee to Ms. Stephanie Price who recently rejoined the Office of Internal Audit as a Senior Auditor, adding that Ms. Price previously served as an Office intern while she obtained bachelors and masters degrees in Accounting at FIU. He also reported on work in progress and presented a follow-up status report on past audit recommendations, noting that 25 of the 50 recommendations were completed and that the remaining recommendations are in progress.

5.2 Consultant Report on Vendor Electronic Fund Transfer Change Controls

Mr. Vann noted that pursuant to the request from Board of Trustees Chair Claudia Puig, the Office of Internal Audit engaged a consultant, Elevate Consult LLC, to review and perform limited testing of the current procedures and processes of the Procurement Department for making changes to vendor electronic funds transfer information. Mr. Vann reported that while Elevate concluded that the current environment over change of supplier EFT data is satisfactory, they recommended steps that the University could take in order to further strengthen controls.

Committee Chair Grant noted that electronic funds transfer fraud is a growing national concern. Board Chair Claudia Puig added that the independent validation of the University's processes by an outside entity was a great resource as it provided additional tools that will help further mitigate human errors and minimize external exposure and risks.

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell noted that the University is activating the Vendor Self Service feature on PantherSoft Financials in order to improve the vendor data management process by requiring vendors to input, maintain, and update their information in the database. Vice President for Information Technology and Chief Information Officer Robert Grillo noted that as part of the University's cybersecurity strategy, the Division of IT implemented the two-factor authentication process in order to increase security measures on user accounts.

Trustee Natasha Lowell inquired as to the percentage of fraudulent incidents in relation to the funds that are transferred out of the University. Sr. VP and CFO Jessell noted that there have been no

prior fraud incidents, adding that the University's timely response allowed for the full return of the funds. Committee Chair Grant noted that financial institutions have embraced the approach of collaborating as an industry in order to identify solutions for the growing risk.

5.3 University Compliance Report

Ms. Boston presented a status update on the 2016-17 Compliance Work Plan. She noted that only one (1) key action item was not on track and provided an implementation update on the progress towards reaching the finalization of the investigation guidelines described under the section pertaining to Enforcement, Discipline, and Incentives. She stated that if full implementation is not achieved by June 1st, then its inclusion as a separate action item for the 2017-18 Compliance Work Plan will be necessary.

Trustee Kathleen L. Wilson inquired as to the process for addressing audits with fair and inadequate findings. While the Office of Internal Audit provides status updates pertaining to the implementation of recommendations provided in the audits, Ms. Boston also noted that upon conclusion of an audit, the Compliance office provides monitoring support by collaborating with the business units in order to ensure that there is positive progress towards fully implementing the resulting recommendations.

6. Reports

Committee Chair Grant requested that the Reports pertaining to Athletics Compliance and the FIU Academic Health Center Health Care Network Faculty Group Practice, Inc. Compliance be accepted as written. There were no objections.

7. New Business

7.1 Senior Management Discussion of Audit Processes

Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with Senior Management without the presence of the Office of Internal Audit. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with Senior Management, adding that this was strictly voluntary. Members of Senior Management discussed the Office of Internal Audit's performance.

8. Concluding Remarks and Adjournment

With no other business, Committee Chair Gerald C. Grant, Jr. adjourned the meeting of the Florida International University Board of Trustees Audit and Committee on Thursday, March 2, 2017 at 9:34 am.

3.9.17 MB

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017

Subject: Approval of the Office of Internal Audit Policy and Charter

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve the Office of Internal Audit Policy and Charter.

Background Information:

The internal audit charter is required by the International Standards for the Professional Practice of Internal Auditing. The charter is a formal document that defines the internal audit activity's purpose and authority; reporting and independence within the organization; and defines the scope of internal audit duties and responsibilities. The charter was revised to include the requirements of the new Board of Governors Regulation 4.002 State University System Chief Audit Executives.

Florida Board of Governors Regulation 4.002 State University System Chief Audit Executives (3) states, in relevant part, that each board of trustees shall adopt a charter which defines the duties and responsibilities of the office of chief audit executive. The charter shall be reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

Supporting Documentation: Office of Internal Audit Policy and Charter (redlined and final)

Facilitator/Presenter: Allen Vann

This page intentionally left blank



FLORIDA INTERNATIONAL UNIVERSITY OFFICIAL UNIVERSITY POLICY

University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R)	POLICY NUMBER
OFFICE OF INTERNAL AUDIT POLICY & CHARTER	February 2010	
RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R)	RESPONSIBLE UNIVERSITY OFFICER (R)	
Office of the President Florida International University	University President	

POLICY STATEMENT (R)

Introduction

The purpose of the Office of Internal Audit (OIA) is to provide an independent and objective assurance and consulting activity designed to add value and improve Florida International University (FIU) operations. OIA assists FIU in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Reporting, Independence

~~The Chief Audit Executive (CAE) shall report functionally to the Board of Trustees and administratively to the President. The CAE shall conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence. The Director of Internal Audit has direct reporting responsibilities to the Board of Trustees' Finance and Audit Committee.~~

Authority

The Office of Internal Audit (OIA) ~~shall have~~ ~~has~~ unrestricted and timely access to all records, data, information and personnel of the University including information reported to the university's hotline/helpline, deemed necessary to carry out its duties and responsibilities; However, to ensure objectivity and independence, the OIA has no direct responsibility or authority over the activities it reviews, however, the OIA has no direct responsibility or authority over the activities it reviews.

Professional Standards

Audit engagements shall be performed in accordance with the International Professional Practices Framework, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and/or the Information Systems Auditing Standards published by ISACA. All audit reports shall describe the extent to which standards were followed.

Investigative assignments shall be performed in accordance with professional standards issued for the State University System. The activities of the OIA shall be conducted in accordance with the standards for the Professional Practice of Internal Auditing. Staff members should demonstrate qualities of integrity, honesty, loyalty, morality, dignity and confidentiality, consistent with the Institute of Internal Auditors Code of Ethics.

Duties and Responsibilities

The Chief Audit Executive shall:

- Provide direction for, supervise, and coordinate audits and investigations which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
- Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university

programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

(c) Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001.

(d) Keep the president and board of trustees informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to university programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions.

(e) Promote, in collaboration with other appropriate university officials, effective coordination between the university and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.

—Review and make recommendations, as appropriate, concerning policies and regulations related to the university’s programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

(f)

(g) Communicate to the President and the Board of Trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations as follows:

1) The chief audit executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the Board of Trustees Audit and Compliance Committee for approval. A copy of approved audit plans will be provided to appropriate university management and the Board of Governors.

2) By September 30th of each year, the CAE shall prepare a report summarizing the activities of the office for the preceding fiscal year. The report shall be provided to the President, Board of Trustees, and the Board of Governors.

(h) Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.

(i) Coordinate or request audit, financial and fraud related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.

(j) Develop and maintain a quality assurance and improvement program for the OIA.

(k) Establish policies which articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

(l) Inform the board of trustees when contracting for specific instances of audit or investigative assistance.

(m) Review this Charter with the Audit and Finance Committee at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

- Through its audits, provide independent and objective appraisals regarding risk management and controls. Audit activities will be based primarily on the yearly work plan derived from a comprehensive risk assessment by the Audit Director and approved by the Finance and Audit Committee.
- Periodically follow up and report on the status of managements’ implementation of recommendations resulting from these activities. Significant observations that are not implemented will be highlighted and closely monitored.
- Investigate allegations of financial fraud, waste, abuse, wrongdoing, and any whistleblower complaints.
- Ensure effective coordination and cooperation with external auditors.

REASON FOR POLICY (O*)

The purpose of the Florida International University’s OIA is to provide independent and objective appraisals regarding risk management and controls on financial matters within the University.

HISTORY (O*)

Effective Date: March 2006; Revision Date(s): February 5, 2010

CONTACTS (R)**Administrative Office's Address****RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)**

Office of the President
Florida International University

RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)

Allen Vann
Chief Audit ~~Director~~ Executive
Office of Internal Audit
Florida International University
11200 S.W. Eighth Street, CSC 446
Miami, Florida 33199
Telephone: 305-348-2465

Telephone Number**Fax Number**

305-348-2465

305-348-6421

The University Policies and Procedures Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at <http://policies.fiu.edu/>.

For any questions or comments, the "Document Details" view for this policy online provides complete contact information.

***R = Required *O = Optional**

This page intentionally left blank



FLORIDA INTERNATIONAL UNIVERSITY OFFICIAL UNIVERSITY POLICY

University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R)	POLICY NUMBER
OFFICE OF INTERNAL AUDIT POLICY & CHARTER		
RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R)	RESPONSIBLE UNIVERSITY OFFICER (R)	
Office of Internal Audit Florida International University	Chief Audit Executive	

POLICY STATEMENT (R)

Introduction

The purpose of the Office of Internal Audit (OIA) is to provide an independent and objective assurance and consulting activity designed to add value and improve Florida International University (FIU) operations. OIA assists FIU in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Reporting, Independence

The Chief Audit Executive (CAE) shall report functionally to the Board of Trustees and administratively to the President. The CAE shall conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence.

Authority

The Office of Internal Audit (OIA) shall have unrestricted and timely access to all records, data, information and personnel of the University including information reported to the university's hotline/helpline. However, to ensure objectivity and independence, the OIA has no direct responsibility or authority over the activities it reviews.

Professional Standards

Audit engagements shall be performed in accordance with the International Professional Practices Framework, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and/or the Information Systems Auditing Standards published by ISACA. All audit reports shall describe the extent to which standards were followed.

Investigative assignments shall be performed in accordance with professional standards issued for the State University System.

Duties and Responsibilities

The Chief Audit Executive shall:

- Provide direction for, supervise, and coordinate audits and investigations which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
- Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
- Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001.

- (d) Keep the president and board of trustees informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to university programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions.
- (e) Promote, in collaboration with other appropriate university officials, effective coordination between the university and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.
- (f) Review and make recommendations, as appropriate, concerning policies and regulations related to the university's programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
- (g) Communicate to the President and the Board of Trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations as follows:
 - 1) The chief audit executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the Board of Trustees Audit and Compliance Committee for approval. A copy of approved audit plans will be provided to appropriate university management and the Board of Governors.
 - 2) By September 30th of each year, the CAE shall prepare a report summarizing the activities of the office for the preceding fiscal year. The report shall be provided to the President, Board of Trustees, and the Board of Governors.
- (h) Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.
- (i) Coordinate or request audit, financial and fraud related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.
- (j) Develop and maintain a quality assurance and improvement program for the OIA.
- (k) Establish policies which articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
- (l) Inform the board of trustees when contracting for specific instances of audit or investigative assistance.
- (m) Review this Charter with the Audit and Finance Committee at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

REASON FOR POLICY (O*)

The purpose of the Florida International University's OIA is to provide independent and objective appraisals regarding risk management and controls on financial matters within the University.

HISTORY (O*)

Effective Date: March 2006; Revision Date(s): February 5, 2010

RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)

Office of Internal Audit
Florida International University

RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)

Allen Vann
 Chief Audit Executive
 Office of Internal Audit
 Florida International University
 11200 S.W. Eighth Street, CSC 446
 Miami, Florida 33199
Telephone: 305-348-2465

The University Policies and Procedures Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at <http://policies.fiu.edu/>.

For any questions or comments, the “Document Details” view for this policy online provides complete contact information.

***R = Required *O = Optional**

This page intentionally left blank

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of
Trustees**



Review of Office of Internal Audit Policy and Charter



FIU | Board of Trustees

OFFICE OF INTERNAL AUDIT POLICY AND CHARTER

Periodically review the Internal Audit Charter for alignment with:

- applicable Board of Governors and University regulations,
- professional standards, and
- best practices.

OFFICE OF INTERNAL AUDIT POLICY & CHARTER

The revised Charter sets forth:

- A clear definition of the purpose, authority, and responsibility of FIU's internal audit activity
- The standards of independence and objectivity
- Standards for auditing, reporting, follow-up and quality control
- A basis for the Audit and Compliance Committee to evaluate the function

Questions / Discussion

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of
Trustees**



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017**

Subject: Internal Audit Plan, 2017-18

Proposed Committee Action:

Approve the University Internal Audit Plan for Fiscal Year 2017-18.

Background Information:

The Florida International University Board of Trustees Audit and Compliance Committee Charter mandates approval of the audit plan for the upcoming fiscal year.

The Audit and Compliance Committee Charter, Roles and Responsibilities, section 4.31, states, in relevant part, that:

The Audit and Compliance Committee shall... Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.

Florida Board of Governors Regulation 4.002 State University System Chief Audit Executives (3)(g) states, in relevant part, that the chief audit executive shall communicate to the president and the board of trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations.

Supporting Documentation: Office of Internal Audit Plan, 2017-18

Facilitator/Presenter: Allen Vann

This page intentionally left blank

M E M O R A N D U M

Date: June 2, 2017

To: Chairman and Members of the Audit and Compliance Committee

From: Allen Vann, Chief Audit Executive

Subject: **Internal Audit Plan for Fiscal Year 2018**

I am pleased to present our proposed audit plan for fiscal year 2018 for your review and approval. The development of the plan was shaped using a systematic approach to help us determine which audits to perform. The planning process helps us develop the theme for our audits and identify an appropriate mix of various types of audits. The audit plan considers how we can best allocate our resources.

Internal Audit Resources:

One of the responsibilities of the Audit and Compliance Committee is to review the resources of the Office of Internal Audit.¹ The composition of our Office currently includes nine professional auditors, an administrative coordinator, and two student interns. Based on previous discussions with the Committee, we increased our professional staff by one auditor in late fiscal year 2017. For fiscal year 2018 we are planning to employ an additional IT auditor.

While our audit staff is effectively deployed, additional workload resulting from the Board of Governors' request that we annually audit FIU's data submissions under their performance-based funding model, investigative work, and staff leave displaced or reduced time available for planned audit projects.

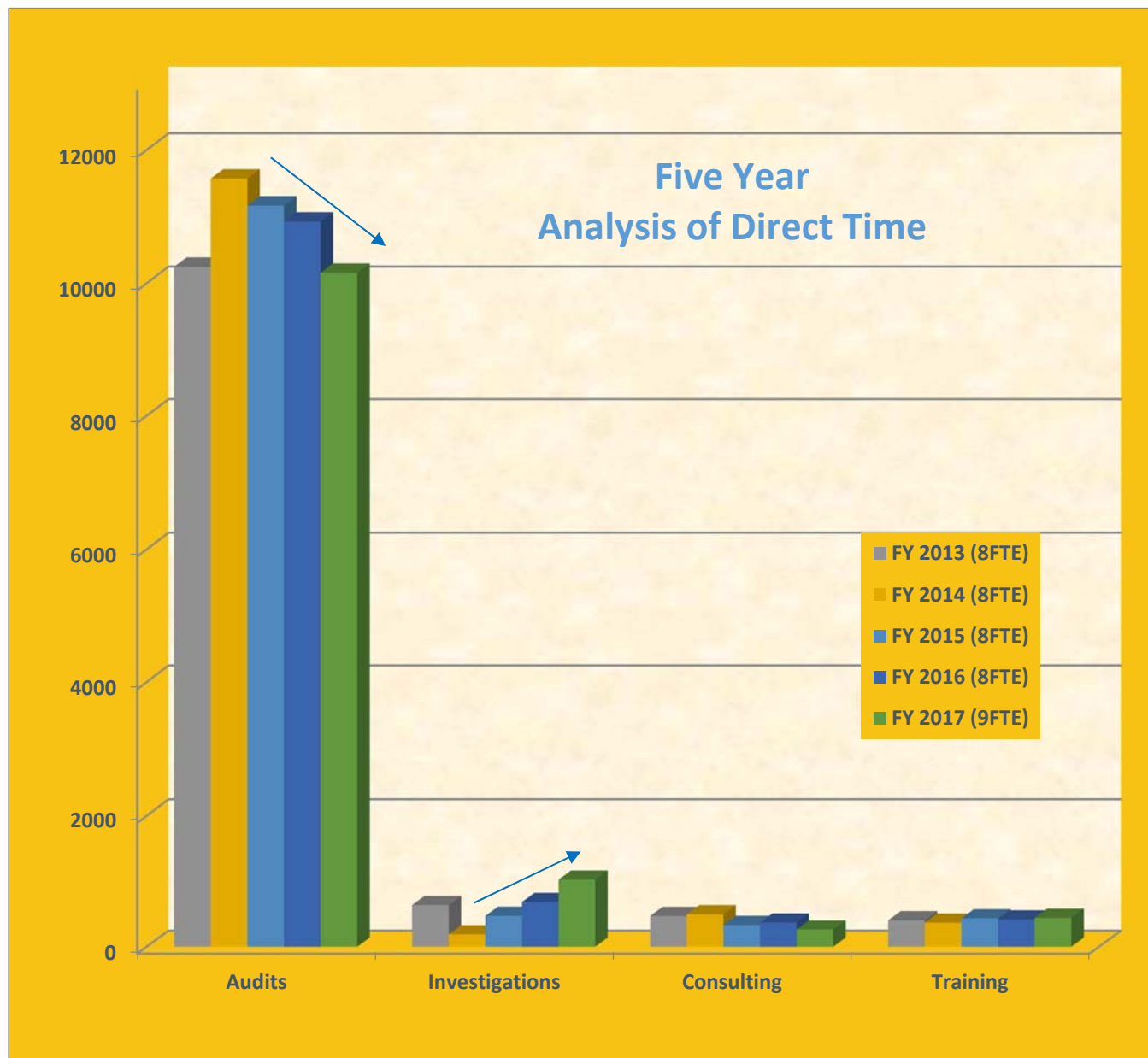
The following graph reflects how the Office of Internal Audit's direct staff time was spent during the past five fiscal years:

¹ FIU Board of Trustees Audit and Compliance Committee Charter, §4.31 on page 6.

Internal Audit Plan for FY 2018

June 2, 2017

Page 2 of 4



Note: FY 2017 data was annualized.

As depicted, our workload is often difficult to predict as investigations and other unplanned work affect our ability to complete all of the planned audit projects. Nevertheless, we have continued to ensure that an appropriate balance was maintained between audit, investigative, and other accountability activities such as following up on the implementation status of past recommendations.

Internal Audit Plan for FY 2018

June 2, 2017

Page 3 of 4

Risk Assessment:

Previous risk assessments were reviewed and updated. The five most significant risk factors considered were: 1) materiality; 2) past audit coverage; 3) internal risks; 4) external risks; and 5) information risks. We also spent a considerable amount of time meeting with FIU's senior leadership team to ensure that each proposed audit will provide the best value added to the University.

Audit Plan:

The following table outlines our proposed audit plan for FY 2018:

Carryover Audits
Athletics Department
University College - Online Program
College of Arts, Sciences and Education - Center for Children and Families
University's IT Network Security Controls
Robert Stempel College of Public Health and Social Work
Residency Classification for Tuition and Fees
Proposed New Audits:
Performance Based Funding Metrics Data Integrity
College of Business
College of Engineering and Computing
Herbert Wertheim College of Medicine
Steven J. Green School of International and Public Affairs
Student Affairs (x Housing)
Applied Research Center
Health Care Network
Wolfsonian - FIU
South Beach Wine & Food Festival
Construction - Recreation Center Expansion
Facilities Management - Data System Controls
Information Technology - Cloud Services
Student Technology Fees
Grants - Subrecipient Monitoring
NCAA Football Attendance Certification
Follow-up Audit

Internal Audit Plan for FY 2018

June 2, 2017

Page 4 of 4

Conclusion:

By arraying the pattern of past audit coverage of University activities/programs and assessing respective risks with senior management, we were able to combine our collective knowledge of potential audit areas to develop a list of proposed new audits for FY 2018 that will optimize our resources and capitalize on our audit staff's individual strengths.

I would be happy to answer any questions and provide any additional details that you may require. I can be reached at (305) 348-2465.

Attachment

C: Chair of the FIU Board of Trustees
University President
Provost
Chief Financial Officer
Chief of Staff

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of Trustees**



Office Of Internal Audit

Annual Audit Plan FY 2017-18



FIU | Board of Trustees

ANNUAL AUDIT PLAN

Committee's Specific Responsibilities:

“Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.”

HIGH LEVEL VIEW OF KEY AUDIT RISKS AREAS

Financial

Compensation

Construction

Asset Management

Funds Accounting

Investments

Fundraising

Cash Management

Account Reconciliations

Operational

Grant Administration

Facilities Management

Emergency Management/
Disaster Recovery

Faculty/Student Services

International Activities

Human Resources

IT Security

Business Continuity

Compliance

Research – Effort
Reporting

Conflicts of Interest

Environmental Health &
Safety/Lab Safety

HIPAA/Privacy

Health Sciences

Family Educational Rights and
Privacy Act (FERPA)

NCAA Rules

Clery Act

DESIGNING THE ANNUAL AUDIT PLAN



STEPS:

1. Risk Assessment
 - Budget/Spending Trends (materiality)
 - Past Audit Coverage
 - Internal Risks
 - External Risks
 - Information Technology Risks
2. Management Input
3. Develop Audit Plan
4. Audit Plan Approval

HOW DIRECT TIME WAS SPENT



FY 2016-17 Accomplishments

**Board of Governors Performance Based Funding Model - Data Integrity
Student Financial Aid**

Chaplin School of Hospitality and Tourism Management

Herbert Wertheim College of Medicine - Pharmacy Operations

Mobile Health Care Units

Housing and Residential Life

Vendor Electronic Funds Transfer (EFT) Change Controls

Cash Controls - Bank Account Reconciliations

Construction - Student Academic Success Center Capital Project

Review of Nepotism Policies and Procedures

Division of Research Sub-recipient Monitoring

Parking and Transportation - DMV Data Controls Certification

NCAA Football Attendance Certification

In-Process/Carryover Audits From FY 2016-17

Athletics Department – Financial and Operational Controls

University Online Programs

College of Arts, Sciences and Education - Center for Children and Families

University's IT Network Security Controls

College of Public Health and Social Work

Residency Classification for Tuition and Fees

Newly Proposed Audits for FY 2017-18

Performance Based Funding Metrics Data Integrity

College of Business

College of Engineering and Computing

Herbert Wertheim College of Medicine

Steven J. Green School of International and Public Affairs

Student Affairs (x Housing)

Applied Research Center

Health Care Network

Wolfsonian-FIU

South Beach Wine & Food Festival

Construction - Recreation Center Expansion

Facilities Management - Data System Controls

Information Technology - Cloud Services

Student Technology Fees

Grants - Sub-recipient Monitoring

NCAA Football Attendance Certification

Follow-up Audit

Other Internal Audit Activities

- Forensic Audits/Investigations
- Consulting
- Follow-up on Implementation of Past Recommendations
- Continue to Invest in Staff Training and Development

Questions / Discussion

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of Trustees**



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017**

Subject: University Compliance and Ethics Program Plan

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve the University Compliance and Ethics Program Plan.

Background Information:

Florida International University's Compliance and Ethics Charter, Scope of Duties and Responsibilities (a), states, in relevant part, that the Chief Compliance Officer and staff will develop a Program plan based on the requirements for an effective program.

Florida Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs (1) states, in relevant part, that each board of trustees shall implement a university-wide compliance and ethics program (Program) as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures.

Florida Board of Governors Regulation 4.003 (7)(a) states, in relevant part, that the board of trustees shall approve a Program plan and any subsequent changes. A copy of the approved plan shall be provided to the Board of Governors.

Supporting Documentation: University Compliance and Ethics Program Plan

Facilitator/Presenter: Karyn Boston

This page intentionally left blank



COMPLIANCE AND ETHICS PROGRAM PLAN

FLORIDA INTERNATIONAL UNIVERSITY

TABLE OF CONTENTS

• Purpose and Scope.....	3
• Program Design.....	3
○ Elements of an Effective Compliance Program.....	3
• Program Plan.....	4
• Program Structure.....	6
○ Areas of Compliance.....	6
○ Roles of the FIU Board of Trustees.....	7
○ Role of the President.....	7
○ Role of the Chief Compliance Officer.....	7
○ Area Specific Compliance Officers.....	8
○ Compliance Partners.....	8
▪ Ethical Panther Reporting Line Intake Committee.....	8
▪ Compliance Liaison Committees.....	9
○ Standards of Conduct and Policies.....	10
○ Training and Education.....	10
○ Reporting Compliance Concerns.....	11
○ Corrective Action.....	11
○ Disciplinary Measures.....	11
○ Revisions and Modifications.....	11

FLORIDA INTERNATIONAL UNIVERSITY'S ETHICS AND COMPLIANCE PROGRAM PLAN

PURPOSE AND SCOPE

The purpose of the Florida International University ("University") institutional Compliance and Ethics program ("Program") is to promote and support a working environment which reflects the University's commitment to operating with the highest level of integrity while maintaining compliance with applicable laws, regulations, and policies. The Program applies to all University campuses, facilities, and operations, and to the senior leaders, management, faculty, administrative and support staff ("Employees"), and where appropriate, the FIU Board of Trustees' members ("Board of Trustees"), vendors, volunteers, donors and contractors (collectively, "Community Members"). The Program includes structural components, systems, and practices designed to nurture and preserve a culture of truth, freedom, respect, responsibility and excellence while building ethics and compliance into the daily activities of Community Members.

PROGRAM DESIGN

The Program is designed and administered recognizing that building and maintaining a culture of ethics and compliance are shared responsibilities and requires a commitment from all Community Members. The Program is also designed to prevent, detect, and correct misconduct within the University in reasonable satisfaction of the

Elements of an effective compliance program (based on Chapter 8 of the U.S. Federal Sentencing Guidelines)

- Documented compliance and ethics standards of conduct and policies
- Effective oversight by the governing body
- Exercise of due diligence in hiring and assignment of authority and responsibility
- Effective training, education, and communication to the governing body and employees
- Due diligence and screening on employees placed in positions of substantial authority
- Monitoring to ensure that the compliance and ethics program is followed
- Promotion of the program and consistent enforcement and discipline
- Corrective action is taken in response to identified weakness or compliance failures
- Development of an effective compliance risk assessment and management review and response process

requirements of Chapter 8 of the U.S. Federal Sentencing Guidelines and the Florida Board of Governors Regulation 4.003. The guidelines and regulation set forth the requirements of an “effective ethics and compliance program”.

PROGRAM PLAN



This Program Plan (the “Plan”) serves as the framework for the operational structure of the Program. In particular, the Program includes elements intended to achieve the following objectives:

- Establishment and maintenance of an organizational culture that encourages all Community Members to conduct University business ethically and with a commitment to compliance with applicable laws, regulations and policies.
- Ensure that the Board of Trustees is knowledgeable about the Program’s content and operation and exercises oversight over the program.
- Execution of consistent and effective strategies to build awareness of the Program throughout the University.

- Creation of efficient channels of communications to provide appropriate messaging regarding the Program to all Community Members.
- Establishment of clear compliance and ethics standards for all Community Members and consistent enforcement of these standards.
- Maintenance of training programs appropriate for the education of Community Members with respect to compliance and ethics issues related to their organizational responsibilities.
- Development and maintenance of a compliance and ethics risk assessment and management process that provides for designation of the compliance and ethics risk areas of the University.
- Compliance risk assessments conducted in designated risk areas to evaluate the vulnerability of the University with respect to inventoried risk, and
 - based on the risk assessments, identification of the critical institutional compliance and ethics risks;
 - designation of an individual to be held accountable for the implementation of an appropriate action plan to effectively manage the compliance and ethics risk identified in the risk assessments; and
 - establishment of a compliance risk review process that is responsive to the identified objectives for critical risk.
- Maintenance of a process for continuously scanning the compliance and ethics environment of the University to identify new or changing compliance and ethics risks.
- Maintenance of a mechanism for good faith reporting of suspected compliance and ethics violations that provides for anonymity to the extent allowed by applicable law.
- Maintenance of a process for investigating reports of suspected compliance and ethics violations, and effecting appropriate corrective, restorative and/or disciplinary actions.
- Maintenance of a process for the continued enhancement and improvement of the Compliance Program.

PROGRAM STRUCTURE

The Office of University Compliance and Integrity (the “Compliance Office”) serves as a point for coordination of and responsibility for activities that promote an organizational culture that encourages ethical conduct and a commitment to compliance with applicable federal, state, and local laws, as well as regulations, rules, policies, and procedures.

The major structural components of the Program include the administrative office directed by the Chief Compliance Officer (“Chief Compliance Officer”), and Compliance Partners, including the Compliance Liaison Committee (“Liaison Committee”).

The governing documentary components of the Program includes the Compliance and Ethics Charter (Attachment A), and the FIU Board of Trustees Audit and Compliance Committee Charter (Attachment B).

Areas of Compliance

The University is responsible for complying with hundreds of laws; including over 200 federal and state laws, local laws, accrediting agencies, and athletic associations. The Program provides support and guidance to all areas of the University, including but not limited to:

- Health Services, i.e.: reimbursement coding and HIPAA etc.
- Research Compliance, i.e.: human subjects, animal care, Institutional Review Board (IRB) matters, administration, extramural funds accounting, contracts and grants, conflict of interest/commitment, time and effort reporting, etc.
- Student Financial Aid Services, i.e.: accounting and management, etc.
- The Division of Human Resources, i.e.: Equal Employment Office and affirmative action, immigration and employment eligibility, labor relations, Family Medical Leave Act, Americans with Disabilities Act, executive compensation, and benefits, etc.
- Financial areas, i.e.: appropriate allocation of monies, travel, and expenses, payroll, etc.
- Records retention and disposition
- Information technology, privacy and information security, i.e.: protection of health information and protection of financial information, protection of student records, security-physical, technical and administrative, etc.
- Intellectual property, i.e.: licensing, export control, copyright, etc.

- Department of Environmental Health & Safety, i.e.: radiation safety, biosafety, chemical safety, security, hazardous waste management, air and water permits, etc.

Role of the Board of Trustees

The Chief Compliance Officer reports functionally to the Board of Trustees. The Board of Trustees assigns responsibility for providing governance oversight of the Program to the Audit and Compliance Committee. The Chief Compliance Officer ensures that the Board of Trustees remains knowledgeable about the content and operations of the Program, and assesses whether the Program meets the standards of an effective ethics and compliance program.

Role of the University President

The Chief Compliance Officer reports administratively to the University President (“President”) and ensures that the President remains knowledgeable about the content and operations of the Program. The President ensures that the University has the resources and support necessary to support Community Members with fulfilling their ethics and compliance responsibilities in an increasingly complex ethical and regulatory environment while providing reasonable assurances to the Board of Trustees that the University’s significant compliance and ethics risks have been mitigated to acceptable levels.

Role of the Chief Compliance Officer

The Chief Compliance Officer is responsible for the daily administration of the Compliance Office and is responsible for the strategic design and implementation of the Program as authorized and provided for by the FIU Board of Trustees Audit and Compliance Committee Charter. In fulfilling this obligation, the Chief Compliance Officer and his or her staff shall provide advice and services in four primary areas:

- Training and communication: Distribution of communication and awareness campaigns to support Employees with identifying and understanding relevant legal, regulatory, and policy constraints, emphasizing the responsibility of all Community Members to eliminate misconduct and to conduct University business in an ethical and legal manner through appropriate action and incentives.
- Compliance risk identification support: Providing assistance to Employees with management responsibilities for developing and implementing practical strategies to avoid compliance and ethics failures using risk-based and other appropriate methodologies.

- Alignment of department/division goals to compliance efforts: Supporting senior leadership with aligning ethics and compliance related department/division goals to the ethics and compliance strategies of the University.
- Validation and assurances: Undertaking processes and actions suited for verification and validation of the Program's effectiveness and provide assurance to the Board of Trustees and the President that compliance risks are being managed and mitigated to acceptable levels. The Chief Compliance Officer will conduct such other activities reasonably designed to achieve the goals and objectives of the Program.

Area Specific Compliance Officers

Risk Specific Compliance Officers may be designated to execute the Program Plan based on an assessment of risk for a particular program or area. If so designated, the Risk Specific Compliance Officer is expected to have the knowledge and shall be given the appropriate amount of authority to manage the specified risk within the program or area. The Risk Specific Compliance Officer shall either have a direct reporting relationship to the Chief Compliance Officer or shall coordinate and communicate with the Chief Compliance Officer on matters relating to the Program Plan.

Compliance Partners

Senior leaders are responsible for managing their compliance risks and promoting ethics within their functional areas. The Compliance Office provides assistance to senior leaders and their staff by supporting them with managing their ethics and compliance responsibilities. Senior leaders designate staff members to support Plan efforts by cascading compliance messages, supporting compliance culture initiatives, providing feedback on compliance vulnerabilities, reporting compliance data and or serving on compliance committees, including:

▪ Ethical Panther Reporting Line Intake Committee

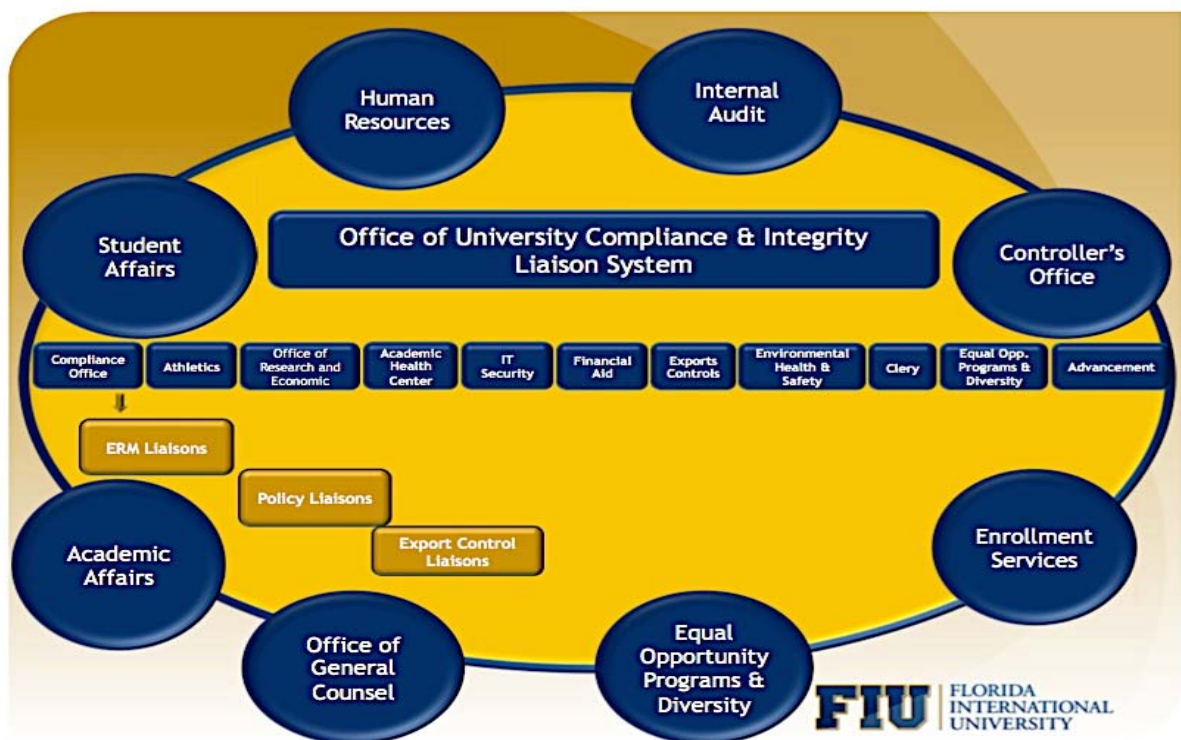
The Ethical Panther Reporting Line ("Reporting Line") is the anonymous reporting hotline managed by a third party for the purpose of allowing Community Members to report suspected noncompliance and University-related misconduct. The Intake Committee ("Intake Committee") shall include representatives from the Division of Human Resources, Office of Internal Audit, and the Compliance Office. Other individuals may be added or assigned responsibilities; including conducting inquiries and investigating areas where special knowledge is required. The Intake Committee is primarily responsible for conducting a preliminary evaluation of the merits and

significance of reports made through the Reporting Line. The Intake Committee monitors investigations and confirms that corrective actions are taken when warranted.

■ Compliance Liaison Committees

Compliance Liaisons are designated by senior leaders based on their area of expertise and compliance responsibilities. Compliance Liaisons are primarily responsible for coordinating and communicating with the Chief Compliance Officer on matters relating to the Plan, including:

- Discussing strategies to align the compliance framework at the division/department level.
- Disseminating compliance and ethics communications and other compliance awareness materials.
- Assisting with the University-wide risk identification process and conducting division/department level compliance risk assessments.
- Monitoring the progress of compliance and ethics training at the division/department level.
- Sharing best practices and analyzing benchmarking data.



Standards of conduct and policies

The Program is implemented consistent with the Code of Ethics for Public Officers and Employees (Part III, Chapter 112, F.S.).

The Compliance Office provides support to the division/department responsible for developing and enforcing University policies and procedures. The support provided includes working with designated individuals on the development of a policy plan that includes the identification of the target audience members required to review policies, distribution dates, distribution methods and how monitoring will be conducted. Also, the Compliance Office maintains the University policy library and has administrative oversight responsibilities for the approval of University policies.

Training and education

The Board of trustees' members shall receive information by the University regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies and procedures. The Board of Trustees shall receive training regarding the following topics at least every two years:

- Florida Sunshine Law
- Open Meetings and Public Records
- Code of Ethics for Public Officer and Employees
- Title IX Updates
- Fiduciary Duty

The Compliance Office shall collaborate with the department/division responsible for the administrative oversight of compliance education and training based on the subject matter, by providing resources and tools to ensure that education and training is completed within the time frame and frequency required. At least every two years Employees that are required to be aware of the following policies and standards, based on their role with the University, shall receive relevant information regarding applicable laws, regulations, rules, policies and procedures:

- Acceptance of Gifts
- Conflict of Interest
- Fraud
- Information Security (including HIPAA, FERPA and Red Flags)
- Mandatory Reporting

Reporting compliance concerns

The University shall maintain the Reporting Line or another mechanism that allows Community Members to anonymously report suspected noncompliance and University-related misconduct. Employees will be encouraged to raise concerns within the individual's department/division since they are typically most familiar with the issues and personnel involved and, therefore may be best suited to address a concern. Employees who report in good faith, shall be protected against retaliation.

Suspected fiscal misconduct, whether by Community Members or by persons outside the University, but involving University resources shall be reported to the Department of Internal Audit.

Corrective Action

It is the responsibility of each senior leader to correct any issues of noncompliance.

Correction may include but is not limited to, any of the following actions

- Mandatory training
- Increased monitoring/auditing
- Reclassification or reassignment of duties
- Appropriate disciplinary action, up to and including, termination of employment

Failure of senior leaders to adequately address the issue within the specified timeframe will result in the inclusion of these findings to the President.

Disciplinary Measures

In the event of University-related misconduct by Employees, the University will pursue administrative disciplinary measures, not excluding criminal charges when appropriate. Disciplinary actions for union Employees will be based on the applicable collective bargaining agreement. In the instance of research misconduct, the procedures outlined in the University policies and procedures for Research Misconduct will be followed and addressed by the Vice President for Research.

Revisions and Modifications

This Plan is intended to be reviewed periodically for consistencies with laws, regulations, and other Program documents. Modifications and revisions shall be reviewed and approved by the Board of Trustees, and a copy of the revised Plan will be forwarded to the Florida Board of Governors.

Attachment A

FLORIDA INTERNATIONAL UNIVERSITY'S COMPLIANCE AND ETHICS CHARTER

Overall Purpose/Objectives

The purpose of this University Compliance and Ethics Charter (the "Charter") is to define the responsibilities, status, and authority of Florida International University's (the "University" or "University's") institutional compliance and ethics program (the "Program") and to outline the scope and structure of the Program.

The Office of University Compliance and Integrity (the "Compliance Office") serves as a point for coordination of and responsibility for activities that promote an organizational culture that encourages ethical conduct and a commitment to compliance with applicable laws, regulations, rules, policies, and procedures.

The objective of the Compliance Office is to collaborate and partner with senior leadership, compliance liaisons, and Employees with compliance responsibilities (the "Partners") to embed the University's compliance strategy and framework for an effective compliance program into the foundation of the University. This objective is accomplished by supporting the dissemination and review of effective University-wide policies and procedures, education and training, monitoring, communication, risk assessment, and response to reported issues as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. These guidelines and regulation set forth the requirements of an effective compliance and ethics program and require promoting compliance with laws and ethical conduct.

Review and Maintenance of the Charter

This Charter will be reviewed at least every (2) two years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. Subsequent changes will be submitted to the Board of Trustees for approval. A copy of the Charter and any subsequent changes will be provided to the Board of Governors.

Reporting Structure and Independence of the Chief Compliance Officer

The Chief Compliance Officer is the highest-ranking compliance officer at the University, and reports functionally to the Board of Trustees and administratively to the President.

The Chief Compliance Officer shall have the independence and objectivity to perform the responsibilities of the Chief Compliance Officer function, conduct and report on compliance and ethics activities and inquiries free of actual or perceived impairment to the independence of the Chief Compliance Officer.

Authority

The Program is governed by this Charter, as it may be amended.

Scope of Duties and Responsibilities

The Program includes the implementation, identification, and assessments of activities that fulfill the requirements for an effective compliance and ethics program as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003.

The Program is designed to optimize its effectiveness in preventing or detecting noncompliance, unethical behavior, and criminal conduct by implementing the following basic elements:

- Oversight of Institutional Compliance and Ethics and Related Activities
- Development of Effective Lines of Communication
- Ensuring that Effective Training and Education is Provided
- Revising and Developing Compliance and Ethics Policies and Procedures
- Performing or Assessing Internal Compliance Monitoring, Investigations, and Reviews
- Responding Promptly to Detected Compliance and Ethics Problems and Recommending Corrective Action
- Promoting Standards through Appropriate Incentives and Disciplinary Guidelines
- Measuring Program Effectiveness
- Oversight and Coordination of External Inquiries into Compliance with Federal and State Laws and Take Appropriate Steps to Ensure Safe Harbor

The Chief Compliance Officer and staff will:

- a) Develop a Program plan based on the requirements for an effective program. The Program plan and subsequent changes will be provided to

the Board of Trustees for approval. A copy of the approved plan will be provided to the Board of Governors.

- b) Provide training to Employees and Board of Trustees' members regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan will specify when and how often this training will occur.
- c) Obtain an external review of the Program's design and effectiveness at least once every five years. The review and any recommendations for improvement will be provided to the President and Board of Trustees. The assessment will be approved by the Board of Trustees and a copy provided to the Board of Governors.
- d) Identify and provide oversight and coordination of compliance partners responsible for compliance and ethics related activities across campus and provide communication, training, and guidance on the Program and compliance and ethics related matters.
- e) Administer and promote the FIU Convercent, an anonymous mechanism available for individuals to report potential or actual misconduct and violations of University policy, regulations, or law, and ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.
- f) Maintain and communicate the University's policy on reporting misconduct and protection from retaliation and ensure the policy articulates the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
- g) Communicate routinely to the President and the Board of Trustees regarding Program activities. Annually report on the effectiveness of the Program. Any Program plan revisions, based on the Chief Compliance Officer's report, shall be approved by the Board of Trustees. A copy of the report and revised plan will be provided to the Board of Governors.
- h) Promote and enforce the Program, in consultation with the President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance and ethics will be addressed through appropriate measures, including education or disciplinary action.
- i) Initiate, conduct, supervise, coordinate, or refer to other appropriate offices such inquiries, investigations, or reviews deemed appropriate in

accordance with University regulations and policies, state statutes, and/or federal regulations.

- j) Make necessary modification to the Program in response to detected non-compliance, unethical behavior, or criminal conduct and take steps to prevent its occurrence.
- k) Assist the University in its responsibility to use reasonable efforts to exclude within the University and its affiliated organizations individuals whom it knew or should have known through the exercise of due diligence to have engaged in conduct not consistent with an effective Program.
- l) Coordinate or request compliance activity information or assistance as necessary from any University, federal, state, or local government entity. Oversee and coordinate external inquiries into compliance with federal and state laws and take appropriate steps to ensure safe harbor in instances of non-compliance.

The Compliance Office provides guidance on compliance, ethics, and related matters to the University community. The Compliance Office collaborates with compliance partners and senior leadership to review and resolve compliance and ethics issues and coordinate compliance and ethics activities, accomplish objectives, and facilitate the resolution of problems.

Professional Standards

The Compliance Office adheres to the *Florida Code of Ethics* and the *Code of Professional Ethics for Compliance and Ethics Professionals*.

Approved by the FIU Board of Trustees on March 3, 2017.

Attachment B

THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE CHARTER

1. Overall Purpose/Objectives

The Audit and Compliance Committee ("Committee") is appointed by the Florida International University Board of Trustees ("Board") to assist it in discharging its oversight responsibilities, including but not limited to, reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process.

The Committee will oversee the financial operations and reporting process for both the University and its direct support organizations ("DSO"). The committee will review: 1) the University's internal financial controls and processes; 2) the internal audit function; 3) the independent audit process, including the appointment and assessment of the external auditors for the University; and 4) the DSO and University processes for monitoring compliance with applicable laws and regulations, meeting regulatory requirements and promoting ethical conduct.

2. Authority

The Board authorizes the Committee to:

- 2.1 Perform activities within the capacity of its charter.
- 2.2 Evaluate the Office of Internal Audit's role and scope of activities.
- 2.3 Participate, through the Chair, in the process of the appointment and dismissal of the Chief Audit Executive.
- 2.4 Engage independent counsel and other advisers as it deems necessary to carry out its duties.
- 2.5 Have unrestricted access to management, Employees and its DSOs, as well as to all books, records, and facilities thereof.
- 2.6 Develop and review procedures for the receipt, retention and treatment of

complaints received from employees regarding financial or operational matters.

- 2.7 Review and approve the Office of Internal Audit's annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General's Office for an effective, efficient, non-redundant use of audit resources.
- 2.8 Review and discuss with management and the Office of Internal Audit (1) significant findings and recommendations, including management's response and timeframe for corrective action; (2) the degree of implementation of past audit recommendations; and (3) any difficulties encountered in the course of the audit activities such as restrictions on the scope of work or access to information.
- 2.9 Assess the staffing of the Office of Internal Audit, including the annual budget.
- 2.10 Review and approve modifications to the Office of Internal Audit.
- 2.11 Review the organizational reporting lines related to the Office of Internal Audit, particularly related to confirming and assuring the continued independence of the Office of Internal Audit and its staff.
- 2.12 Review the work of the external auditors for the University and DSOs.
- 2.13 Evaluate the effectiveness Program by (1) reviewing the results of the Program effectiveness evaluation; (2) assessing the staffing of the Office of Compliance & Integrity, including the annual budget; (3) reviewing major modifications to the University's Program; and (4) reviewing compliance-related training topics for the Board.
- 2.14 Participate, through the Chair, in the process of the appointment and dismissal of the Chief Compliance and Privacy Officer.
- 2.15 Review and approve the Office of Compliance & Integrity's annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.
- 2.16 Review and approve modifications to the Office of Compliance & Integrity.
- 2.17 Review the organizational reporting lines related to the Office of Compliance & Integrity, particularly related to confirming and assuring the continued independence of the Office of Compliance & Integrity and its staff.

3. Organization

Membership

3.1 The Chair of the Board of Trustees will appoint the chair and members of the Committee.

3.2 The Committee consists of at least five (5) members, all of whom are voting Trustees of the University.

3.3 A majority of Committee members, if not all, shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements.

3.3.1 If possible the Committee will include at least one member who is a "accounting or financial expert"; a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; an understanding of committee functions; experience preparing, auditing, analyzing or evaluating financial statements, or experience actively supervising persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing, auditing or evaluating financial statements; or other relevant experience.

3.4 Members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants

3.5 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

Meetings

3.6 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

3.7 Meetings shall be held not less than four (4) times per year and shall correspond with the University's financial reporting cycle.

- 3.8 The Committee shall maintain written minutes of its meetings, and for the Committee Chair to approve each meeting's agenda.
- 3.9 The Committee shall meet with the General Counsel, Chief Audit Executive, and Chief Compliance Officer on a regular basis.
- 3.10 The Committee may request special reports from University or DSO management on topics that may enhance their understanding of their activities and operations.

4. Roles and Responsibilities

The Committee shall:

- 4.1 Provide the Board with regular updates of Committee activities and make recommendations to the Board for matters within the Committee's area of responsibility.
- 4.2 Meet separately with the Office of Internal Audit and Senior Management, separately, in order to discuss any matters the Committee or these individuals believe should be discussed privately. This should be performed at least two (2) times annually, at the conclusion of a regularly scheduled Committee meeting.
- 4.3 Affirm that the Chief Audit Executive and Chief Officer are ultimately responsible to the Committee and the Board of Trustees, and they should communicate directly with the Committee Chair when deemed prudent and necessary. The Chief Audit Executive and Chief Compliance Officer, in consultation with the General Counsel, will regularly meet and correspond with the Chair of the Committee, advise and keep informed, as needed, both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee, and in further consultation with the Chair, prepare the agenda for meetings of the Committee.
- 4.4 Have the authority to conduct investigations into any matters within the Committee's scope of responsibilities as set forth herein. The Committee shall have unrestricted access to the University's independent auditors and anyone employed by the University, and to all relevant information in order to conduct such investigations. The Committee may retain, at the University's expense, independent counsel, accountants and other professional consultants to assist with such investigations. The results of any such investigations must be reported to the Board by the Committee Chair.

With regard to each topic listed below, the Committee shall:

Internal Controls

- 4.5 Consider and review the effectiveness of the University's process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management's plans and efforts to monitor and control such risks.
- 4.6 Evaluate the overall effectiveness of the internal control framework and consider whether recommendations made by the internal and external auditors have been implemented by management, including but not limited to the status and adequacy of information systems and security, for purposes of meeting expectations of the U.S. Sentencing Guidelines, personnel systems internal controls, and other relevant matters.
- 4.7 Understand the internal control systems implemented by management of the University and each DSO for the approval of transactions and the recording and processing of financial data.

Risk Management

- 4.8 Evaluate the overall effectiveness of the risk management process.
- 4.9 Evaluate the University's oversight and monitoring of its affiliated organizations, and the University's insurance coverage and the process used to manage any uninsured risks.

Financial Reporting and Disclosures

- 4.10 Review the adequacy of accounting, management, and financial processes of the University and its DSOs.
- 4.11 Review the financial reporting process implemented by management of the University and its DSOs.
- 4.12 Review as applicable for the University and its DSOs: 1) interim financial statements, 2) annual financial statements, 3) the annual report, and 4) the audit report on federal awards that is required under Office of Management and Budget (OMB) Circular A-133.
- 4.13 Review University and DSO management processes for ensuring the transparency of the financial statements and the completeness and clarity of the disclosures.
- 4.14 Meet with University management and the external auditors to review the financial statements, the key accounting policies, the reasonableness of

significant judgments, and the results of the audit.

Compliance with Laws, Regulations, Policies and Standards

- 4.15 Review the independence, qualifications, activities, resources, and structure of the compliance function and ensure no unjustified restrictions or limitations are made.
- 4.16 Review and discuss any significant results of compliance audits; any significant matters of litigation or contingencies that may materially affect the University's financial statements; and any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.
- 4.17 Ensure that significant findings and recommendations made by the Chief Compliance Officer are received, discussed, and appropriately acted on.
- 4.18 Review the effectiveness of the system for monitoring compliance with laws and regulations and management's investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.
- 4.19 Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.
- 4.20 Receive information and training regarding specific elements of the Program.
- 4.21 Obtain reports concerning financial fraud resulting in losses in excess of \$10,000 or involving a member of senior management.
- 4.22 Obtain regular updates from the University Compliance Officer regarding compliance matters that may have a material impact on the organization's financial statements or compliance policies.
- 4.23 Review the University's monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research, including the results of the University's monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.
- 4.24 Review the findings of any examinations or investigations by regulatory bodies.

Working with Auditors

Independent External Audit

- 4.25 Review the professional qualifications of all external auditors, and when determined by the committee, require such auditor to be hired by and report directly to the Committee.
- 4.26 Review on an annual basis the performance of all external auditors and make recommendations to the appropriate Board for their appointment, reappointment or termination.
- 4.27 Ensure that significant findings and recommendations made by the independent auditors for both the University and any DSO, and management's proposed response thereto, are received, discussed and appropriately acted upon.

Internal Audit

- 4.28 Review the independence, qualifications, activities, resources and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
- 4.29 Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the University.
- 4.30 Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed and appropriately acted on.
- 4.31 Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.

Complaints and Ethics

- 4.32 Ensure procedures for the receipt, retention and treatment of complaints concerning financial, internal accounting controls or auditing matters.
- 4.33 Review the University and DSO conflicts of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

Reporting Responsibilities

- 4.34 Regularly update the Board about Committee activities and make appropriate recommendations.

- 4.35 Ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the University or its DSOs.
- 4.36 Receive prior to each meeting a summary of findings from completed internal audits and the status of implementing related recommendations.

Evaluating Performance

- 4.37 Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
- 4.38 Assess the achievement of duties specified in the charter and report findings to the board.
- 4.39 Review the Committee charter, at least every two (2) years, and discuss any required changes with the board.
- 4.40 Ensure that the charter is approved or reapproved by the Board, after each update.

This page intentionally left blank

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of Trustees**






FLORIDA INTERNATIONAL UNIVERSITY




Compliance and Ethics Program Annual Report

FIU | Board of
Trustees



Program Status Summary (January 2017)

		Completed	In Process			Not Begun
Area	Regulation Components	✓	Good Progress	Slow Progress	Poor Progress	
A – University-wide Compliance Program	5	4	1 	0 	0 	N/B
B – Program Plan	5	3	2	0	0	0
C – BOT Committee	4	4	0	0	0	0
D – Chief Compliance Officer	5	5	0	0	0	0
TOTAL	19	16	3	0	0	1

Area A – University-wide Compliance Program		
Regulation Component	Description	Progress Indicator
A3 – External Program design and effectiveness review every 5-years (copy to Board of Governors) [4.003(7)(c)]	<p>January 2017: An external review of the design and effectiveness of the Program is tentatively scheduled for 2018 – 2019. The Board of Trustees will approve the assessment and a copy will be provided to the Board of Governors.</p>	 N/B
Area B – Program Plan		
B1 – Compliance and Ethics Program Plan approved by the Board of Trustees (copy to BOG) [4.003(7)(a)]	<p>January 2017:</p> <ul style="list-style-type: none"> The President and the Board of Trustees receive information about the Program and exercise oversight with respect to implementation and effectiveness. The 2016-17 Compliance Work Plan (“Program Plan”) was approved by the FIU Board of Trustees during the June 2016 Board meeting. The 2017-18 Program Plan is scheduled to be submitted for approval to the Board of Trustees during the June 1-2, 2017 meetings. 	
B5 – Promoting and enforcing the Program through incentives and disciplinary measures [4.003(7)(g)9.]	<p>January 2017:</p> <ul style="list-style-type: none"> The Program recently completed the first University ethics and compliance culture survey. The results of the survey will be used to develop a strategy that supports our culture of ethics and compliance. The Chief Compliance Officer is currently working with the Division of Human Resources and the General Counsel to identify Program incentives and appropriate discipline; including a notification escalation plan that outlines how significant and material compliance failures are escalated and addressed. 	

Compliance Governance Documents and Reports

Approval required
Review every 2 years



Audit and Compliance Committee Charter

Approval required
Review every 2 years



University Compliance and Ethics Program Plan

Approval required
Review every 2 years



Compliance Office Charter

Approval required
Review every year



University Compliance and Ethics Annual Report

Review every quarter



University Compliance and Ethics Quarterly Report



Athletics Compliance Quarterly Report

Health Sciences Quarterly Report

FLORIDA INTERNATIONAL UNIVERSITY

Audit and Compliance Committee Meeting

June 2, 2017

FIU | **Board of Trustees**



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017

Subject: University Compliance and Ethics Work Plan, 2017-18

Proposed Committee Action:

Approve the University Compliance and Ethics Work Plan for Fiscal Year 2017-18.

Background Information:

The Florida International University Board of Trustees Audit and Compliance Committee Charter mandates approval of the compliance and ethics work plan for the upcoming fiscal year.

The Audit and Compliance Committee Charter, Authority, section 2.15, states, in relevant part, that:

The Audit and Compliance Committee shall... Review and approve the Office of Compliance & Integrity's annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.

Florida Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs (7)(g) states, in relevant part, that the chief compliance officer shall: 1. Have the independence and objectivity to perform the responsibilities of the chief compliance officer function; 2. Have adequate resources and appropriate authority; 3. Communicate routinely to the president and board of trustees regarding Program activities.

Supporting Documentation: University Compliance and Ethics Work Plan, 2017-18

Facilitator/Presenter: Karyn Boston

This page intentionally left blank



**COMPLIANCE AND ETHICS WORK PLAN
2017-2018**

FLORIDA INTERNATIONAL UNIVERSITY

TABLE OF CONTENTS

PURPOSE AND SCOPE	3
PROGRAM DESIGN	3
PROGRAM STRUCTURE AND OVERSIGHT	5
POLICIES AND PROCEDURES	6
TRAINING AND EDUCATION	7
MEASUREMENT AND MONITORING	8
ALLEGATION REPORTING AND INVESTIGATIONS	9
DISCIPLINE AND INCENTIVES	10
ENTERPRISE RISK MANAGEMENT	10
ORGANIZATION CULTURE	11

**FLORIDA INTERNATIONAL UNIVERSITY
COMPLIANCE AND ETHICS
2017-2018 Annual Work Plan**

PURPOSE AND SCOPE

The purpose of the Florida International University (“University”) institutional Compliance and Ethics Program (“Program”) is to promote and support a working environment which reflects the University’s commitment to operating with the highest level of integrity while maintaining compliance with applicable laws, regulations, and policies. The Program applies to all University campuses, facilities, and operations, and to the senior leaders, management, faculty, administrative and support staff and staff (“Employees”), and where appropriate, the Board of Trustees members, vendors, volunteers, donors and contractors (collectively, “Community Members”). The Program includes structural components, systems, and practices designed to nurture and preserve a culture of truth, freedom, respect, responsibility and excellence while building ethics and compliance into the daily activities of Community Members.

2017 Goals and Key Action Items

This document outlines the 2017-2018 goals and objectives of the Program (“Annual Work Plan”). Goals and objectives include key action items that support the achievement of each goal.

PROGRAM DESIGN

The Program is designed and administered, recognizing that building and maintaining a culture of ethics and compliance are shared responsibilities and requires a commitment from all Community Members. The Program is also designed to prevent, detect, and correct misconduct within the University in reasonable satisfaction of the requirements of Chapter 8 of the U.S. Federal Sentencing Guidelines and Florida Board of Governors Regulation 4.003. The guidelines and regulation set forth the requirements of an “effective ethics and compliance program.”

Elements of an effective compliance program
(based on Chapter 8 of the U.S. Federal Sentencing Guidelines)

- Documented compliance and ethics standards of conduct and policies
- Effective oversight by the governing body
- Exercise of due diligence in hiring and assignment of authority and responsibility
- Effective training, education, and communication to the governing body and employees
- Due diligence and screening on employees placed in positions of substantial authority
- Monitoring to ensure that the compliance and ethics program is followed
- Promotion of the program and consistent enforcement and discipline
- Corrective action is taken in response to identified weakness or compliance failures
- Development of an effective compliance risk assessment and management review and response process



PROGRAM STRUCTURE AND OVERSIGHT

Standard

Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program. Programs may designate compliance officers for various program areas throughout the university based on an assessment of risk in any program or area. If so designated, the individual shall coordinate and communicate with the chief compliance officer on matters relating to the program.

The Office of University Compliance and Integrity (the “Compliance Office”) serves as a point for coordination of and responsibility for activities that promote an organizational culture that encourages ethical conduct and a commitment to compliance with applicable federal, state, and local laws, as well as regulations, rules, policies, and procedures.

2017 - 2018 Work Plan - Program Structure and Oversight

The 2017-2018 Annual Work Plan includes enhancements to the Compliance Liaison structure. Enhancements will include the implementation of the following:

- **Compliance Liaison Scorecard** - The Compliance Liaison Scorecard will be used to track the level of involvement with the Program for each Compliance Liaison. The scorecard will be made available to the Division of Human Resources and the supervisor of the Compliance Liaison.
- **Enterprise Risk Management Advisory Committee** - Compliance Liaisons will serve on the Enterprise Risk Management (“ERM”) Advisory Committee and will have governance responsibilities related to the ERM. The responsibilities of the ERM Advisory Committee include:
 - Providing support and guidance to the University’s Operations Committee (“OPS”).
 - Identifying risks and opportunities, using a variety of appropriate techniques (e.g., interviews of senior management; strengths, weaknesses, opportunities, and threats (“SWOT”) analysis; brainstorming, etc.).
 - Reviewing and validating or revising selected risk assessments prepared by Risk Owners.

- Preparing the University risk register and facilitating discussions regarding the risks' and opportunities' impact and likelihood with the EC.
- Preparing and submitting to the EC a draft of the ERM annual report.
- Facilitating discussions to assess and develop recommendations for newly identified risks, opportunities, or initiatives as requested by the EC.
- Assisting Risk Owners with tracking and monitoring risk responses.
- Acting as a resource of subject matter experts, participating in education, training, communication, and awareness building of ERM.
- Assisting in the development and maintenance of the University's ERM procedures and protocols ("ERM Program Guide").
- Supporting the process for continuous improvement of risk management
- Assisting in addressing functional, cultural, and departmental barriers to managing risks.
- Developing draft ERM policy for review and approval by the University President.

POLICIES AND PROCEDURES

Standard

Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.

2017 – 2018 Work Plan – Policies and Procedures

The Compliance Office will continue to provide support to the division/department responsible for developing and enforcing University policies and procedures. During the 2017-2018 Annual Work Plan year, the following enhancements are projected to be made to the policy administration program:

- The compliance website
- Aligning mandatory target audience reviewers to job codes (contingent on upgrades to the internal system being completed within the Annual Plan year)

- Formalizing the Board of Trustees training cycle outlined in the requirement set forth in Florida Board of Governors Regulation 4.003

The 2016-2017 Annual Plan included the development and design of the University's Principles and Standards ("Principles"). During the 2017-2018 Annual Work Plan year, the Principles will be communicated University-wide. Also, the following policies and procedures are projected to be distributed:

Annual Trainings

- Annual security report
- Ethics in purchasing and gift policy
- Health Insurance Portability and Accountability Act ("HIPAA")
- International admissions
- Official transcripts and credentials
- Payment Card Industry Data Security Standards ("PCI-DSS") compliance
- Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags)
- Family Education Rights and Privacy Act ("FERPA")

2017-2018 Policy Campaigns

- Alcoholic beverages on campus
- Data stewardship
- Direct investments
- Disposal of surplus, damaged, and unserviceable University property
- Donative Naming Policy
- Drug-Free Campus/Workplace Drug and Alcohol Abuse Prevention policy
- External communications
- Financial Aid administration
- Information technology security
- Joint venture policy
- Mandatory reporting of child abuse (training conducted every two years)
- Non-cash gifts
- Petty cash

TRAINING AND EDUCATION

Standard

Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as

appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.

The FIU Board of Trustees and University employees will receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures.

2017 - 2018 Work Plan - Training and Communication

The Compliance Office will continue to collaborate with the department/division responsible for the administrative oversight of compliance education and training by supporting in-person compliance training efforts and leveraging technology to enhance awareness of important laws, regulation, and policies, and to document training completions. Infographics, short videos, compliance checklists and other tools will be developed by the Compliance Office and used to reinforce ethics and compliance messaging. During the 2017-2018 Annual Work Plan year, the list of policies projected for distribution will include training or a communication reinforcement plan. In addition to the policies listed, it is projected that the Compliance Office will provide training and communication support for the following compliance topics:

- Gramm-Leach-Bliley Act (GLBA)
- Incident response plan
- Export Controls
- Conflict of Interest
- Employment of foreign national in visa categories
- Pre-employment requirements
- Licensed Vendors Policy
- Social Media Policy

MEASUREMENT AND MONITORING

Standard

Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.

The Chief Compliance Officer will discuss any significant results of compliance audits with the FIU Board of Trustees Audit and Compliance Committee, and articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

2017 – 2018 Work Plan – Measurement and Monitoring

The compliance monitoring plan is typically determined by the evolving risks, new laws and regulations as well as trends identified by the Compliance Office. In addition to monitoring, compliance risk reviews are also conducted at the department/division level to assess subject-specific risks. During the 2017-2018 Annual Work Plan year, compliance reviews and assessments are scheduled to be conducted for the following areas:

- **Athletics Department Review** – National Collegiate Athletic Association (NCAA) compliance review
- **Time and Leave Reporting** – Policies and processes
- **Laboratory Safety** – Key lab safety requirements and regulations
- **Cyber Security** – Storage of classified information and controlled unclassified Information
- **Access Controls** – Access to FIU laboratories by foreign nationals
- **Nepotism Policy** – Review of controls once system enhancements are complete
- **Privacy Data Security** – FIU datacenter

ALLEGATION REPORTING AND INVESTIGATIONS

Standard

Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.

The Compliance Office will continue to initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies, submit final reports to appropriate action officials; work with senior leaders to take reasonable steps to prevent further similar behavior when non-compliance, unethical behavior, or criminal conduct has been detected, and make necessary modifications to prevent further behavior.

2017 – 2018 Work Plan – Allegation Reporting and Investigations

The 2016-2017 Annual Plan included the development of a guideline for handling and reporting significant compliance matters (“Escalation Guideline”). The Escalation Guideline is currently in draft form. During the 2017-2018 Annual Work Plan year, the Escalation Guideline will be finalized and presented to the FIU Board of Trustees for review and approval.

DISCIPLINE AND INCENTIVES

Standard

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.

The Compliance Office, in consultation with the University President and FIU Board of Trustees, will promote and enforce the Program, consistently through appropriate incentives and disciplinary measures. Failures in compliance or ethics will be addressed through appropriate measures, including education or disciplinary action.

2017 - 2018 Work Plan - Discipline and Incentives

During the 2017-2018 Annual Work Plan year, the Compliance Office will develop an executive scorecard that highlights policy review and training requirements completed by the leadership team.

ENTERPRISE RISK MANAGEMENT

Standard

Organizations are expected to periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement.

The Compliance Office will support the University-wide effort to develop an ERM program.

2017 - 2018 Work Plan - Compliance Risk Management

During the 2017-2018 Annual Work Plan year, the Chief Compliance Officer will work with internal and external stakeholders to implement the ERM framework by:

- Drafting the ERM policy statement, process and framework
- Conducting ERM plan discussions with internal stakeholders
- Completing the ERM risk assessment
- Populating the risk registry
- Working with the University's OPS Committee to assign Risk Owners

ORGANIZATION CULTURE

Standard

Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

The Compliance Office will continue to consult the University President and FIU Board of Trustees, to encourage a culture of compliance and ethics.

2017 - 2018 Work Plan - Organization Culture

During the 2017-2018 Annual Work Plan year, the Compliance Office will communicate the results of the 2016 culture survey, and develop metrics on how to assess progress.

This page intentionally left blank



Office of Internal Audit Status Report

BOARD OF TRUSTEES

June 2, 2017

Date: June 2, 2017

To: Board of Trustees Audit and Compliance Committee Members

From: Allen Vann, Chief Audit Executive

Subject: **OFFICE OF INTERNAL AUDIT STATUS REPORT**

I am pleased to provide you with our quarterly update on the status of our office's work activities. Since our last update to the Board of Trustees Audit and Compliance Committee on March 2, 2017, the following projects were completed:

Audit of Pharmacy Operations

The primary objective of this audit was to determine whether financial and operational controls over pharmacy operations are adequate and effective. We evaluated: 1) financial management, including billing and collections; 2) controls over inventory, safeguarding and dispensing of drugs; and 3) compliance with applicable laws, rules and regulations, and University policies and procedures.

Overall, our audit disclosed that controls over pharmacy operations are satisfactory. However, in order for the program to better align strategically with the University's mission and goals, management acknowledged the need to move the pharmacy operations closer to self-sustainability as is the case with most other auxiliary activities. During the fiscal year 2016, \$280,000 in student health fees were applied towards an operating loss. Similarly, for the current fiscal year, \$331,000 in student health fees has been set aside to support pharmacy operations. Our audit resulted in five recommendations which management agreed to implement.

Audit of the Construction of the Student Academic Success Center

The Student Academic Success Center provides "one stop services" to our students. Registration, financial services, career services and many other services are now located in this new facility. As of March 31, 2017, the approved funding for the entire project totaled \$33.7 million, which included construction costs of \$26.7 million. In addition to the construction costs billed by the Construction Manager, the total project cost also included architect fees, furniture and fixtures, and other professional services. The construction phase of the project is 99.9% complete.

Office of Internal Audit Status Report

June 2, 2017

Page 2 of 2

The Facilities Management Department properly awarded an architect-engineering contract to Gould Evans and a construction management contract to Balfour Beatty Construction and satisfactorily monitored the related costs. Our report details payroll and multiplier costs that need to be reconciled with the Construction Manager prior to releasing the retainage. We also made other observations related to the subcontractors' award process and maintenance of project files. Our audit resulted in four recommendations which management agreed to implement.

Audit of Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0576-15

We performed an audit of the adequacy of internal controls over personal data maintained by the department of Parking & Transportation. Based on our evaluation, we concluded that their system of controls is adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure. We provided a required attestation statement to that effect that was provided to the Florida Department of Highway Safety and Motor Vehicles.

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Athletic Department	Drafting Report
University's IT Network Security Controls	Fieldwork in Progress
Online Programs	Fieldwork in Progress
College of Arts, Sciences and Education – Center for Children and Families	Fieldwork in Progress
Residency Classification for Tuition and Fees	Fieldwork in Progress
Robert Stempel College of Public Health and Social Work	Fieldwork in Progress

Professional Development

Audit staff continue to take advantage of professional development opportunities. For example, eight staff members attended the Annual Fraud Conference sponsored by the Institute of Internal Auditors at the FIU Biscayne Bay Campus.

Other Matters

Ms. Tenaye Francois Arneson, an esteemed member of the internal audit staff will be leaving the University after ten years of service. She is relocating to Green Bay, Wisconsin where her husband, Dr. Eric Arneson, will be Vice Chancellor of Student Affairs at the university.

This page intentionally left blank



THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

June 2, 2017

UNIVERSITY COMPLIANCE QUARTERLY REPORT

2016-2017 Compliance Work Plan Status Update

The Office of University Compliance and Integrity is pleased to present the quarterly status update for the 2016 – 2017 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the reporting period beginning July 1, 2016, through June 2, 2017.

Compliance Work Plan Status Summary (2016-2017)		
	Complete	Incomplete
Elements of an effective compliance program	Fully Implemented	Not Fully Implemented
	✓	•
Oversight and Accountability	1	0
Policies and Procedures	3	0
Education, Communication, and Awareness	2	0
Risk Assessment, Monitoring, and Auditing	1	0
Enforcement, Discipline, and Incentives	1	2
Ongoing Program Improvement	1	0

Oversight and Accountability			
Organizations are expected to have the appropriate high-level personnel overseeing the compliance and ethics function, with a specific executive given overall responsibility. Adequate resources are expected to be dedicated to implementing the program. The organization's governing authority is expected to exercise reasonable oversight of the implementation and effectiveness of the program.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Manage the implementation of the institutional compliance framework through the compliance liaison program.	Provide monthly compliance reports to the Vice Presidents and Deans.	This compliance program objective has been fully executed.	✓
Policies and Procedures			
Organizations are expected to have a set of compliance standards and procedures that communicate a commitment to compliance with applicable regulations and laws.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Enhance the effectiveness of the policy program.	Finalize the Principles and Standards (University Code of Conduct).	This compliance program objective has been fully executed. Sixty-three (63) outdated policies have been removed from the policy library.	✓
	Develop the compliance curriculum for compliance refresher messaging.	This compliance program objective has been fully executed. Six (6) short compliance refresher videos were distributed and three (3) infographics were distributed.	
Other Initiatives			
Compliance communication campaigns launched	<ul style="list-style-type: none"> Athletics Department new employee experience orientation of new football coach and staff Drug-free campus/workplace drug and alcohol abuse prevention notifications Use of drones in research 		

Risk Assessment, Monitoring, and Auditing			
Organizations are expected to have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls, and behaviors. Audits should include a review of the response and resolution applied during the period, both proactive and reactive.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support compliance risk identification and mitigation efforts to support FIU's Strategic objectives.	Develop the enterprise risk identification, assessment, and prioritization process.	This compliance program objective has been fully executed. Delivery of the Enterprise Risk Management ("ERM" program will be included in the 2017-2018 Compliance and Ethics Work Plan.	✓
Other Initiatives			
Submission of Federal and State required compliance reports	<ul style="list-style-type: none"> • Emergency Planning and Community Right-to-Know Act ("EPCRA") notification • Carry forward update • Employee contracts with severance clause • Amendments to Florida Board of Governors Regulation 9.008 University Auxiliary Facilities with Outstanding Revenue Bonds • Internal Revenue Service ("IRS") Form 1042/1042-S filing and information returns • Report of miscellaneous income (IRS form 990) • Increases to Capital Improvement Trust Fund ("CITF") and to certain existing fees and new fees • Tuition payment credit reporting requirement (IRS form 1098-T) • New Hire Report • Grease disposal inspection • Federal Communications Commission ("FCC") radio station license • Continuing disclosure obligation - Securities and Exchange Commission 		

Enforcement, Discipline, and Incentives			
Organizations are expected to have policies and procedures in place to effectively enforce the organization's compliance and ethics program and incentives to employees to performance in accordance with the compliance and ethics program, including the obligation to report potential problems.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Provide intake support for the anonymous reporting line, provide follow up for timely resolution, and conduct investigations when appropriate	Finalize and deploy the University significant issue escalation criteria.	This compliance program objective has been partially executed. The escalation chart is in draft form and has not yet been deployed. This program objective will be added to the 2017-2018 Compliance and Ethics Work Plan.	●
	Work with the Office of the General Counsel to train FIU investigators on the investigation guidelines.	This compliance program objective has been partially executed. The investigation guidelines are in draft form and have not yet been finalized. This program objective will be added to the 2017-2018 Compliance and Ethics Work Plan.	●
	Embed the review of compliance analytics data into the compliance program improvement process.	This compliance program objective has been fully executed.	✓

Ongoing Program Improvement			
Appropriate compliance and ethics program improvements should be designed to reduce any identified risks or compliance violations.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Maintain awareness of cultural challenges and support mitigation efforts to support FIU's speak up culture.	Execute a culture survey and incorporate the findings into the institutional compliance strategy.	This compliance program objective has been fully executed. Dissemination of the results will be included in the 2017-2018 Compliance and Ethics Work Plan.	✓
Regulatory Initiatives			
Privacy	Conducted a compliance review of how Social Security numbers are collected, stored, and protected throughout the University.		
Compliance certifications	Created a monitoring calendar for regulatory items that must be certified by the University President.		
PTAC: Integrated Data Systems and Student Privacy for Financial Aid (US Dept. of Ed.)	Conducting a compliance review of Financial Aid privacy guidelines.		
National Institute of Standards and Technology (NIST) SP 800-170 Cyber Security Requirements	Conducting a compliance review of NIST security requirements for universities that will be in effect in Dec. of 2017.		
FIU 2014-16 Drug and Alcohol Notification Biennial Review Report	Conducting a compliance review of the effectiveness of controls regarding notification and monitoring.		

This page intentionally left blank



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017
2017-2018 ATHLETICS COMPLIANCE WORK PLAN**

Purpose of the Institutional Program

The purpose of the institutional compliance program ("Program") at Florida International University ("FIU") is to advance a culture of ethics, integrity, and compliance with National Collegiate Athletics Association ("NCAA") Bylaws, Conference USA policies, regulations and procedures, and institutional regulations and policies, which govern institutions who are members of the NCAA. The Program is designed to align with expectations for Athletics Compliance offices who work within the NCAA governance structure. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer is responsible for oversight of the department. The Senior Associate Athletics Director for Compliance/Special Projects is in charge of maintaining day-to-day oversight of the Athletics Compliance Office ("ACO").

The Goals and Objectives of the Athletics Compliance Program

- Administer and maintain FIU's athletics compliance program.
- Implement written policy and procedure plans through an NCAA Compliance Office Manual.
- Develop or acquire effective compliance training and communication resources for coaches and administrative staff within the athletics department.
- Establish and maintain reporting opportunities for student-athletes, coaches, faculty and staff to report instances of violations of NCAA bylaws or conference policies.
- Formulate a corrective action plan to address issues of non-compliance for University staff, not limited to Department of athletics staff.
- Conduct an annual review of all compliance educational and communication efforts to determine effectiveness.
- Provide regular updates to the Chief Compliance Officer, the Director of Sports and Entertainment, General Counsel, and the President's Chief of Staff of overall athletics compliance efforts.
- Document FIU's athletics compliance effort in quarterly reports to University leadership.
- Annually review the NCAA Compliance Office Manual and the FIU Athletics website in relation to applicable NCAA rules and/or updates, and make appropriate changes as necessary.

Guidelines Provision	Compliance Program Objective	Key Action Items
Policies and Procedures		
Organizations should have standards reasonably capable of preventing and detecting misconduct.	Enhance the effectiveness of the policy program.	Finalize the NCAA Athletics Compliance Manual and distribute to all athletics staff.
		Administer the NCAA Recruiting test each year to all coaches to ensure accountability to NCAA rules.
		Ensure communication efforts are appropriate for reporting of NCAA violations or violations of institutional policies and procedures.
Program Structure and Oversight		
Organizations should have high-level oversight and adequate resources and authority given to those responsible for program.	Manage the implementation of the institutional compliance framework through the compliance liaison program.	Deliver monthly compliance reports to the President’s Chief of Staff, General Counsel, and Chief Compliance Officer.
Training and Communication		
Organizations should include periodic education, communication and awareness of its compliance and ethics program in its everyday organizational structure.	Oversee the compliance training and communication initiatives plan.	Execute monthly rules education meetings with all coaches.
		Execute twice-per-year education meetings with all departments that work with student-athletes and/or have NCAA accountability.

Measurement and Monitoring		
Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.	Maintain a compliance monitoring schedule that includes self-monitoring tools and formal monitoring to address high risk areas.	Monitor phone calls pursuant to NCAA bylaws.
		Monitor recruiting contact between coaches and prospective student-athletes.
Allegation Reporting and Investigations		
Organizations should take appropriate investigative actions in response to suspected ethics and compliance violations.	Provide intake support for the anonymous reporting line, provide follow up for timely resolution, and conduct investigations when appropriate.	Finalize and deploy the NCAA reporting process to all coaches and administrative staff within athletics.
		Provide opportunities for ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.
Discipline and Incentives		
Organizations should have policies and procedures to effectively enforce compliance and incentivize employees to perform in accordance with the compliance program.	Coordinate efforts to support consistent discipline and incentive practices.	Provide NCAA guidelines to establish the enforcement of policy and training requirements.
		Through monthly rules education, integrate ethics and compliance incentive opportunities.
Compliance Risk Management		
Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.	Support compliance risk identification and mitigation efforts to support the FIU’s strategic objectives.	Execute a targeted compliance risk assessment for two high risk areas. These can be selected through internal audit and/or through an assessment of reported NCAA violations in a particular bylaw and/or sport.

Organization Culture		
Organizations should encourage a speak up culture to support reporting instances of misconduct.	Maintain awareness of cultural challenges and support mitigation efforts that serve to enhance FIU's speak up culture.	Execute a culture survey to coaches and student-athletes and incorporate the findings into the Athletics Compliance strategy for education, information, and communication.



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
June 2, 2017
2017-2018 ATHLETICS COMPLIANCE QUARTERLY REPORT

Reporting Period: January 15 - April 1, 2017

The Senior Associate Athletics Director of Compliance and Special Projects is pleased to present this Athletics Compliance Report to the Audit and Compliance Committee of the Florida International University Board of Trustees.

Athletics Compliance Quarterly Report		
Board of Governors Regulation Standard	Athletics Compliance Program Objective	Key Action Items
Section 4.003(7)(a) - Oversight		
The President and Board of Trustees shall be knowledgeable about the Compliance Program and shall exercise oversight with respect to its implementation and effectiveness.	The Athletics Compliance Office supports the Board of Trustees and the President's oversight responsibilities by providing compliance reports and updates to the FIU NCAA Athletics Certification Committee, the President's Chief of Staff, the University General Counsel, the Athletics Director and the University Chief Compliance and Privacy Officer.	Meetings held throughout the quarter with the following: Chief of Staff (January, 26 and February, 23); Athletics Certification Committee (February, 14); General Counsel (multiple meetings throughout the reporting period); Athletics Director (multiple meetings throughout the reporting periods); University Chief Compliance/Privacy Officer (weekly updates via phone or in-person)

Section 4.003(7)(b) - Training		
University employees and Board of Trustees members shall receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies and procedures.	The Athletics Compliance Office provides NCAA compliance and collaborates with other University personnel to provide training in accordance with NCAA requirements and the law.	Student Athlete Advising Center Staff Meetings (once per month for January, February, and March; NCAA Certification Meetings with the Faculty Advisory Representatives, Registrar, Student-Athlete Academic Center (multiple meetings in January); Meetings with Admissions staff in January; Meetings with departments within Athletics (Development, Business Office, Marketing, Communications, Football Administrators). Summer meetings will be scheduled with the following groups: Financial Aid, Parking Services, OneStop, Registrar, and home College advisors.
Section 4.003(7)(c) -Program Effectiveness		
At least once every five (5) years, the President and Board of Trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement as appropriate.	The Athletics Compliance Office performs periodic reviews of the design and effectiveness of the university's Athletics Program.	The Athletics Compliance Manual is currently under review. Updates will be shared with the University Compliance Office for review no later than May 30, 2017. By no later than July 1, 2017, it is anticipated that Athletics Department staff will receive and have future access, via a shared drive, to the Athletics Compliance Manual.

Section 4.003(7)(e) - Reporting		
The Program shall require the University, in a manner that promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.	The Athletics Compliance Office supports the Office of University Compliance and Integrity by supporting the promotion of the anonymous hotline. Complaints related to NCAA violations are managed by the Athletics Compliance Office staff.	During the reporting period, nothing significant has been reported
Section 4.003(7)(f) - Escalation		
The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, where there are reasonable grounds to believe such conduct has occurred.	The Athletics Compliance Office provides compliance data to the Office of University Compliance and Integrity, and manages the process to escalate allegations of NCAA violations pursuant to an escalation plan.	<p>The athletics department completed the escalation plan for matters involving criminal conduct, and significant misconduct.</p> <p>During the reporting period there have been no significant matters escalated.</p>

Section 4.003(7)(g)(9) - Promotion and Enforcement		
<p>The Program shall promote and enforce the compliance program, in consultation with the President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics.</p>	<p>The Athletics Compliance Office works with the leadership of the Athletics Department on appropriate incentives and disciplinary measures and encourages a culture of compliance and ethics.</p> <p>When an NCAA violation occurs, the NCAA prescribed penalty structure is followed. Letters of admonishment or reprimand are provided directly to the sport supervisor and/or supervisor of the area for documentation purposes. This information is also submitted to the NCAA and kept on file in the Athletics Compliance Office.</p>	<p>During the reporting period, the following actions have been taken: reinstatement has been sought for student-athletes, new procedures have been implemented and revised, and educational meetings have been required of staff and coaches.</p> <p>Florida International University – Case No. 00583 will be appealed to the NCAA.</p>
Section 4.003(7)(h) Program Modifications		
<p>When non-compliance, unethical behavior, or criminal conduct has been detected, the University shall take reasonable steps to prevent further similar behavior, including making any necessary modifications to the Program.</p>	<p>The Athletics Compliance Office works with other FIU departments to implement program improvements, mitigation strategies and corrective action in response to legal, regulatory, policy violations and unethical conduct.</p>	<p>An outside consultant will be retained to conduct an external review of the Athletics Compliance Office during the summer, 2017 and an external review by Conference USA during will be completed by 2017. Additionally, the University's Office of Internal Audit is reviewing an issue related to the softball program.</p>



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Audit and Compliance Committee

June 2, 2017

2017-2018 HEALTH SCIENCES COMPLIANCE WORK PLAN

Purpose of the Institutional Program

The purpose of the institutional compliance program ("Program") at Florida International University (hereinafter referred to as "FIU" or University") is to advance a culture of ethics, integrity, and compliance with federal and state healthcare compliance regulations. The Program is designed to align with expectations for all FIU healthcare organizations that maintain or process protected health information, as well as, avoid wasteful and/or fraudulent spending of federal or state funds. These programs also monitor employee conflicts of interest, which may result in violation of healthcare rules and regulations. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer is responsible for oversight of the department. The Health Sciences Compliance Officer is in charge of maintaining day-to-day oversight of compliance with clinical auditing and monitoring of medical records and codes billed to federal, state and commercial payors, Health Insurance Portability and Accountability ("HIPAA"), and conflicts of interest.

The Goals and Objectives of the Health Sciences Compliance Program

- Administer and maintain FIU's health care related compliance program.
- Implement written policy and procedure plans throughout University departments that handle protected health information and healthcare initiatives.
- Develop or acquire effective compliance training and communication resources for FIU employees that either provide direct health care or handle protected health information for other research and/or services.
- Establish and maintain reporting opportunities for all patients, faculty, and staff to report instances of HIPAA, conflicts of interest or fraud and abuse violations of healthcare regulations and laws.
- Formulate a corrective action plan to address issues of non-compliance with policies.
- Conduct an annual review of all compliance educational and communication efforts to determine effectiveness.
- Provide regular reviews to the Chief Compliance Officer, the Director of Operations for the Health Care Network ("HCN"), Director of Operations for Student Health Services ("SHS") and Ambulatory Care Center ("ACC"), Center for Children and Families ("CCF") Director, Sports Medicine Director and General Counsel of overall compliance efforts.

- Document FIU's healthcare compliance effort in quarterly reports to University leadership.
- Annually review the varying department's policies and procedures in relation to changing rules and regulations, and make appropriate changes as necessary.

Guidelines Provision	Compliance Program Objective	Key Action Items
Policies and Procedures		
Organizations should have standards reasonably capable of preventing and detecting misconduct.	Enhance the effectiveness of the policy program.	Finalize new policies for CCF.
		Develop and review HIPAA security policies.
		Ensure communication efforts are appropriate for reporting of HIPAA, fraud/abuse and conflict of interest violations or violations of institutional policies and procedures.
Program Structure and Oversight		
Organizations should have high-level oversight and adequate resources and authority given to those responsible for program.	Manage the implementation of the institutional compliance framework throughout the HCN.	Deliver monthly compliance reports to the Chief Compliance Officer. Deliver quarterly compliance reports to Health Sciences departments: ACC, SHS (clinical), Pharmacy, Athletics and CCF.
Training and Communication		
Organizations should include periodic education, communication and awareness of its compliance and ethics program in its everyday organizational structure.	Oversee the compliance training and communication initiatives plan.	Execute monthly compliance new hire education.
		Execute annual yearly compliance education.

Measurement and Monitoring		
Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.	Maintain a compliance monitoring schedule that includes self-monitoring tools and formal monitoring to address high risk areas.	Complete coding accuracy reviews of billing providers per policy; focus on "incident to" and Level 5 office visits; new procedures; proper documentation per current procedural terminology and international classification of Disease, tenth revision, clinical modification.
		Auditing of SHS and ACC are in progress. Continue HIPAA audits of electronic medical records at SHS and ACC.
Allegation Reporting and Investigations		
Organizations should take appropriate investigative actions in response to suspected ethics and compliance violations.	Provide intake support for the anonymous reporting line, provide follow up for timely resolution, and conduct investigations when appropriate.	Respond to allegations of improper activities in a timely and thorough manner. Complaints may be directed to the Health Sciences Compliance Officer or through the anonymous reporting mechanism, Ethical Panther hotline.
		Provide opportunities for the Herbert Wertheim College of Medicine (HWCOM) and Health Sciences to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities through newsletter.

Discipline and Incentives		
Organizations should have policies and procedures to effectively enforce compliance and incentivize employees to perform in accordance with the compliance program.	Coordinate efforts to support consistent discipline and incentive practices.	Provide compliance training to specific clinical department to establish the enforcement of policy and training requirements.
		Through monthly education, integrate ethics and compliance incentive opportunities. Re-deploy monthly newsletters.
Compliance Risk Management		
Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.	Support compliance risk identification and mitigation efforts to support FIU's strategic objectives.	Execute a targeted compliance risk assessment for two (2) high-risk areas including Pharmacy and NeighborhoodHELP™.
Organization Culture		
Organizations should encourage a speak up culture to support reporting instances of misconduct.	Maintain awareness of cultural challenges and support mitigation efforts that serve to enhance FIU's speak up culture.	Execute a culture survey to HWCOT staff and incorporate the findings into the compliance strategy for education, information, and communication.



THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

June 2, 2017

2017-2018 HEALTH SCIENCE COMPLIANCE QUARTERLY REPORT

Reporting Period: January 15 – April 1, 2017

The Health Sciences Compliance and Privacy Officer is pleased to present this Health Sciences Compliance Report to the Audit and Compliance Committee of the Florida International University Board of Trustees.

Board of Governors Regulation Standard	Health Science Compliance Program Objective	Key Action Items
Section 4.003(7)(a) – Oversight		
The President and Board of Trustees shall be knowledgeable about the Compliance Program and shall exercise oversight with respect to its implementation and effectiveness.	The Health Sciences Compliance Program supports the Board of Trustees and the President's oversight responsibilities by providing compliance reports and updates on a regular basis.	The Health Sciences Compliance and Privacy Officer conducted a Health Science Compliance Committee meeting on February 21, 2017. There have been no Health Care Network (“HCN”) Board meetings during the reporting period.
Section 4.003(7)(b) – Training		
University employees and Board of Trustees members shall receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures.	The Health Sciences Compliance Program provides compliance and privacy training to all faculty and staff in accordance with the HCN Compliance Plan and the law.	Training for new hires was conducted on March 20, 2017. Annual compliance training was conducted on January 20, 2017 for fifteen (15) employees, during the reporting period. New online Health Insurance Portability and Accountability Act (“HIPAA”)/ Privacy, Conflict of Interest (“COI”), Fraud Waste and Abuse (“FWA”) annual training will be rolled out later this year.

Section 4.003(7)(c) -Program Effectiveness		
At least once every five (5) years, the President and Board of Trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement as appropriate.	The Health Sciences Compliance Program conducts periodic reviews of the design and effectiveness of the Health Sciences Compliance Program and FIU's privacy program related to HIPAA.	The Health Sciences Compliance and Privacy Officer conducted HIPAA audits of the Ambulatory Care Center ("ACC") and Student Health Services ("SHS") Electronic Medical Records ("EMR") logs in the areas of provider/patient record access controls during the reporting period. The Health Sciences Compliance Office is reviewing a list of vendor quotes for privacy auditing software to deploy across varying EMR platforms for ACC, SHS, Center for Children and Families ("CCF") and the Athletics Department.
Section 4.003(7)(e) - Reporting Misconduct		
The Program shall require the University, in a manner, which promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.	The Health Sciences Compliance Program supports the Office of University Compliance and Integrity by supporting the promotion of the anonymous hotline, and managing the intake of HCN and HIPAA compliance complaints.	<p>During the reporting period, the Health Sciences Compliance and Privacy Officer conducted the following investigations:</p> <ul style="list-style-type: none"> ▪ One (1) HIPAA/Privacy violation ▪ One (1) FWA claim ▪ One (1) COI violation <p>0 matters investigated were substantiated.</p>

Section 4.003(7)(f) - Escalating Misconduct		
The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.	The Health Sciences Compliance Program provides compliance data to the Office of University Compliance and Integrity, and has an escalation plan to escalate matters involving criminal conduct and significant misconduct within the HCN.	During the reporting period, there were no matters escalated for further review.
Section 4.003(7)(g)(9) - Promotion and Enforcement		
The Program shall promote and enforce the compliance program, in consultation with the President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics.	The Health Sciences Compliance and Privacy Officer consults with the leadership of the HCN on appropriate incentives and disciplinary measures and encourages a culture of compliance and ethics.	The Health Sciences Compliance and Privacy Officer developed one (1) policy. There were no corrective action plans, addressing violations in the areas of HIPAA/Privacy employee/student understanding, during the reporting period.
Section 4.003(7)(g)(10)		
The Program shall initiate, conduct, supervise, coordinate, or refer to other appropriate offices such as inquiries, investigations, or reviews as deemed appropriate and in accordance with the University's regulations and policies.	The HCN initiates, conducts, supervises, and coordinates investigations in the areas of clinical billing, fraud, waste and abuse, breach of privacy and security.	Health Sciences through the HCN coder/auditor is currently conducting quarterly clinical audits in the areas of the Ambulatory Care Clinic and SHS. The Health Sciences Compliance and Privacy Officer is in the process of hiring a coder/auditor that will be dedicated to conducting compliance audits.

Section 4.003(7)(h)		
When non-compliance, unethical behavior, or criminal conduct has been detected, the University shall take reasonable steps to prevent further similar behavior, including making any necessary modifications to the Program.	The Health Sciences Compliance and Privacy Officer works with the HCN leadership to implement mitigation strategies when criminal conduct and unethical behavior has been detected.	The Health Sciences Compliance and Privacy Officer convened one (1) ad-hoc committee meeting to investigate HIPAA/Privacy breach complaints during the reporting period.