



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

Friday, December 8, 2017

8:30 am

Florida International University

Modesto A. Maidique Campus

Graham Center Ballrooms

Committee Membership:

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

AGENDA

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| 1. Call to Order and Chair's Remarks | Gerald C. Grant, Jr. |
| 2. Approval of Minutes | Gerald C. Grant, Jr. |
| 3. Discussion Items <i>(No Action Required)</i> | |
| 3.1 Office of Internal Audit Status Report | Allen Vann |
| 3.2 University Enterprise Risk Management Status Report | Karyn Boston |
| 3.3 University Compliance and Ethics Quarterly Report | Karyn Boston |
| 4. Reports <i>(For Information Only)</i> | |
| 4.1 Office of Internal Audit Annual Activity Report FY 2017 | Allen Vann |
| 4.2 State University System of Florida Compliance Program Status Checklist | Karyn Boston |
| 4.3 Athletics Compliance Report | Jessica L. Reo |
| 5. New Business | Gerald C. Grant, Jr. |
| 5.1 Senior Management Discussion of Audit Processes | |
| 6. Concluding Remarks and Adjournment | Gerald C. Grant, Jr. |

The next Audit and Compliance Committee Meeting is scheduled for Tuesday, February 27, 2018

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2. Approval of Minutes

Approval of Minutes

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
December 8, 2017

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

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on Friday, June 2, 2017 at the FIU, Modesto A. Maidique Campus, College of Business Complex, Special Events Center, Room 233.

Background Information:

Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Friday, June 2, 2017 at the FIU, Modesto A. Maidique Campus, College of Business Complex, Special Events Center, Room 233.

Supporting Documentation:	Minutes: Audit and Compliance Committee Meeting, June 2, 2017
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Facilitator/Presenter:	Gerald C. Grant, Jr., <i>Audit and Compliance Committee Chair</i>
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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
JUNE 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 8:18 am on Friday, June 2, 2017, at the Modesto A. Maidique Campus, College of Business Complex, Special Events Center, Room 233.

The following attendance was recorded:

Present

Gerald C. Grant, Jr., *Chair*
Natasha Lowell, *Vice Chair*
Leonard Boord
Krista M. Schmidt
Kathleen L. Wilson

Excused

Michael G. Joseph

Board Chair Claudia Puig, Trustee Dean C. Colson, 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 welcomed Krista M. Schmidt, Student Trustee and Student Government President for the Modesto A. Maidique Campus, and thanked for her service on the Audit and Compliance Committee.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on March 2, 2017. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Thursday, March 2, 2017.

3. Action Items

AC1. Office of Internal Audit Policy and Charter

Chief Audit Executive Allen Vann presented the Office of Internal Audit Policy and Charter for Committee review, explaining that the Charter was revised to include the requirements of the new Board of Governors (BOG) Regulation 4.002, State University System Chief Audit Executives. He indicated that the Charter also aligns with professional standards and best practices. He stated that

the Charter sets forth the standards of independence and objectivity for auditing, reporting, follow-up and quality control.

In response to Trustee Leonard Boord's inquiry relating to the substantive Charter revisions, Mr. Vann noted that the Charter now incorporates pertinent sections of BOG Regulation 4.002. Mr. Vann added that in addition to the quarterly Office of Internal Audit reports submitted to the Board of Trustees, annual reports that comply with BOG Regulation also will be provided.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Board of Trustees approve the Office of Internal Audit Policy and Charter.

AC2. Internal Audit Plan, 2017-18

Mr. Vann presented the Internal Audit Plan for fiscal year 2017-18 for Committee review and approval, noting that the plan was developed using a systematic approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. He provided an overview of key audit risk areas and on the collaborative and inclusive process used in performing University-wide risk assessments and determining whether audit work should be considered in a particular area.

Mr. Vann presented an overview of audits that were completed during the 2016-17 fiscal year, carryover audits from the 2016-17 fiscal year, and the proposed audits for the 2017-18 fiscal year. Trustee Boord requested that for future Internal Audit Plans, the Board of Trustees receive the Office of Internal Audit's Risk Assessment/Five Year Plan. Mr. Vann stated that with the exception of the audit of the Steven J. Green School of International and Public Affairs, the proposed audits for the 2017-18 fiscal year are revisited audits that are classified as high-to-medium risk.

President Mark B. Rosenberg noted that the University has taken a proactive approach as it relates to auditing new programs, adding that there is a systematic and routinized audit process. In response to Trustee Kathleen Wilson's inquiry regarding minors on campus, Mr. Vann noted that an audit of camps and programs offered to minors was previously completed and that an audit of the University's Center for Children and Families is in process. Assistant Vice President and Chief Compliance and Privacy Officer Karyn Boston stated that the University has implemented a registration process because it recognizes its obligation to ensure the safety and wellbeing of minor children that are on campus.

Committee Chair Grant requested a report, for the next regularly scheduled Committee meeting, that details the audit areas that have been visited in the past, the top 10 areas that should be considered, and areas that have not been audited in over five years.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the University Internal Audit Plan for Fiscal Year 2017-18.

AC3. University Compliance and Ethics Program Plan

Ms. Boston presented the University Compliance and Ethics Program Plan for Committee review. She provided an overview of the BOG Checklist and reported on the University's progress, noting

that upon approval by the FIU Board of Trustees of the University Compliance and Ethics Program Plan, 17 of the 19 elements in the BOG checklist will have been implemented.

Ms. Boston presented an overview of the five Compliance governance documents and noted that BOG Regulation requires that at least every two years Board of Trustees members, given their role as public officers, receive training on Florida's Code of Ethics, Public Records, Public Meetings, Title IX updates and fiduciary responsibilities. She stated that the University's Compliance and Ethics Program Plan aligned with that of the University of Central Florida and also with best practices among the private sector and large non-for-profit entities as confirmed by the consulting work performed by the Corporate Executive Board.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Florida International University Board of Trustees approve the University Compliance and Ethics Program Plan.

AC4. University Compliance and Ethics Work Plan, 2017-18

Ms. Boston presented the Compliance Work Plan for fiscal year 2017-18 for Committee review and approval, providing an overview of the key action items in relation to compliance program guidance recently released by the U.S. Department of Justice. She noted that in addition to the Compliance Liaison Scorecard that is used to track the level of involvement with the Program for each Compliance Liaison, an Executive Scorecard for University leadership also will be implemented.

In response to Trustee Wilson's inquiries, Ms. Boston stated that the Compliance office will expand its University's Ethical Panther Hotline awareness efforts and explained that Enterprise Risk Management includes the methods and processes used by organizations to manage, prioritize, and assess risks to then determine a response strategy and monitor progress. In response to Trustee Krista M. Schmidt's inquiry, Ms. Boston noted that student government leaders will be engaged in the process of assessing risk areas relating to students.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the Compliance Work Plan for Fiscal Year 2017-18.

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Vann presented the Internal Audit Report, providing updates on the recently completed audits. He reported that the audit of pharmacy operations disclosed that controls are adequate and effective, stating that University management will implement five recommendations that will move the pharmacy operations closer to self-sustainability. He explained that the audit of the Construction of the Student Academic Success Center resulted in four recommendations. He reported that the audit of the adequacy of internal controls over personal data maintained by the University's Department of Parking and Transportation concluded that system controls are adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure.

4.2 University Compliance Report

Ms. Boston presented a quarterly status update on the 2016-17 Compliance Work Plan. She noted that nine of the 11 key action items have been completed, adding that the implementation of the Escalation Guidelines and Investigation Guidelines were included as separate action items for the 2017-18 Compliance Work Plan.

5. Reports

Committee Chair Grant requested that the Compliance Reports pertaining to Athletics and Health Sciences be accepted as written. There were no objections.

6. New Business

Mr. Vann recognized Audit Project Manager Ms. Tenaye Francois Arneson, stating that she will be relocating with her family after ten years of dedicated service to the University.

6.1 Office of Internal Audit Discussion of Audit Processes

Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Chief Audit Executive without the presence of Senior Management. He also noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with the Chief Audit Executive, adding that this was strictly voluntary. The Committee met with the Chief Audit Executive and confirmed that management was cooperating fully with the staff of the Office of Internal Audit.

7. 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 Compliance Committee on Friday, June 2, 2017 at 9:27 am.

Trustee Requests	Follow-up	Completion Date
1. <i>Trustee Board requested that for future Internal Audit Plans, the Board of Trustees receive the Office of Internal Audit's Risk Assessment/ Five Year Plan.</i>	<i>Chief Audit Executive Allen Vann</i>	<i>Ongoing</i>
2. <i>Committee Chair Grant requested a report, for the next regularly scheduled Committee meeting, that details the audit areas that have been visited in the past, the top 10 areas that should be considered, and areas that have not been audited in over five years.</i>	<i>Chief Audit Executive Allen Vann</i>	<i>Next Regularly Scheduled Committee Meeting</i>

6.12.17 MB



Office of Internal Audit Status Report

BOARD OF TRUSTEES

December 8, 2017



OFFICE OF INTERNAL AUDIT

Date: December 8, 2017

To: Board of Trustees Audit and Compliance Committee Members

From: Allen Vann, Chief Audit Executive

Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

Due to the cancellation of our last quarterly meeting, I am providing a cumulative update on the status of our office's work activities since June 2, 2017. The following projects were completed:

Audit of Athletics Department Operations

The Athletics Department has 110 employees and oversees 18 individual athletic programs. These include seven men's sports and 11 women's sports, with 205 and 173 participating student-athletes, respectively. Athletics' total revenues over expenses for the year ended June 30, 2016 was \$1.4 million, on revenues of \$28 million, 75 percent of which were generated from student athletic fees. Its fund balance deficit of \$3.6 million increased to \$5.7 million at June 30, 2017 resulting from capital expenditures.

Our audit disclosed that student athletic fees were properly assessed, collected, and accounted for. Nevertheless, long term funding for Athletics remains a challenge as it faces deficit fund balances and mounting obligations. In addition, expenditure and operational controls and procedures need strengthening, particularly in the areas of: leave management, travel and expenditure disbursements, background screening, and conflict of interest reporting. Our audit resulted in seven recommendations which management agreed to implement.

Audit of FIU Online

Our last audit of FIU Online was issued in April 2013. Our current audit focused on the financial transactions for distance learning courses covered under Florida Statutes section 1009.24(17) and the information technology controls. During our audit period from July 1, 2015 through January 31, 2017, distance learning fees totaled \$25 million and corresponding expenses totaled \$24.3 million.

FIU Online's procedures for administering the distance learning fee have improved since our last audit. However, only 14 of our prior audit recommendations were fully addressed while 12 require further attention. A large fund balance continues to be maintained, which will require management to monitor future fees with the goal of minimizing the fund balance. In addition, expenditures and operational controls and procedures need strengthening particularly in the proper use of the distance learning fee and the payroll approval process. We also identified information technology areas that need strengthening particularly in performing vulnerability scans, accounting for endpoint devices sent to surplus, and business continuity plan testing.

Our audit resulted in seven recommendations, which management agreed to implement.

Audit of the University's IT Network Security Controls

The primary objectives of our audit were to evaluate the effectiveness of the implementation of the prior audit recommendations from our last audit issued in September 2015. Since the prior audit, the Division of Information Technology (IT) has upgraded the University's cybersecurity controls. Security improvements to payment card devices, user access, and increased security awareness have all proved beneficial. Nevertheless, our examination revealed that five of our past recommendations still need attention.

While FIU cybersecurity related policies continue to evolve, further efforts are needed in the areas of formal system-wide security risk assessments and critical firewall reviews. In addition, there are areas where FIU credit card data transmissions and wildcard certificates still pose a risk. The Division of IT agreed to continue to work with other stakeholders to complete the implementation of the remaining recommendations with a view towards achieving a safer network infrastructure.

Audit of Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0910-16

We performed an audit of the adequacy of internal controls over personal data maintained by the department of Enrollment Processing Services. 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 to the Florida Department of Highway Safety and Motor Vehicles.

Sub-recipient Monitoring (Division of Research)

We reviewed sub-recipients' annual financial report submissions pursuant to the Federal and the State of Florida's respective single audit acts. The purpose of these reviews is to ensure that sub-recipients are compliant with the financial reporting requirements under the respective acts, that their reports reflect that they are fiscally responsible and are free of, or

Office of Internal Audit Status Report
December 8, 2017
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have adequately addressed material findings reported by their independent auditors. We completed reviews of twenty-two institutions who are sub-recipients under FIU grants:

Yale University	Public Health Research Institute of India
Cal Poly Tech	World Concern Development Organization
Louisiana State University	Spectrum Programs, Inc.
UNESCO	People, Inc.
Inter American University of Puerto Rico	Shahidi wa Maji (Tanzania)
Brigham Young University	CENIC
Miami Children's Health Systems Inc.	Latinas Salud, Inc.
Virginia Commonwealth University	Madras Diabetes Research Foundation
University of California	Union Positiva
University of New Mexico	Columbia University
NYU Medical College	University of Michigan

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Residency classification for tuition and fees	Draft Report issued
Robert Stempel College of Public Health and Social Work	Drafting Report
College of Arts, Sciences and Education – Center for Children and Families	Fieldwork in Progress
University implementation of prior years' recommendations	Fieldwork in Progress
The Wolfsonian – Florida International University	Fieldwork in Progress
Performance Based Funding Metrics Data Integrity	Fieldwork in Progress
College of Engineering and Computing	Fieldwork in Progress
Herbert Wertheim College of Medicine Clinics	Planning

Professional Development

Audit staff continue to take advantage of professional development opportunities. For example, five staff members attended conferences sponsored by the Institute of Internal Auditors, the Association of College and University Auditors, the Association of Healthcare Internal Auditors, or the Association of Certified Fraud Examiners.

Office of Internal Audit Status Report
December 8, 2017
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Semi-Annual Follow-Up Status Report

For our last scheduled meeting, which was cancelled, we surveyed management on their progress towards completing past recommendations that were currently due for implementation. According to management, 33 of 47 recommendations that were due at that time, were completed. Management has reportedly partially implemented the remaining recommendations and provided updates on expected completion dates.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Mobile Health Center	12	8	4
Financial Aid	7	3	4
University building access controls	8	6	2
College of Law	1	1	-
Division of Human Resources	4	3	1
Education Effect Program	4	4	-
Laboratory safety process	3	2	1
Pharmacy	2	2	-
Office of the Controller	2	-	2
School of Education and Human Development	1	1	-
Study Abroad and International Exchange Programs	1	1	-
Chaplin School of Hospitality and Tourism Management	1	1	-
Performance Based Funding Metrics Data Integrity	1	1	-
Totals	47	33	14
Percentages	100%	70%	30%

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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Enterprise Risk Management

2017 SUS ERM Practices Survey

Results Summary (Project No. 18-007)

The purpose of this document is to summarize the results of the Board of Governors' ERM survey. The summary is included on the following pages and presents the discrete responses in tabular form followed by free-response information. We identify any attachments provided, but did not include all of the attachments in this summary.

Following the summary, we have included select university ERM best practice items in hopes that you will find them useful.

Q1. ERM Program: Select the statement best describing the current state of your university's ERM program.													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	No university-wide process in place.												
B.	Currently considering university-wide risk management program, but have made no decisions yet.	X				X			X				
C.	No formal university-wide risk management process in place, but have plans to implement one.		X					X			X		
D.	Partial university-wide risk management process in place (i.e., some, but not all, risk areas addressed).		X					X		X			X
E.	Complete formal university-wide risk management process in place.			X	X							X	
FAMU: A presentation of the state of the University's risk management was made to the audit committee in June 2017.													
FGCU: Areas of risk are evaluated from a bottom up and top down approach at FGCU. Committees comprised of faculty, staff and students review areas of risk throughout the academic year within the academic, administrative, athletic and student affairs divisions. Identified risks are noted by the respective committees. Designated vice presidents and operational departments work to eliminate or reduce the level of risk to the university. Changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required. Areas of risk identified by the senior administration are forwarded to the appropriate operational departments for review. The departments will work to eliminate or reduce the level of risk to the university. Changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.													
FIU: Florida International University, hereinafter referred to as "FIU" or "University" implemented a formal Enterprise Risk Management ("ERM") in May 2017.													
FSU: Risks are continually assessed and communicated at all levels within the University. To date, a formal qualitative and quantitative risk assessment has not been performed and rolled up into one documented high-level University-wide risk assessment.													
UF: ERM at the University of Florida is a combined leadership effort with specific subject matter committees in important risk areas.													
UNF: Currently starting the discussion/process.													
USF: USF performs a System-Wide Enterprise Risk Assessment every 3 years and updates the risk inventory annually.													
UWF: UWF's informal ERM program is spearheaded by the Risk & Compliance Council, which meets quarterly. The council's composition has wide representation across campus communities, with the VP/ Chief Financial Officer serving as Committee Chair and the Chief Audit Executive serving as Committee vice Chair.													

Further details on the Council's membership is defined in the Council's Charter¹ [[Attachment 1](#)].

Annually, a University-wide risk assessment is conducted by a subcommittee of the Council (template located in [[Attachment 2](#)]). The results of the risk assessment are compiled into a risk heat matrix and offered to the Council for review and discussion.

The final draft is presented to the Board of Trustees as a cabinet item [[Attachment 3](#)].

¹ Due to recent changes in the organizational structure Council roles are being updated (UWF)

Q2. Barriers to ERM: What perceived or actual barriers exist in implementing ERM at your university? Select all that apply.													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Competing priorities.	X	X	X		X	X	X	X	X	X		
B.	Insufficient resources	X	X	X		X	X	X	X				X
C.	Lack of perceived value							X					
D.	Perception ERM adds bureaucracy												
E.	Lack of board or senior executive ERM leadership												
F.	Legal or regulatory barriers			X									
G.	Others: _____				See below					See below		See below	

FGCU: There is often conflict among the Federal, State and regulatory agencies laws, regulations and interpretations of the risk management system that coordinating non-conflicting responses to the issues is time consuming and entails the time of university personnel that are charged with other duties. There are many grey areas within the laws and regulations rules that lead to conflicting answers.

FIU: Not applicable.

FL Poly: As a relatively new institution, independence and accreditation was our primary objective. As the university itself enters the maturation stage, developing more risk-mature practices will be one of our higher priorities.

FSU: Currently, implementation of BOG Regulation 4.03 has priority. This new regulation requires appointment of a university-wide Chief Compliance Officer (CCO) and implementation of the program by November 2018. Time will be needed to implement and assess that program to see if risk management can be combined with the CCO position or whether a separate Chief Risk Officer (CRO) position and separate staff are warranted.

UF: As noted above, UF carries out its ERM function through a combined leadership effort. Given the many different areas of risk, which require analysis from several areas of expertise, we believe we benefit from a combined communication and management effort versus a single officer.

USF: Risk Assessments often contain sensitive information and are public records.

UWF: In order to ensure resources are properly disseminated, risks determined to have both (1) a high likelihood of occurrence and (2) a high impact on UWF's operability, receive the greatest time and effort.

These "top risks" are highlighted in the risk heat matrix and presented for discussion at BOT meetings. All other risks identified in the exercise are compiled on subsequent workbook pages.²

² Methodology for determining risk is defined in Attachment 2

Q3. Chief Risk Officer (CRO): Does your university have an individual designated to serve as CRO or equivalent? If so, identify the individual by name and title.

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes		X	X				X	X				X
B.	No	X			X	X	X			X	X	X	

FAMU: See the comments section of survey.

FAU: FAU does have a dedicated Risk Manager, who reports directly to the Vice President Administrative Affairs/Chief Administrative Officer, who in turn reports to the University President.

FGCU: The University has hired a **Chief Compliance Officer & Ethics Officer** and reports to the President. This office is charged with establishing standards of conduct behavior and conducts training, outreach, monitoring and investigative activities to prevent, detect and resolve issues of noncompliance.

The University does not employ a **Chief Risk Officer**. The overall risk management responsibilities are delegated to the designated Vice President where the risk may lie. These risk areas are also reviewed by committees where the areas of risk lie. i.e. Worker's Compensation/Safety review; Facility/Personal Safety committees; Internal business operation audits; campus wide inventory control; and academic reviews.

Identified areas of risk are forwarded to the appropriate operational departments for review. The departments will work to eliminate or reduce the level of risk to the university.

Any changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.

FIU: FIU does not have an individual designated to serve as a Chief Risk Officer ("CRO"); however, FIU does have a Director of Facilities, Assessment and Analyst for Risk Management that has some risk management responsibilities.

FSU: No CRO position currently exists. As noted above, the CRO position will require additional allocation of limited resources.

NCF: Michael Pierce, General Counsel, currently serves an equivalent function until a more formal process is in place.

UCF: Rhonda Bishop, Chief Compliance and Ethics Officer

USF: No formal designation but Chief Compliance Officer and Executive Director/Chief Internal Auditor perform similar functions.

UWF: Peter Robinson, Director, Environmental Health and Safety

Q4. CRO Reporting Relationship: To whom does the CRO formally report?													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Board of trustees or committee of the board							X	X				
B.	President			X				X	X				
C.	Chief Financial Officer												X
D.	Other: Specify _____		See below	See below									
E.	Not Applicable (we do not have a CRO or equivalent)	X			X	X	X			X	X	X	
FAMU: We do not have a CRO or equivalent. See comments section of survey.													
FAU: Inspector General/General Auditor who reports to the President and BOT, Chief Compliance Officer who reports to the President and BOT, General Counsel who reports to the President, Chief Information Officer who reports to the Provost.													
FGCU: The University has hired a Chief Compliance Officer & Ethics Officer and reports to the President. This office is charged with establishing standards of conduct behavior and conducts training, outreach, monitoring and investigative activities to prevent, detect and resolve issues of noncompliance. The University does not employ a Chief Risk Officer. The overall risk management responsibilities are delegated to the designated Vice President where the risk may lie. These risk areas are also reviewed by committees where the areas of risk lie. i.e. Worker's Compensation/Safety review; Facility/Personal Safety committees; Internal business operation audits; campus wide inventory control; and academic reviews. Identified areas of risk are forwarded to the appropriate operational departments for review. The departments will work to eliminate or reduce the level of risk to the university. Any changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.													
FSU: While the BOT is ultimately responsible for University operations, risk management is most often assigned to management. In June 2017, the BOT established a separate Audit and Compliance Committee. The Committee will provide oversight to ensure risk management responsibilities assigned to management are implemented.													
UF: It is important to note that the enterprise risk function has immediate access to the President and the trustees and communicates meaningfully on risks impacting the institution.													
UWF: The CRO reports to the Chief Financial Officer (VP of Finance & Administration/ Chair, Risk & Compliance Council).													

Q5. CRO Resourcing: Please identify how many full time equivalent (FTE) staff and the amount of budget dedicated to the CRO and associated ERM program.													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Staff:	0	See below	See below	See below	N/A	0	.3 FTE	0	50-100	No response	N/A	0
B.	Budget (annual amount):	\$0	See below	See below	\$24,000	N/A	N/A	\$0	\$0	No response		N/A	See below
FAMU: No full-time staff devoted to ERM. However, staff are assigned to perform risk management duties. See comments of survey.													
FAU: FAU does not have a specific or a centralized CRO function; however, the Staff and Budgets below represent aspects of a CRO function. Staff: Office of Inspector General (4 FTEs), Office of Compliance (1 FTE), Risk Management (1 FTE), OIT (3 FTEs), Office of Financial Affairs (3 FTEs), Operating Budget (annual amount): \$370K.													
FGCU: Not Applicable													
FIU: Not applicable. FIU does not have any full time equivalent staff or budget dedicated to the CRO. FIU did budget recurring funds to support ERM: 2016-2017, \$20,000.00; 2017-2018, \$24,000.00; 2019-2020, \$24,000.00													
FL Poly: Not applicable.													
FSU: The CRO function has not reached a level or maturity to be established as a distinct unit within the University. We find this often to be true in other public and private organizations.													
NCF: General Counsel currently directs the development of the ERM program, but this function does not make up one full FTE. The College plans to assign 1 FTE to the CRO function upon completion of the program's development.													
UF: 50-100 (staff). Considering our many diverse units and responsibilities at UF, combined with our highly regulated environment, we believe at least 50-100 of our employees are spending the significant portion of their times assessing, managing and mitigating institutional risk.													
USF: Not Applicable													
UWF: There are no resources designated for CRO-specific duties. Instead, responsibilities are incorporated as part of the duties of the Risk & Compliance Council.													

Q6. Risk Committee: Does your university have a management-level risk committee? If so, please provide the following information: Risk committee composition (Chair and members); Meeting frequency; and Governing documents (e.g., Charter, Policy, etc. – please provide a copy).

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes		X	X	X				X	X	X		X
B.	No	X				X	X	X				X	

FAMU: Committees address specific risk areas, such as emergency management and environmental health and safety and prepare reports of results.

FAU: FAU has a University Safety Committee that meets at least quarterly. Please see the attached policy and charter that includes the chair and member composition of this committee. FAU also has an Audit & Compliance Committee. The charter is also attached.

FGCU: Under its shared governance approach, Risk Committees are operated within the areas of concern. Academic, Administrative, Athletic and Student Affairs have operating committees that address the issues facing each area. Those findings are reported to each respective Vice President for review by the full Cabinet.

As outlined in Question 1; changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.

These Risk Committees meet throughout the academic year and meetings are determined by the committee membership. Most committees average 4-6 meetings per academic year.

There are no Charters for the committees. Each committee will receive a general charge from the University but will address specific areas of concern for the current year.

FIU: FIU does not have a management-level risk committee; however, the following committees address risk issues: 1. Compliance Liaison/ERM Advisory Committee; 2. Operations/ERM Committee; and 3. University Safety Counsel.

FSU: *Risk committee composition* – While there is no committee at mid-level management, at the senior-management level the President and his Cabinet continuously discuss University risk. *Meeting frequency* – Weekly President and Cabinet meetings. *Governing documents* – No Charter at this time. Risk is discussed within the context of the University Strategic Plan; risk identified in audits issued by the Office of Inspector General Services and other state, federal, and private auditors; and internal and external events that affect campus security, operations and programs.

NCF: The President's Cabinet currently assists the ERM function by managing specific risks with their divisions. This structure will exist until the formal program is complete and a new structure is considered.

UCF: The committee has three chairs appointed by the president and is made up of representatives from across the institution. Meeting frequency is 3 times per year (once a semester). Governing documents: Membership List and Charge Letter attached.

UF: UF has numerous committees whose role it is to assess risks. Some examples are the university-wide threat assessment committee, design, planning and construction committee, IRB, animal research committee, and several others. Additionally, the cabinet and executive council meets regularly to assess institutional risk.

UNF: *Risk committee composition* – See bylaws attached; *Meeting frequency* – Monthly; *Governing documents* – no response.

USF: No Risk Committee per se, but the USF System Executive Compliance & Ethics Council is designed to perform similar functions. (See Element 1D of Program Plan at link in 9. Below) NOTE: Following excerpt added to USF response by Lori Clark, Board of Governors Compliance and Audit Specialist, 10/20/2017.

D. USF System Executive Compliance & Ethics Council

The USF System Executive Compliance & Ethics Council (ECEC) serves as the oversight committee for operational issues concerning the USF system Compliance & Ethics Program. The Council's primary role is advising the USF System President on appropriate system responses to major cross-jurisdictional compliance gaps, including determination of "risk ownership", mitigation strategies, and resource implications.

The ECEC is co-chaired by the USF System Chief Operating Officer and a Regional Chancellor. The Council is comprised of the following individuals: Senior Vice Provost; Vice President, Student Affairs & Student Success; Chief Operating Officer,

USF Health; Chief Operating Officer, USF Foundation; Chief Information Officer; Chief Compliance Officer; Executive Director/Chief Internal Auditor; Senior Associate Vice President, Research & Innovation; General Counsel.

UWF: *Risk committee composition: Risk & Compliance Council Charter [Attachment 1]. Committee Composition: Chair (VP Finance & Administration, AVP Internal Auditing & Compliance); AVP/Controller; AVP, Enrollment Affairs; Chief Technology Officer; Chief Mental Health Officer; Chief of Police; Compliance Officer; Director, Communications; Director, EHS; Director, Institutional Effectiveness; Director, Research; HR Representative; Sr. AVP, Student Affairs; and representatives from Faculty Senate, Staff Senate, and Camps/Youth Programs Risk Management Committee; ex-officio General Counsel. Meeting Frequency: Quarterly. Governing Documents: Risk and Compliance Council Charter [Attachment 4]*

Q7. Board Committee: Has the board of trustees delegated risk oversight to a board-level committee (Audit and Compliance, Risk, Executive, other)? If so, which one? How often does this committee meet and take up risk oversight? Governing documents? (e.g., Charter, Policy, etc. – please provide a copy)													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes	X		X	X	X	X	X	X	X	X	X	X
B.	No		X										
<p>FAMU: See audit committee charter, section 5.C. and 5.D. (Excerpt inserted by Lori Clark, Board of Governors Compliance and Audit Specialist, 10/20/2017):</p> <p><i>C. Compliance with Laws, Regulations and Policies</i></p> <ol style="list-style-type: none"> 1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any non-compliance or fraudulent activities. 2. Obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the University's operations, financial statements, programs or compliance policies. 3. Review and approve procedures for the receipt, retention, and treatment of complaints regarding financial or operational matters. 4. Review the findings of any examinations by state and federal regulatory agencies. 5. Review the programs and policies of the University designed by management to assure compliance with applicable laws and regulations and monitor the results of compliance efforts. 6. Review results of the University's monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies. <p><i>D. Internal Controls and Risk Assessments</i></p> <p>Review with senior management, the Division of Audit and Compliance, and other relevant offices and committees:</p> <ol style="list-style-type: none"> 1. 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. 2. The effectiveness of the University's internal controls, including the status and adequacy of information systems and security and other relevant matters. 3. Major risks identified and other significant risk management issues that may require action. 4. The University's insurance coverage and the process used to manage any uninsured risks. <p><i>Which Committee?</i> Audit Committee. <i>Meeting frequency?</i> Quarterly meetings are held. Risk oversight is discussed as needed, but at least annually when the risk assessment is approved. <i>Governing documents?</i> Audit Committee charter.</p> <p>FAU: <i>Which Committee?</i> Partially allocated to the University's Safety Committee and the BOT Budget & Finance and BOT Audit & Compliance. <i>Meeting frequency?</i> These committees meet at various times but at least quarterly throughout the year. <i>Governing documents?</i> Yes, relevant charters are attached to this document.</p> <p>FGCU: The Audit and Compliance Committee is delegated to review risk oversight at the university. <i>Which Committee?</i> FGCU Audit and Compliance Committee. <i>Meeting frequency?</i> Committee will meet at least three (3) times a year, with discretion to convene additional meetings. <i>Governing documents?</i> See attached.</p> <p>FIU: The Board of Trustees delegated risk oversight to the Audit and Compliance Committee. The status of ERM initiatives will be presented to the Board of Trustees once every quarter. (A copy of the Audit and Compliance Committee Charter is attached.)</p> <p>FL Poly: Oversight of risk has been delegated to the Audit & Compliance Committee (AACC) and such oversight responsibilities are specified in the AACC charter. (See charter). <i>Which Committee?</i> Audit & Compliance Committee (AACC). <i>Meeting frequency?</i> Annually. <i>Governing documents?</i> See AACC Charter.</p> <p>FSU: In June 2017, the BOT established a separate Audit and Compliance Committee. Prior to that time the BOT had a combined Finance, Business and Audit Committee with a combined Committee charter. The new Audit and Compliance Committee will hold its first meeting September 22, 2017, at which time there will be discussion and expected approval to establish a charter specifically for the BOT's Audit and Compliance Committee. The draft Audit and Compliance Committee charter will be presented to the Committee and the BOT for approval at their</p>													

subsequent meeting to be held in early 2018. <i>Which Committee?</i> All BOT Committees are concerned with risk. The ones most affected are Audit and Compliance, Governance, and Finance and Business. <i>Meeting frequency?</i> BOT Committees meet in Tallahassee three times per year and by phone as often as needed. <i>Governing documents?</i> See attached Finance, Business and Audit Committee charter which makes numerous references to risk assessments.
NCF: Each Committee of the Board has an interest in managing the risk, even if this function is not formally expressed in the committee's charter. The two committees listed have the most articulate charge, but are not the only source of oversight. <i>Which Committee?</i> Audit and Compliance; Finance and Administration. <i>Meeting frequency?</i> At least annually. <i>Governing documents?</i> No response.
UCF: <i>Which Committee?</i> Audit and Compliance Committee. <i>Meeting frequency?</i> A minimum of three times per year per committee charter. <i>Governing documents?</i> Please see attached: BOT Audit and Compliance Committee Charter
UF: The audit and compliance committee reviews and oversees the audit and investigatory function at UF which formulates its work plan around a university-wide risk assessment.
UNF: *The Committee's charter speaks to their responsibilities for risk assessment and risk management but we have not yet engaged them in a true ERM process or discussion yet. <i>Which Committee?</i> Audit and Compliance. <i>Meeting frequency?</i> Quarterly. <i>Governing documents?</i> See attached Charter.
USF: <i>Which Committee?</i> Audit & Compliance Committee. <i>Meeting frequency?</i> Committee meets approx. five times annually and risk-related issues are taken up as appropriate. <i>Governing documents?</i> BOT Audit & Compliance Committee Charter.
UWF: <i>Which Committee?</i> Board Committee: (Yes) Audit & Compliance Committee. <i>Meeting frequency:</i> Risks are presented to the committee annually, after the risk heat matrix exercise has been completed, and periodically visited during Board of Trustees meetings. <i>Governing Documents:</i> Audit & Compliance Council Charter [Attachment 1]

Q8. Risk Exposure Reports: Does the board of trustees receive formal reports of the university's top risk exposures? If so, what is the frequency and format?

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes	X	X	X		X				X		X	X
B.	No				X		X	X	X		X		

FAMU: Risk assessment is approved annually. It includes risk definitions, definitions of likelihood of occurrence and likely impact, heat map, and risk themes. The risk assessment is done for the purpose of identifying risk areas to be considered in developing the audit plan; however, it includes an assessment of significant risks which is presented to the BOT and senior management.

FAU: Reports are received from the Florida Department of Risk Management on a monthly, quarterly and bi-annual basis. Those reports are analyzed with other university risk management data and a synopsis is provided to university administration along with the university safety committee. The BOT receives audit reports that include risk evaluations (these audit reports are distributed and discussed) but are supplemental to the ERM concept. Additionally, the BOT and Vice Presidents (e.g., senior leadership team) participate in the annual risk assessment process. OIT also provides 2 Internal IT Risk Assessment Reports Annually and 1 External Risk Assessment each year (rotating through different areas of the university).

FGCU: The Audit and Compliance Committee is a subcommittee of the FGCU Board of Trustees and makes recommendations as appropriate. The Committee ensures the FGCU Board of Trustees is briefed on matters that could cause significant financial, legal, reputational, or operational risk to the University or its direct support organizations. Attached: Florida Gulf Coast University Board of Trustees Audit and Compliance Charter. 06.2017

FIU: The Board of Trustees will begin receiving formal reports of the University's top risk exposures upon completion of the ERM risk assessment. The risk assessment is expected to be completed before the end of 2017.

FL Poly: In June 2017, the AACC was presented a report on risks generally present in university environments. Each risk identified efforts by management to mitigate or manage the various risks. *Frequency and format?* A report (Excel worksheet) of risks was presented to the Audit & Compliance Committee (AACC) in June 2017. Prior to this, the contracted internal auditor presented risks to the AACC.

FSU: As stated earlier, ERM has not reached a level of maturity to be firmly recognized as a separate function in the University. The Audit and Compliance Committee addresses audit and compliance findings as well as risk identified in those audits. The University recognizes that risk management is broader than a review of internal controls and compliance. It is expected that both BOT members and members of management will need additional education about ERM based on the recently released COSO Updated ERM Framework, its purpose, and how one measures risk assessment design, implementation, and success.

NCF: No formal reports are currently submitted to the Board, but the College will develop updated models for risk assessment and reporting to the Board.

UF: "Yes" response, but no frequency or format information provided.

USF: *Frequency and format?* To Audit & Compliance Committee. Annually, in the form of System Risk Footprints and mitigation efforts.

UWF: Reports are presented verbally to the BOT Chair and Audit & Compliance Committee Charter during regular BOT meetings.

Q9. Governing Documents: Does your university have a formal policy statement regarding university-wide approach to risk management? If so, please provide.													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes				X							X	
B.	No		X	X		X	X	X		X			X
C.	Not Applicable (No ERM program)	X							X		X		
FAMU: Although the university does not have a formal policy statement, the approach to risk management and identification of risks is captured and presented to the BOT through the annual risk assessment conducted to prepare the work plan for the Division of Audit & Compliance.													
FAU: Please see response to #6 for the university-wide environmental health and safety policy. The university has an Inspector General, who conducts regular operational and management audits. FAU also has a Chief Compliance Officer, who works with various areas of the university in establishing and implementing policies and procedures designed to promote compliance with law, regulations and policies as well as to minimize risk. See item #15 for applicable policies and procedures. FAU utilizes a data classification system in conjunction with the loss prevention standards developed by the State Bureau of Risk Financing and Loss Prevention to reduce exposure to the university. FAU also utilizes a data classification system that allows for the application of access and security measures related to the sensitivity of secured data. OIT has 3 policies that address risk (12.1 University Administrative Data Systems, 12.5 Privacy of Electronic Communications, 12.6 Security Awareness Training). The university has also established numerous privacy policies and security standards with respect to securing, handling and using health or other sensitive information. The process of identifying and management risk with respect to this area has been delegated to the HIPAA Task Force.													
FGCU: The Chief of Compliance and Ethics has completed the Audit and Compliance Charter and is in the process of finalizing the Compliance Plan for review by senior management and the Board of Trustees. Given the complexities of risk management, there is no one document that encompasses a university-wide approach to risk management. Each area has operational policies, procedures, government regulations, industry standards and best practices that they adhere to in meeting and addressing any issues of risk in their respective areas.													
FIU: FIU does have a formal policy statement that is outlined in the ERM framework. (Attached is a copy of the ERM framework.)													
FSU: The University has policies on internal control (which include risk assessment) as well as policies on fraud, abuse, and unethical behavior. As noted by the Committee of Sponsoring Organizations, there has been a shift over the last several years to now focus first on risk and then to identify the controls needed to manage those risks. Risk assessment has now been further defined to include risk identification, assessment and prioritization, response, and monitoring. That shift in thinking will occur as the COSO ERM framework matures.													
NCF: The College has not adopted a formal policy addressing Risk or the ERM program; however, the General Counsel maintains an internal policy and workplan that contain a mission, vision, and goals.													
UF: Many policies and protocols exist to manage and guide risk assessment in the various committees at UF.													
UNF: As we are just beginning with ERM and our university risk committee, this hasn't been developed yet.													
USF: See Element 7 on page 11 of Program Plan, <i>USF System Compliance & Ethics Program Plan</i> .													
UWF: UWF's ERM approach is decentralized. The risk management strategy is not guided by a formal statement, but rather incorporated into a handful of charters, job roles, and committee responsibilities.													

Q10. Risk Appetite: The university board of trustees has articulated its appetite for or tolerance of risks in the context of strategic planning. Describe or provide relevant documents.

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Not at all				No response; see below.								
B.	Minimally											X	
C.	Somewhat							X			X		X
D.	Mostly		X							X			
E.	Extensively			X			X						
F.	Not Applicable (No ERM program)	X				X			X				

FAMU: Not applicable
FAU: The University's Executive Leadership Team (ELT), comprised of the President and all Vice Presidents, have discussed on numerous occasions the need to conduct a university-wide assessment with the assistance of an outside firm. At the September 15, 2017 ELT Meeting, the team decided to form a sub-group of ELT to put together a risk assessment plan (i.e., scope, budget, timeline, etc.).
FGCU: The Board of Trustees from its discussions and decisions has articulated a position of protecting the best interests of the University.
FIU: The University Board of Trustees is expected to articulate its appetite for or tolerance for risks in the context of strategic planning pursuant to the ERM framework.
FL Poly: Not applicable
FSU: The BOT's 2017-2022 Strategic Plan is attached. This plan addresses priority programs and goals for the next five years and is considered by the BOT as a "rolling" five-year plan. The plan is integral to BOT Committee responsibilities and was reviewed extensively in developing the Office of Inspector General Services' audit plan.
NCF: Risk oversight is currently managed within the Finance and Administration and Audit and Compliance committees of the BOT. In general, the Board has a low tolerance for risk, which will be reflected in this year's updated strategic plan.
UCF: Not applicable
UF: The BOT is frequently engaged in risk communication.
UNF: [Note: No description or relevant documents provided. ~ LC 10/3/2017]
USF: [Note: No description or relevant documents provided. ~ LC 10/3/2017]
UWF: Risk appetite/ tolerance is described verbally to the BOT Chair and Audit & Compliance Committee Chair as part of the annual risk exercise.

Q11. Enterprise-level Risk Inventory: Does your university maintain a risk inventory at the enterprise level? If so, please describe or provide an example (it does not need to reveal the actual identified risks).													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Yes			X	X	X		X	X			X	X
B.	No						X			X			
C.	Not Applicable (No ERM program)	X	X								X		
<p>FAU: Florida's Auditor General conducts audits of FAU and management contracts with independent auditors for audits of FAU, FAU Financial Corp, Clinical Practice Organization, Research Corporation, FAU Foundation, and HBOI Foundation.</p> <p>Annually, the Office of Inspector General sends out a survey relating to risk perception for the many functions and activities of FAU.</p> <p>The Office of Information Technology keeps a list of systems identified by each area for purposes of the annual risk assessments. These lists are updated as part of the first phase of each risk assessment.</p> <p>The General Counsel and Chief Compliance Officer maintain university-wide policies and regulations and participate in regular committee meetings where new and revised policies and regulations are discussed and reviewed and contemplate the minimization of applicable risk.</p>													
<p>FGCU: Each area develops areas of potential risk. Risks are always evaluated on high, medium or low level of occurrence and the impact that risk may have on the university. Options in addressing each level of risk is reviewed before a decision is made by the management team and respective Vice President.</p> <p>As always additional funding and resources could reduce the levels of risk we sometimes face.</p>													
<p>FIU: The University is in the process of developing a risk inventory at the enterprise level. As indicated above, the risk assessment is expected to be completed by the end of 2017.</p> <p>FIU's risk register will include several risks that will be rated based on impact, likelihood, opportunity, and velocity. An example is the risk implications based on constraints and requirements placed on the University (e.g., parking permits, construction of new buildings and facilities, public safety measures, traffic patterns).</p>													
<p>FL Poly: As noted in question 8, an Excel worksheet of risks is maintained. This list was obtained from a peer institution and used as the starting point for risk identification and management.</p>													
<p>FSU: The Office of Inspector General Services prepares a comprehensive risk assessment when developing the annual and long range audit plan. Management provides input into areas that should be audited and such input is considered in audit plan risk assessment ratings. There is no separate management inventory.</p>													
<p>NCF: Staff reporting directly to the President have completed a survey highlighting institutional and reputational risks. The identified risks are collected and maintained in the Office of the General Counsel. These risks are prioritized and will be implemented into the strategic plan that is developed in the coming year.</p>													
<p>UCF: Risks identified through the enterprise risk assessment conducted every three years by University Compliance, Ethics, and Risk define the program's work plan and are communicated verbally to senior leadership and the BOT Audit and Compliance Committee. Through the Emerging Issues Group, risks discussed are ranked and the top three to five risks are communicated to senior leadership at the President's Advisory Staff meeting. Additionally, risks are further discussed at the Vice President's meeting and action plans are developed as deemed appropriate. Attached: D. Work Plan</p>													
<p>UF: Currently maintained at the program level.</p>													
<p>UNF: We are currently in the process of compiling this.</p>													
<p>USF: Institutional Risk Footprint (blank) Attached.</p>													

UWF: UWF maintains a risk inventory. A subcommittee of UWF's Risk & Compliance Council annually develops a risk heat matrix [[Attachment 2](#)]. The process involves identifying the specific risks associated with each campus risk area. Risks are then scored by determining their likelihood and potential impact. Also included in the matrix are suggestions for the management and mitigation of each risk and the rationale behind each risk's inclusion. Only the top risks (those receiving both a high likelihood and a high impact score) are presented at the Audit & Compliance committee meeting. However, the risk heat matrix is made available to the BOT Audit & Compliance Committee in its entirety.

Q12. Enterprise-level Risk Inventory: How frequently does your institution go through the process to update key risk inventories – both likelihood and impact of risk exposures?													
		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Not at all												
B.	Annually	X	X	X	X	X		X	X		X	X	X
C.	Semi-Annually		X										
D.	Quarterly		X										
E.	Monthly, Weekly, or Daily (Ongoing/Continuous)		X				X			X			
FAMU: The update to risk inventories is done as part of the annual risk assessment for the purpose of identifying risk areas to be considered in developing the audit plan; however, it includes updates of significant new risks.													
FAU: FAU is routinely examining its current risk reduction activities to determine their effectiveness versus its documented incident and claims portfolio.													
FGCU: Risk Inventory is based on the level of risk. More controls will be in place for higher risk areas but all areas will be reviewed annually.													
FIU: FIU's ERM frameworks outline the requirement of the University to update key risk inventories annually.													
FL Poly: Expectation is that this will be performed annually.													
FSU: Discussion is continuous. Such discussions have not been formally documented and rolled up into one University-wide key risk inventory.													
NCF: This is the first year of a formal ERM approach, but it is intended that risk assessment and prioritization will continue on an annual basis, unless more frequent action is required.													
UF: Currently maintained at the program level.													
UWF: A risk heat matrix is developed each spring to inventory risks. The methodology for the risk heat matrix can be found in [Attachment 2].													

Q13. Communication of Risks: How are risks communicated from business unit leaders to senior executives?

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Ad hoc discussions at management meetings	X		X		X	X	X	X	X	X	X	
B.	Scheduled agenda discussion at management meetings	X	X	X	X		X			X	X	X	X
C.	Written reports prepared either monthly, quarterly, or annually		X		X					X			
D.	Unknown												

FAU: Risks are primarily communicated at Executive Leadership Team (ELT) meetings as well as other referenced committee meetings. Additionally, senior executives (i.e., Vice Presidents) are working to develop a program on institutional-wide risk assessment (external group) with all members of the ELT serving on a committee designed to address enterprise-risk management.

Auditors conduct audits and risk assessments and communicate these issues to the applicable areas for remediation or follow up.

The university has established an annual process for employees with administrative or supervisory responsibilities to affirm/certify adherence to a basic set of operating principles as outlined in a 15-page Statement of Management Stewardship. The purpose of the statement is to ensure that managers are aware of their duties to fulfill responsibilities in six critical areas and adhere to university-wide policies and procedures. Specific expectations are delineated in the document along with positive affirmations and guidance to assist management in mitigating various administrative and operational risks.

FAU's Risk Manager participates in the weekly Administrative Affairs meeting chaired by the university's Vice President Administrative Affairs/Chief Administrative Officer. Risk Management issues are routinely presented and risk reduction actions identified. The University Risk Manager also chairs the quarterly university safety committee, which provides an in-depth analysis on topics such as workers' compensation, legal claims, building and grounds safety, and other topics relating to environmental health and safety.

FGCU: Areas of risk are evaluated from a bottom up and top down approach at FGCU. Committees comprised of faculty, staff and students review areas of risk throughout the academic year within the academic, administrative, athletic and student affairs divisions. Identified risks are noted by the respective committees. Designated vice presidents and operational departments work to eliminate or reduce the level of risk to the university.

Changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.

Areas of risk identified by the senior administration are forwarded to the appropriate operational departments for review. The departments will work to eliminate or reduce the level of risk to the university.

Changes to policy, procedures or regulations are developed by designated departments and forwarded to the senior administration for review and approved by the Board of Trustees, if required.

FIU: FIU's ERM framework outlines the plan to add ERM as an agenda item during regularly scheduled Operations/ERM Committee meetings. In addition, quarterly written updates will be submitted to the Board of Trustees.

FSU: Discussion of risk by the BOT, President, and his Cabinet are communicated to faculty and staff in management meetings.

NCF: The College's updated strategic plan will formalize the communication of risk as a demonstrated intention.

UNF: Both in ad-hoc meetings and more formal scheduled discussions at CEROC meetings.

UWF: The results from the risk heat matrix exercise are shared with the Risk & Compliance Council for review and discussion. The results are then verbally discussed with the Cabinet. In addition, the Cabinet is provided with a (written) report on the top risk items [[Attachment 2 or 3](#)].

Q14. To what extent has the volume and complexity of risks increased over the past five years? Please Describe.

		FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF
A.	Not at all												
B.	Minimally		X										
C.	Somewhat	X	X	X				X		X	X	X	X
D.	Mostly								X				
E.	Extensively				X	X	X						

FAMU: [Note: No description provided. ~ LC 10/3/2017]

FAU: As society makes technological advances and as more information is stored and communicated electronically, there is an increase risk in the IT area (e.g., hacking, unauthorized access, breaches, etc.). In addition, as FAU grows in size and as society becomes more litigious, FAU has experienced minimal – somewhat increase in volume and complexity of risks.

FGCU: Compliance for State, federal agencies and Boards has often caused regulations to create confusion in the purpose of the regulations. Need more manpower and systems to concentrate on the number of reports needing to be generated.

FIU: Increased legislation and regulations have increased the complexity of risks significantly for FIU. The volume of federal laws (over 200) and state laws that FIU must comply with has prompted an increase in resources commitments, and has contributed towards FIU's decision to implement ERM. The following are a few risk areas that continue to evolve, creating risk uncertainties that will impact our risk treatment, risk governance and risk management strategy.

1. Sliding enrollments: Our international student population is concerned with the Federal regulations on immigration and how it may impact their ability to complete their education. The University will need to balance the risks related to supporting undocumented students, monitor the impact to enrollment and graduation rates while complying with the law.

2. Cost and access: Bipartisan pressure at the federal and state level will force FIU and other universities to continue to manage the cost of attendance and justify endowment spending. The risk portfolio for FIU will change due to the need to aggressively pursue alternative funding sources, community alliances, business models and cost cutting measures in order to remain financially viable.

3. Delivering value: Risk related to increased emphasis on research, innovation, new business development and increased commercialization of faculty and student discoveries will impact FIU's risk portfolios. In addition, the implementation of business intelligence functions, and the move towards predictive analytics will change the way that decisions are made and how risk is managed.

Campus climate: The direction of immigration at the federal level is uncertain, as is the position of the Education Department's Office for Civil Rights, and details regarding enforcement priorities. Although the enforcement climate is uncertain, FIU and other Universities continue to remain under pressure to provide resources and staffing levels to comply with existing regulations. From a risk perspective, the priorities of the federal government become compliance and regulatory priorities for universities. Those priorities impact decisions related to tolerance and treatment.

<p>5. Academic Freedom: Since the last Presidential election, there has been an increase in activities on college campuses by white nationalist organizations. FIU and other universities have been under increasing pressure to create safe spaces for vulnerable groups. Universities will continue to balance the rights of free-speech while protecting vulnerable populations; increasing the risk of violence and negative media exposure.</p>
<p>6. Cyber and information security: FIU and other universities have been balancing the risks of data breach with accessibility.</p> <p>While IT security has been an area of concern, the broader risks around information and cyber security have become a priority, particularly in light of high profile cyber-attacks on universities.</p>
<p>FL Poly: Given the relatively short existence of our institution, and our rapid growth, the volume and complexity of risks have increased significantly since the inception of Florida Poly.</p>
<p>FSU: The primary area of concern relates to risk that could affect the safety of students, faculty, staff and others on campus. A second and important risk relates to information technology such as cyberterrorism. Risks are expected to increase as a result of actions that occur from outside the University (which we have little control over to include natural disasters such as hurricanes and changes in the economy) as well as from risks within the University that can be prevented, detected, and corrected.</p>
<p>NCF: While the volume of risks has remained fairly consistent, the complexity of risk has increased recently. As new guidance and case-law is issued that interprets existing regulations, the College's operations must continually evolve to address the risk of noncompliance in an increasingly complex environment.</p>
<p>UCF: The increase in regulatory requirements and compliance risks, uncertainty and variability in funding for SUS institutions, decreasing state support and the inability to increase tuition rates, increasing deferred building maintenance costs for institutions, increased competition and costs associated with recruiting talented faculty and staff, and external pressures and risks associated with the perceived value and debt associated with a college education are some of the risks facing SUS institutions.</p>
<p>UF: [Note: No description provided. ~ LC 10/3/2017]</p>
<p>UNF: [Note: No description provided. ~ LC 10/3/2017]</p>
<p>USF: Risks tend to fluctuate based on Federal and State mandates and policy changes.</p>
<p>UWF: "Somewhat" increase. Over the past five years there has been increased focus on information/cybersecurity, threats (such as terrorism, bioterrorism, active shooter, etc.), as well as other environmental aspects arising in higher education.</p>

<p>Q15. Please provide any additional documents or information you feel would be beneficial for the Board of Governors to understand the current state of ERM practice at your university.</p>
<p>FAMU: The University has a decentralized approach to risk management in which all major risk areas are addressed by employees in various university organizational units. For example, property/liability risks are managed through a university department, a Comprehensive Safety and Risk Management Plan was developed by the safety committee; strategic risks are managed by the Division of Strategic Planning, Analysis and Institutional Effectiveness; and environmental health & safety risks are managed through a department. Each entity responsible for risk management reports concerns to the vice president over that area. Internal audit provides assurance services for risk management. However, the risk management efforts are decentralized and not coordinated and routinely monitored.</p>
<p>FAU: Additional information including links to relevant policies and procedures are contained in the websites below:</p> <p> http://www.fau.edu/policies/files/1.18%20HIPAA%20Compliance.pdf www.fau.edu/hipaa www.fau.edu/eic http://www.fau.edu/facilities/ehs/policies-and-procedures/policies.php http://www.fau.edu/facilities/ehs/safety/safety-manuals.php https://www.fau.edu/admin/oig/ http://www.fau.edu/generalcounsel/ http://www.fau.edu/policies/ http://www.fau.edu/regulations/ http://www.fau.edu/controller/index.php http://www.fau.edu/security/policies.php </p> <ul style="list-style-type: none"> ○ 12.1 University Administrative Data Systems: Charges central Information Technology (OIT) to maintain the integrity of all administrative systems at FAU ○ 12.5 Privacy of Electronic Communications : Establishes that OIT will monitor electronic communications to mitigate risk. ○ 12.6 Security Awareness Training: Establishes user education to mitigate risk.
<p>FGCU: [Note: No Response. ~ LC 10/3/2017]</p>
<p>FIU: If the Board of Governors would like any information regarding the ERM consultant or the software used by FIU to manage ERM, please advise.</p>
<p>FL Poly: N/A</p>
<p>FSU: Florida State University is supportive of BOG efforts to improve risk management, control, and governance processes at all Universities. We believe we are making good progress in this area. In June 2017, the BOT established a Governance Committee and separated the Finance, Business and Audit Committee into a separate Audit and Compliance Committee and into a Finance and Business Committee. At the same time, the University has focused and had success in improving the University's national rankings and academic programs. Competing with these efforts is the BOG requirement to establish a University-wide chief Compliance Officer position (and staff). Through this survey, which we support, there is the possibility that a Chief Risk Officer position (and staff) may subsequently be required.</p> <p>We respectfully request the BOG to consider the number of high level positions (and accompanying staff) needed and warranted within the University. Those include University wide positions of Chief Compliance Office, Chief Risk Officer, and Chief Audit Executive.</p>

<p>We are aware that COSO, the Committee of Sponsoring Organizations, issued an update to the COSO ERM Framework on September 6, 2017. The University is reviewing the revised framework to assess where we are and where we need to be to have acceptable risk management, control, and governance processes.</p>
<p>NCF: At New College, developing and implementing a more robust ERM program was identified as an institutional priority for the 2017-18 academic year. Senior leadership, including the President and those at the VP level, are engaged in ongoing conversations and planning. The ERM program will be developed in three phases.</p> <p>In Phase 1, the College has evaluated its risk exposure. The College has defined the universe of risks unique to the institution and its community. Each member of the senior staff has contributed to the risk inventory, highlighting those risks that present the highest threat potential. This phase is complete.</p> <p>In Phase 2, the College will prioritize the risks that have been identified in Phase 1. Risks will be classified based on their likelihood of occurrence, the potential impact of a risk event, and the College's appetite for the particular risk. This phase is ongoing, and will likely be completed by the end of the calendar year.</p> <p>In Phase 3, the College will develop mitigation plans to address the highest priority areas. High priority risks are likely to affect each division of the College, and each division has a part to play in preventing risk events. The General Counsel will work with the divisions to create a mitigation plan that is unique to each division, and that addresses some aspect of the prioritized risk.</p> <p>Phase 3 processes will be most effective if implemented in concert with the College's strategic plan. The College is currently engaged in strategic planning for this year; thus, Phase 3 plans will develop alongside the strategic plan. The College is focused on completing Phase 3, with its strategic plan, by the end of the academic year.</p>
<p>UCF: University Compliance, Ethics, and Risk has developed an Enterprise Risk Management plan. In response to budget reductions and the need to focus on compliance risks facing the university, the university has delayed a full roll out of the program. However, through the Issues Management Group and the risk assessments performed by University Compliance, Ethics, and Risk, compliance, legal, financial, operational, and reputational risks are identified, discussed, and addressed as appropriate.</p>
<p>UF: Senior leadership has the responsibility to remain aware of risks within their respective departments and the need to share the high institutional risks with the BOT. This responsibility is integral to each leader's role in UF management.</p>
<p>UNF: No response.</p>
<p>USF: A comprehensive, detailed Enterprise Risk Program is an extremely labor-intensive endeavor that requires significant staffing resources. USF has utilized comprehensive enterprise risk assessments at the process (i.e. tuition collection) and unit (based on risk) levels, but utilizes a modified enterprise risk assessment model for system-wide risk inventories. Executive management is currently evaluating current ERM practices with the goal of insuring that current assessment strategies add value to USF's overall risk management strategy.</p>
<p>UWF: Last summer UWF contracted EthicsPoint by NAVEX Global to help manage our helpline infrastructure. In July of 2017, the UWF Integrity Helpline was deployed. Helpline analytics and reporter feedback are expected to help identify emerging risks and trends on campus.</p>

Surveys Completed by:

FAMU: Richard Givens, Vice President Audit & Compliance

FAU: John Kelly, President

FGCU: Steve L. Magiera, Vice President of Administrative Services and Finance

FIU: Karyn Boston, Assistant Vice President, Chief Compliance and Privacy Officer

FL Poly: David A. Blanton, Chief Audit Executive/Chief Compliance Officer

FSU: Sam McCall, Chief Audit Officer

NCF: Michael Pierce, General Counsel

UCF: Rhonda L. Bishop, Chief Compliance and Ethics Officer

UF: Amy Hass, Interim Vice President and General Counsel

UNF: Scott Bennett, Associate Vice President

USF: Jeff Muir, Chief Compliance Officer

UWF: Betsy Bowers, Interim VP Finance & Admin/CAE ; Matthew Packard, Compliance Officer



Enterprise Risk Management Framework
FLORIDA INTERNATIONAL UNIVERSITY

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1. ERM Framework Objective

This Enterprise Risk Management Framework (“ERM Framework”) sets out the general mandate and commitment, overview and guiding principles, roles and accountabilities, for managing, monitoring and improving risk management practice within Florida International University (“University”).

This ERM Framework aligns with ISO 31000:2009 Risk Management Principles and Guidelines.

2. Mandate and Commitment

The University’s President, Provost, Board of Trustees, and senior leadership are committed to fostering an environment of support that will encourage risk-informed decision-making. This will be balanced with innovation as we explore and develop opportunities, resolve issues, and improve the way we work to achieve our institutional objectives.

All University faculty, staff and administrators (“employees”) should incorporate risk management into governance, decision making, and key business and operational processes as set out in this ERM Framework. All existing and new risk management activities at the University should align to this ERM Framework.

3. Overview, Risk Appetite, and Guiding Principles

Overview

The University’s ERM Framework requires that we understand uncertainties that may impact our objectives. Doing so ensures that we are continuously focused on the most important risks and opportunities as we allocate our resources and adjust work priorities.

Navigating uncertainty effectively will help to strengthen our institutional performance, creating and preserving value for our stakeholders by ensuring that the way we facilitate program and service delivery is innovative, effective and responsible. Managing risk well ensures that we are both proactive and resilient as we sense and respond to uncertainty internally and externally as well as reduce unwanted or unexpected outcomes and engender the trust and confidence of our many stakeholders as captured in the University’s Statement of Risk Appetite below and detailed in the supporting Risk Rating Guide:

Statement of Risk Appetite

The University will continuously seek out innovation in the way we deliver upon our mission:

Vision and Mission Statement

Vision

Florida International University will be a leading urban public research university focused on student learning, innovation, and collaboration.

Mission

Florida International University is an urban, multi-campus, public research university serving its students and the diverse population of South Florida. We are committed to high-quality teaching, state-of-the-art research and creative activity, and collaborative engagement with our local and global communities.

We will ensure that all decisions we take are informed by an understanding of the uncertainties we face as a University and all applicable laws, regulations, industry codes, and institutional standards. We will not tolerate any risks that may impact our ability to be regarded by our community as trustworthy and credible. We will continuously seek out those opportunities that can best strengthen our core values.

Guiding Principles

Employees are expected to apply the following principles in their work:

- Risk management is part of key decision-making. Risk-informed decisions help us to distinguish among alternative courses of action, applying values and ethics while using the University's common risk process to help us identify, assess, treat and communicate risk. This includes documenting our rationale in support of accountability as we consider the interests of our students, faculty, staff, donors, alumni, community, business and research partners, creditors, rating agencies, accrediting bodies, and other stakeholders.
- Understanding that risk management adds value to our work by helping us be dynamic and responsive to change. Risk management also adds value by facilitating continuous learning and improving the way we work with each other and our partners as we serve our "students" and safeguard stakeholder interests in the continuous application of the common risk process.
- Risk is managed using the University's common risk process that is focused on our objectives to help us sense and respond proactively, appropriately and effectively to the negative and positive aspects of risk and uncertainty.
- Risk management is tailored and responsive to the University's external and internal context (including interests, priorities, public service ethics and values, our risk culture, stakeholders, and risk management capacity).

4. Roles and Accountabilities

Board of Trustees

- Providing oversight to ensure that management has implemented an effective system to identify, assess, manage, respond to, and monitor risks to the University and its strategic objectives.
- Understanding and assessing the risks inherent in the University's strategy, and encouraging management to pursue prudent risk to generate sustainable performance and value.
- Understanding the key drivers of success for the University, and be knowledgeable about business management, governance, and emerging risks that may affect the University.
- Working with management to establish and annually review the University's risk philosophy.
- Reviewing risk information provided by management and the Audit and Compliance Committee, including the ERM annual report, and reports on the status of risk response.
- Collaborating and actively engaging with management in discussions of risk, especially regarding philosophy, interaction and aggregation of risks, and underlying assumptions.
- Defining the role of the full Board vs. the Audit and Compliance Committee with regard to risk oversight.
- Understanding and assess risks associated with Board of Trustees decisions and key strategies identified by the Board.
- Providing for an appropriate culture of risk awareness across the University; monitoring critical alignment of people, strategy, risk, controls, compliance, and incentives.

Audit and Compliance Committee of the Board of Trustees

- Representing the Board of Trustees in providing oversight of the University's ERM practices.
- Working with management to understand and agree on the types, frequency, and format of risk information that the Board will review.
- Reviewing risk information prior to its presentation to the full Board, including the ERM annual report, and ERM status updates.
- Receiving quarterly reports on enterprise risks and the status of risk response.

- On behalf of the full Board, periodically assessing the Board of Trustees' risk oversight process.

The President and the Executive Vice President- Chief Operating Officer/Provost

- Ensuring that risks associated with achieving the University's strategic goals and performance based funding metrics are considered.
- Advising on risk and opportunities related to the University's administrative goals and academic mission.
- Leading the effort for setting the strategic objectives for the University.
- Inspiring and fostering a cultural change in support of ERM as a value and best practice for the University.
- Leading management discussions with the Board of Trustees regarding institutional strategy and risk philosophy.
- Facilitating discussions with the University's Operations Committee ("OPS Committee") regarding the development and implementation of the ERM program; ERM policy; institutional risk philosophy; institutional risks or opportunities with sufficient impact on the University's strategic objectives to warrant development of risk response plans; and proposed response plans for these risks.
- Reviewing and approving risk information and the ERM quarterly and annual progress reports prior to their submittal to the Audit and Compliance Committee and the full Board of Trustees.
- Periodically reviewing the University's institutional risk portfolio with the academic affairs staff, Deans Advisory Counsel ("DAC"), and other senior officials (when needed).

ERM Sponsor (Javier Marques)

- Supporting and advising the ERM Advisory Committee by publically supporting ERM and advocating for resources.
- Reviewing the techniques and methodologies used for the ERM program.
- Reviewing and providing input on the selected risks and the selection of Risk Owners.
- Reviewing the University's risk register and help facilitate a discussion regarding the risks' and opportunities' impact and likelihood with the Operations Committee.
- Reviewing and providing feedback on the ERM annual report prior to finalizing.
- Reviewing the University's ERM procedures and protocols ("ERM Program Guide") prior to finalizing.

- Supporting the process for continuous improvement of risk management.
- Assisting with addressing functional, cultural, and departmental barriers to managing risks.

The Operations Committee

Providing broad management perspective on institutional risk and opportunity and ensuring engagement in the ERM across the University.

- Recommending institutional risk philosophy to the President and the Provost for discussion with the Board of Trustees.
- Reviewing, validating, and/or revising the institutional risk inventory and portfolio prepared by the ERM Advisory Committee.
- Referring newly identified risk issues or new initiatives that may pose risk to (“Risk Owners”) for further assessment and development of recommendations as necessary.
- Developing an ERM Framework for filtering risks, and making recommendations to the President and the Provost regarding which risks or opportunities sufficiently impact the University’s strategic objectives to warrant development of enterprise-level response plans to manage those risks or opportunities and/or reporting to the Board of Trustees.
- Assigning key institutional risks to Risk Owners for development of a written plan for risk response and execution of the risk strategy.
- Reviewing proposed risk response plans for highest-level risks and aligning such plans with the University’s risk philosophy, strategic objectives, and budgetary resources.
- Reviewing quarterly and annual draft ERM progress reports to the Audit and Compliance Committee and/or full Board of Trustees before final approval.
- Supporting the removal of cultural and departmental barriers to managing risks.

Risk

- The Risk Owners are appointed by the OPS Committee. Appointments will be made as necessary.
- Developing the risk mitigation process and strategy for the assigned risk.
- Tracking and monitoring changes to the assigned risk and provide quarterly updates to the OPS Committee.

ERM Advisory Committee

- The Compliance Liaison Committee serves as the ERM Advisory Committee.

- Providing support and advice to the OPS Committee.
- Identifying risks and opportunities, using a variety of appropriate techniques (e.g., interviews of senior management, 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 OPS Committee.
- Preparing and submitting to the OPS Committee 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 OPS Comm.
- 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 President and the Provost.

Department Chairs and Administrative Unit Managers

- Ensuring that all risks in their areas of operations are identified and managed appropriately.
- Conducting local-level assessment of risks or opportunities at least annually (concurrent with the annual strategic risk assessment) and incidentally as issues arise.
- Developing and implementing risk response plans.
- Ensuring that faculty and staff understand how they will be accountable for particular risks, and providing guidance on how they can manage them.

Faculty, Staff and Administrators

Understanding the following:

- How certain risks relate to their roles and their activities.
- How the management of risk relates to the success of the University.

- How the management of risk helps them to achieve their own goals and objectives.
- Their accountability for particular risks and how they can manage them.
- How to contribute to continuous improvement of risk management
- How to report in a systematic and timely way to senior management any perceived new or emerging risks and any near misses or failures of existing control measures within the parameters agreed.

Vice Presidents, Deans, and Specified Directors

- Demonstrating full commitment to ERM as a value and best practice.
- Supporting the creation of the appropriate internal environment and institutional culture for ERM.
- Through the risk identification process, annually identify risks and opportunities that may affect the achievement of University objectives.
- Assessing and managing institutional risks under the oversight of the President, Provost and the Board of Trustees.
- Assessing and managing unit-level risks within unit-level plans, budgets, and resources.
- Include a discussion of risks and opportunities relevant to the mission of their unit or the University, as well as the status of any response to such risks or opportunities, in their annual work plan and budget submission.

Senior Vice President for Finance & Administration

- Ensuring that risks associated with achieving the University's strategic goals are captured in the annual budget planning process.

General Counsel

- Providing the Board of Trustees, President, Provost and OPS Comm with independent legal assessments of ERM reports/recommendations from the legal perspective.
- Advising on risks and opportunities related to governance, legal, and compliance risk.

Chief Compliance & Privacy Officer

- Providing the Board of Trustees, President, Provost and OPS Comm with assessments of reports/recommendations from the compliance and privacy perspectives, as needed.
- Evaluating and participating in the risk identification process.

- Serving as a member of the ERM advisory committee.

Chief Internal Auditor

- Providing assurance to the Board of Trustees, President, Provost and OPS Comm on the effectiveness of the risk management process, including the evaluation, reporting, and management of key risks.
- Consulting and advise on identifying and responding to risks and on the effectiveness of the risk assessment process.
- Serving as a member of the ERM advisory committee for the first cycle.

5. Applying the Enterprise Risk Management Framework

The University applies the ERM Framework to key decisions and business processes as we think, plan, execute, measure, monitor, and report on our work as shown below.

Strategic risks will be explicitly identified through planning systems, through periodic strategic assessment studies, and/or as new initiatives and issues arise and are appropriately managed. Operational and project risks are managed as an ongoing and integral part at all levels of the University including program management, service delivery levels, review and reporting activities.

What We Do	Our Key Business Processes	Risk Management Expectations	Guidance and Tools to Help
Thinking about our work	Program and University strategy/ design	<ul style="list-style-type: none"> • Consider how our key institutional and departmental risks obligations could be impacted • Identify new or changed risks obligations in relation to our key risks using internal and external consultation 	ERM Framework Common risk process & risk criteria Institutional Risk Profile Risk management training
Planning our work	Strategic, business, operational and project plans	<ul style="list-style-type: none"> • Consider how our key institutional and departmental risks could be impacted as part of option analysis • Identify new or changed risks in relation to our key risks 	ERM Framework Common risk process & risk criteria Legal and compliance risk management

		<ul style="list-style-type: none"> • Identify legal and compliance risks 	
Executing our work	Key decisions that affect resource allocation and work priorities at any level	<ul style="list-style-type: none"> • Consider how our key institutional and departmental risks could be impacted by the decision • Apply the common risk and management process 	ERM Framework Common risk process, risk criteria and IRP
Measuring, monitoring and reporting on our work	Measuring and tracking performance	<ul style="list-style-type: none"> • Track, measure and report on progress made in addressing institutional and department-level risks and compliance obligations • Communicate our key risks and to our internal and external partners 	ERM Framework Common risk process, risk criteria and IRP Risk Report
Improving the way we work	Independent assessments, guidance and training	<ul style="list-style-type: none"> • Capture, share and apply better practices and lessons learned in managing risk • Identify new or changed risks and in relation to our key risks 	ERM Framework

6. Performance Monitoring and Reporting on Risk

The intent of the University's enterprise risk management approach is to closely align to the University's performance management approach in an effort to:

- Establish and track performance expectations for this ERM Framework.
- Track improved performance in the University's risk management practices.
- Monitor and track performance in key risk obligations being managed by the University.

The University will report on each area above within existing reporting processes and structures.

At a minimum, the specific measures that will be used to track the effectiveness of implementing this ERM Framework are:

- Institutional Risk Profile (IRP) identified, analyzed, evaluated, communicated, and updated at least annually and as new risks emerge.

- Development of actionable treatment plans on each risk assurance plans on each obligation identified in the IRP.
- Downward movement on the risk rating scale, as established by the OPS Comm, based on the ongoing implementation of risk treatment assurance plans.
- Documentation of the review of risk considerations in a Common Risk Management Process within the management functions of the University.
- Risk management training established and conducted for all levels of the University.
- Formal Risk Report presented to the Audit and Compliance Committee of the Board of Trustees on an annual basis with interim updates at each quarterly meeting.

7. Quality Assurance and Continuous Improvement

Quality Assurance & Control

Quality risk information helps to build confidence in the ERM Framework and stakeholder interactions. Quality assurance occurs at two levels in the University:

- All faculty, staff and administrators making decisions are responsible for ensuring quality control in generating risk information results from the application of this ERM Framework.
- The ERM Advisory Committee and the OPS Committee supports the President and the Provost by serving as the University's quality assurance function on risk information that results from the application of this ERM Framework.

Continuous Improvement

The ERM Framework, risk governance structure, tools and training, and guidance will be continuously improved through feedback from external and internal sources in an effort to ensure the University's risk management approach is helpful, valuable, and effective.

Continuous learning and improvement is a key means of attaining service excellence and renewal as our mandate, University, and workforce continue to change and as risk management capacity advances along a risk management maturity continuum.

Both formal and informal mechanisms will be used to identify, capture, and share better practices in managing risk across our departments, from our partners as well as other external sources.

Appendix A: Key Terms

The following key terms apply to this ERM Framework:

Enterprise Risk Management (ERM) is a continuous, proactive and systematic process to understand, manage and communicate risk from a University-wide perspective. It is about making strategic decisions that contribute to the achievement of an institution's overall institutional objectives.

Innovation is the creative generation and application of new ideas that achieve a significant improvement in a product, program, process, service, structure, or ERM Framework.

Opportunity is a time, condition, or set of circumstances permitting or favorable to a particular action or purpose.

Institutional Risk Profile is a summary of the top level priority risks of the institution that could challenge the achievement of objectives developed through use of an explicit, documented, and rigorous process.

Risk refers to the effect of uncertainty on objectives. It is the expression of the likelihood and impact of an event with the potential to affect the achievement of an institution's objectives.

Risk appetite is the amount of risk, on a broad level, that the University is willing to take on in pursuit of its strategic objectives.

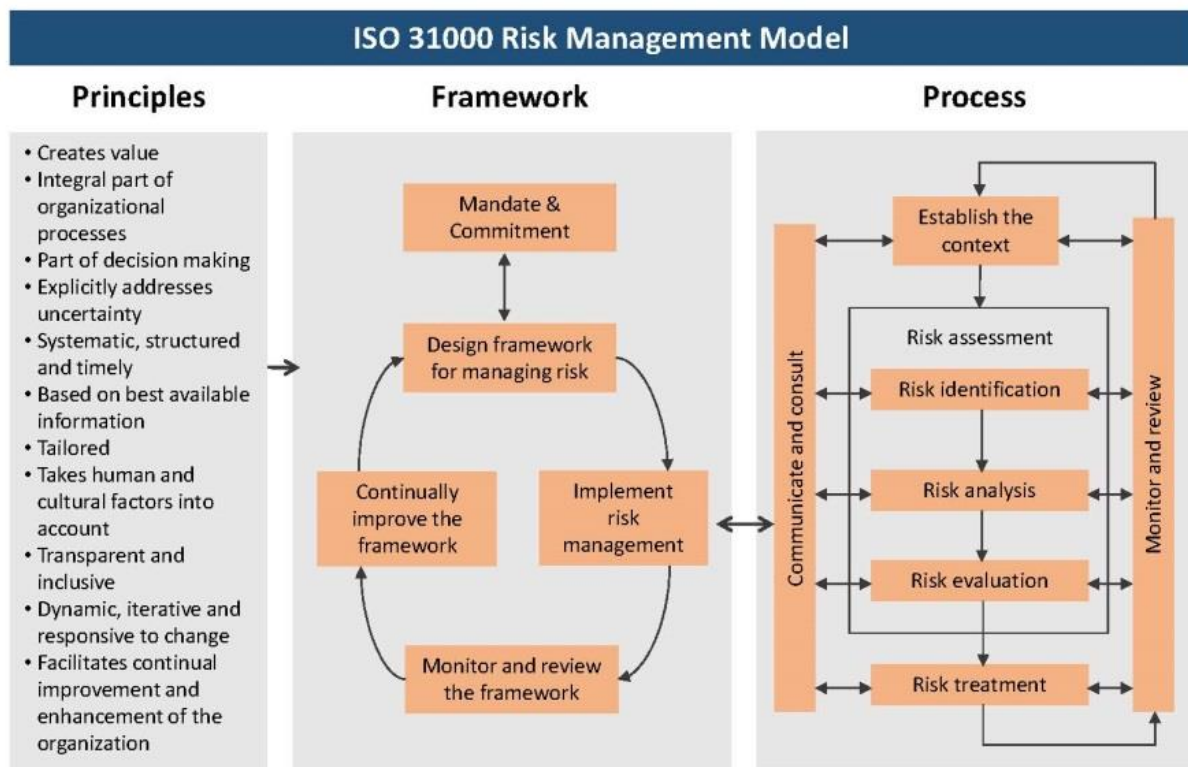
Risk management process is a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, and communicating risk issues.

Risk tolerance is the willingness of an institution to accept or reject a given level of residual risk after risk treatments are deployed. Risk tolerance may differ across the institution, but should be clearly understood by the individuals making risk-related decisions on a given issue. Clarity on risk tolerance at all levels of the institution is necessary to support informed risk taking and foster risk-smart approaches.

Risk treatment refers to the risk mitigation measures or controls that are developed and implemented to address an identified risk.

Appendix B: Risk Management Process

From ISO 31000:2009
Risk Management Principles and Guidelines



Appendix C:

Operations Committee on ERM

Governance

The Operations Committee (“OPS Comm”) supports the President and the Provost with executing ERM at the University.

Mandate

The function of the OPS Comm is to assist the President and the Provost with execution of and effective enterprise risk management program at the University. More specifically, the OPS Comm helps guide the design and implementation of risk management activity and the risk management action plan as follows:

President/Provost Mandate	The OPS Comm’s Role
<ul style="list-style-type: none"> Provides oversight, leadership and direction on the University’s legal, strategic, program, and operational risks by monitoring risk and compliance activities and evaluating risk treatment strategies and compliance assurance plans to support decision making 	<ul style="list-style-type: none"> Monitors risk and compliance activities and the effectiveness of mitigation strategies for key risks within business areas including participation in the University’s Risk Profile within their business area Champions the application of the University’s ERM Framework within business areas
<ul style="list-style-type: none"> Develop and implements an ERM Framework including the development of a training and communications strategy 	<ul style="list-style-type: none"> Provides input into the University’s ERM Framework including policy, training, and communication needs
<ul style="list-style-type: none"> Integrates risk management into existing decision- making structures 	<ul style="list-style-type: none"> Provides input to guidance and tools for risk in decision-making, reporting, and planning
<ul style="list-style-type: none"> Communicates the University’s direction for risk management 	<ul style="list-style-type: none"> Communicates key messages regarding risk within their business areas
<ul style="list-style-type: none"> Establishes a University-wide focus for risk management 	<ul style="list-style-type: none"> Promotes the application of the University’s ERM Framework within business areas
<ul style="list-style-type: none"> Expects and provides accountability for departmental leadership on integrated risk management 	<ul style="list-style-type: none"> Promotes the application of the University’s ERM Framework within business areas

Appendix D: The University's Risk Rating Guide

Risks obligations identified as part of the University's Risk Profile (IRP) will be ranked on several dimensions. The risk likelihood, impact, opportunity, assurance and velocity are considered. This rating scale is included as an example. The rating criteria used by the University may differ.

Implementation Road Map:

Discuss key strategic objectives with the Provost, CFO, General Counsel, Internal Audit, University Compliance and the Project Sponsor

- Provide high level overview of ERM Framework
- Discuss challenges and potential barriers
- Discuss timelines and expectations

Interview subject matter experts

- Conduct subject matter expert interviews with each Vice President/Dean and designated team members to identify key risks
- Challenge key assumptions

Consolidate interview results and draft scenarios

- Consolidate information from subject matter expert interviews
- Work with OPS to select top risks for assessment
- Draft risk Scenarios
- Distribute pre-read materials

Conduct Risk Assessment

- Conduct facilitated sessions with high risk teams using voting software if helpful
- Use Logicmanager to assess and rank risk based on impact, likelihood and velocity
- Present results to OPS
- Prioritize risks with OPS by evaluating capabilities/urgency to address risks
- Develop Risk Appetite Statement for each Risk
- Assign Risk Owners
- Create risk map

- Confirm the risk assessment results
- Report key risks to the BoT
- Develop risk filter for use with emerging and risks
- Develop ERM templates
- Determine opportunities to integrate ERM with existing management tools and processes
- Begin managing risks, reporting progress updates and preparing for next cycle

Risk Impact Scale

Risk Impact

Risk Impact Score	Category	Human Capital Indicators	Hazard/safety/legal Liability Indicators	Financial Indicators	Operational Indicators	Compliance/Privacy Indicators	Strategic Indicators	Reputational Indicators
1	Minor	<ul style="list-style-type: none"> • Affects < 5% of employees • No impact on recruitment/retention 	<ul style="list-style-type: none"> • Minor injury • Minor legal liability exposure • Minor, reparable environmental damage 	<ul style="list-style-type: none"> • Fiscal Year loss of \$50K • 5-Yr Cumulative Liability / Obligation \$125K 	<ul style="list-style-type: none"> • No disruption of critical operations and services • 1-2 day disruption of a department • Minor impact on efficiency, student programs, services, environmental sustainability or infrastructure • No effect on leadership effectiveness 	<ul style="list-style-type: none"> • Minor audit findings • Minor fines 	Slows progress on one FIU performance based funding indicator goal	<ul style="list-style-type: none"> • Limited negative publicity • No effect on FIU reputation/image
2	Moderate	<ul style="list-style-type: none"> • Affects 5 - 25% of employees • <1-9% employee turnover 	<ul style="list-style-type: none"> • Moderate injury • Self-insured workers' compensation injury/exposure possible • Moderate legal liability exposure • Moderate, reparable environmental damage 	<ul style="list-style-type: none"> • Fiscal Year loss of \$250K • 5-Yr Cumulative Liability / Obligation \$625K 	<ul style="list-style-type: none"> • 3-10 day disruption of several departments or one critical service • Moderate impact on efficiency, student programs and services, environmental sustainability, or infrastructure • Moderate effect on leadership effectiveness 	<ul style="list-style-type: none"> • Audit findings requiring programmatic change • Moderate fines • Short-term agency scrutiny 	Slows progress on more than one performance based funding indicator goal	<ul style="list-style-type: none"> • Local/regional negative publicity • Pressure for FIU to control the message • Moderate damage to FIU's reputation/image
4	Serious	<ul style="list-style-type: none"> • Affects 26 - 50% of employees • 10-15% employee turnover 	<ul style="list-style-type: none"> • Serious injury • Self-insured workers' compensation injury/exposure possible • Serious legal liability exposure • Environmental damage eligible for EPA National Priorities List 	<ul style="list-style-type: none"> • Fiscal Year loss of \$500K • 5-Yr Cumulative Liability / Obligation \$1.25M 	<ul style="list-style-type: none"> • 11-14 day disruption of 2 or more Colleges, Schools, or Divisions or three or more critical services • Serious impact on efficiency, student programs and services, environmental sustainability, or infrastructure • Serious effect on leadership effectiveness 	<ul style="list-style-type: none"> • Principal investigator debarred • Program funds rescinded • Long-term agency scrutiny • Enforcement action likely 	Stops progress on more than one performance based indicator goal	<ul style="list-style-type: none"> • National negative publicity • Intense pressure for FIU to control the message • Significant damage to FIU's reputation/Image

5	Severe	<ul style="list-style-type: none"> • Affects 51 - 75% of employees • 16-24% employee turnover 	<ul style="list-style-type: none"> • Severe injury or death • Self-insured workers' compensation injury/exposure possible • Severe legal liability exposure • Severe environmental damage requiring mitigation 	<ul style="list-style-type: none"> • Fiscal Year loss of \$2.5M • 5-Yr Cumulative Liability / Obligation \$6.25M 	<ul style="list-style-type: none"> • 15 day to 3-month disruption of 2 or more Colleges, Schools, or Divisions or most critical services • Severe impact on efficiency, student programs and services, environmental sustainability, or infrastructure • Severe effect on leadership effectiveness 	<ul style="list-style-type: none"> • Imposed settlement or corporate integrity agreement • Organizational criminal prosecution • Record financial judgment 	<ul style="list-style-type: none"> • Reverses progress on one or more performance based indicator goal 	<ul style="list-style-type: none"> • National negative publicity • FIU cannot control the message • Severe, long-term damage to FIU's reputation/Image
6	Business Critical	<ul style="list-style-type: none"> • Affects >75 % of employees • >25% employee turnover 	<ul style="list-style-type: none"> • Business critical injury or death • Critical legal liability exposure • Major, irreparable environmental damage 	<ul style="list-style-type: none"> • Fiscal Year loss of \$10M 5-Yr • Cumulative Liability / Obligation \$25M 	<ul style="list-style-type: none"> • FIU shutdown >3 months • Insolvency • Leadership failure results in long-term damage to institution 	<ul style="list-style-type: none"> • Threatens viability of FIU or its education mission • Loss of all federal research or Title IV funds 	<ul style="list-style-type: none"> • Threatens FIU's ability to stay out of the bottom 3 	<ul style="list-style-type: none"> • Negative publicity could permanently impair FIU's image/reputation • Significant decrease in enrollment or research funding
Risk Likelihood Scale								
Risk Likelihood Score	Category	Likelihood						
1	Rarely, if ever	<p>Less than 10% probability</p> <p>Within the past 12 months, the following conditions or indicators have existed within the process:</p> <ul style="list-style-type: none"> • Task errors within approved limits • Appropriate staffing levels • Highly experienced and skilled staff • No change in volume and nature of transactions • No change in key personnel or faculty/staff/administrators who perform or monitor controls 						
2	Unlikely	<p>At least 10% but less than 33% probability</p> <p>Within the past 12 months, the following conditions or indicators have existed within the process:</p> <ul style="list-style-type: none"> • Task errors within approved limits • Reasonable staffing levels • Adequately experienced and skilled faculty/staff/administrators • Minimal transactional changes (e.g., volume, nature) • Minimal changes in key personnel or staff 						

3	About as likely as not	At least 33% but less than 66% probability Within the past 12 months, the following conditions or indicators have existed within the process: <ul style="list-style-type: none">• Task errors occasionally in excess of approved limits• Shortages in staffing levels• Thinly experienced and skilled faculty/staff/administrators• Moderate transactional changes (e.g., volume, nature)• Some changes in key personnel or staff			
4	Likely	At least 66% but less than 90% probability Within the past 12 months, the following conditions or indicators have existed within the process: <ul style="list-style-type: none">• Task errors often in excess of approved limits• Activity bottlenecks, impact on upstream or downstream functions• Faculty/staff/administrators have insufficient skills, training, and certifications• Significant transactional changes (e.g., volume spikes, contractual changes)• Changes in personnel or staff			
5	Highly likely	At least 90% probability Within the past 12 months, the following conditions have existed within the process: <ul style="list-style-type: none">• Task errors not predictable, limits not established• Major Activity bottlenecks, impact on upstream or downstream functions• Faculty/staff/administrators have little or no experience, skills, training, and certifications• Major transactional changes (e.g., major volume spikes, contractual changes)• Changes in key personnel or staff			
Opportunity Impact					
Opportunity Impact Score	Category	Impact on Human Capital	Reputational	Financial	Operational
1	Minor	<ul style="list-style-type: none">• Minor alignment with FIU's vision and mission• Minor contribution to one or more strategic goal objectives• Minor impact on achieving one or more performance based funding metric(s)	<ul style="list-style-type: none">• Limited, local positive publicity• No lasting effect on FIU's image/reputation	Annual savings or new net revenue <\$1 million*	Minor improvements in efficiency, student programs and services, environmental sustainability, or infrastructure
2	Moderate	<ul style="list-style-type: none">• Moderate alignment with FIU's vision and mission• Moderate contribution to one or more strategic goal objectives• Supports moderate progress on one or more performance based funding metric(s)	<ul style="list-style-type: none">• Positive publicity and external recognition• Moderate, short-term improvement to FIU's image/reputation• Positive effect on FIU's academic, environmental, or research reputation	Annual savings or new net revenue \$1>\$10 million*	Moderate improvements in efficiency, student programs and services, environmental sustainability, or infrastructure

3	Substantial	<ul style="list-style-type: none"> • Overall alignment with FIU's vision and mission • Significant contribution to competitive advantage or long-term viability • Supports major progress on more than one performance based funding metrics (makes one or more of the 2018 goals achievable before the end of June, 2018) 	<ul style="list-style-type: none"> • Positive national publicity or external recognition • Significant, lasting improvement of FIU's image/reputation • Positive effect on FIU's academic, environmental, or research reputation 	Annual savings or new net revenue \$10>\$25 million*	Serious improvements in efficiency, student programs and services, environmental sustainability, or infrastructure
4	Major	<ul style="list-style-type: none"> • Complete alignment with FIU's vision and mission • Major contribution to competitive advantage or long-term viability • Accelerates progress on one performance based funding metrics (makes one or more 2019 goals achievable before the end of July, 2019) 	<ul style="list-style-type: none"> • Positive national publicity or external recognition • Long term enhancement of FIU's academic, environmental, or research reputation 	Annual savings or new net revenue \$25>\$100 million*	Major improvements in efficiency, student programs and services, environmental sustainability, or infrastructure
5	Transformative	<ul style="list-style-type: none"> • Complete alignment with FIU's vision and mission • Major contribution to competitive advantage or long-term viability • Accelerates progress on one or more performance based funding metrics (makes one or more 2020 goals achievable before January 1, 2020) 	<ul style="list-style-type: none"> • Positive national publicity or external recognition • Permanent enhancement of FIU's academic, environmental, or research reputation • Results in a significant increase in enrollment, student academic quality, and/or research funding 	Annual savings or new net revenue >\$100 million*	Transformative improvements in efficiency, student programs and services, environmental sustainability, or infrastructure

***Based on final-year projected savings or net revenue projections for multi-year initiatives**

Opportunity Likelihood Scale					
Opportunity Likelihood Score	Category	Likelihood	Indicators		
1	Highly Unlikely	Less than 10% chance of occurrence	Likelihood of success is minimal on the basis that the opportunity is clearly not an institutional priority and there is no that resources will be made available		
2	Unlikely	At least 10% but less than 33% chance of occurrence	Likelihood of success is low on the basis that management does not view the opportunity as a priority and has not indicated a willingness to make resources available		
3	About as likely as not	At least 33% but less than 66% chance of occurrence	Likelihood of success is moderate on the basis that management views the opportunity as a priority and has indicated a willingness to make resources available		
4	Probable	At least 66% but less than 90% chance of occurrence	Likelihood of success is high on the basis that management is actively planning to execute the opportunity and has made a commitment to make resources available		
5	Highly Probable	At least 90% probability of occurrence	Clear opportunity that can be relied upon with reasonable certainty to be achieved in the short-term based on current priorities and availability of resources		

Assurance		
Assurance score	Category	Indicators
1	Effective	<ul style="list-style-type: none"> • There is accountability at all levels • Continuous discipline and sound ethical decision-making skills at all levels • Effective, documented controls are in place • Technically competent and experienced staff with minimal turnover • Highly effective management review takes place • No deficiencies observed in control environment (e.g., procedure manual, controls well documented, clear standards and trending for control exceptions) • Self-assessment activity or controls have been reviewed by groups independent of management (e.g., internal audit) in the past two years • Internal audit has reviewed controls within the past year or two years with satisfactory results • Key controls that mitigate the risks are primarily automated and hybrid • Self-assessments are conducted on a regular basis
2	Good	<ul style="list-style-type: none"> • Formalized processes exist to ensure that FIU's values and policies remain the norm • Controls are effective, documented and followed on most occasions • Clear ownership of control responsibility and role accountability • Controls are responsive to operational changes • Technically competent and experienced staff with some turnover • No significant deficiencies observed in internal monitoring • Self-assessment activity or controls have been reviewed by groups independent of management (e.g., internal audit) in the past three years
3	Could be improved	<ul style="list-style-type: none"> • Expectations are clear and available to applicable stakeholders • Compliance with written policies and procedures at all levels is the norm • Controls documented and generally performed, but are not sufficiently responsive to operational changes • Internal monitoring exists but there are deficiencies in effectiveness • Some written procedures and standards exist, but may not be clear or comprehensive • Accountability is not enforced • Written guidance is available to auditors upon request • A risk assessment has been performed although additional controls were required • Key controls that mitigate the risks are a combination of automated, hybrid and manual • Assessments and monitoring is conducted, but not consistently
4	Poor	<ul style="list-style-type: none"> • Organizational values and behavior expectations are not well defined or consistently understood. • Controls are documented but not performed consistently • Controls are only partially effective, and employees implement as best they can • No accountability for failures

		<ul style="list-style-type: none">• Clear evidence of ongoing internal conflicts in the area• Ineffective or no internal monitoring of controls• Some written task guidance in various forms (e.g., personal notes), but may not be immediately available• Key controls that mitigate the risks are mostly manual and hybrid• Limited self-assessments or gap analysis conducted
5	Ineffective	<ul style="list-style-type: none">• Ineffective and fragmented controls• Undocumented procedures, mitigating strategies, entity-wide controls• Inappropriate or no guidance from "tone at the top" (control environment)• General inability of key personnel or staff to design and execute effective, cohesive mitigating activities• No written guidance for performing tasks• Key controls that mitigate the risks are mostly manual• No participation in a control self-assessment program
Velocity		
Velocity Score	Category	Indicators
5	Highly Likely	Velocity of change is immediate, little or no warning, instantaneous
4	Likely	Velocity of change is measured in days
3	About as likely as not	Velocity of change is measured in weeks
2	Unlikely	Velocity of change is measured in months
1	Rarely, if ever	Velocity of change is measured in years

Function/Process Risks ➡								
	1	2	3	4	5	6	7	
H/H	H/H	H/H	H/H	H/H	HM/H [*]	H/M	H/M	
H/M	H/M	H/M	H/M	H/M	HM/M [*]	HM/M [*]	HM/M [*]	
M/H	M/H	M/H	M/H	M/HM [*]	M/HM [*]	M/HM [*]	M/M	
M/M	M/M	M/M	M/M	M/M	M/M	M/M	M/M	
M/M	M/M	M/M	M/M	M/M	M/M	M/L	M/L	

1. **IMPACT [High (H) or Medium (M)]**—the effect of the risk (things going wrong) on the achievement of organization goals and objectives
2. **PROBABILITY Scores [H, M, or Low(L)]**—the likelihood of things going wrong

Ranking Risks - H/H, M/H, etc.

ATTACHMENT 1

UNIVERSITY RISK AND COMPLIANCE COUNCIL CHARTER

PURPOSE

The University Risk and Compliance Council serves as a forum for assessing and monitoring UWF's total risk and compliance responsibilities. The Council provides a proactive program to ensure recognition of UWF's risks and strives to achieve compliance with all applicable policies, procedures, laws and regulations. The Council proactively seeks to train employees, provide for the active solicitation and discovery of concerns followed by an appropriate investigation into problem areas, and facilitate timely resolution of issues.

DEFINITIONS

RISK: The threat or probability that an action or event will beneficially or adversely affect public safety or UWF's ability to meet its current or future objectives.

RISK MANAGEMENT: A planned, systematic and disciplined approach to identify, assess and control those uncertainties which may impact public safety or the achievement of UWF's strategic goals, objectives and opportunities.

COMPLIANCE: A process to monitor the UWF's compliance efforts and by documenting the University's expectations for its faculty, staff, and other representatives in the performance of their responsibilities at UWF. Compliance remains the responsibility of operational and/or functional managers throughout the university.

SPECIFIC RESPONSIBILITIES

1. Monitor the risk management and compliance processes of the University as a whole.
2. Advise the University senior leadership on issues as they relate to overall risk and compliance.
3. Recommend an appropriate risk tolerance or level of exposure for the University.
4. Identify and quantify fundamental risks affecting the University and ensure that procedures and measures are in place to manage those risks.
5. At least annually, review fundamental potential risks and their controls and report to the President and the Vice Presidents. Throughout the year bring reports as necessary to the President, the Vice Presidents and other central committees.
6. Ensure that extreme risks are adequately mitigated following UWF's disaster recovery/business continuity plans. Ensure that these plans are up to date and regularly tested.
7. Help to develop a culture of risk awareness through risk education and help to embed risk management into major decisions through high level controls and procedures.

8. Identify and map current and emerging compliance requirements affecting the University and ensure that procedures and measures are in place to achieve and maintain satisfactory compliance with federal, state, and other requirements.
9. Perform biennial review compliance practices and report to the President and the Vice Presidents.
10. Receive quarterly reporting of activities from the UWF Compliance Office, which will include reporting of activities, emerging issues, and other relevant information.
11. Recommend to the President, where appropriate, new policies and procedures and changes to existing policies and procedures relating to risk management and compliance.
12. Endeavor to protect the safety and reputations of faculty, staff and students at UWF and the safety and reputation of the institution while mitigating risk and monitoring compliance to a myriad of topics.

MEMBERSHIP REPRESENTATION

The University Risk and Compliance Council is composed of nineteen (19) members. That membership is determined as follows:

Vice President Finance and Administration (or designee), who serves as chair

Associate Vice President for Internal Auditing, who serves as vice chair

Associate Vice President for Financial Services/Controller

Assistant Vice President, Enrollment Affairs

Chief Information Technology Officer (or designee)

Chief Mental Health Officer

Chief of Police

Compliance Officer, Internal Auditing and Compliance

Compliance Officer, Intercollegiate Athletics

Director, Communications

Director, Environmental Health and Safety

Director, Institutional Effectiveness (ASPIRE)

Director, Research

Human Resources Representative

Senior Associate Vice President, Student Affairs

A representative from the Camps and Youth Programs Risk Management Committee

A faculty representative, recommended and appointed by the Faculty Senate

A university workforce representative, recommended and appointed by the Staff Senate

General Counsel, who serves *ex officio*, non-voting

MEMBERSHIP AND MEETING POLICIES

Meetings will be conducted under the most current edition of Robert's Rules of Order, unless specified otherwise below.

The Vice President for Finance and Administration (or designee) serves as an *ex officio* chair. The AVP for Internal Auditing serves as an *ex officio* vice chair. The person serving as chair in any meeting shall not vote in that meeting except in the case of a tie.

MEETING SCHEDULING, AGENDAS, AND MINUTES

The Committee shall meet as often as needed to accomplish its goals and responsibilities, normally quarterly.

Agendas should be distributed in advance of meetings, and written minutes of meetings should be prepared. The Committee will forward to the Faculty Senate Office an electronic copy of meeting schedules and agendas. The Faculty Senate Office Secretary will be responsible for posting these documents to Nautical. Minutes and reports will be secure and maintained by the Vice President, Finance and Administration.

TERMS OF APPOINTMENT

All members:

Continuous

Faculty Senate and Staff Senate members:

- ◆ Three-year terms; can be reappointed to successive terms. Terms begin with the next academic year, unless otherwise noted.

REVIEW

The Charter shall be reviewed biannually by the Council and recommendations for changes submitted to the Faculty Senate.

LEGAL REFERENCES

None

RECOMMENDATIONS REPORTED TO

University President and Vice Presidents

Dates prepared/Modified by the Governance Committee

February 22, 2008

January 21, 2011

September 24, 2011

March 17, 2014

September 25, 2015

February 2, 2016

Dates Approved by the Faculty Senate

March 14, 2008
February 11, 2011
October 14, 2011
March 21, 2014
October 9, 2015
February 12, 2016

Approved by the Administration

/s/ Judith A. Bense
University President

March 18, 2016
Date

ATTACHMENT 2

UWF Risk & Compliance Council Risk Identification Exercise--FY2017/18 (May 2017)

Results (Summary)

Purpose The Risk & Compliance Council's charge is to take a strategic approach to managing risk. Risks include financial, operational, strategic, regulatory, environmental, reputational, political and many other types. Accordingly, the Council identified key risks UWF faces and identified mitigation procedures in place or needed. Our goal is to reduce the chance of loss, create financial stability, and protect UWF's resources. This process is to be an annual activity of the Council going forward.

Methodology The UWF Risk Council began to identify the risks using an established model from the University of California System's Model (See: <http://www.ucop.edu/enterprise-risk-management/>). Next, it was tailored to meet the situations at UWF. **For 2016/17, we evaluated 113 specific risks.** From there, the Council discussed in depth each item considering these factors: a) likelihood event would occur, b) the impact [severity] if it did occur (financial, strategic, physical, reputational, compliance), c) what procedures and policies does UWF have in place to mitigate each, and d) if improvements were needed to identify them. Each risk item was then given a rating (high [red], medium [yellow], low [green]) for Likelihood and Impact. The Council discussed in-depth those items that had both High Likelihood and High Impact, which are listed below.

Results for 2017 Exercise

Five items received both High Likelihood and High Impact. They are listed below.

1

2

3

4

5

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THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

December 8, 2017

UNIVERSITY COMPLIANCE QUARTERLY REPORT

2017-2018 Compliance Work Plan Status Update


The Office of University Compliance and Integrity is pleased to present the quarterly status update for the 2017 – 2018 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the reporting period beginning August 2, 2017 through October 10, 2017.

Completed	In Process			Not Begun
Fully Implemented	Good Progress	Slow Progress	Poor Progress	Not Begun
✓	●	●	●	N/B
Program Structure and Oversight				
Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.				
Compliance Program Objective	Key Action Items	Summary	Progress Indicator	
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.	Develop the Compliance Liaison scorecard to track Compliance Liaison participation and engagement.	This compliance program objective ("Program Objective") has been fully executed.	✓	
	Leverage existing infrastructure by integrating Enterprise Risk Management ("ERM") Advisory Committee responsibilities into the responsibilities of the Compliance Liaisons.	This Program Objective has been fully executed.		✓

Policies and Procedures			
Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Provide support for the development and enforcement of University policies and procedures.	Distribute the Principles and Standards (University Code of Conduct).	This Program Objective is in process. Roll-out is now scheduled for spring 2018.	●
	Conduct an audit to verify that the Office of University Compliance and Integrity website is Americans with Disabilities Act ("ADA") compliant.	This Program Objective is in process. Training materials are currently in various stages of completion. The audit is still on track to be completed before the end of 2017.	●
	Conduct the following annual trainings:	This Program Objective is in process. Training materials are currently in various stages of completion.	●
	• 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 Standard (PCI-DSS) compliance		
	• Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags)		
	• Family Education Rights and Privacy Act (FERPA)		


Training and Education

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.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support compliance education and training efforts and leverage technology to enhance awareness of important laws, regulation, and policies, and to document training completions.	Provide training and communication support for the following compliance topics:	This Program Objective is in process. Training and communication materials are currently in various stages of completion.	
	• The Gramm-Leach-Bliley Act		
	• 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

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

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.	Conduct compliance reviews for the following areas:	This Program Objective is in process. Compliance reviews are currently in various stages of completion.	
	• Athletics Department Review – National Collegiate Athletic Association 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

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.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
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.	Development of guidelines for handling and reporting significant compliance matters ("Escalation Guidelines")	The proposed Escalation Guidelines are being reviewed.	●

Discipline and Incentives

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.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action.	Develop an executive scorecard that highlights policy review and training requirements completed by the University President's Leadership Team.	This Program Objective is in process.	✓

Enterprise Risk Management			
Organizations are expected to periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support the University-wide effort to develop an ERM program	Execute the ERM framework by:	This Program Objective has been partially executed. The policy statement, process, and framework have been finalized. ERM risk and assignment of risk owners by the ERM Committee are on track for completion by the end of 2017.	<div></div>
	• Drafting the ERM policy statement, process, and framework		
	• Conduct ERM plan discussions with internal stakeholders		
	• Complete the ERM risk assessment		
	• Populate the risk registry		
	• Work with the ERM Executive Committee to assign Risk Owners		
Organization Culture			
Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.			
Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Consult with the Board of Trustees and the President to encourage a culture of compliance and ethics.	Communicate the results of the 2016 culture survey and develop metrics on how to assess progress.	The deliverable for this Program Objective changed. The communication plan is in process.	<div></div>

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Office of Internal Audit Annual Report

As of June 30, 2017



OFFICE OF INTERNAL AUDIT

July 20, 2017

Members of the Board of Trustees of Florida International University
Dr. Mark B. Rosenberg, President

Ladies and Gentlemen:

I am pleased to provide you with this report in accordance with Board of Governors Rule 4.002 (8): "By September 30th of each year, the chief audit executive shall prepare a report summarizing the activities of the office for the preceding fiscal year." In addition, Board of Governors Rule 4.002 (6)(d) states that: "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 for approval." On June 2, 2017, the Board of Trustees' Audit and Compliance Committee reviewed and approved the internal audit plan included herein.

The FIU Office of Internal Audit will continue to promote effective controls, evaluate operational effectiveness and identify opportunities to more efficiently and cost effectively deliver education and other beneficial services to the students of our University. We are committed to providing you with quality information to assist you in decision-making and fulfilling your duties and responsibilities.

We appreciate the support and encouragement you have provided and the cooperation extended to us by University staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Allen Vann", is written over the word "Sincerely,".

Allen Vann, Chief Audit Executive
FIU Office of Internal Audit

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INTRODUCTION

The FIU Office of Internal Audit (OIA) serves as an independent appraisal function for the University. Our audits of the University's colleges and departments evaluate financial processes, internal controls, and compliance with applicable laws, rules, and regulations with a view towards ensuring that services are appropriately delivered in the most efficient, effective, and economic manner possible. Our Office is also responsible for conducting investigations for allegations of fraud, waste, and abuse and whistleblower complaints.

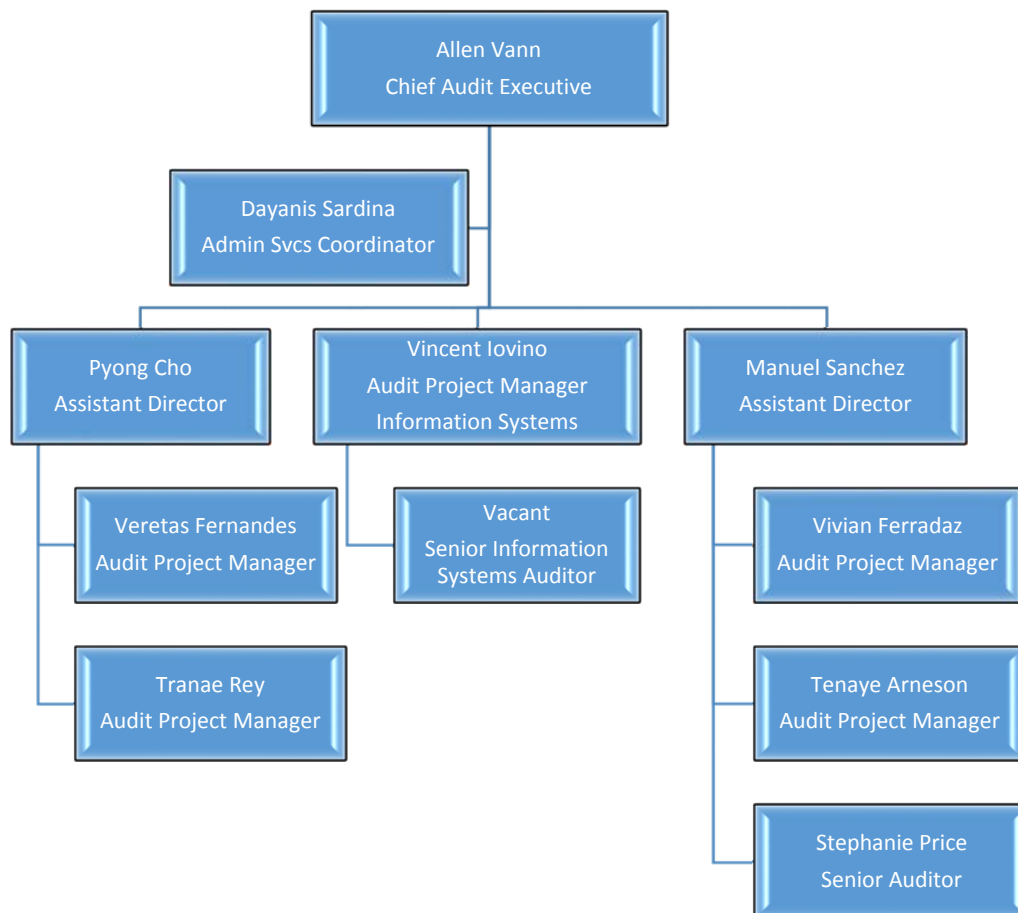
Recognizing the need for independence, the Chief Audit Executive (CAE) has direct reporting responsibility to the University's Board of Trustees' Audit and Compliance Committee. In addition, the Audit staff has unrestricted access to all persons, records, systems, and facilities of the University.

In order to accomplish our work, we prepare a risk based annual audit plan that is reviewed and approved by the Audit and Compliance Committee. We perform our audit work in accordance with *the International Standards for the Professional Practice of Internal Auditing* adopted by the Institute of Internal Auditors.



ORGANIZATION

The Chief Audit Executive is appointed by and operates under the general oversight of the University President. The Chief Audit Executive reports functionally to the Board of Trustees through the Audit and Compliance Committee and administratively to the President through the Chief of Staff. This reporting relationship promotes independence and assures adequate consideration of audit findings and planned actions. The OIA staff reports to the Chief Audit Executive as depicted in the Organization Chart below.



Subsequent to the end of fiscal year 2017 Mrs. Tenaye Arneson, an esteemed member of the internal audit staff left us after ten years of service. We are in the process of finding a replacement. During fiscal year 2017 we had two student interns assisting in performing audit work. Our interns graduated and we are in the process of finding replacements, typically accounting students from our College of Business. Based on our workload, we plan to hire a third intern.



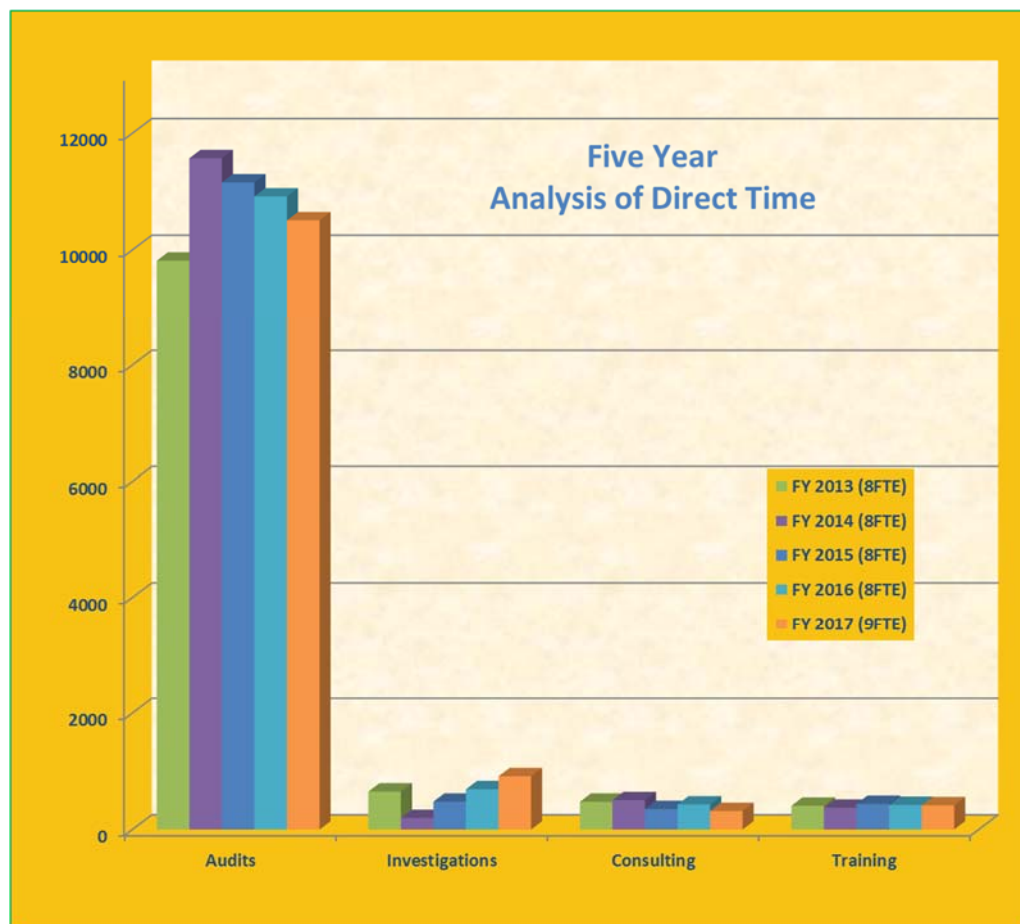
STAFF TRAINING

Our internal auditors must possess the knowledge, technical skills, and other competencies needed to perform their individual responsibilities. Accordingly, we have a mandatory continuing professional development program. The entire audit staff individually receive a minimal number of approved training hours. We also maintain group and personal affiliations with the following professional organizations:

- The Institute of Internal Auditors
- Association of College & University Auditors
- Association of Certified Fraud Examiners
- Association of Healthcare Internal Auditors
- Information Systems Audit and Control Association

TIME ANALYSIS

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



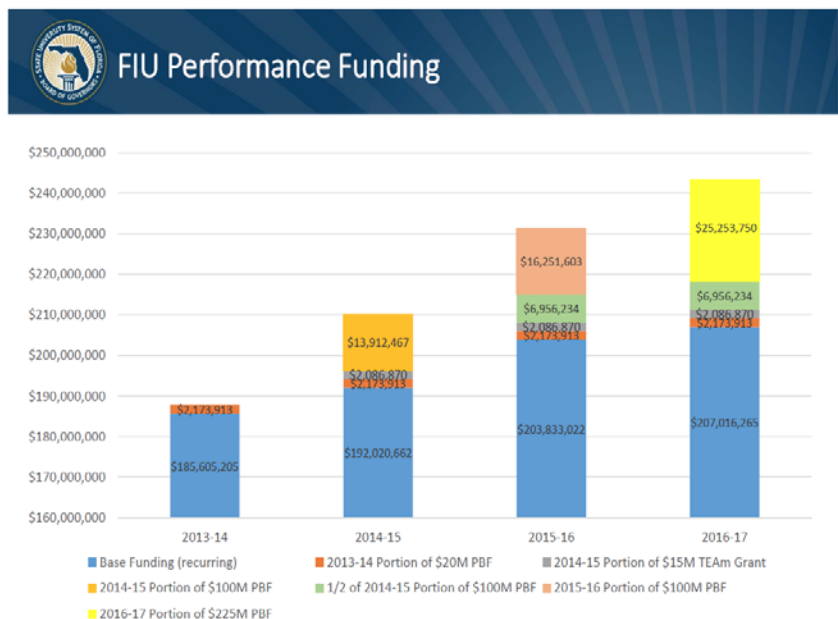
As depicted, we continue to ensure that an appropriate balance is maintained between audit, investigative, consulting and continuing education requirements.

AUDIT REPORT SUMMARIES

Audit of the Performance Based Funding Metrics Data Integrity

Beginning in fiscal year 2013-14, the State University System of Florida Board of Governors instituted a performance funding program, which is based on 10 performance metrics used to evaluate Florida's public universities. Pursuant to their request, we perform annual audits relating to the University's reporting of performance based funding metrics.

In December 2014, we issued our first audit on the reliability of FIU's data submissions as they pertained to performance metrics. Our current audit confirmed the results of our previous audit that FIU continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system in all material respects continues to function in a reliable manner.



Audit of Financial Aid

Our review of financial aid eligibility focused on Federal Pell grants, Federal subsidized and unsubsidized direct loans, Tuition Differential aid, and various institutional grants and scholarships, as these were the major types of financial aid awarded in academic year 2014-15:

- Federal Pell Grants (\$85,687,497);
- Federal Direct subsidized and unsubsidized loans (\$236,018,006); and
- Various institutional scholarships and grants (\$49,484,404), including \$14,392,826 in Tuition Differential awards.



Our audit disclosed that the Financial Aid Office's controls and procedures need improvement. We found that internal controls could be strengthened in the following areas: student financial aid need determination; cost of attendance and eligibility determination; administering the Tuition Differential aid program; adherence with federal direct loan regulations and development of written policies for borrower based academic Year; and staff training.

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 (CM), 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.

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 CM 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.

Housing and Residential Life Follow-up Audit

We last reported on Housing in November 2010. With current revenues of nearly \$30 million, Housing operates seven residential complexes all located on the Modesto A. Maidique Campus encompassing 3,257 bed spaces. This audit disclosed that Housing fully implemented 10 of our prior 14 audit recommendations. Three of the recommendations were partially implemented and one had not been implemented.



Reported areas of concern included: fire alarm reports, attractive property, and insurance requirements for conference rentals. Management agreed to implement the five resulting recommendations.

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 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 University Mobile Health Center

The Herbert Wertheim College of Medicine's Health Education Learning Program is supported by four privately funded mobile vans. Two vans are used for primary care services, one van is used for mammography services and the fourth, not currently in use, will provide a combination of dental and other health care related services. Overall, our audit disclosed that financial management over the Mobile Health Center was adequate.

However, administrative controls related to purchase order processing, documenting the use of the vans, patient data, and tracking purchases of medical supplies and prescription pads need further attention. A separate report (next page) was issued on IT security.



Information Security Controls Audit of the Mobile Health Center

This report is a compendium report to the previously depicted operational audit of the Herbert Wertheim College of Medicine's Health Education Learning Program's Mobile Health Center (MHC), which we previously issued.

Overall, our IT audit disclosed that the MHC's information risk is fair, i.e. information system controls are in place but can be improved. The MHC has opportunities to strengthen controls relating to patching laptops, removing inactive firewall connections, monitoring patient data access logs, disabling generic user accounts, and testing comprehensive business continuity. Our audit resulted in 12 recommendations which management agreed to implement.

Audit of the Chaplin School of Hospitality and Tourism Management

The primary objectives of this audit were to determine whether financial controls and procedures relating to revenues, payroll administration, procurement of goods and services, travel and property accounting were adequate and effective; being adhered to; and in accordance with University policies and procedures, applicable laws, rules and regulations. In addition, we evaluated the adequacy of established controls and procedures related to restaurant management lab safety.

Overall, our audit disclosed that the School's financial management needed considerable improvement, particularly in the areas of: monitoring budgets to avoid overspending, recording revenues and expenses to appropriate accounts, approving payroll and extra compensation to prevent unnecessary expenses, proper use of distance learning fees, and securing restaurant management lab to protect the equipment from theft. Management has assured us that they have implemented the resulting recommendations.

Bank Account Reconciliations Review

Following the abrupt resignation of a Senior Accountant in 2015, the Controller's Office began an exhaustive process of reviewing all prior concentration bank account reconciliations. We were frequently consulted during the course of their review, which went as far back as 2005 in some cases. The Controller's review disclosed (and our own independent review confirmed) that for a number of years the employee prepared bank reconciliations, which deceptively gave the appearance that the book to bank balances were reconciled.

It is important to note that neither the Controller's review nor ours disclosed any indication of a misappropriation of funds but rather that the employee did not have the necessary skill sets to perform the bank reconciliation and through a pattern of deceit concealed her shortcomings. Nevertheless, on June 30, 2015, the Controller adjusted the University's general ledger by \$574,631. A charge was taken to the *Other Costs and Losses* account and the *Concentration Cash* account was reduced to reflect the unidentified difference(s) and properly reflect the University's actual cash position.

Based on our review, we concluded that current reconciliations are being performed properly; that they are accurate; and that there are improved internal controls and procedures to prevent recurrence. Our audit resulted in three recommendations which management agreed to implement.

Vendor Electronic Funds Transfer (EFT) Change Controls

Pursuant to a request from the Chairwoman of the FIU Board of Trustees, the Office of Internal Audit engaged a consultant 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. Related controls were strengthened subsequent to an unsuccessful fraudulent attempt to divert a substantial vendor payment.



The purpose of the review was to validate that current internal controls are sound, and provide reasonable assurance that proper supplier validation and authentication is being performed prior to the Procurement Department staff making changes to the supplier's EFT data in PantherSoft.

The consulting firm, Elevate Consult LLC, are experts in Information Technology consulting, Internal Audit, and Enterprise Resource Planning. Based on their review they concluded that the current control environment over change of supplier EFT data is satisfactory. Nevertheless, based on their observations Elevate made a number of recommendations to further strengthen controls, which management has agreed to implement. The Internal Audit Department will perform a post implementation follow-up review of the process during FY 2018 and report to Management and the Board of Trustees' Audit and Compliance Committee the results of that review.

Nepotism Policies and Procedures

We tested the University staff's adherence to our nepotism policies and the effectiveness of current procedures. While good policies are in place and the University takes precautions to avoid favoritism in hiring, we reported that the processes employed need to be re-evaluated and adjusted to strengthen overall controls. For example, whenever related employees within or outside of the reporting lines have approval authority additional mitigating controls may be warranted. Proactive procedures for identifying potential relationships at various points of an employee's career life beyond onboarding should be established. The Human Resources Department agreed to implement the four recommendations resulting from our review.

Sub-recipient Monitoring (Division of Research)

We reviewed sub-recipient's annual financial report submissions pursuant to the Federal and the State of Florida's respective single audit acts. The purpose of these reviews is to ensure that sub-recipients are compliant with the financial reporting requirements under the respective acts, that their reports reflect that they are fiscally responsible and are free of, or have adequately addressed material findings reported by their independent auditors. We completed reviews of twenty-six institutions who are sub-recipients under FIU grants.

Subrecipient Monitoring (200.330-332) – Post-Award Mandatory Monitoring Steps



Parking and Transportation - Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract

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.

Enrollment Processing Services - Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract

We performed an audit of the adequacy of internal controls over personal data maintained by the department of Enrollment Processing Services. 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.

Audit of FIU Football Attendance for the 2016 Season

The objective of our audit was to certify the accuracy of the season's attendance at FIU home football games reported by the University to the National Collegiate Athletic Association (NCAA) for the 2016 season. Based on the methodology adopted by the FIU Athletics Department, we found that the football attendance data reported to the NCAA on the 2016 Football Paid Attendance Summary sheets are supported by sufficient, relevant, and competent records. We are also pleased to report that the current year's average home attendance of 16,574 meets minimum NCAA requirements.

AUDIT PLAN

Every year the Board of Trustees approves a risk-based plan, prepared by the Chief Audit Executive. In preparing the plan the CAE consults with senior management and the Board and obtains an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes. The CAE reviews and adjusts the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls and updates the Board on any required changes. The following table outlines our approved audit plan for FY 2018:

Carryover Audits
Athletics Department
FIU 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

On an annual basis the CAE reviews and updates his assessment of risk. Significant risk factors include: 1) materiality; 2) past audit coverage; 3) internal risks; 4) external risks; and 5) information risks. The following chart depicts the resulting risk assessment summary and five year plan:

Florida International University - Office of Internal Audit												
Risk Assessment/Five Year Plan												
Organizational Units		RISK Low Medium High	Where we've been ...					Where we need to go ...				
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Office of the President	President's Office	Low										
	Athletics	High	✓	✓	✓	✓	✓	x	x	x	x	x
	Office of Internal Audit	Low			QA					QA		
General Counsel	General Counsel	Low	✓									
External Relations	Advancement/Community Relations/Editorial Services/Marketing/Media Relations/Protocol & Special Events /Publications/Web Communications	Low										
FIU Foundation	Business Office	Low			✓	✓						
	FIU Foundation, Inc.	Medium										
	FIU Research Foundation, Inc.	Low										
	FIU Athletics Finance Corporation	Low										
Office of Finance & Administration												
Facilities Management	Construction (Capital Program)	High	✓	✓	✓	✓	✓	x	x	x	x	x
	Operations & Maintenance	Medium				✓		x				
Office of the Controller	Accounting & Reporting Services	Medium										
	Financials & Student Financials Support Services	Medium										
	Tax Compliance Services	Low										
	Purchasing Services	High	✓	✓	✓	✓	✓					
	Payment Services											
Treasury Management		Medium							x			
Division of Human Resources	Payroll, Benefits, Recruitment, etc.	Medium				✓						
Office of Business & Finance	Auxiliary & Enterprise Development	Low										
	Financial Planning	Low										
	Parking & Transportation	Medium			✓		✓			x		
	Business Services	Medium		✓	✓	✓						
Disaster Management & Emergency Operations	Emergency Management	Medium						R				
	Environmental Health & Safety	Low		✓		✓					x	
Police Department		Low	✓							x		
Academic Affairs	Planning & Institutional Effectiveness	Medium			✓	✓	✓	x	x	x	x	x
	College of Communications, Architecture + The Arts	Low	✓	✓					x			
	Frost Art Museum	Medium		✓					x			
	Wolfsonian Museum	Medium	✓					x				
	Jewish Museum of Florida	Low		✓						x		
	Research/OSRA	High	✓	✓	✓	✓	✓	x	x	x	x	x
	International Hurricane Center	Medium				✓					x	
	ARC: Applied Research Center	Medium						x				
	Enrollment Services/Registrar/Financial Aid	High	Florida Auditor General				✓	Florida Auditor General				
	Library	Low	✓					x				
	Global Affairs	Low				✓					x	
	College Arts, Sciences & Education	Medium	✓		✓	✓				x		
	School of Environment, Arts & Society	Medium						x				
	School of Integrated Science and Humanity	Medium					✓					
	Southeast Environmental Research Center	Medium		✓				x				
	School of International and Public Affairs (SIPA)	Medium						x				
	College of Law	Medium				✓					x	
	College of Business	Medium	✓	✓				x				
	College of Engineering and Computing	Medium		✓				x				
	FIU Online	Medium	✓				✓					x
	School of Hospitality & Tourism Management	Medium				✓					x	
	Tianjin/FIU	Low								x		
	Kovens Conference Center	Medium		✓				x				
	South Beach Wine & Food Festival	High	✓					x				
	College of Medicine	High	✓	✓		✓	✓	x		x		x
	HealthCare Network	High		✓				x			x	
	College of Nursing & Health Sciences	Medium			✓	✓				x		
	College of Public Health & Social Works	Medium					✓					
	Center on Aging											
Student Affairs	Children's Creative Learning Center	Low	✓						x			
	Housing & Residential Life	Medium					✓					x
	Student Health Services	Medium	✓				✓					x
	Student Government/Student Activity & Service Fees											
	Graham Center	Medium		✓			x					x
	Wolfe University Center											
University Technology Services	Division of Information Technology	High	✓	✓	✓	✓	✓	x	x	x	x	x



STATE
UNIVERSITY
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of FLORIDA
Board of Governors

SUS Compliance Program Status Checklist

Instructions: For the four area tables below, please complete the Description and Progress Indicator columns for each Regulation Component, which align with Board of Governors Regulation 4.003 (effective November 3, 2016). Then complete the Program Status Summary table immediately below.

Return completed checklists to BOGInspectorGeneral@flbog.edu.

For assistance, please contact the Board of Governors Office of Inspector General and Director of Compliance at joseph.maleszewski@flbog.edu or 850-245-9247.

Program Status Summary as of October 10, 2017						
		Completed	In Process			Not Begun
Area	Regulation Components	✓	Good Progress ●	Slow Progress ●	Poor Progress ●	N/B
A – University-wide Compliance Program	5	4	1	0	0	1
B – Program Plan	5	5	0	0	0	0
C – BOT Committee	4	4	0	0	0	0
D – Chief Compliance Officer	5	5	0	0	0	0
TOTAL	19	18	1	0	0	1

Legend:

- ✓ Indicates that the university president and board chair assert that the regulation components making up this area are fully implemented in accordance with Board of Governors Regulation 4.003.
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2017.
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2018 (completion of items beyond this date constitute non-compliance with Board of Governors Regulation 4.003).
- Indicates that the university president and board chair anticipate regulation components making up this area to be completed by May 3, 2019 (six months beyond the period established in Board of Governors Regulation 4.003).
- N/B Indicates that the university president and board chair acknowledge that the university has not begun implementing the regulation components making up this area. The “N/B” indicator should be used in

conjunction with one of the green/amber/red light indicators to communicate anticipated completion periods for items not yet begun.

Area A – University-wide Compliance Program		
Regulation Component	Description	Progress Indicator
A1 – University-wide Compliance Program implemented consistent with Code of Ethics for Public Officers and Employees (Part III, Chapter 112, F.S.) and the Federal Sentencing Guidelines Manual, Chapter 8, Part B [4.003(1) & (2)(b)]	<ul style="list-style-type: none"> The University-wide compliance and ethics program (“Program”) provides strategic guidance and support for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules and policies. The Program is designed and implemented consistent with the Code of Ethics for Public Officers and Employees (“Code of Ethics”) and the Federal Sentencing Guidelines Manual, Chapter 8, Part B (“FSG”) and BOG Regulation 4.003(1) and (2)(b). The Office of University Compliance and Integrity (“Compliance Office”) manages the Program 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 the Code of Ethics, FSG and BOG Regulation 4.003. 	✓
A2 – CCO reports to the BOT at least annually on Program effectiveness (copy to BOG) [4.003(7)(g) 8]	<ul style="list-style-type: none"> The FIU Board of Trustees (“Board”) assigned responsibility for providing governance oversight of the Program to the Audit and Compliance Committee (“Committee”). The Chief Compliance Officer (“CCO”) provides a written quarterly update to the Board through the Committee. Program effectiveness is reported to the Board annually. The 2016-2017 Annual Compliance Report was delivered to the Board in September 2017. 	✓
A3 – External Program design and effectiveness review every 5-years (copy to BOG) [4.003(7)(c)]	An external review of the design and effectiveness of the Program is scheduled for 2018 – 2019. The Board will approve the assessment and a copy will be provided to the Board of Governors upon completion.	● N/B
A4 – Process established for detecting and preventing non-compliance, unethical behavior, or criminal conduct [4.003(7)(h)]	<ul style="list-style-type: none"> Non-compliance, unethical behavior, or criminal conduct may be reported directly to a manager, to the Ethical Panther reporting line or various other mechanisms. The CCO collaborates with Program partners to verify that reasonable steps have been taken to prevent further similar behavior. Depending on the nature of the incident(s), various corrective actions, including the creation of compliance monitoring plans are used to improve detection efforts and monitoring efforts. Efforts related to compliance monitoring are reported to the Board. 	✓
A5 – Due diligence steps for not including individuals who have	FIU has a background check policy and procedure that applies to the following faculty, staff, and administrators: <ul style="list-style-type: none"> New hires 	✓

engaged in conduct not consistent with an effective Program [4.003(8)]	<ul style="list-style-type: none"> • Rehired after <i>a break in service</i>, • Volunteers, and; • Current <i>administrative</i> or <i>staff</i> employee promoted or transferred into a position with required background checks, unless the employee has successfully passed the position-related background checks within the past five (5) years. <p>At a minimum, new hires receive a level 1 criminal background investigation. Level II criminal background investigations and other due diligence steps may be conducted, depending on the position. Periodic re-screening may be conducted depending on whether the employee has access to minors, or has responsibility for a merchant account. The University also checks the “Excluded Individuals and Entities List” maintained by the Office of the Inspector General, and conducts motor vehicle record checks every two (2) years or when a report is made that an employee is not operating a University vehicle safely.</p>	
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Area B – Program Plan		
Regulation Component	Description	Progress Indicator
B1 – Compliance and Ethics Program Plan approved by BOT (copy to BOG) [4.003(7)(a)]	<ul style="list-style-type: none"> • The President and the Board receive information about the Program and exercise oversight with respect to implementation and effectiveness. • The 2016-2017 Compliance Work Plan (“Program Plan”) was approved by the Board during the June 2016 Board meeting. • The 2017-2018 Program Plan was approved by the Board during the June 2017 Board meeting. 	✓
B2 – Plan provides for compliance training for university employees and BOT members [4.003(7)(b)]	<ul style="list-style-type: none"> • Faculty, staff, and administrators receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules policies and procedures. • The 2016-2017 Program Plan addressed the number of policies and relevant information regarding the distribution of compliance trainings. • As part of the new Board orientation process, Board members receive materials regarding the Florida Sunshine Law and the Florida Code of Ethics for Public Officers and Employees. In addition, University policies, including gift acceptance, and conflict of interest are included. During new Board member orientation, the CCO meets with new Board members to provide information regarding the Program, and the General Counsel meets with new Board members to review legal responsibilities. The General Counsel conducts training every two years during meetings of the Board on the responsibilities set forth 	✓

	above. Further, the Board receives information regarding oversight responsibility regarding Title IX on an annual basis.	
B3 - Designated compliance officers (e.g., Title IX, Athletics, Research, etc.) as either direct reports or dotted-line reports (specify which) [4.003(7)(d)]	<p>Compliance Officers and Compliance Liaisons provide support to the CCO on University-wide compliance initiatives. The following is a list of designated Compliance Officers and Compliance Liaisons with a direct or dotted-line reporting relationship to the CCO. The job description for each of the individuals listed includes requirements regarding their role in supporting the Program.</p> <p>Direct reporting relationships</p> <ul style="list-style-type: none"> • Jessica L. Reo - Sr. Associate Athletics Director/Compliance Officer/Special Projects • Nelson E. Perez - Compliance Specialist and Export Control Administrator • Mark E. Green, Jr. - Compliance Manager • <i>Open position</i>- Health Services Compliance and Privacy Officer <p>Dotted line reporting relationships</p> <ul style="list-style-type: none"> • Tonja Moore - Associate Vice President of Research and Economic Development • Helvetiella Longoria, Interim Chief Information Security Officer • Wilfredo J. Alvarez - Assistant Director of Environmental Health and Safety • Alexis Fernandez - Standard Compliance Coordinator • Shirlyon J. McWhorter - Director of Equal Opportunity Programs • Yolande D. Flores - Director of Finance and Administration, Advancement 	✓
B4 - Reporting mechanism (e.g., Hotline) for potential/actual violations and provides protection for reporting individuals from retaliation [4.003(7)(e) & (f)]	<ul style="list-style-type: none"> • The Program maintains, promotes visibility and publicizes the Ethical Panther reporting hotline. The hotline is available for the anonymous reporting of potential or actual misconduct and violations of policy, regulations or law. • Hotline complaint data is reviewed with the Division of Human Resources to look for signs that the reporting party may have been retaliated against. 	✓
B5 - Promoting and enforcing the Program through incentives and disciplinary measures [4.003(7)(g)9]	<ul style="list-style-type: none"> • The Program completed the first University-wide ethics and compliance culture survey. The results of the survey are being used to enhance our culture of ethics and compliance. • The CCO implemented an escalated notification process and an executive scorecard. The information is shared with the University President and the senior leadership monthly. Issues of non-compliance are escalated and addressed with the support of the Division of Human Resources. 	✓

Area C - BOT Committee		
Regulation Component	Description	Progress Indicator
C1 - BOT Committee provides oversight to Compliance and Ethics Program [4.003(3)]	<ul style="list-style-type: none"> The Board adopted an Audit and Compliance Committee Charter ("A&C Charter") in December 2016. Responsibility for providing governance oversight of the Program was delegated by the Board to the Committee in the A&C Charter. 	✓
C2 - BOT Audit and Compliance Committee Charter [4.003(3)]	<ul style="list-style-type: none"> The A&C Charter defines the role of the Committee to review the independence, qualifications, activities, resources and the Plan. The A&C Charter specifies that the CCO is to provide regular updates to the Committee regarding monitoring of compliance with University policies, significant compliance findings that may have a material impact on the University's financial statements or compliance policies, recommendations implemented, program effectiveness, and training elements. A copy of the approved A&C Charter has been forwarded to the Board of Governors. 	✓
C3 - Routine CCO meetings with BOT Committee - please describe the nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) [4.003(7)(a) and 7(g)(3)]	<ul style="list-style-type: none"> The CCO provides a written quarterly compliance report to the Board, and meets quarterly with the Committee. The CCO participates in the new Board member orientation process. 	✓
C4 - Routine CCO meetings with President - please describe nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) or whether the CCO participates in other regularly held direct reports or leadership meetings [4.003(7)(a) and 7(g)(3)]	<ul style="list-style-type: none"> The University President and the CCO have a standing meeting scheduled to discuss compliance matters. The CCO has a weekly meeting with the Vice President of Operations and Safety-Chief of Staff. The CCO attends the monthly Deans Advisory Council and Operations team meetings. The University President receives a compliance report from the CCO at the beginning of each month. 	✓

Area D – Chief Compliance Officer		
Regulation Component	Description	Progress Indicator
D1 – Appointed Chief Compliance Officer [4.003(4)]	<ul style="list-style-type: none"> The University has a senior-level administrator as the CCO. The appointment is expressed in the Compliance Office Charter. The approved Compliance Office Charter has been forwarded to the Board of Governors. 	✓
D2 – CCO reports functionally to the Board and administratively to the President [4.003(5)]	The CCO reports functionally to the Board and Administratively to the President of the University.	✓
D3 – Compliance Office Charter [4.003(6)]	<p>The Compliance Office Charter was approved during the March 2017 Board meeting. The Compliance Charter will continue to be reviewed at least every (3) years for consistency with applicable regulations, professional standards, and best practices. The proposed Compliance Office Charter specifies that the CCO is expected to:</p> <ul style="list-style-type: none"> Collaborate with senior leadership and compliance liaisons. Have a functional reporting relationship to the Board and an administrative reporting relationship to the President. Maintain appropriate resources to support compliance activities. Coordinate efforts to create or verify that compliance policies are distributed and compliance trainings are conducted. Provide compliance status updates and assessments regarding Program effectiveness. Publicize and promote an anonymous hotline. Enforce the Program through appropriate incentives and disciplinary measure to encourage a culture of compliance and ethics. Provide assurances regarding the effectiveness of internal processes for determining risk exposure from non-compliance with laws and regulations. 	✓
D4 – CCO independence, objectivity, and access, (provide details of resolution of barriers) [4.003(7)(g)5 and (7)(g)7]	<ul style="list-style-type: none"> The CCO has the independence and objectivity to perform the responsibilities of the CCO function, conduct and report on compliance and ethics activities and inquires free of actual or perceived impairment to the independence of the CCO. 	✓

	<ul style="list-style-type: none"> The independence of the CCO role is expressed in the Compliance Office Charter. There are no barriers to access and reporting. 	
D5- CCO authority and resources (provide details of both staffing and budget) [4.003(7)(g)(2)]	<ul style="list-style-type: none"> The CCO manages direct reports and maintains dotted line reporting relationships as set forth in regulation component B3. Dotted line reporting relationship expectations are outlined in the job descriptions of each dotted line report. Responsibilities include: <ul style="list-style-type: none"> Attending monthly compliance liaison meetings Supporting Program communication and risk assessment efforts Providing compliance data, and participating in Compliance Week activities. The 2017-2018 Compliance Office budget is approximately \$145,000.00. A strategic investment request was authorized to support the Enterprise Risk Management program, distribution of a code of conduct, training and the external Program effectiveness review in accordance with 4.003(7)(c). 	✓

I certify that all information provided is true and correct to the best of my knowledge.

Certification: _____ Date _____
President

I certify that all information provided is true and correct to the best of my knowledge.

Certification: _____ Date _____
Board Chair

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THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

December 8, 2017

2017-2018 ATHLETICS COMPLIANCE QUARTERLY REPORT

Reporting Period: August 2, 2017 – October 10, 2017

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

The purpose of the athletics 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 (“CUSA”) policies, regulations and procedures, and institutional regulations and policies, which govern institutions who are members of the NCAA. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer (“CCO”) is responsible for oversight of the department. The ACO is responsible for maintaining day-to-day oversight of NCAA athletics compliance.

Progress Indicators				
Completed	In Process			Not Begun
Fully Implemented	Good Progress	Slow Progress	Poor Progress	Not Begun
✓	●	●	●	N/B
Program Structure and Oversight				
Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.				
Compliance Program Objective	Key Action Items		Summary	Progress Indicator
Serve 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.	Deliver monthly compliance reports to the University President’s Chief of Staff, General Counsel, and the CCO.		This compliance program objective (“Program Objective”) is in process.	●

Policies and Procedures

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

Provide support for the development and enforcement of University policies and procedures.	Finalize the NCAA Athletics Compliance Manual and distribute to all athletics staff.	This Program Objective has been fully executed.	✓
	Administer the NCAA Recruiting test each year to all coaches to ensure accountability to NCAA rules.	This Program Objective has been fully executed (while one coach must re-take the test, all other coaches have taken the test)	✓
	Ensure communication efforts are appropriate for reporting of NCAA violations and violations of institutional policies and procedures.	This Program Objective has been fully executed for the 2017-2018 academic year (this is done on a recurring basis in order to ensure that coaches/staff are repeatedly made aware of the rules). The rules education was included in the September 26, 2017 All Staff Athletics Compliance Meeting.	✓
	Athletics Compliance Staff should regularly attend practice of teams to ensure that practice times being reported are accurately reflected in the practice reports.	This is an on-going task for the Athletics Compliance Office. We will be more diligent about it as we move through the Fall and Spring, but we have attended volleyball, basketball, football, softball, and baseball practice. We will need to determine alternative ways to monitor track and field and swimming/diving practice (practice cites are located off-campus).	●

Training and Education

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.

Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.	Execute monthly rules education meetings with all coaches.	This Program objective is in process and will consistently remain in process because it is an on-going effort within our program. University closures due to Hurricane Irma postponed our meeting with the coaches; however, we did recover from the delay and held our September and October meetings within two weeks of each other.	●
	Execute twice-per-year educational meetings with all departments that work with student-athletes and/or have responsibility to executing or monitoring certain areas of NCAA compliance.	This Program Objective is in process. Educational meetings with the following departments have been conducted: Game Operations, Athletics Development, and Athletics Executive Staff. We are in the process of scheduling other areas.	●
	Ensure that all new NCAA legislation is reviewed with coaches and staff to ensure that institutional votes are submitted to the conference in a timely manner.	New legislative proposals were provided to the NCAA membership in early October. A number of pertinent proposals were presented to all coaches at a monthly meeting, and individual meetings were held with coaches to review sport-specific proposals if requested. All coaches received sport-specific legislative proposals via e-mail.	●

Measurement and Monitoring

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

Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.	Monitor phone calls pursuant to NCAA bylaws.	This Program Objective is in process. There have been no significant findings during this reporting period.	●
	Monitor recruiting contact between coaches and prospective student-athletes.	This Program Objective is in process. There have been no significant findings during this reporting period.	●
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.	Finalize and communicate the NCAA reporting process to all coaches and administrative staff within athletics.	This Program Objective has been fully executed.	✓
	Provide opportunities for ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.	This Program Objective is in the planning stages. Athletics compliance rules education has been made available through NCAA newsletters, CUSA conference calls, and NCAA leadership conferences.	●
	Based on a recent incident with a clothing company and agent activity, conduct a review of all men's basketball recruiting practices, interview current student-athletes, coaches.	This program objective has been completed: NCAA issued a blanket statement about all institutions reviewing their men's basketball program recruiting activities, recruits, current student-athletes, coaches. FIU worked with an outside consultant for questions to be posed to all constituents indicated. Review was completed and it was determined by both the Athletics Compliance Office and the outside consultant that there are no concerns in the way that our program conducts recruiting practices.	●

Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.	Execute a targeted compliance risk assessment for two (2) high-risk areas. The assessments will be selected based on internal audit findings or based on assessments of reported NCAA violations in a particular bylaw and/or sport.	This Program Objective is in the planning stages. While initially the audits were scheduled to begin in October 2017, they have been postponed until November 2017.	N/B
NCAA Men’s Basketball Assessment	<p>On September 2017, federal criminal complaints revealed allegations of wrongdoing involving third-parties and individuals affiliated with NCAA member institutions. On October 11, 2017, the NCAA Board of Governors and Board of Directors agreed to require all Division I institutions to examine their men’s basketball programs for possible NCAA rules violations, including violations related to offers, inducements, agents, extra benefits and other similar issues. As part of the mandate, institutions were encouraged to review eligibility consequences arising from undiscovered rules violations prior to the start of the Division I men’s basketball season. The memorandum from the NCAA Board of Governors and Board of Directors is attached.</p> <p>In response to the mandate from the NCAA, FIU, through its athletics compliance officer, conducted interviews and required members of the men’s basketball coaching staff and basketball team to complete a risk questionnaire. In summary, based on the information obtained, there were no violations (including violations that may relate to student-athlete eligibility) that require additional reporting. The findings have been reviewed by General Counsel and outside counsel, Bond, Schoeneck and King, PLLC. FIU continues to monitor compliance with eligibility rules as part of our compliance program.</p>		
Allegation Reporting and Investigation			
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.			

Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations, policies, and NCAA rules.	Coordinate efforts to investigate allegations of NCAA guidelines and University policy violations.	The Athletics Compliance Office consistently receives self-reports by coaches and staff. A monitoring system is in place to inform of any potential violations, and different departments are engaged (when necessary) in order to investigate any issues that may arise.	●
	Through monthly rules education, integrate ethics and compliance incentive opportunities.	This Program Objective is in process. During the reporting period, mandatory educational sessions have been conducted for staff and coaches.	●
Investigations:	A complaint related to softball was under investigation by the Division of Human Resources and the Office of Internal Audit. This case has since been resolved/closed.		
Discipline and Incentives			
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.			
Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action.	Coordinate efforts to respond to requests and inquiries from internal and external sources.	This Program Objective has been executed. A consultant was retained to conduct an external review of the Athletics Compliance Office. The consultant’s report was submitted to the University and the NCAA.	✓
Ongoing Program Improvement			
Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.			
Organizations should encourage a “speak up” culture to support reporting instances of misconduct.	Execute a culture survey to coaches and student-athletes and incorporate the findings into the Athletics Compliance strategy for education, information, and communication.	This Program Objective is in process. The planning for the culture survey is scheduled to begin shortly.	●

Memo From Board of Governors and Board of Directors

This is a critical moment for college sport generally and college basketball more specifically. The federal criminal complaints revealed last month describe a complex set of allegations that involve wrongdoing by third parties and those affiliated with member institutions. The allegations also suggest that student-athlete eligibility may be at risk in certain situations.

The NCAA Board of Governors and the Division I Board of Directors conducted a joint conference call and expressed unanimous support for a collective commitment to preserve the integrity of college basketball.

We voted unanimously to support the creation of a new Commission on College Basketball and expect the membership to assist in the success of its work. Additional information regarding the scope and composition of this commission is available in President Mark Emmert's statement.

The Board of Directors agreed to require all Division I institutions to examine their men's basketball programs for possible NCAA rules violations, including violations related to offers, inducements, agents, extra benefits and other similar issues. With the imminent start to the Division I men's basketball season, we urge institutions first to review whether there are any eligibility consequences arising from previously undiscovered rules violations. Those eligibility reviews should be completed immediately. Having as much certainty about eligibility before the start of the season is important for the stability of the season and for the thousands of men's basketball student-athletes who are fully compliant. Allowing an ineligible student-athlete to take the court is damaging to everyone, including his teammates and even his team's opponents.

We are mandating that each institution also look at the conduct of its men's basketball coaching staff and administrators to ensure their compliance with the NCAA rules. The impact of inappropriate behavior by coaches and administrators can be devastating to student-athletes and may violate institutional obligations under the rules. The sooner any wrongdoing can be discovered, the sooner that NCAA Division I men's basketball can move forward to be a stronger game. Institutional, coach and administrator violations will be handled through the regular enforcement and infractions processes and timelines.

The Board of Directors has asked the national office staff to be ready to handle and resolve any preseason reports of eligibility issues and rules violations arising from institutional reviews before the start of the basketball season. We have instructed NCAA staff to exercise reasonable judgment and discretion in expediting decisions related to issues that arise in conjunction with institutional reviews.

Of course, each institution also should work with its legal counsel to report any potential criminal issues to the United States Attorney's Office for the Southern District of New York, which is handling the criminal complaints announced last month.

We know that our member institutions share the concern that the Board of Governors and the Division I Board of Directors have about the issues facing the sport of men's basketball today. We believe that we have outlined an approach that will meet the immediate needs of the 2017-18 men's basketball season and will set the stage for substantive reform through the work of the commission.

For additional information, please refer to the FAQ on LSDBi.