



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
DECEMBER 8, 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 8:34 am on Friday, December 8, 2017, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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, Trustees Dean C. Colson and Marc D. Sarnoff, and University President Mark B. Rosenberg were also in attendance.

Committee Chair Grant welcomed all Trustees and University faculty and staff to the meeting.

Committee Chair Grant noted that at the Committee's last meeting in June, he requested a report 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. Additionally, he stated that Trustee Leonard Boord requested the Office of Internal Audit's Risk Assessment/Five Year Plan. Committee Chair Grant indicated that the Risk Assessment Five Year Plan provides a list of organizational units, measures risk, and reflects past audits and planned future audits and is part of the Office of Internal Audit's Annual Activity Report.

2. Approval of Minutes

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

3. Discussion Items

3.1 Office of Internal Audit Status Report

Chief Audit Executive Allen Vann presented the Internal Audit Report, providing updates on recently completed audits. He reported that the audit of athletics department operations disclosed that the student athletic fees were properly assessed, collected, and accounted for. He explained that expenditure and operational controls and procedures need strengthening and that the audit resulted in seven recommendations.

Mr. Vann noted that the last audit of FIU Online occurred in April 2013 and that the current audit focused on the financial transactions for distance learning courses covered under Section 1009.24(17), Florida Statutes, and the information technology controls. He stated that 12 of the prior audit recommendations require further attention. Mr. Vann described the current audit recommendations, including the monitoring of fees to address the large fund balance, the strengthening of expenditures and operational controls and procedures, and the strengthening of information technology areas.

Mr. Vann also reported on the audit of the University's IT network security controls, noting that five of the prior audit recommendations require further attention and that strengthening is needed in the areas of formal system-wide security risk assessments and critical firewall reviews. He reported that the audit of the adequacy of internal controls over personal data maintained by the University's department of Enrollment Processing Services concluded that system controls are adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure. Mr. Vann also indicated that a review was completed of twenty-two institutions, who are sub-recipients under FIU grants, in order to ensure that sub-recipients are compliant with the financial reporting requirements under the respective acts and that their reports reflect that they are fiscally responsible and are free of, or have adequately addressed, material findings reported by their independent auditors.

Mr. Vann also reported on work in progress and presented a follow-up status report on past audit recommendations, noting that 33 of the 47 recommendations were completed and that the remaining recommendations are in progress.

3.2 University Enterprise Risk Management Status Report

Assistant Vice President and Chief Compliance Officer Karyn Boston explained that in September, Florida Board of Governors Chair Thomas G. Kuntz forwarded a survey to each State University System institution to collect information regarding the current status of the Enterprise Risk Management (ERM) or ERM-like programs at the state universities.

Trustee Board suggested that the Committee may benefit from a framework, similar to that of the office of Internal Audit's Risk Assessment/Five Year Plan, in terms of monitoring the effectiveness of the risk mitigation activities as well as the overall program effectiveness through the review of metrics and dashboards on a periodic basis.

In response to Trustee Board's inquiry regarding the ERM success factors, Ms. Boston stated that meaningful and effective communication will be maintained with the Board of Trustees and through

the Board's feedback, key success drivers for the University will be jointly developed. Ms. Boston explained that each business unit ensures that standards are met and that risks are mitigated effectively and that ERM assists in aligning risk appetite and strategy and enhancing risk response decision-making. University President Mark B. Rosenberg noted that the Board of Trustees will play a critical role in assisting the University in ensuring that the risk types defined in the ERM program are integrated to FIU's success and strategic plan.

Trustee Marc D. Sarnoff indicated that in order to gain a broader understanding and appreciation of the overall FIU student experience, the Board of Trustees could benefit from engaging with the student population. Vice President for Academic Affairs Elizabeth M. Bejar explained that the University could organize a forum or roundtable discussion in order to provide a platform for students to share their thoughts, ideas, and concerns.

Board Chair Claudia Puig described FIU's unique mission, noting that the University serves a large percentage of economically disadvantaged students where many must hold full- or part-time employment. Committee Chair Grant discussed the academic and financial challenges he faced as a student at FIU and added that FIU's unique mission reaffirms its commitment to the community by adhering to an inclusive approach that provides access to academically qualified students. Trustee Board mentioned that in the changing landscape of technology, Board members must recognize that the pace of change requires a new level of engagement with students and encouraged Trustees to attend University events in order to broaden their understanding of the student experience. Trustee Krista M. Schmidt discussed the positive collaborative partnership that student government shares with the University's administration.

3.3 University Compliance Report

Ms. Boston presented a quarterly status update on the 2017-18 Compliance Work Plan. She noted that three of the 11 key action items have been completed. She reported that separation from the University of the prior Health Sciences Compliance Officer was deemed necessary and prudent. Ms. Boston noted that the position is currently under recruitment.

Ms. Boston explained that the State University System compliance program checklist informs the Florida Board of Governors (BOG) on the implementation status of BOG Regulation 4.003 and that 18 of the 19 required Regulation components must be in place by November 2018. She reported that FIU has already implemented 18 Regulation components, adding that the remaining component which pertains to an external assessment of the University's Compliance program, is not due for implementation until 2022.

Ms. Boston reported that in response to the mandate from the National Collegiate Athletic Association (NCAA) to all Division I institutions to examine their men's basketball programs for possible NCAA rules violations, 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. She stated that based on the information obtained, there were no violations, including rule violations relating to student-athlete eligibility that required additional reporting. She added that the findings have been reviewed by General Counsel and outside counsel.

Ms. Boston stated that the University is in the process of expanding efforts in terms of education on sexual violence prevention and bystander intervention. Trustee Schmidt recommended that information also be included as part of each course's syllabus.

4. Reports

Committee Chair Grant requested that the State University System of Florida Compliance Program Status Checklist and the Reports pertaining to Office of Internal Audit Annual Activity and Athletics Compliance be accepted as written. There were no objections.

5. New Business

5.1 Senior Management Discussion of Audit Processes

Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with Senior Management without the presence of the Office of Internal Audit. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with Senior Management, adding that this was strictly voluntary. Vice President for University Operations and Chief of Staff Javier. I Marques reported that Mr. Vann has informed him of his desire to begin his retirement earlier than anticipated, effective June 2018 or until such time that the next University Chief Audit Executive has been named. Members of Senior Management discussed the Office of Internal Audit's performance, as well as the performance of the University's office of Compliance and Integrity.

Committee Chair Grant noted that a Board retreat would provide the platform for substantive and meaningful discussion in order to concentrate on issues critical to the University's advancement.

6. 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, December 8, 2017 at 9:57 a.m.

There were no Trustee requests.