



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

Wednesday, September 5, 2018

8:00 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; Joerg Reinhold; Jose L. Sirven, III

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 | Trevor Williams |
| 3.2 University Compliance and Ethics Quarterly Report | Jennifer LaPorta |
| 4. Reports <i>(For Information Only)</i> | |
| 4.1 Office of Internal Audit Annual Activity Report 2017-18 | Trevor Williams |
| 4.2 Compliance Program Annual Report 2017-18 | Jennifer LaPorta |
| 4.3 Athletics Compliance Report | Jessica L. Reo |
| 5. New Business | Gerald C. Grant, Jr. |
| 5.1 Office of Internal Audit Discussion of Audit Processes | |
| 6. Concluding Remarks and Adjournment | Gerald C. Grant, Jr. |

The next Audit and Compliance Committee Meeting is scheduled for December 5, 2018

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Audit and Compliance Committee

September 5, 2018

Subject: Approval of Minutes of Meeting held May 23, 2018

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on Wednesday, May 23, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Background Information:

Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Wednesday, May 23, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Supporting Documentation:

Minutes: Audit and Compliance Committee Meeting,
May 23, 2018

Facilitator/Presenter:

Gerald C. Grant, Jr., *Audit and Compliance Committee Chair*

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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
MAY 23, 2018**

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 8:38 am on Wednesday, May 23, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Gerald C. Grant, Jr., *Chair*; Natasha Lowell, *Vice Chair*; Leonard Boord; Michael G. Joseph; Jose L. Sirven, III; and Kathleen L. Wilson.

Board Chair Claudia Puig, Trustees Dean C. Colson, Marc D. Sarnoff, and Rogelio Tovar and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant welcomed Jose L. Sirven, III, Student Trustee and Student Government President for the Modesto A. Maidique Campus. On behalf of the Committee, Committee Chair Grant recognized and thanked Chief Audit Executive, Allen Vann, noting that he soon will be retiring, and Chief Compliance and Privacy Officer, Karyn Boston, explaining that she will be concluding her service with the University to pursue another opportunity.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on February 27, 2018. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Tuesday, February 27, 2018.

3. Action Items

AC1. Internal Audit Plan, 2018-19

Mr. Vann presented the Internal Audit Plan for fiscal year 2018-19 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. Mr. Vann described how direct time was utilized over the past five years and presented an overview of audits that were completed during the 2017-18 fiscal year, carryover audits from the 2017-18 fiscal year, and proposed audits for the 2018-19 fiscal year.

In response to Trustee Roger Tovar's inquiry, Mr. Vann provided an overview of the audit process. In response to Trustee Tovar's comment regarding the timeliness of the audit process, President Mark B. Rosenberg stated that there is room for improvement in terms of establishing clearer lines of responsibility post-audit relative to the audit findings.

Committee Chair Grant noted that audit results are being shared with University Vice Presidents and Deans as a best practice aimed at ensuring organizational integrity.

Ms. Boston noted that University Compliance works collaboratively with the Office of Internal Audit to escalate matters that have been identified as non-compliant with FIU policy.

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 2018-19.

AC2. University Compliance and Ethics Work Plan, 2018-19

Ms. Boston presented the Compliance Work Plan for fiscal year 2018-19 for Committee review and approval, explaining that the areas of focus are determined by the risk assessments, legal and regulatory trends, past complaints, and the internal risks specific to the University. She explained that the key action items align with Chapter 8 of the U.S. Federal Sentencing Guidelines and Florida Board of Governors Regulation 4.003. She then provided an overview of the Compliance Liaison structure and the anonymous reporting line and related investigations.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the Compliance Work Plan for Fiscal Year 2018-19.

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Vann presented the Internal Audit Status Report, providing updates on recently completed audits. He reported on the findings pertaining to the audit of residency classification for tuition purposes, noting that information security controls need to be improved and that the classification to in-state student residency status was not always adequately documented or supported. Mr. Vann stated that the Center for Children and Families audit disclosed that controls and procedures need improvement, that internal controls should be strengthened, and that information technology areas need strengthening.

Mr. Vann explained that the last audit of the Wolfsonian-FIU was in 2013 and that as previously reported, the objects collection is partially stored in the Museum's annex, which places the collection at risk due to inadequate maintenance. He indicated that opportunities for improvement exist over operational controls related to collections inventory and access, Museum gift shop operations, payroll and personnel administration, and controls over expenditures. He stated that the audit also identified information technology areas that need attention particularly in identifying high-risk devices, patch management, performing risk assessments, enabling and reviewing audit logs, reducing user access privileges, firewall rule reviews, and business continuity plan.

Mr. Vann also reported on work in progress and presented a follow-up status report on the prior years' audit recommendations, noting that the most current implementation rate has slightly improved from the results of the previous last three follow-up audits.

In response to the inquiries from Trustee Marc D. Sarnoff and Trustee Tovar on College/unit efficiencies, Mr. Vann explained that the scope of the audits focuses on internal controls. Trustee Tovar expressed concern over the Wolfsonian-FIU's operations and urged the University's management to review its operations.

4.2 University Compliance and Ethics Quarterly Report

Ms. Boston noted that 10 of the 11 key action items on the 2017-18 Compliance Work Plan have been completed, adding that the remaining action item relating to the Escalation Guidelines, which have been redefined as the Significant Matters Policy, is being reviewed internally and is on track for completion by the next quarterly report.

4.3 Enterprise Risk Management Status Update

Ms. Boston explained that the University engaged with an external consultant to assist in the development of the Enterprise Risk Management (ERM) Framework, pointing out that the Framework addresses the government structure, the methodology used, and how the University defines risk appetite and the related internal process. She noted that the external consultant also worked with the University to develop the ERM scoring criteria.

Ms. Boston indicated that the University started scoring approximately 400 risks in the fall with 75 risks undergoing a second round of more extensive scoring, adding that the process was completed in December. She stated that the ERM Committee continued to meet to determine the University's most significant risks, explaining that the Committee rescored the risk relating to psychological services necessary to prevent a student from harming him/herself to 11 from 26. She noted that the rescoring responds to the Board of Governors' focus on mental health. She explained that the University will develop mitigation strategies for the top 10 risks and provide quarterly implementation updates.

President Rosenberg commented that while the risk relating to psychological services is not part of the top 10 internal risks, the University is in the process of hiring 10 additional mental health counselors. In response to Trustee Tovar's inquiry, Provost and Executive Vice President Kenneth G. Furton noted that the increase in mental health counselors will help narrow the gap in the student to mental health counselor ratio and better align the University with other institutions within the State University System.

In response to Trustee Sarnoff's inquiry, Vice President for Student Affairs Larry Lunsford provided an overview of University mental health services and resources. Trustee Sirven noted that student mentorship programs are available, but that student outreach is critical in terms of overall services.

5. Reports

There were no questions from the Committee members in terms of the reports included as part of the agenda materials: the State University System of Florida Program Status Checklist; the 2018-19 Athletics Compliance Work Plan; and the 2017-2018 Athletics Compliance Quarterly Report.

6. New Business

6.1 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 of Academic Affairs Elizabeth M. Bejar noted that she is serving as Chair of the Search and Screen Committee for the University's next Chief Audit Executive, adding that the Committee has started the candidate interview process.

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 Wednesday, May 23, 2018 at 9:50 a.m.

Trustee Request	Follow-up	Completion Date
<i>Trustee Roger Tovar expressed concern over the Wolfsonian-FIU's operations and urged the University's management to review its operations.</i>	<i>Provost and Executive Vice President Kenneth G. Furton</i>	<i>TBD</i>

5.27.18 MB



Office of Internal Audit Status Report

BOARD OF TRUSTEES

September 5, 2018

Date: September 5, 2018

To: Board of Trustees Audit and Compliance Committee Members

From: Trevor Williams, Chief Audit Executive

Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

I am pleased to provide you with our quarterly update on the status of our office's activities. Since our last update to the Board of Trustees Audit and Compliance Committee on May 23, 2018, the following projects are in various stages of completion.

Audits

<i>Audits</i>	<i>Status</i>
College of Engineering and Computing	Drafting Report
South Beach Wine & Food Festival	Drafting Report
Steven J. Green School of International and Public Affairs	Drafting Report
HealthCare Network's Billing, Collections and Electronic Medical Records	Drafting Report
Student Technology Fees	Drafting Report
Information Technology - cloud services	Fieldwork in Progress
Performance Based Funding Metrics Data Integrity	Fieldwork in Progress
Nicole Wertheim College of Nursing and Health Sciences	Fieldwork in Progress
College of Business	Planning Stage
Frost Museum	Planning Stage
Chaplin School of Hospitality and Tourism Management - Tianjin China Program	Planning Stage

Semi-Annual Follow-Up Status Report

We surveyed management on their progress towards completing past recommendations that were currently due for implementation. According to management, 31 of 50 recommendations were completed. Management has partially implemented the remaining recommendations and provided updates on expected completion dates.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Athletics Department Operations	6	6	-
University IT Network Security Controls	2	2	-
Residency Classification for Tuition Purposes	4	4	-
Robert Stempel College of Public Health and Social Work	8	8	-
Center for Children and Families	3	3	-
University Building Access Controls	1	-	1
Nepotism Policies and Procedures	2	-	2
Mobile Health Center	4	1	3
Bank Account Reconciliations	1	-	1
Financial Aid	1	-	1
FIU Online	5	4	1
Review of Expense Reports	2	-	2
The Wolfsonian-FIU Museum	10	3	7
University Implementation of Prior Years' Recommendations	1	-	1
Totals	50	31	19
Percentages	100%	62%	38%

MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS WITH REVISED TARGET DATES

Audit of University Building Access Controls (January 20, 2016)

1. Audit Issue: **Electronic Access Controls** (Recommendation #3.1)

Recommendation:

Ensure that Key Control strengthen its process for granting and revoking electronic access.

Action Plan to Complete:

- Facilities is developing an electronic process to document the access request and assigning a work order for each request.
- Enhancements continue to be made to ensure revoking electronic access is done in a timely manner.

Original Target Date: June 30, 2016

New Target Date: October 31, 2018

Review of Nepotism Policies and Procedures (July 19, 2016)

1. Audit Issue: **Nepotism** (Recommendation #1.2)

Recommendation:

Perform further analysis whenever related employees within or outside of the reporting lines have approval authority that may require additional mitigating controls.

Action Plan to Complete:

Development projects, including but not limited to the nepotism automation, were placed on hold due to the PeopleSoft upgrade which was scheduled to (and did) go live on July 22, 2018 which was necessary for HRIS efficiency across the university with resulted in the delay of this launch for the technological platform. Due to the close proximity of the Fall Semester, the revised date for deployment is the Spring Semester, 2019.

Original Target Date: October 31, 2016

New Target Date: Spring 2019

2. Audit Issue: **Nepotism** (Recommendation #1.3)

Recommendation:

Develop proactive procedures for identifying potential relationships at various points of an employee's career life beyond onboarding including, but not limited to, promotion, reclassification, and/or departmental restructuring, which are required to be disclosed.

Action Plan to Complete:

Procedures associated with the deployment development projects, including but not limited to the nepotism automation, were placed on hold due to the PeopleSoft upgrade which was scheduled to (and did) go live on July 22, 2018 which was necessary for HRIS efficiency across the university with resulted in the delay of this launch for the technological platform. Due to the close proximity of the Fall Semester, the revised date for deployment is the Spring Semester, 2019.

Original Target Date: October 31, 2016

New Target Date: Spring 2019

Audit of the Mobile Health Center (September 13, 2016)

1. Audit Issue: **Information Systems Security Controls** (Recommendation #1.4)

Recommendation:

Conduct more comprehensive risk assessment.

Action Plan to Complete:

Division of IT (DoIT) is currently engaged with CynergisTek on conducting the FIU Healthcare components HIPAA assessment and has involved Herbert Wertheim College of Medicine (HWCOC) in the project. Initial CynergisTek security assessment onsite visit has been conducted. The risk assessment report expected to be completed by March 2019, which will be shared by the DoIT with the Healthcare components.

Original Target Date: March 2017

New Target Date: March 2019

2. Audit Issue: **Network Security Controls** (Recommendation #2.1)

Recommendation:

Work with the University's Technology Network Services Department to:

- a) conduct vulnerability scans on Mobile Health Center (MHC) devices; and
- b) connect the mobile vans' routers system logs and the CPS and NHelp applications to the SIEM.

Action Plan to Complete:

HWCOC IT and DoIT Technology Network Services team are currently engaged in the setup and testing of SIEM for the MHC devices. Mammogram van Peplink router has been joined to the SIEM. HWCOC IT currently has access to the Peplink router directly to view and monitor logs and conduct regular review.

Original Target Date: March 1, 2017

New Target Date: October 2018

3. Audit Issue: **Identity Access Management Control** (Recommendation #3.3)

Recommendation:

Review application audit log files starting from June 2015.

Action Plan to Complete:

The former Health Affairs Compliance and Privacy Officer was responsible for this. The FIU Compliance Management is in the process of recruiting for a replacement.

Original Target Date: March 1, 2017

New Target Date: Ongoing

Review of Bank Account Reconciliations (October 27, 2016)
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1. Audit Issue: **Reconciliation** (Recommendation #1.1)

Recommendation:

Continue exploring ways to automate the reconciliation process, where possible.

Action Plan to Complete:

In FY2018, we were able to change the ACH settlement process with Bank of America from Batch to Single Settlement. This process change has significantly improved our efficiency in our reconciliation process. This is part of the implementation of the overall Cash Module Reconciliation project. We currently are still in the testing stages for the Accounts Payable and Student Financials Disbursement Bank Accounts since we have encountered the need for a solution for returned ACH payments. Once we resolve this issue, we foresee no less than a minimum three months of parallel testing between our current reconciliation process and the Cash Module Reconciliation process. The Payroll Disbursement Account is still in development as we need the Human Resources team to provide the proper file configuration for integration into the PeopleSoft Cash Module. The next phase will be to explore how to leverage the Cash Module during FY2019 for the deposits. We are also inquiring through our Banking Services ITN how a prospective banking partner's technology can facilitate a more automated reconciliation. We will begin in the Fall months to evaluate our process around deposits to understand our data capture needs in order to efficiently reconcile the deposit transactions once we receive the file back from the bank. It is my estimation that we will complete the automation of the disbursement bank accounts in fiscal year 2019, but it could take a significant portion of fiscal year 2020 to achieve automation on our deposit (Concentration) bank account because it could involve customization of the PeopleSoft system.

Original Target Date: May 1, 2018

New Target Date: June 30, 2019

Audit of Financial Aid (February 10, 2017)

1. Audit Issue: **Tuition Differential Aid** (Recommendation #3.1)

Recommendation:

Work with the Provost to establish a Financial Aid Policy Committee and update policies and procedures for financial aid programs, as necessary.

Action Plan to Complete:

Email requesting nomination for new members has been sent and the selection of Committee members is in process.

Original Target Date: April 1, 2017

New Target Date: September 1, 2018

FIU Online (November 14, 2017)

1. Audit Issue: **Information Technology Controls** (Recommendation #9.3)

Recommendation:

Formalize test scripts and results.

Action Plan to Complete:

Disaster Recovery test scripts for pfsa01a and pcd01a servers have been created. A yearly Disaster Recovery test for these servers will be performed in September 2018 and the results will be documented and reviewed.

Original Target Date: May 1, 2018

New Target Date: September 1, 2018

Review of Expense Reports (January 9, 2018)
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1. Audit Issue: **Expense Reports** (Recommendation #1.2)

Recommendation:

Work with the Financial Systems and Support Services (FSSS) staff to mitigate the identified deficiency, including ensuring that the University Credit Card Payment Type option automatically triggers the Non-Reimbursable box to be checked-off and be greyed out.

Action Plan to Complete:

The enhancements have been tested and the business areas have signed off on the delivered functionality and ledger transactions. To minimize the impact to our user community, it will be implemented with the release of the new PeopleSoft Tools & PUM scheduled for the end of September 2018.

Original Target Date: March 1, 2018

New Target Date: September 30, 2018

2. Audit Issue: **Expense Reports** (Recommendation #1.4)

Recommendation:

Ensure that responsible departmental staff receive re-training on the Expense Report preparation and subsequent reconciliation of University credit card statements.

Action Plan to Complete:

Each employee that was over reimbursed was contacted individually along with Budget Managers, HR Supervisors, and Expense Managers. The email communication detailed their mistake, the necessary corrective action needed and a request for reimbursement. In some cases we sent out second notices and contacted the departments via telephone to ensure they understood the correct process.

Once the new system functionality is available in September, it will be communicated to all University staff via Panther Post and FSSS will conduct training on the new processes.

Original Target Date: March 1, 2018

New Target Date: September 30, 2018

The Wolfsonian-FIU Museum (April 23, 2018)

1. Audit Issue: **Collection Inventory** (Recommendation #1.1)

Recommendation:

Timely record the movement of all collection objects and library items within the corresponding information system.

Action Plan to Complete:

The audit action team for this recommendation has developed the outline for new inventory processes for movement tracking. New processes will include real time object collection movement, new processes to track movement of library items, a documentation and retention requirement, and department level review and audit processes. Policy development will be completed in August 2018 followed by implementation and revisions in September 2018.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

2. Audit Issue: **Collection Inventory** (Recommendation #1.3)

Recommendation:

Routinely perform a physical inventory of the Objects and Library Collections.

Action Plan to Complete:

The audit action team for this recommendation has developed the outline of new inventory processes for physical cycle counts and a formal method to segment the collections and library inventory for cycle counts. New processes will include dual count, secondary approval of counts, documentation of inventory errors and resolution of errors, a documentation and retention requirement, and department level audit and review processes. The outlined processes include a periodic review of inventory errors to identify any trends and opportunities for operational improvements to reduce errors. Policy development will be completed in August 2018 followed by implementation and revisions in September 2018.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

3. Audit Issue: **Property** (Recommendation #6.1)

Recommendation:

Ensure that all attractive property is properly recorded.

Action Plan to Complete:

The department IT Manager and Assistant Director, Facilities and Security are primary staff assigned to manage attractive property. A process for logging location and assignment of identified attractive property has been implemented. A review is under way to identify any other attractive property in the department to add to the attractive property inventory. A formal policy and procedure for all attractive property is being developed.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

4. Audit Issue: **Property** (Recommendation #6.2)

Recommendation:

Formalize procedures and designate specific employees for tracking all attractive property.

Action Plan to Complete:

The department IT Manager and Assistant Director, Facilities and Security are primary staff assigned to manage attractive property. A process for logging location and assignment of identified attractive property has been implemented. A review is under way to identify any other attractive property in the department to add to the attractive property inventory. A formal policy and procedure for all attractive property is being developed.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

5. Audit Issue: **Business Continuity** (Recommendation #10.1)

Recommendation:

Adopt procedures to ensure that the Business Continuity Plan's IT operations can meet the self-identified critical ratings.

Action Plan to Complete:

The department level disaster mitigation plan has been updated and review of draft recovery plan document is underway. The alignment of mitigation plan, recovery document and the FIUReady continuity plan is pending final approval of the recovery plan.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

6. Audit Issue: **Business Continuity** (Recommendation #10.2)

Recommendation:

Include formal test results, lessons learned, and corrective actions taken to ensure the success of the business continuity plan.

Action Plan to Complete:

All members of the emergency management team for the Wolfsonian attended the Regional Academic Locations tabletop exercise in May 2018. The Wolfsonian emergency management team set a plan to work with FIU OEM to develop a site-specific tabletop experience in September 2018. This site-specific tabletop exercise will incorporate testing of IT contingency plans.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

7. Audit Issue: **Formal Contingency Plan Testing** (Recommendation #11.1)

Recommendation:

Implement the cited prior audit recommendation.

Action Plan to Complete:

All members of the emergency management team for the Wolfsonian attended the Regional Academic Locations table top exercise in May 2018. The Wolfsonian emergency management team set a plan to work with FIU OEM to develop a site specific table top experience in September 2018. This site-specific tabletop exercise will incorporate testing of IT contingency plans.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

University Implementation of Prior Years' Recommendations (April 24, 2018)

1. Audit Issue: **Security Awareness Program** (Recommendation #1.12)

Recommendation:

Develop and implement a security awareness-training program. The program should be periodically evaluated to ensure it is up to date and effective.

Action Plan to Complete:

On April 13, 2018, the College of Medicine sent a communication to all employees that had not completed the Annual HIPAA and FERPA trainings during 2016 and there were still pending during 2017 to complete the trainings. Through July 3, 2018, a total of 9 follow up emails have been sent to the employees that did not complete the trainings yet. As of July 3, 2018, the completion rate is 40% for HIPAA and 42% for

FERPA. HWCOR HR runs weekly reports to follow up with the employees that are still pending completion of the trainings.

In addition, the 2018 Annual HIPAA and FERPA trainings have been launched on June 4, 2018 with a deadline of July 6, 2018. As of July 3, 2018, two reminder emails have been sent to all employees to complete the trainings. On July 11, 2018, an email will be sent to all 2018 non-compliant employees and separate emails will be sent to all 2017 and 2018 non-compliant employees. Follow up emails will be sent to all non-compliant employees to complete the trainings.

Original Target Date: June 30, 2018

New Target Date: November 2018

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**FLORIDA
INTERNATIONAL
UNIVERSITY**

THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

September 5, 2018

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 April 1, 2018 – June 30, 2018.

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 executive scorecard for accountability, awareness and culture of compliance buy-in.		This Program Objective has been fully executed.	✓
	Develop the Compliance Liaison scorecard to track Compliance Liaison participation and engagement.		This 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).	The Principles and Standards have been finalized. Distribution is scheduled for 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 has been fully executed.	✓
	Conduct the following annual trainings: <ul style="list-style-type: none"> • Annual security report (Clery Act Training) <ul style="list-style-type: none"> ▪ 7 individuals trained during quarter • Ethics in purchasing and gift policy <ul style="list-style-type: none"> ▪ Not distributed during quarter • Health Insurance Portability and Accountability Act (HIPAA) <ul style="list-style-type: none"> ▪ Distributed as optional to FIU community • International admissions <ul style="list-style-type: none"> ▪ 1 individual trained during quarter • Official transcripts and credentials <ul style="list-style-type: none"> ▪ 1 individual trained during quarter • Payment Card Industry Data Security Standard (PCI-DSS) compliance <ul style="list-style-type: none"> ▪ 116 individuals trained during quarter 	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none"> • Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) <ul style="list-style-type: none"> ▪ 240 individuals trained during quarter • Family Education Rights and Privacy Act (FERPA) <ul style="list-style-type: none"> ▪ 274 individuals trained during quarter 		
Training and Education			
<p>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.</p>			
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.	<p>Provide training and communication support for the following compliance topics:</p> <ul style="list-style-type: none"> • The Gramm-Leach-Bliley Act • Incident response plan • Export Controls • Conflict of Interest • Employment of foreign national in visa categories • Pre-employment requirements • Mandatory Reporting of Child Abuse • FERPA / Student and Education Records and Directory Information to be distributed to faculty and staff • Collection and Use of Social Security Numbers • Notification to students and faculty directors regarding dangers of traveling to Europe due to terrorism concerns • Ban on Electronics at Airports by U.S. Administration 	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none"> • Adding and Dropping of Courses • Clery Act training • Career and Talent Development tool called Handshake • Records Management • Health Insurance Portability and Accountability Act (HIPAA) • Data Breach Response • Payment Card Industry Data Security Standards (PCI-DSS compliance) 		
	Increased communication between each policy owner and University community through policy feedback section for each policy within the FIU Policy Library.	This Program Objective has been fully executed.	✓

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: <ul style="list-style-type: none"> • 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 	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none"> • Nepotism Policy – Review of controls once system enhancements are complete • Privacy Data Security – FIU datacenter • Administered the Compliance monitoring calendar which includes deadlines for items requested of business partners throughout the campus by regulators • Retained Ankura to conduct a billing and coding audit • Conducted 140 visual compliance reviews for export control efforts during quarter 		
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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 Escalation Guidelines have been re-defined as the Significant Matters Policy. The policy is being reviewed internally.	●

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 has been fully executed.	✓
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: <ul style="list-style-type: none"> • Drafting the ERM policy statement, process, and framework • Conduct ERM plan discussions with internal stakeholders • Complete the ERM risk assessment • Populate the risk registry 	This Program Objective has been fully executed.	✓
	<ul style="list-style-type: none"> • Work with the ERM Executive Committee to assign Risk Owners then develop Risk Mitigation Plans with Risk Owners 	Risks have been ranked, several of owners have been assigned and the remaining need to be identified.	●

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 culture survey and develop metrics on how to assess progress.	The communication and implementation of the deliverable is being finalized.	n/a
	HIPAA assessment	Began assessment by vendor during quarter.	●
	Enterprise Risk Management assessment	Began assessment by vendor during quarter.	●
	Compliance Program assessment	Began assessment by vendor during quarter.	●

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Office of Internal Audit

Annual Report

2017-2018

Date: July 30, 2018

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

From: Trevor Williams, Chief Audit Executive

Subject: **Annual Report for FY 2017-2018**

In compliance with Florida Board of Governors' Regulation 4.002, the FIU Office of Internal Audit has prepared this annual report to summarize the Office's activities for the 2017-2018 fiscal year. Board of Governors Regulation 4.002 (8) states that "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' Regulation 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 May 23, 2018, 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.

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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, and University policies 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, or abuse, and whistleblower complaints.

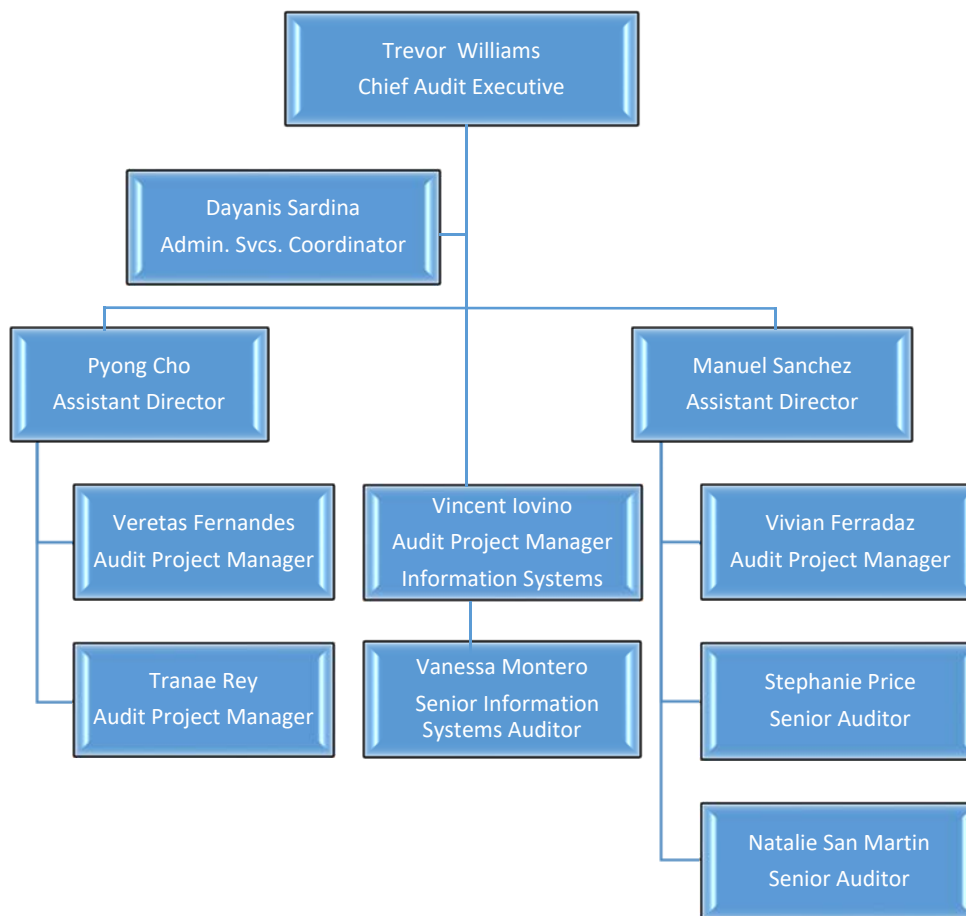
Recognizing the need for independence, the Chief Audit Executive (CAE) has direct reporting responsibility to the University's Board of Trustees' Audit and Compliance Committee. In addition, the Audit staff has unrestricted access to all persons, records, systems, and facilities of the University.

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.



Beginning in fiscal year 2017-2018, Mrs. Vanessa Montero and Mrs. Natalie San Martin joined FIU as a Senior Information Systems Auditor and a Senior Auditor, respectively. On July 30, 2018, Mr. Trevor Williams also joined FIU as the Chief Audit Executive following a national search upon the retirement of Mr. Allen Vann. Additionally, we had two FIU student interns assisting in performing audit work during the fiscal year 2017-2018.

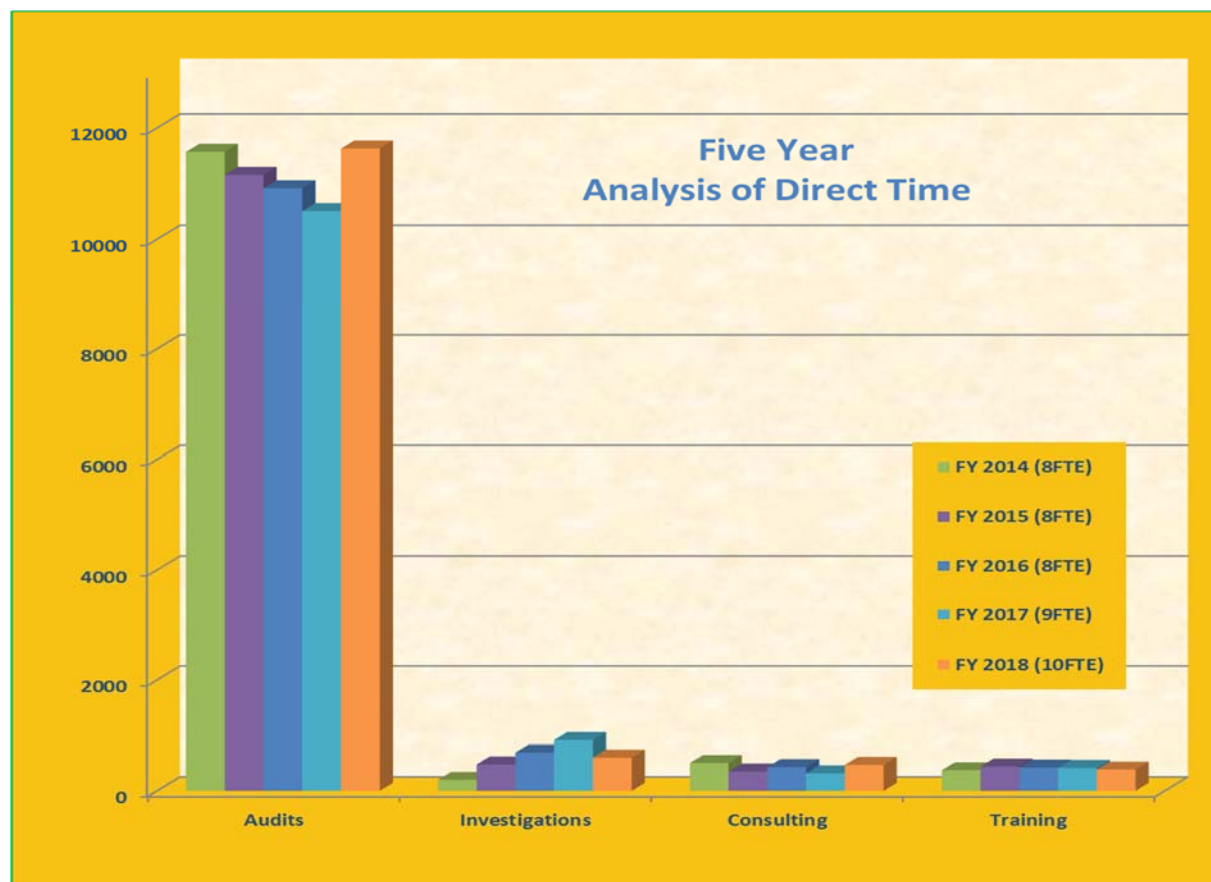
STAFF TRAINING

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 receives 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 ACTIVITIES

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 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 the FIU Online Program

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 required 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 Residency Classification for Tuition Purposes

For fiscal year 2016-17, tuition and fees assessed to students totaled \$365.8 million, 18% of which represent revenues derived from non-resident students. Of the 55,112 students enrolled for the fall of 2016, 90% were classified as Florida residents for tuition purposes.

For this audit, we evaluated whether the residency classification and reclassification process was being performed properly, specifically as it relates to non-resident tuition waiver and/or exemptions. We found that the process including information security controls needs to be improved. The classification to in-state student residency status was not always adequately documented or supported resulting in unsubstantiated tuition



charges at lower in-state rates. The audit resulted in eight recommendations, which management agreed to implement.

Review of Travel Expense Reports

In November 2017, the Office on Internal Audit discovered a control weakness in the preparation of employee Expense Reports relating to reimbursements of travel expenses paid with the University's Departmental credit card. The identified weakness resulted in \$13,339 being over-reimbursed to employees. The identified weakness involved Expense Report preparers neglecting to check-off the Non-Reimbursable box for any expense line item not to be reimbursed to the employee. The Controller's Office indicated that, among other actions, they would obtain reimbursements from overpaid travelers and institute better system controls. The review resulted in four recommendations, which management agreed to implement.

Audit of the Robert Stempel College of Public Health and Social Work

The College's interdisciplinary structure combines its Departments of Public Health in partnership with the disciplines of Dietetics and Nutrition, Social Work and Disaster Preparedness. For fiscal year 2016-2017, the College spent \$13.7 million from Educational & General (E&G) funding and \$232,000 from auxiliary funding sources. Total enrollment for the fall of 2016 was 571 undergraduate and 536 graduate students.



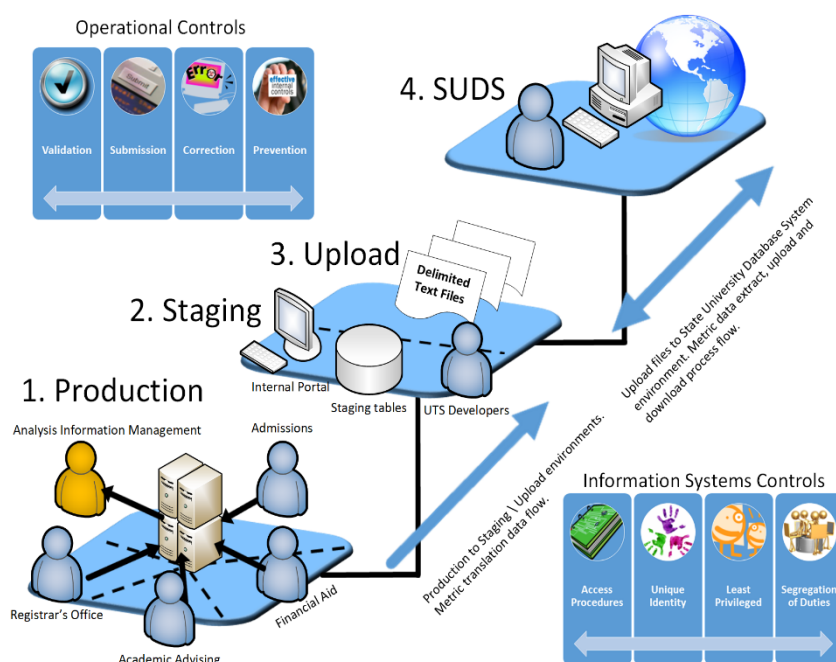
Our audit disclosed that the College's established controls relating to revenues and expenditures were good, and adequate processes were in place to monitor its fiscal activities. We found some opportunities where internal controls could be strengthened, particularly pertaining to: the payroll approval process; asset management; and information security controls over research data. The audit resulted in 12 recommendations, which management agreed to implement.

Audit of the Performance Based Funding Metrics Data Integrity

Beginning in fiscal year 2013-14, the Florida Board of Governors (BOG) instituted a performance-funding program for the State University System based on 10 performance metrics used to evaluate Florida's public universities. Of the \$520 million dollars in performance-based awards made by the BOG for fiscal year 2017-2018, FIU received \$58.3 million.

The diagram illustrates the operational controls and the information system access controls currently implemented in the overall data element process flow.

Our annual audit confirmed the results of past audits 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 FIU Football Attendance for the 2017 Season in Accordance with NCAA Operating Bylaws

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 2017 season. Based on the methodology adopted by the FIU Athletics Department, we determined that the football attendance data reported to the NCAA on the 2017 Football Paid Attendance Summary sheets were supported by sufficient, relevant, and competent records. We were also pleased to report that the current year's average home attendance of 15,920 meets minimum NCAA requirements.

Audit of The Wolfsonian-FIU Museum

The Museum oversees the Mitchell Wolfson, Jr. collection of over 180,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. During FY 2017 expenditures of \$6.7 million were financed through a combination of \$3.7 million in revenue, \$2 million from FIU's General Fund, and by borrowing \$1 million from Academic Affairs.

Our last audit of the Museum was in early 2013. As previously reported, the objects collection is partially stored in the Museum's annex, which has not been adequately maintained, thus placing the collection at risk. Otherwise, process controls and compliance with policy and procedures were generally followed.



Nevertheless, opportunities for improvement exist over operational controls related to collections inventory and access, Museum gift shop operations, payroll and personnel administration, and controls over expenditures. We also identified information technology areas that need attention particularly in identifying high-risk devices, patch management, performing risk assessments, enabling and reviewing audit logs, reducing user access privileges, firewall rule reviews, and business continuity plan. The Museum's management team agreed to implement our recommendations.

Audit of University Implementation of Prior Years' Recommendations

On a semiannual basis, we report the status of the implementation of prior audit recommendations based on self-reported information provided from cognizant officials. About every three years, our Office will test, on a sample basis, management's assertions that they in-deed have implemented the recommendations.

Between October 1, 2012 and April 30, 2017 there were 620 implemented recommendations self-reported by management. Of these, 207 were determined to have already been followed-up in recent audits or scheduled to be followed-up in planned audits. From the remaining 413, we judgmentally selected 41 recommendations, representing 10% of the population.

Based on our testing, we concluded that the most current implementation rate has slightly improved from the results of the previous three follow-up audits conducted in 2008, 2010 and 2013.

Most of the tested recommendations were overwhelmingly acted upon (73%), with 22% still being worked on and only 2 recommendations pending. According to management, these remaining recommendations will be completed shortly. We commend management for the progress made towards implementing the prior audit recommendations.

Audit of the Center for Children and Families

The Center for Children and Families (CCF/Center) is an FIU Preeminent Program clinical research center for children and families struggling with mental health problems. CCF provides services to approximately 3,500 families each year through clinical services and research programs. During our audit period from July 1, 2015 through January 31, 2017, the Center generated total revenues of \$14 million and incurred total expenses of \$16.4 million.



Our audit disclosed that the Center's controls and procedures need improvement. We found that internal controls should be strengthened in the following areas: revenue controls, employee background checks, gift

card controls, and access controls over medication storage. We also identified information technology areas that need strengthening particularly in performing vulnerability scans, reconciliation of endpoint devices sent to surplus, and business continuity plan testing. The audit resulted in 25 recommendations, which the Center's management agreed to implement.

Audit Follow-Up Activities

Twice a year, we survey management on their progress towards completing past recommendations. According to management, 31 of 50 recommendations due for implementation as of June 30, 2018 were satisfactorily completed. They are working to complete the remaining recommendations.

AUDIT PLAN

Every year the Board of Trustees approves a risk-based plan prepared by the Chief Audit Executive (CAE). 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 2019:

Carryover Audits
College of Engineering and Computing
Steven J. Green School of International and Public Affairs
HCN's Billing, Collections and Electronic Medical Record System
South Beach Wine and Food Festival
University Technology Fees
Proposed New Audits:
Performance Based Funding Metrics Data Integrity
College of Business
Herbert Wertheim College of Medicine
Nicole Wertheim College of Nursing and Health Sciences
Chaplin School of Hospitality and Tourism Management - Tianjin China Program
Student Affairs - Student Activity and Service Fee
Student Affairs - Children's Creative Learning Center
Patricia & Phillip Frost Art Museum
Applied Research Center
Athletics Department - football attendance certification
Treasury management
Accounts receivable
Construction - Recreation Center expansion
Information Technology - cloud services
Information Technology - mobile computing

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	2023		
Office of the President	President's Office	Low													
	Athletics	High	✓	✓	✓	✓	✓	✓	x	x	x	x			
	University Compliance	Low													
	Office of Internal Audit	Low			QA					QA					
General Counsel	General Counsel	Low	✓								x				
External Relations	Advancement/Community Relations/Editorial Services/Marketing/Media Relations/Protocol & Special Events /Publications/Web Communications	Low								x					
University Advancement	Business Office	Low			✓	✓									
	FIU Foundation, Inc.	Medium	CPA												
	FIU Research Foundation, Inc.	Low													
	FIU Athletics Finance Corporation	Low													
Facilities Management	Construction (Capital Program)	High	✓	✓	✓	✓	✓		x	x	x	x	x		
	Operations & Maintenance	Medium				✓					x				
Office of the Controller	Accounting & Reporting Services	Medium	Florida Auditor General												
	Financials & Student Financials Support Services	Medium													
	Tax Compliance Services	Low													
	Purchasing Services														
	Payment Services	High	✓	✓	✓	✓	✓	✓	x	x	x	x	x		
Treasury Management	University Treasurer	Medium							x						
Division of Human Resources	Payroll, Benefits, Recruitment, etc.	Medium				✓					x				
Office of Business & Finance	Auxiliary & Enterprise Development	Low										x			
	Financial Planning	Low												x	
	Business Services	Medium		✓	✓	✓					x				
Division of Operations & Safety	University Police	Medium	✓							x					
	Parking & Transportation	Medium			✓		✓	✓		x					
	Emergency Management	Medium													
	Environmental Health & Safety	Low		✓		✓					x				
Academic Affairs	Planning & Institutional Effectiveness	Medium			✓	✓	✓	✓	x	x	x	x	x		
	College of Communications, Artichecture + The Arts	Low	✓	✓					x						
	School of Journalism & Mass Communication	Low	✓												
	Frost Art Museum	Medium		✓					x						
	Wolfsonian Museum	Medium	✓					✓						x	
	Jewish Museum of Florida	Low		✓						x					
	Research & Economic Development	High	✓	✓	✓	✓	✓	✓	x	x	x	x	x		
	International Hurricane Center	Medium				✓					x				
	ARC: Applied Research Center	Medium							x						
	Enrollment Services/Registrar/Financial Aid	Medium	Florida Auditor General						✓	Florida Auditor General					
	Library	Low	✓							x					
	Global Affairs/Intenational Programs	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	High				✓					x				
	Tianjin/FIU	Low								x					
	Kovens Conference Center	Medium		✓								x			
	South Beach Wine & Food Festival	High	✓					✓						x	
	College of Medicine	Medium	✓	✓		✓				x			x		
	HealthCare Network	Medium	CPA							CPA					
				✓				✓				x			
		College of Nursing & Health Sciences	Medium			✓	✓				x				
		College of Public Health & Social Works	Medium					✓							
	Honors College	Low													
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	Medium		✓					x						
University Technology Services	Division of Information Technology	High	✓	✓	✓	✓	✓	✓	x	x	x	x	x		



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
September 5, 2018

UNIVERSITY COMPLIANCE PROGRAM ANNUAL REPORT (2017-2018)

ACKNOWLEDEMENTS

The Office of University Compliance and Integrity ("Compliance Office") would like to acknowledge the Executive Team and Senior Management for their support and top-down leadership in introducing, establishing and maintaining the Florida International University ("FIU") institutional compliance and ethics program ("Program"), and everyone who has supported our commitment to maintaining a culture of ethics and compliance.

PURPOSE AND SCOPE

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

PROGRAM DESIGN

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

FEDERAL SENTENCING GUIDELINES FOR ORGANIZATIONS

The FSG, promulgated by the United States Sentencing Commission in 1991 outlines organizational sentencing guidelines used by Federal Judges to determine whether a defendant organization had an "effective compliance program" in place to prevent the violations for which it is being charged. In 2004, the Commission amended the Guidelines to clarify and strengthen the requirements of an "effective compliance and ethics program."

Organizations are expected to exercise due diligence to prevent and detect criminal conduct and to promote a culture that encourages ethical conduct and compliance with the law. The following elements set forth the minimum criteria for a program to be deemed effective:

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

Office of University Compliance and Integrity

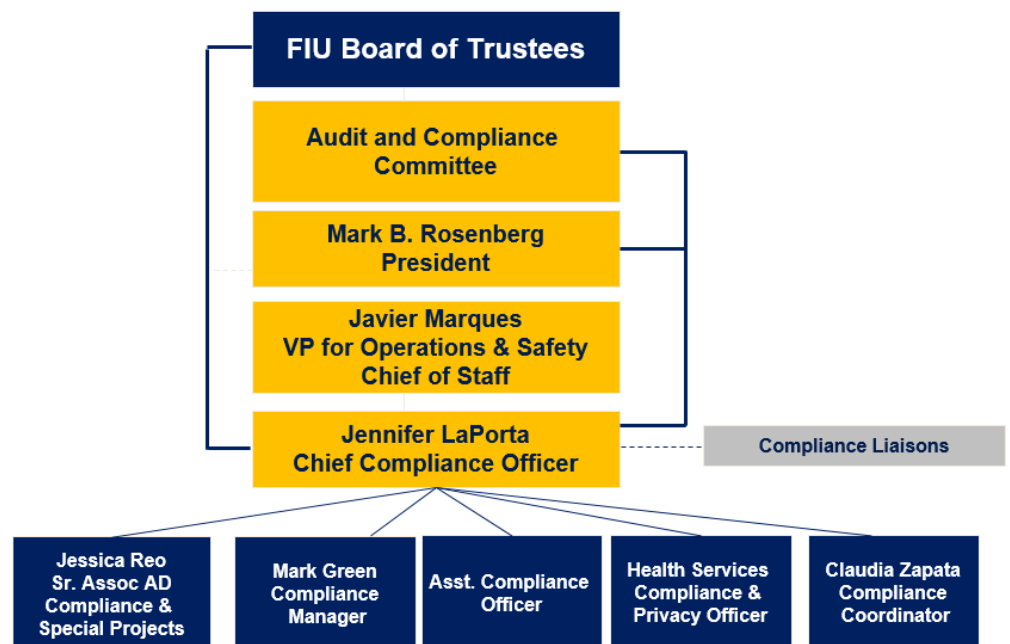
The Compliance Office is responsible for coordinating, supporting, and promoting the Program, as well as providing assurance to the BOT and to FIU leadership, that controls and mechanisms are in place to prevent, detect and mitigate compliance risk. In fulfilling these responsibilities, one of the primary objectives of the Compliance Office is to provide direction, guidance, and resources to faculty, staff and students on maintaining an ethical and compliant culture through an effective Program.

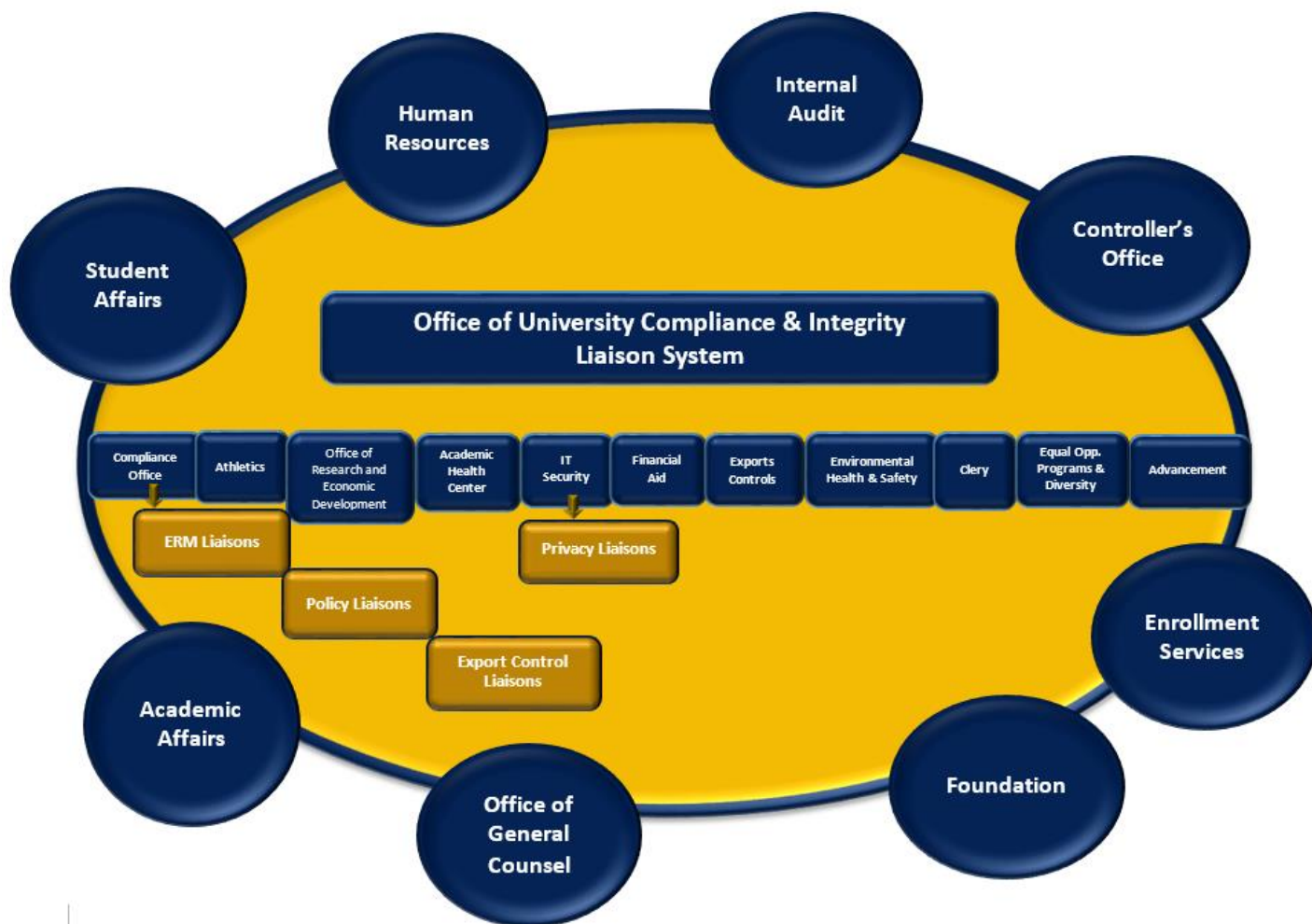
FIU Compliance Areas		
Accounting Irregularities	Discrimination	Identity Theft
Access/ Accommodations/Disability	Drug law policy violation	Immigration Concerns
Admissions Irregularities	Export Control Violations	Information Security
Animal Subject Research	Firearms and Dangerous Weapons policy violation	Interruption to campus operations or services
Anti-bribery	FIU Trademarks	Laboratory Safety
Billing for Health Care Services	Fraud and Financial Abuse	NCAA Rules Violations

Child Abuse or Neglect	Grant Expenditure Violations	Political Activity Violation
Conflict of Interest	Grant Performance	Privacy
Criminal or civil charges against FIU Executives	Harassment	Research Misconduct
Copyright infringement	Institutional Animal Care and Use Committee	Retaliation
Damage to campus property	Institutional Bio-safety Committee/Institutional Review Entity Violations	Sexual Misconduct
Death or serious bodily injury on campus	Institutional Review Board Violations	Workplace Safety
Student and faculty systems – Limited management over compliance systems, but potentially significant implications for culture or systems failure		

Compliance Governance

Program Structure and Oversight





Key Program Activities

Federal Sentencing Guideline Element	Activity
Oversight and Accountability	Received BOT approval for the following Program governing documents: <ul style="list-style-type: none"> • Compliance Program Plan • Compliance and Ethics Work Plan 2018-19
	Implemented executive and compliance liaison scorecards for accountability, awareness and culture of compliance buy-in.

The information below reflects the status on key action items and other compliance activities for the 2017-18 reporting year.

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 executive scorecard for accountability, awareness and culture of compliance buy-in.			This Program Objective has been fully executed.	✓
	Develop the Compliance Liaison scorecard to track Compliance Liaison participation and engagement.			This 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).	The Principles and Standards have been finalized. Distribution is scheduled for 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 has been fully executed.	✓
	Conduct the following annual trainings: <ul style="list-style-type: none"> • Annual security report (Clery Act Training) <ul style="list-style-type: none"> • 123 individuals trained • Ethics in purchasing and gift policy <ul style="list-style-type: none"> • Distributed as optional to FIU community • Health Insurance Portability and Accountability Act (HIPAA) <ul style="list-style-type: none"> • Distributed as optional to FIU community • International admissions <ul style="list-style-type: none"> • 84 individuals trained • Official transcripts and credentials <ul style="list-style-type: none"> • 84 individuals trained • Payment Card Industry Data Security Standard (PCI-DSS) compliance <ul style="list-style-type: none"> • 260 individuals trained 	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none"> • Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) <ul style="list-style-type: none"> • 722 individuals trained • Family Education Rights and Privacy Act (FERPA) <ul style="list-style-type: none"> • 1,865 individuals trained 		
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: <ul style="list-style-type: none"> • The Gramm-Leach-Bliley Act • Incident response plan • Export Controls • Conflict of Interest • Employment of foreign national in visa categories • Pre-employment requirements • Mandatory reporting of child abuse • FERPA/ student and education records and directory information to be distributed to faculty and staff • Collection and use of Social Security Numbers • Notification to students and faculty directors regarding dangers of traveling to Europe due to terrorism concerns • Ban on electronics at airports by U.S. Administration • Adding and dropping of courses • Clery Act training 	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none">• Career and Talent Development tool called Handshake• Records management• Health Insurance Portability and Accountability Act (HIPAA)• Data Breach response• Payment Card Industry Data Security Standards (PCI-DSS compliance)		
	Increased communication between each policy owner and University community through policy feedback section for each policy within the FIU Policy Library		
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.	<p>Conduct compliance reviews for the following areas:</p> <ul style="list-style-type: none">• 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• Administered the Compliance monitoring calendar which includes deadlines for items requested of business partners throughout the campus by regulators	This Program Objective has been fully executed.	✓

	<ul style="list-style-type: none"> • Retained Ankura to conduct a billing and coding audit • Conducted over 300 visual compliance reviews for export control efforts 		
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 Escalation Guidelines have been re-defined as the Significant Matters Policy. The policy is being reviewed internally.	●
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 has been fully executed.	✓

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: <ul style="list-style-type: none"> • Drafting the ERM policy statement, process, and framework • Conduct ERM plan discussions with internal stakeholders • Complete the ERM risk assessment • Populate the risk registry 	This Program Objective has been fully executed.	✓
	<ul style="list-style-type: none"> • Work with the ERM Executive Committee to assign Risk Owners then develop Risk Mitigation Plans with Risk Owners 	Risks have been ranked, several of owners have been assigned and the remaining need to be identified.	●

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 culture survey and develop metrics on how to assess progress.	The communication and implementation of the deliverable is being finalized.	n/a

Benchmarking Summary

Various compliance-enforcing agencies expect organizations to have “adequate” compliance programs. A common method used to determine whether a compliance program is adequate is to compare the organization’s program with the compliance efforts of other organizations of similar type, size, and structure. Notwithstanding, it is understood that effective compliance programs address the organization’s particular risk structure. The information below provides an insight into trends as well as industry standards and best practices from reporting mid-size organizations (including for-profit and non-profit). The FIU Compliance program anticipates comparing itself to industry benchmarking data released in 2018.

Oversight and Accountability Standards

Reporting Structures

- **Mid-size organizations:** Most mid-size organizations reported that compliance function reports to the Board or a committee of the Board quarterly.
- **FIU:** FIU provides quarterly reporting to the Audit and Compliance Committee and annually to the full Board.

Reporting Relationships

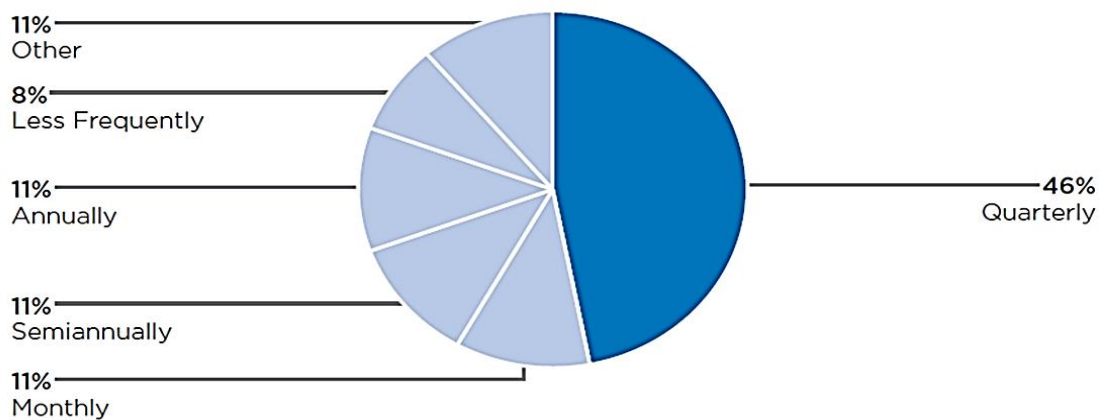
- **Mid-size organizations:** Most mid-size organizations reported that the head of compliance reports to the chief executive officer or the general counsel.
- **FIU:** FIU’s head of compliance reports functionally to the Board through the Audit and Compliance Committee and has a reporting relationship to the President of the University.

Trend: Florida Board of Governors Regulation 4.003 states that Chief Compliance Officers (“CCO”) will be required to report to the Office of the President within the next two (2) years after the regulation goes into effect.

With the permission of the sources cited, the benchmarking data used to generate this report is from the Ethisphere and Convercent 2015 Benchmarks, Case Studies and Best Practices, CEB 2015 Compliance Program Assessment Tool Benchmarking, SCCE, and NYSE Governance Services jointly administered 2014 Compliance and Ethics Program Environment Survey, and the 2015 survey results from the Florida State University System Compliance Consortium.

FREQUENCY OF BOARD REPORTING

Frequency of Board Reporting
Percentage of Respondents



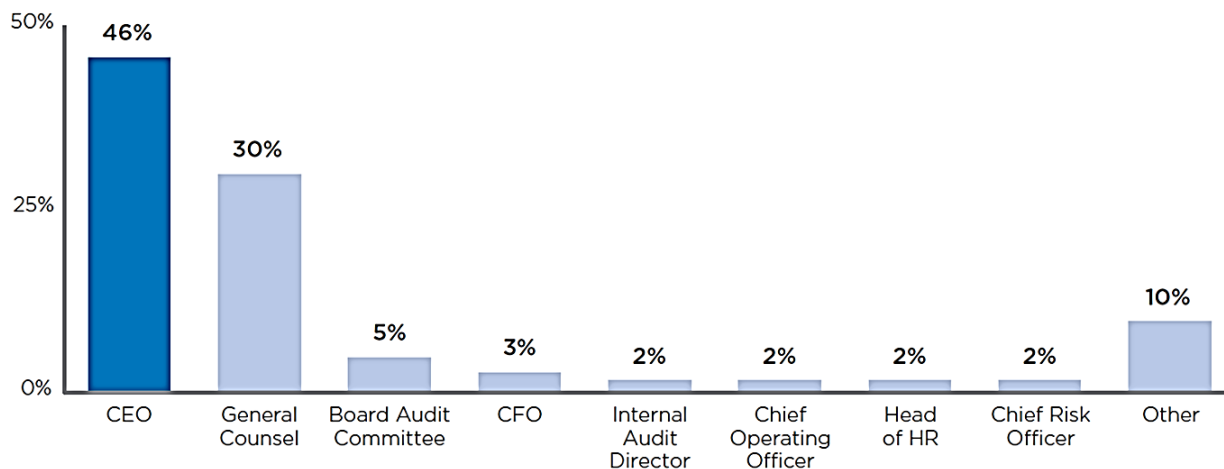
n = 61.

Source: CEB 2015 Compliance Program Assessment Tool Benchmarking.

Note: Total does not equal 100% due to rounding.

REPORTING STRUCTURE

Primary Reporting Relationship for Compliance Program
Percentage of Respondents



n = 61.

Source: CEB 2015 Compliance Program Assessment Tool Benchmarking.

Standard, Policies and Procedures Standards

Code of Conduct

- **Mid-size organizations:** Most mid-size organizations reported maintaining a Code of Conduct, and one out of three reported that all employees must complete annual training on eight topics.
- **FIU:** FIU has created a University Code of Conduct and is in the process of distribution and implementation. Codes of Conduct currently exists for some colleges and functional areas.

Trends: Codes of Conduct are typically reviewed and acknowledged annually. Other policies are typically reviewed every 2-3 years, and translated into other languages.

Policies

- **Mid-size organizations:** Most mid-size organizations reported that employees are required to acknowledge in writing that compliance policies have been reviewed.
- **FIU:** FIU implemented an electronic distribution and acknowledgement process in 2015. In 2017 FIU implemented an escalation process to support accountability.

Trends: There is an increase of regulatory agencies ask for proof of training, and proof of a policy acknowledgement when conducting investigations.

Education, Communication and Awareness Standards

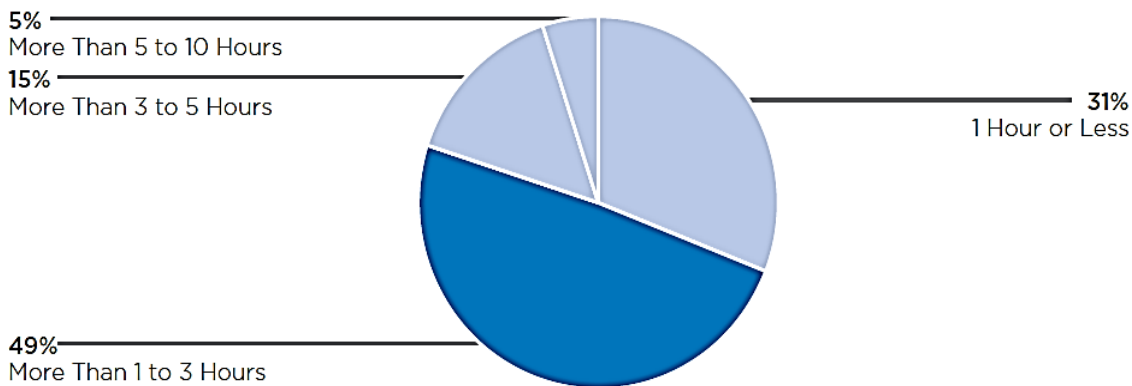
Compliance Training Effectiveness

- **Mid-size organizations:** Most mid-size organizations reported that compliance training includes the review of pre- and post-test results to help determine effectiveness. Further, many mid-size organizations reported struggling with completion rates for compliance training.
- **FIU:** FIU embeds quiz questions, tracks misconduct data and conducts surveys to measure effectiveness

Trends: An increasing number of organizations are developing compliance training curriculums and tracking training frequency. In addition, there is an increase in the number of reporting organizations creating manager specific trainings for the Code of Conduct and complaint handling.

FREQUENCY OF TRAINING AND CERTIFICATION

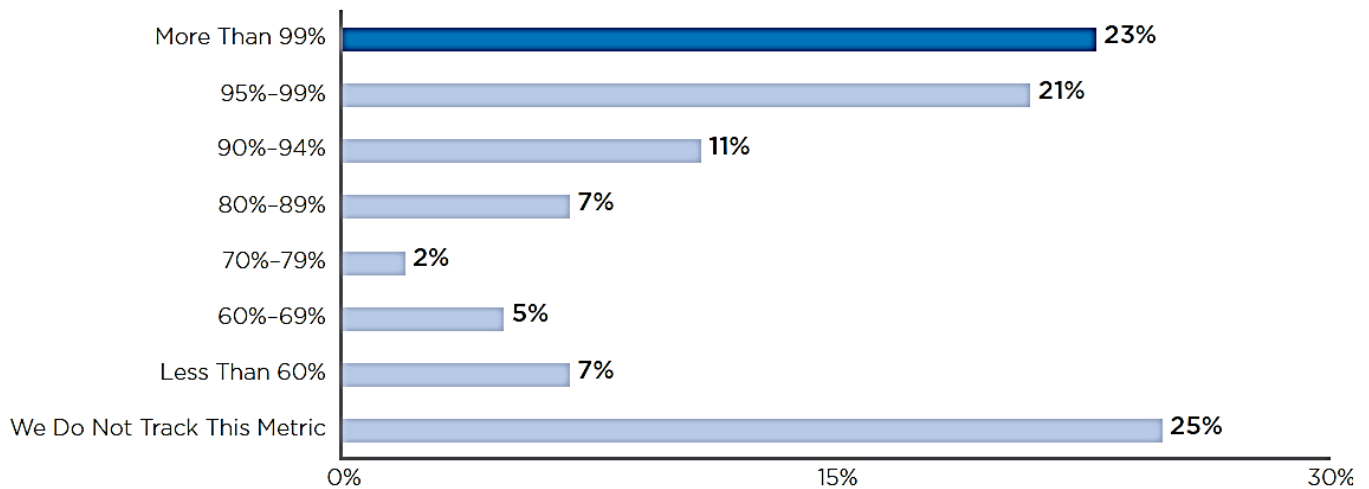
Time Spent on Compliance Training Annually
Percentage of Respondents



$n = 61$.

Source: CEB 2015 Compliance Program Assessment Tool Benchmarking.

Employees Certifying on Training
Percentage of Respondents



$n = 61$.

Source: CEB 2015 Compliance Program Assessment Tool Benchmarking.

Note: Total does not equal 100% due to rounding.

Risk Assessment, Monitoring and Auditing Standard

Anonymous Reporting

- **Mid-size organizations:** Most mid-size organizations reported having an anonymous reporting hotline.
- **FIU:** FIU has an anonymous reporting hotline called the Ethical Panther line.

Risk Assessments

- **Mid-size organizations:** Most mid-size organizations reported that risk assessments are conducted annually.
- **FIU:** FIU has regularly conducted risk assessments; however, there had been no consistent formal criteria used to prioritize risk across the University. FIU's Enterprise Risk Management program ranking system will inform University leadership in prioritizing risk assessments and mitigation plans as we move forward.

Compliance and Ethics Program Assessments

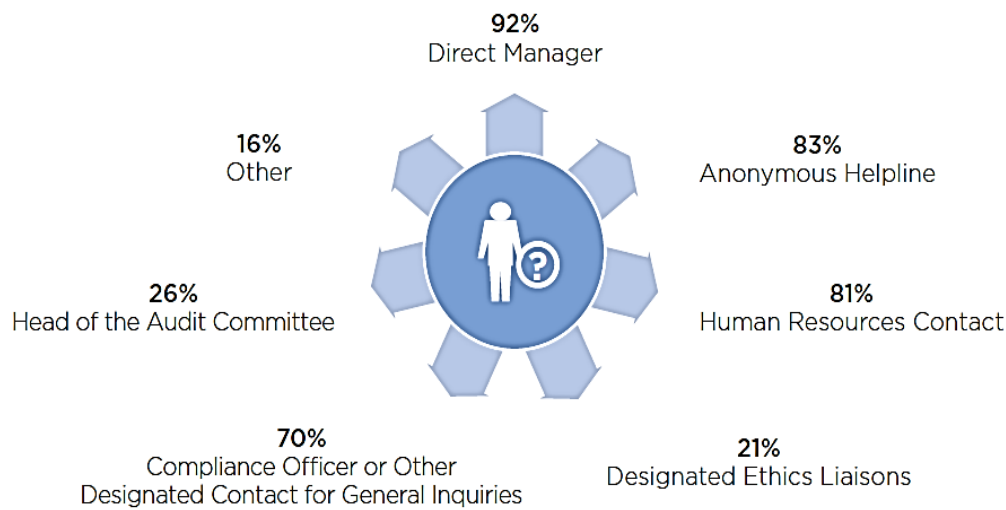
- **Mid-size organizations:** Most mid-size organizations reported that compliance program assessments are conducted annually.
- **FIU:** FIU conducted a Culture assessment via a third party vendor in 2014. Program assessment is currently in progress by a third party vendor.

Trends: A best practice related to the assessment of an ethics and compliance program is to periodically have a formal risk assessment conducted by a third party and have a peer review assessment conducted.

AVAILABILITY AND USE OF REPORTING CHANNELS

Reporting Channels Available to Employees

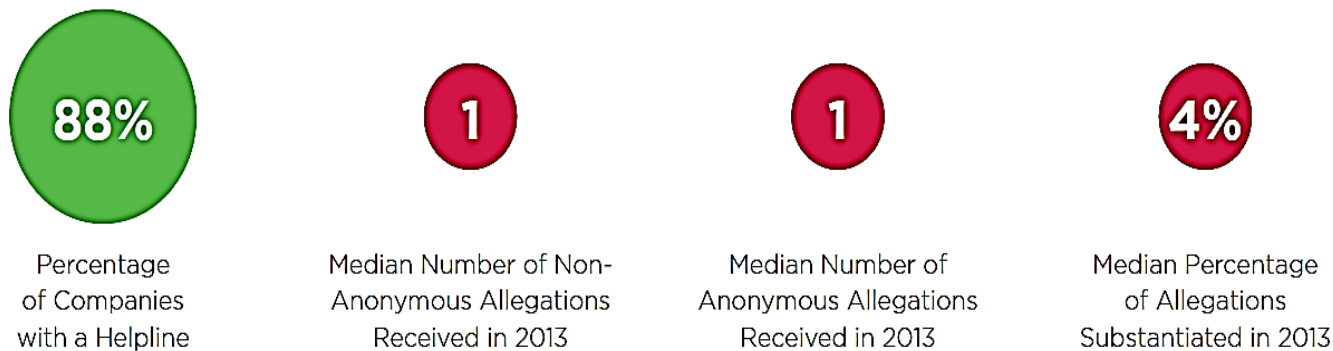
Percentage of Respondents Promoting Use of Channel; Multiple Responses Allowed



n = 77.

Source: CEB 2014 Culture of Integrity Benchmarking.

Common Helpline Metrics



n = 55-77.

Source: CEB 2014 Culture of Integrity Benchmarking.

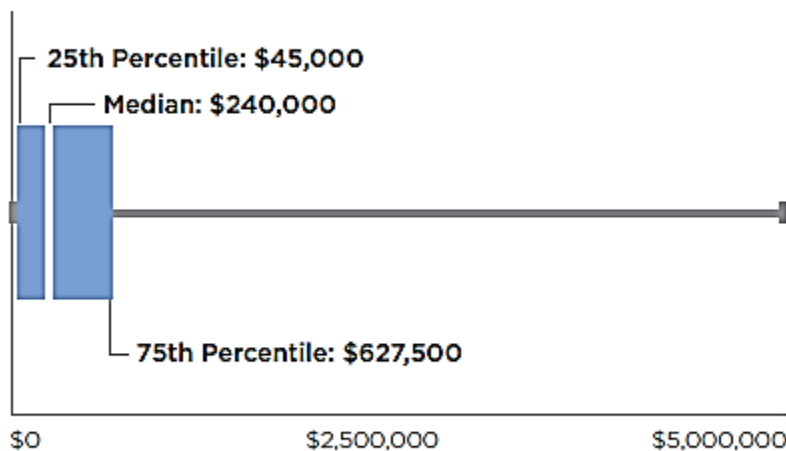
Ongoing Program Improvement

Compliance Budget

- **Mid-size organizations:** Most mid-size organizations reported having a compliance budget of approximately \$250,000.00.
- **FIU:** The Office of Compliance budget is over \$100,000.00 and under \$200,000.00.

Trends: The organizational guidelines state that “each of the requirements set forth in this guideline shall be met by an organization; however, in determining what specific actions are necessary to meet those requirements, factors that shall be considered include: (i) applicable industry practice or the standards called for by any applicable governmental regulation; (ii) the size of the organization; and (iii) similar misconduct.” Most compliance benchmarking surveys include a compliance budget question to help organizations evaluate the adequate resource question referenced above; however, it is recommended that regulatory and governing bodies take into consideration that no two programs are expected to be the same.

Size of Compliance Budget



$n = 61$.

Source: CEB 2015 Compliance Program Assessment Tool Benchmarking.

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**FLORIDA
INTERNATIONAL
UNIVERSITY**

THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

September 5, 2018

2017-2018 ATHLETICS COMPLIANCE QUARTERLY REPORT

Reporting Period: April 1, 2018 – June 30, 2018

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.	Continue to deliver monthly compliance reports to the University President’s Chief of Staff, General Counsel, and the CCO.		This compliance program objective (“Program Objective”) is and continues to be on-going and in progress.	●

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.	For the 2018-19 year this objective is currently in progress. Coaches were expected to take the exam no later than July 31, 2018 for the 2018-19 recruiting year. Testing began as of May 2018 and has continued.	●
	Ensure communication efforts are appropriate for reporting of NCAA violations and violations of institutional policies and procedures.	This is an on-going Program Objective that has been fully executed for 2017-18.	✓
	Athletics Compliance Staff should regularly attend practice of teams to ensure that practice times being reported are accurately reflected in the practice reports.	<p>This is an on-going Program Objective that has been fully executed for 2017-18.</p> <p>For the 2018-19 academic year, our Athletics Compliance Office will be attending more practices on a scheduled weekly basis. We have a tracking procedure in place and will rotate the sports throughout the office staff to ensure fair and equitable review of the sports' training schedules.</p>	✓

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 is an on-going Program Objective that has been fully executed for the 2017-2018 academic year. There are no meetings held during the summer months (June, July) based on the challenging recruiting/vacation schedules of coaches and staff. Educational meetings will resume as of August 2018 and have already been sent to the coaches.	✓
	Execute twice-per-year educational meetings with all departments that work with student-athletes and/or have responsibility over executing or monitoring certain areas of NCAA compliance.	This is an on-going Program Objective that has been fully executed for the 2017-2018 academic year as all areas identified had two meetings.	✓

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 progress. Due to NCAA legislative changes, the ACO is re-evaluating how to monitor phone calls between the coaching staff and student-athletes.	●
	Monitor recruiting contact between coaches	This Program Objective is in progress. The ACO is continuing to work with the coaching staff to	●

	and prospective student-athletes.	ensure that coaches are knowledgeable about recruiting rules.	
	Monitor Time Management Plan Implementation and Documentation.	This is an on-going Program Objective that has been fully executed for the 2017-2018 academic year. The summary for the 2017-18 academic year has been reviewed and will be presented to the President via the Chief of Staff for review as required by NCAA rules. The Time Management Plan will be implemented again for the 2018-19 academic year with some updating.	✓
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 was fully executed for the 2017-2018 academic year. During the first of the year meeting for 2018-19, this will be communicated to all coaches/staff at our All-Staff Meeting.	✓
	Provide opportunities for ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.	This Program Objective was fully executed for the 2017-2018 academic year. The ACO staff attended the NCAA Regional Rules Sessions that address all of the issues indicated.	✓
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. Audits will be completed in the 2018-19 academic year.	N/B

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.	This is an on-going Program Objective that has been fully executed for the 2017-2018 academic year. The ACO continues to monitor potential violations.	✓
	Through monthly rules education, integrate ethics and compliance incentive opportunities.	This is an on-going Program Objective that has been fully executed for the 2017-2018 academic year. During the reporting period, mandatory educational sessions have been conducted for staff and coaches.	✓

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 is an on-going Program Objective that has been fully executed for the 2017-2018 academic year. The Athletics Compliance Office continues to discover departments on-campus that have very little or no knowledge of NCAA rules, procedures, processes and these departments may have an impact on student-athletes and/or their eligibility.	✓
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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, administrators and student-athletes and incorporate the findings into the Athletics Compliance strategy for education, information, and communication.	A culture survey was executed for student-athletes in the 2017-18 academic year. The planning for a culture survey for coaches and administrators will be conducted and findings will be implemented.	●
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