



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE**

Zoom Meeting
Public access via <http://webcast.fiu.edu/>

**Wednesday, September 9, 2020
8:00 AM**

Chair: Gerald C. Grant, Jr.
Vice Chair: Gene Prescott

Members: Leonard Boord, Natasha Lowell, Joerg Reinhold, Alexandra Valdes

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 L. Williams |
| 3.2 University Compliance and Integrity Quarterly Report | Jennifer LaPorta |
| 4. Reports <i>(For Information Only)</i> | |
| 4.1 Office of Internal Audit Annual Report 2019-20 | Trevor L. Williams |
| 4.2 University Compliance Program Annual Report 2019-20 | Jennifer LaPorta |
| 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 Thursday, December 3, 2020

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FIU Board of Trustees Audit and Compliance Committee Meeting

Time: September 09, 2020 8:00 AM - 8:30 AM EDT

Location: Via Zoom

Section	Agenda Item	Presenter	Page
1.	Call to Order and Chair's Remarks	Gerald C. Grant, Jr.	
2.	Approval of Minutes	Gerald C. Grant, Jr.	1
	<i>Minutes: Audit and Compliance Committee Meeting, June 16, 2020</i>		2
3.	Discussion Items <i>(No Action Required)</i>		
3.1	Office of Internal Audit Status Report	Trevor L. Williams	6
3.2	University Compliance and Integrity Quarterly Report	Jennifer LaPorta	22
4.	Reports <i>(For Information Only)</i>		
4.1	Office of Internal Audit Annual Report 2019-20	Trevor L. Williams	36
4.2	University Compliance Program Annual Report 2019-20	Jennifer LaPorta	59
5.	New Business	Gerald C. Grant, Jr.	
5.1	<i>Office of Internal Audit Discussion of Audit Processes</i>		
6.	Concluding Remarks and Adjournment	Gerald C. Grant, Jr.	

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee**

September 9, 2020

Subject: Approval of Minutes of Meeting held June 16, 2020

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on Tuesday, June 16, 2020, at the FIU, Modesto A. Maidique Campus, Parking Garage 5 (PG5) Market Station, room 155 and via Zoom.

Background Information:

Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Tuesday, June 16, 2020, at the FIU, Modesto A. Maidique Campus, Parking Garage 5 (PG5) Market Station, room 155 and via Zoom.

Supporting Documentation: Minutes: Audit and Compliance Committee Meeting, June 16, 2020

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
JUNE 16, 2020**

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 8:00 a.m. on Tuesday, June 16, 2020, at the FIU, Modesto A. Maidique Campus, Parking Garage 5 (PG5) Market Station, room 155 and via Zoom.

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; Gene Prescott (*arrived late*); Joerg Reinhold (*arrived late*); and Alexandra Valdes.

Board Chair Claudia Puig, Trustees Dean C. Colson, Donna J. Hrinak (*via Zoom*), Marc D. Sarnoff, and Roger Tovar, and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant welcomed all Trustees and members of the University administration. He explained that Trustees and University administrators and staff were attending in-person and via the virtual environment and that in order to help prevent the spread of COVID-19, the University community and general public had access to the meeting via the University's webcast.

Committee Chair Grant also welcomed the newly-elected student representative on the Board, Alexandra Valdes, adding that Trustee Valdes is serving as a member of the Committee.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on February 26, 2020. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, February 26, 2020.

3. Action Items

AC1. Office of Internal Audit Policy and Charter

Chief Audit Executive Trevor L. Williams presented the proposed revisions to the Office of Internal Audit Policy and Charter for Committee review. He explained that Florida Board of Governors (BOG) Regulation requires that the Board of Trustees adopt a charter which defines the duties and responsibilities of the office of chief audit executive, that the charter be reviewed at least every three (3) years for consistency with applicable BOG and university regulations, professional standards, and

best practices, and that a copy of the approved charter and any subsequent changes be provided to the BOG. Mr. Williams pointed out that the proposed revisions to the charter ensure alignment with relevant provisions of BOG Regulations 4.001 and 4.002 and incorporate the applicable recommendations emanating from the Office's recent internal and external quality assessment reviews. He described the substantive changes, namely, that said proposed revisions incorporate key elements from The Institute of Internal Auditors' (IIA) model charter framework, recognize the mandatory guidance, amplify the functional reporting relationship of the Board of Trustees, spotlight independence and objectivity as the cornerstone of the internal audit function, and enhance the definition of the Office of Internal Audit quality assurance and improvement program. He delineated the charter review process, noting that following the Committee's review and discussion at the February meeting, Committee Chair Grant worked with the Office of Internal Audit and the Office of the General Counsel to review the charter. Also in alignment with the IIA, Mr. Williams indicated that the proposed charter changes were shared with senior management as part of the review process.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee recommend to the Florida International University Board of Trustees approval of the proposed revisions to the Office of Internal Audit Policy and Charter.

AC2. Compliance and Ethics Charter for the Office of University Compliance and Integrity
Chief Compliance and Privacy Officer Jennifer LaPorta presented the proposed revisions to the Compliance and Ethics Charter for the Office of University Compliance and Integrity for Committee review. She indicated that the Office of University Compliance and Integrity Charter was first approved on March 2, 2017, and is drafted in close alignment with the BOG Regulation. She described the proposed charter changes, namely, adding Board of Trustees approval and review dates to illustrate the history of the charter, deleting a single reference to a vendor that is no longer used for FIU's Hotline Services and replacing it with the updated name of FIU's Hotline, and changing the review period from two to three years in alignment with the BOG Regulation and the review period of the Office of Internal Audit Charter.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee recommend to the Florida International University Board of Trustees approval of the proposed revisions to the Compliance and Ethics Charter for the Office of University Compliance and Integrity.

AC3. Internal Audit Plan, 2020-21

Mr. Williams presented the Internal Audit Plan for the 2020-21 fiscal year for Committee review and approval, noting that the plan was developed using a systematic risk-based approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. He explained that the plan accounts for current and near-term potential COVID-19 related risks and that management also provided input in terms of identifying potential COVID-19 related risks. Mr. Williams presented an overview of carryover audits from the 2019-20 fiscal year, stating that these audits are in process. He delineated the proposed audits for the 2020-21 fiscal year and described how the six planned audits align with

the University risk assessment heat map and past audit coverage as demonstrated in the risk-based five-year audit plan.

Mr. Williams pointed out that the prior audit recommendation follow-up process has evolved, adding that deficiencies or areas of concern as identified in prior audits will be revisited and will receive on-going monitoring. In response to Trustee Leonard Boord, Mr. Williams referred to the risk index within the Risk-Based Five-Year Audit Plan and explained that a grouping of related risks may fall within one (1) planned audit. University President Mark B. Rosenberg solicited Trustee feedback on new audit issues that may be emerging as a consequence of the COVID-19 pandemic. Committee Chair Grant indicated that data integrity issues are at the forefront given the increased remote work environment. Mr. Williams described active work plan items for the U.S. Department of Education Office of Inspector General, namely, an audit of the awarding and disbursement of funds related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and intentional focus on cybersecurity provisions, controls, and vulnerabilities. He also pointed out that during ongoing discussions among peers, the cybersecurity threat is a matter of emphasis.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee approve the University Internal Audit Plan for Fiscal Year 2020-21.

AC4. University Compliance and Integrity Work Plan, 2020-21

Ms. LaPorta presented the University Compliance and Integrity Work Plan for the 2020-21 fiscal year for Committee review and approval. In terms of program design, she described the elements of an effective compliance program as based on Chapter 8 of the U.S. Federal Sentencing Guidelines. She delineated the focus and guidance of the U.S. Department of Justice in terms of the concrete steps an organization's leadership takes to foster a corporate culture of compliance, emphasizing the difference between a "paper program" and a "real program," and guidance recently updated on June 1, 2020, to emphasize program effectiveness. She provided a comprehensive review of the proposed 2020-21 Work Plan objectives in relation to the corresponding Federal Sentencing Guidelines provisions. Among the highlighted Work Plan objectives, Ms. LaPorta commented on the Compliance Program Assessment five-year review.

President Rosenberg mentioned the University's Equity Action Initiative, indicating that key concepts resulting from the core advisory group's work will be infused, as appropriate, into the University's compliance program. Trustee Tovar commented on the potential benefits of touring University campuses, centers, and regional locations and Trustee Natasha Lowell concurred. In response to Trustee Boord, Ms. LaPorta explained that the Compliance office supports other units in order to ensure that appropriate and consistent disciplinary measures are meted out and that in terms of incentives, she relayed an example of how employees are recognized in the Compliance newsletter for their achievement and/or contribution in ethical and legal compliance. In terms of policy impact, Trustee Boord requested examples, while protecting all applicable privacy rights, of disciplinary measures and implementation of consequences. In response to Trustee Boord's request, Ms. LaPorta stated that the University Compliance and Integrity annual report will include trends in misconduct reporting and that the quarterly reports will highlight instances where disciplinary measures or actions were taken in response to non-compliance.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee approve the University Compliance and Integrity Work Plan for Fiscal Year 2020-21.

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Williams presented the Internal Audit Status Report, noting that there are five (5) audits in various stages of completion and that there are two ongoing internal investigations. He commented on the official launch of the FIU-bred OIA Panther Audit Platform. In terms of data analytics efforts, he explained that the Office of Internal Audit is working with the Division of Information Technology (DoIT) to explore the feasibility of leveraging the Business Intelligence functionality in the University's Enterprise Resource Planning system. He added that DoIT staff facilitated a demonstration of the system's analysis capabilities and that the Office of Internal Audit is continuing the evaluation of those capabilities in comparison to other products. Mr. Williams indicated that while the COVID-19 pandemic delayed recruiting efforts, two (2) conditional offers of employment have been extended.

4.2 University Compliance and Integrity Quarterly Report

Ms. LaPorta provided the University Compliance and Integrity quarterly report. She commented on participation in COVID-19 response activities, namely, Emergency Operations Committee response planning, CARES Act Emergency Funding Taskforce, Repopulating FIU Campuses/Sites Taskforce, and a Supervisor Guidelines Workgroup. Ms. LaPorta reported on the second meeting of the University's Foreign Influence Task Force and on the launch of Campus Catalogue as FIU's official policy and training distribution platform. Ms. LaPorta pointed out that the review of all official University policies launched in March and that 10 additional policies were distributed in Spring 2020. In terms of recruiting, Ms. LaPorta indicated that Ms. Luz Cabrera-Frias joined the University as Assistant Director of Compliance.

5. New Business

5.1 Senior Management Discussion of Audit Processes

Committee Chair Grant noted that, as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Office of Internal Audit and senior management, separately, to discuss the audit process. He further noted that because this meeting is conducted in the Sunshine, no one present was required to leave during the discussion with senior management, adding that this was strictly voluntary. The Committee met with senior management to discuss the internal audit process. President Rosenberg pointed out that the activities of the Office of Internal Audit have been impacted by the COVID-19 pandemic and commented that overall, the entire function of the Office of Internal Audit is satisfactory.

6. Concluding Remarks and Adjournment

With no other business, Committee Chair Gerald C. Grant, Jr. adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Tuesday, June 16, 2020, at 9:08 a.m.



Office of Internal Audit Status Report

BOARD OF TRUSTEES

September 9, 2020



Office of Internal Audit

Date: September 9, 2020

To: Board of Trustees Audit and Compliance Committee Members

From: Trevor L. 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 June 16, 2020.

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Payroll Irregularities and Fraud Controls / New Employee Document Verification	Draft Report Issued
University Fleet Management	Draft Report Issued
Athletics Health Services Billing and Coding Process and Contract Performance	Drafting Report
Compliance with Donor Confidentiality and Intent	Drafting Report
Procurement and Competitive Bidding Procedures	Fieldwork in Progress
COVID-19 Financial Assistance Compliance	Fieldwork in Progress
Affiliated Agreement for Student Placement/Rotation	Planning
Data Breach of Protected Information	Planning

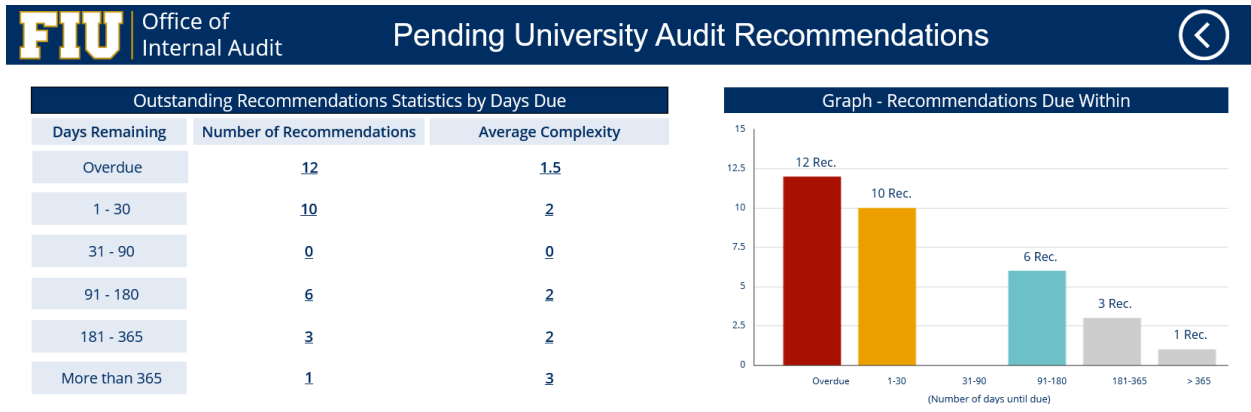
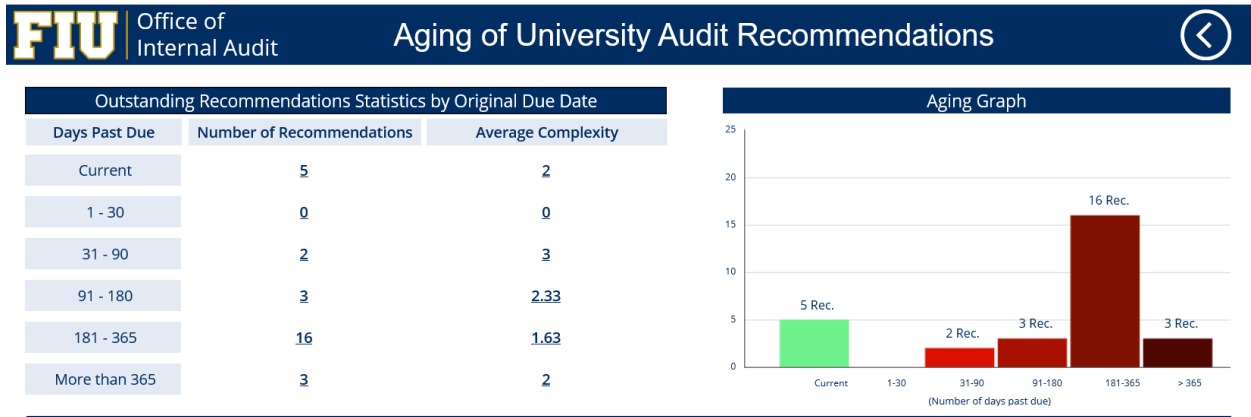
Prior Audit Recommendations Follow-Up Status Report

Since June 1, 2020, University management has been able to utilize the OIA Panther Audit Platform to update and report the status of prior audit recommendations. Upon receiving the submission from management on the Platform, OIA staff performed a substantive examination of the accompanying documentation. We undertake this process in order to

validate the status of the recommendation as reported by management. The outcome from our auditing efforts will lead to either acceptance or re-characterization of the reported status.

Since our last report to the Committee on management’s progress towards completing past audit recommendations, there were 105 recommendations due for implementation through August 28, 2020. Based on the work performed, we have concluded that 79 of the said recommendations (75 percent) were completed, 15 (14 percent) were partially implemented, and 11 (11 percent) were not implemented. Management has provided expected completion dates for all recommendations that were not completed. (See table and recommendation summaries on the following pages.) We thank management for their cooperation and encourage continued improvement.

The following graphs display an aging of outstanding audit recommendations as of August 28, 2020, as reflected in the Platform, indicating the number of days remaining before due for implementation and the number of days delayed for those past due recommendations.



Areas Audited	Total Due for Implementation	Implemented	Partially Implemented	Not Implemented
Accounts Receivable	4	4		
Athletics Department Operations	1	1		
Performance Based Funding Metrics Data Integrity	4	4		
Review of Nepotism Policies and Procedures	2	2		
Robert Stempel College of Public Health and Social Work	1	1		
School of Hospitality Procurement Process	3	3		
Student Activity and Service Fee	9	9		
The Center for Children and Families	3	3		
Treasury Management	6	6		
University Implementation of Prior Years' Recommendations	1	1		
University Technology Fee	5	5		
University's IT Network Security Controls	2	2		
Chapman Graduate School	10	8	2	
College of Engineering and Computing	8	7	1	
Facilities Management Data Systems Controls	10	9	1	
Financial Aid	1		1	
FIU HealthCare Network's (HCN's) Billing, Collections, and Electronic Medical Record Systems	1		1	
Information Security Controls of Mobile Health Center	1		1	
Nicole Wertheim College of Nursing and Health Sciences	17	6		11
Patricia and Phillip Frost Art Museum	9	4	5	
The Wolfsonian-FIU Museum	6	4	2	
University Building Access Controls	1		1	
Totals	105	79	15	11
Percentages	100%	75%	14%	11%

**MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS
WITH REVISED TARGET DATES**

Chapman Graduate School (May 22, 2019)

1. Audit Issue: **Financial Management** (Recommendation #1.1)

Recommendation:

Monitor auxiliary restricted activities ensuring that future tuition rates are established solely to recover the increased costs that result from offering these courses, while properly estimating anticipated enrollment figures and working to reduce related excess fund balances.

Action Plan to Complete:

To ensure continued compliance with the audit recommendation, the college will also meet periodically throughout the year to review anticipated enrollment against actual enrollment (three times per year: Fall, Spring, Summer) and quarterly with programs to review fund balances. These meetings will evaluate planned expenditures and to confirm that the tuition rates are applicable in recovering costs associated with the courses and services offered to current students enrolled. To assist with properly estimating anticipated enrollment figures, the College has provided Academic Affairs and Office of Financial Planning with a three-year projected enrollment. Furthermore, as of Summer of 2020, the MSHRM program converted to entirely E&G, while the resident portion of the International MBA (IMBA) and MS in Information Systems (MS IS) program converted to E&G. As a result, the fund balances for these three programs (one of the largest as indicated in the audit report) will be reduced. This will aid in reducing the excessive restricted fund balances in the College. The FY20-21 fund balance review is scheduled for Q1-2021.

Original Target Date: September 30, 2019 New Target Date: September 30, 2020

2. Audit Issue: **Control Environment** (Recommendation #6.1)

Recommendation:

Leverage the appropriate University resources, such as the Offices of the General Counsel and Compliance to provide awareness training on the Florida Code of Ethics and ethical values of the University.

Action Plan to Complete:

Through the Office of Compliance and Integrity (<https://compliance.fiu.edu/education-training/>), the college will request ethics and awareness training from the Office of General Counsel and other departments for the college employees. The College will also remind employees of other training

opportunities offered through the Division of Human Resources, Talent Management & Development (TMD), such as employee assistance, equal opportunity programs and diversity, and FERPA (when applicable).

Original Target Date: December 31, 2019 New Target Date: September 30, 2020

College of Engineering and Computing (November 6, 2018)
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1. Audit Issue: **Non-Payroll Expenditures Controls** (Recommendation #3.1)

Recommendation:

Ensure that all expenses from optional student fees collected are only limited to equipment or supplies and materials used directly by the student for their course.

Action Plan to Complete:

There is not much more we can do. The fees were eliminated prior to the Spring semester. A few courses accidentally lingered for some reason into Spring for Activity # 2127130008, but those were corrected. Both departments should be able to spend down their balances by the end of FY 20-21. Activity # 2121030001 - Fee should continue in Fall 2020 after FIU decision to return lab fees to students in Spring and Summer due to Covid-19. Fund Balance is \$1,804 as of 5/15/20. Activity # 022122030002 - Fee was eliminated. Department is using remaining fund balance to purchase supplies for students. Fund Balance is \$23,519 as of 5/15/20. Activity # 2127130008 - Fee was eliminated. Department is using remaining fund balance to purchase equipment for the students to use in the labs. Expenses of \$128,400 for the purchase of teaching lab equipment were budgeted for FY 2020-2021. That should leave the account with an ending fund balance of approximately \$35,823 by June 30, 2021.

Original Target Date: February 28, 2019 New Target Date: September 30, 2020

Facilities Management Data Systems Controls (August 6, 2019)

1. Audit Issue: **Information Systems Security** (Recommendation #1.3)

Recommendation:

Work with the Chief Information Security Officer (CISO) to conduct a risk assessment of Facilities' IT environment and include the Facilities Management datacenter.

Action Plan to Complete:

FMDIT in conjunction with DoIT ITSO office conducted a risk assessment of Facilities IT environment on August 13th, 2020. Pending final report from DoIT which is due September 1st. Attached is the risk assessment questionnaire that was submitted.

Original Target Date: June 30, 2020

New Target Date: September 8, 2020

Financial Aid (February 10, 2017)

1. Audit Issue: **Enrollment Status** (Recommendation #2.1)

Recommendation:

Ensure that courses that do not count towards a program of study are excluded when determining a student's enrollment status and cost of attendance for federal student aid.

Action Plan to Complete:

This is on hold during the Pandemic.

Original Target Date: July 31, 2017

New Target Date: December 31, 2020

FIU HealthCare Network's (HCN's) Billing, Collections, and Electronic Medical Record Systems (January 14, 2019)

1. Audit Issue: **Access Controls** (Recommendation #1.07 prior #8.3)

Recommendation:

Establish mitigating access controls, including the regular review of audit logs to ensure the appropriate use of data by multi-cross functional and those identified with specific skills sets.

Action Plan to Complete:

Report #18/19-04, Recommendation #8.3 is currently under legal review. Legal is working through a temporary process until such time a permanent centralized process is developed.

Original Target Date: March 31, 2019

New Target Date: December 31, 2020

Information Security Controls of Mobile Health Center (September 13, 2016)

1. Audit Issue: **Identity Access Management Controls** (Recommendation #3.3)

Recommendation:

Review application audit log files starting from June 2015.

Action Plan to Complete:

Report #16/17-03, Recommendation #3.3 is currently under legal review. Legal is working through a temporary process until such time a permanent centralized process is developed.

Original Target Date: March 1, 2017

New Target Date: December 31, 2020

Nicole Wertheim College of Nursing and Health Sciences (October 28, 2019)
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1. Audit Issue: **Operational Controls** (Recommendation #1.2)

Recommendation:

Develop written policies and procedures to document the STAR Center's auxiliary operations.

Action Plan to Complete:

The STAR Center will develop and implement policy and procedure manuals to ensure compliance with University policies.

Original Target Date: January 31, 2020

New Target Date: January 31, 2020

2. Audit Issue: **Operational Controls** (Recommendation #1.3)

Recommendation:

Periodically reconcile cards purchased against course participant logs, cards sold for classes held outside the University, and cards available on-hand.

Action Plan to Complete:

The STAR Center is currently in compliance with the American Heart Association (AHA) Program Administration Manual (PAM) record keeping requirements. The STAR Center currently maintains a list of course completion cards, course participant logs and records of electronic cards distributed. Periodic reconciliations will be implemented, as recommended.

Original Target Date: January 31, 2020

New Target Date: January 31, 2020

3. Audit Issue: **Operational Controls** (Recommendation #1.4)

Recommendation:

Develop a schedule of AHA course offerings and applicable registration details.

Action Plan to Complete:

Presently, the STAR Center is evaluating web-based registration systems for adoption in the near future. The goal is for the web-based system to list training dates/times for American Heart Association (AHA) courses or other courses that individuals will be able to register for anytime via the internet. The STAR Center will also maintain the ability to offer customized training sessions as requested in order to meet the needs of organizations or individuals requiring specific training evolutions.

Original Target Date: February 28, 2020

New Target Date: February 28, 2020

4. Audit Issue: **Revenue Controls** (Recommendation #2.2)

Recommendation:

Consider invoicing the College of Medicine using Smart Billing to allow the STAR Center to ensure the accuracy of revenues collected from student mask fittings.

Action Plan to Complete:

The NWCNHS STAR Center will be coordinating with the College of Medicine (COM) regarding the switch to Smart Billing in order to improve the accuracy of revenues collected from COM student mask fitting trainings as recommended by this audit.

Original Target Date: March 31, 2020

New Target Date: March 31, 2020

5. Audit Issue: **Revenue Controls** (Recommendation #2.3)

Recommendation:

Work with Human Resources to ensure that all employees obtain the required background screenings for their position.

Action Plan to Complete:

The College's HR team is currently coordinating with the University's Central HR office to implement a strategy that addresses this finding in a timely manner. The goal is to identify all employees who require background screenings and ensure that the necessary documentation is on file.

Original Target Date: January 31, 2020

New Target Date: January 31, 2020

6. Audit Issue: **Expenditure Controls** (Recommendation #3.1)

Recommendation:

Travel Authorizations include all known and estimated expenses, and that expense reports are reviewed and approved within 90 days of submission.

Action Plan to Complete:

The College will be sending out a communication to all faculty and staff reminding them of the need to list all of the related projected trip expenses on the TAR. The College will also be reminding faculty and staff of the need to have expense reports reviewed and approved within 90 days.

Original Target Date: October 31, 2019

New Target Date: October 31, 2019

7. Audit Issue: **Expenditure Controls** (Recommendation #3.2)

Recommendation:

Credit card purchases are timely reviewed and approved by the delegated Business Unit Approver.

Action Plan to Complete:

The College will be reminding all P-Card approvers to review and approve their respective transactions in a timely manner. The Budget Director for the College will also review cardholder transaction approval statuses in the PantherSoft Financials system to determine if a reminder needs to be sent to the primary cardholder approver. It is the College's intent that the Credit Card Solutions Administrator (CCSA) not have to approve transactions on behalf of the College under normal business operations.

Original Target Date: October 31, 2019

New Target Date: October 31,

8. Audit Issue: **Expenditure Control** (Recommendation #3.4)

Recommendation:

The College staff comply with the University's Departmental Card Guidelines and Procedures Manual for maintaining accurate and detailed records of credit card purchases.

Action Plan to Complete:

The College will be emailing all cardholders and their respective approvers an electronic copy of the current P-Card Manual. The College will also ask all cardholders to attend P-Card training sessions once a year as a refresher on current P-Card policies and procedures. The College's Budget Office has been and will continue to perform independent audits of cardholder binders, etc., in order to minimize the occurrence of findings.

Original Target Date: October 31, 2019

New Target Date: October 31, 2019

9. Audit Issue: **Expenditure Control** (Recommendation #3.5)

Recommendation:

Ensure that a documented process is in place for scholarships awarded, including eligibility requirements.

Action Plan to Complete:

The College will be developing a formal process for auxiliary funded need-based and merit-based scholarships that details scholarship eligibility criteria.

Original Target Date: December 31, 2019 New Target Date: December 31, 2019

10. Audit Issue: Payroll and Personnel Administration (Recommendation #4.1)

Recommendation:

Ensure that managers or supervisors approve payroll for their direct reports by the payroll approval deadline. If a proxy is self-approving his or her time, the proxy should obtain written approval from their supervisor prior to submitting hours.

Action Plan to Complete:

Every two weeks we remind supervisors in our College of the deadline to approve their employee(s) time in the PantherSoft HR system by sending out an email reminder to the NWCNHS Faculty and Staff List serv. In the upcoming months, we will initiate a new process where we will review the report that the HR Payroll Department sends by email to the Business Unit head in the morning of the day of time approval. Once we have the spreadsheet that lists the supervisors who have not yet approved their employee(s) time, we will reach out to each supervisor by phone call to ensure that they are reminded to approve their employee(s)' time by the 2pm deadline. With regards to Proxy time approval, the College will be sending out communications as well as mentioning in meetings that employees must email their respective HR supervisor and copy the respective proxy when requesting leave time. This will ensure that the proxy is aware of leave time approved by the respective HR supervisor in the event that the HR supervisor is not available to review and approve leave occurrences in a timely manner.

Original Target Date: December 31, 2019 New Target Date: December 31, 2019

11. Audit Issue: Payroll and Personnel Administration (Recommendation #4.2)

Recommendation:

Ensure that supervisors complete the Separation Clearance Form prior to employees terminating with the University.

Action Plan to Complete:

In the upcoming months, we will design an Internal Separation Checklist. The Internal Separation Checklist will include the separation clearance exit interview prior to the employee's last day; return receipt confirmation of, if any, door keys, and/or IT equipment and the FIU One Card. Once we receive the employee's notice of resignation or retirement, we plan on reaching out to the supervisor and employee with our internal checklist immediately by email. This will ensure that the Separation from Employment Clearance form is signed by both the supervisor and employee prior to their last day of work. The form will need to be provided to the HR Liaison for processing and a copy will be placed in the personnel file.

Original Target Date: November 30, 2019 New Target Date: November 30, 2019

Patricia and Phillip Frost Art Museum (May 24, 2019)

1. Audit Issue: **Property Control** (Recommendation #4.1)

Recommendation:

Further analyze their object collection valuation and work with Asset Management to ensure that all collection objects appraised for \$5,000 or more, are properly recorded.

Action Plan to Complete:

We are working with Andrea to cross reference the 85 items that were not accounted for by asset management. Once they have been recorded by asset management, we will send confirmation.

Original Target Date: August 31, 2019 New Target Date: September 30, 2020

2. Audit Issue: **Information Systems Security** (Recommendation #6.3)

Recommendation:

Work with the Division of IT to conduct a formal risk assessment of the Museum's information systems.

Action Plan to Complete:

We have contacted Manny, and he stated that he didn't know this information. We will reach out to IT to see if a risk assessment has been conducted, and if not, we will have IT conduct one.

Original Target Date: October 31, 2019 New Target Date: December 31, 2020

3. Audit Issue: **Identity Access Management** (Recommendation #7.2)

Recommendation:

Perform formal log reviews on a periodic basis.

Action Plan to Complete:

We have reached out to Proficio to see if there are any updates coming so that we can track what changes have been made. Right now we can see that there was activity, but the service doesn't say what the change was. We have attached the procedures and what the change tracker looks like.

Original Target Date: September 30, 2019 New Target Date: December 31, 2020

4. Audit Issue: **Identity Access Management** (Recommendation #7.3)

Recommendation:

Perform an analysis of individuals with badge access to Collection storage areas and ensure that access is limited to employees with a job-specific need.

Action Plan to Complete:

We have reached out to Key Control in order to get the report of who has access. Once this is done, we will confirm everyone who has access is correct, and anyone who shouldn't have access is removed.

Original Target Date: July 31, 2019 New Target Date: September 30, 2020

5. Audit Issue: **Network Security** (Recommendation #8.1)

Recommendation:

Work with the Division of IT to review and document the firewall rules, and disable outdated rules.

Action Plan to Complete:

We have reached out to IT to see if these servers have been closed and if they have, we will provide documentation of these changes.

Original Target Date: July 31, 2019 New Target Date: September 30, 2020

The Wolfsonian - FIU Museum (April 23, 2018)

1. 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:

We have a draft revision to our emergency procedures and policies along with new security manuals. Final drafts integrating all relevant policies and procedures for both manuals will be complete by June 30, 2020. COVID-19 pandemic and remote work requires us to maintain flexibility in tabletop format and date. Our goal is to complete basic training and a tabletop exercise with all Wolfsonian staff before the re-opening of the Wolfsonian to the general public, tentative target date September 2020. We will work with the University Emergency Management team to coordinate training and tabletop exercises.

Original Target Date: June 2018

New Target Date: September 30, 2020

2. Audit Issue: Access to Collection and Collection Records (Recommendation #2.1)

Recommendation:

Implement adequate surveillance camera coverage of the Collection.

Action Plan to Complete:

We still have a keen interest in pursuing Art Sentry as an enhancement for video surveillance monitoring, but that now must be a long term effort (12 to 24 months). In the short term (3 to 6 months), we wish to make smart investments in the technology, which allows for future Art Sentry deployment, including:

- 1) Continue effort to migrate the Acuity Video Surveillance platform to a segment on the FIU VPN reserved for the exclusive use of the security systems;
- 2) Purchase and install 15, 360-degree cameras within the Annex facility to increase the coverage area. Maps of camera locations are provided in the attached floorplans (see attached file);
- 3) Temporarily increase camera installations on the fourth-floor storage area of 1001 Washington Avenue. In the coming months, a major exterior renovation, as well as interior work on the 4th and 5th floor, will begin. This project will address ongoing water infiltration issues at 1001, and requires the de-installation of the 5th floor and the shift of all collection items on the 4th and 5th floor to Annex storage; and
- 4) A response to the "new normal," revising public operations to reduce both operating hours, days, and spaces accessible to the public and staff.

Original Target Date: December 31, 2018

New Target Date: September 30, 2020

University Building Access Controls (January 20, 2016)

1. Audit Issue: Oversight/Management of Building Access Controls
(Recommendation #4.4)

Recommendation:

Provide guidance and/or training to all individuals who have been delegated facilities access control responsibilities.

Action Plan to Complete:

All users are trained before access is granted to the electronic system. Training is ongoing for new users and to date over 200 users have been trained. We are reviewing all current SMS operators to determine who needs training. We will keep a documented list of those operators that have been trained on a yearly basis. Training is ongoing on all new users.

Original Target Date: June 29, 2016

New Target Date: September 30, 2020

Consulting Activity

In addition to our assurance and investigation activities, through our consulting activity, we advise management on specific issues, when requested. In August 2020, at the request of the Dean of the Chaplin School of Hospitality and Tourism Management, we were pleased to provide our observations and recommendations stemming from a review of a draft grant agreement between Miami-Dade County, FIU, and the United Way of Miami-Dade, and certain procedures and process flows developed by the School. The said grant awarded \$5 million to FIU and the United Way, as paying agent, to provide financial relief to laid-off and furloughed employees of locally-owned and operated restaurants, hotel restaurants, bars, and caterers impacted by the COVID-19 pandemic.

Other Matters

We welcomed two new staff members to the OIA team in July 2020. Their names and credentials are as follows:

- Mr. Dayan Borges, Senior Auditor, joins us from a nationally ranked top 40 CPA firm. Mr. Borges is a Certified Public Accountant with 16 years of professional accounting and tax experience. He earned three degrees from FIU—Master (Concentration Taxation) and Bachelor of Accounting, and Bachelor of Political Science.
- Ms. Faydeen Hart, Senior Auditor, brings to us almost 16 years of experience in risk, compliance, auditing, and accounting, primarily in the areas of healthcare and federal and state regulations. Ms. Hart is a Certified Internal Auditor. She has earned the

following degrees—Master of Business Administration from Nova Southeastern University and Bachelor of Business Administration from FIU.

The new hires filled critical vacancies that will enable us to execute our audit plan with an appropriate level of resources. The office currently has one vacancy—an Audit Manager position. Our aim is to be fully staffed at the earliest possibility.

Professional Development

The audit staff continue to take advantage of available professional development opportunities. In August, seven members of the staff attended a two-part virtual seminar on Fraud Detection and Incident Response, hosted by the Association of Inspectors General. In addition, Ms. Natalie San Martin, Audit Project Manager, attained The Institute of Internal Auditors' Certification in Risk Management Assurance (CRMA) designation in July 2020.



University Compliance and Integrity

FLORIDA INTERNATIONAL UNIVERSITY

Office of University Compliance and Integrity Quarterly Report 2019-2020





FLORIDA INTERNATIONAL UNIVERSITY
 BOARD OF TRUSTEES

Audit and Compliance Committee

September 9, 2020

OFFICE OF UNIVERSITY COMPLIANCE & INTEGRITY QUARTERLY REPORT

2019-2020 Compliance Work Plan Status Update

The Office of University Compliance and Integrity is pleased to present the status update for the 2019 – 2020 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the third quarter of fiscal year 2019-2020 (April 1 – June 30).

Completed	In Process		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
Facilitate discussion and support initiatives related to compliance governance.	Privacy Governance Committee	<ul style="list-style-type: none"> Fully implemented sub-committee work related to FERPA and HIPAA. First meeting scheduled on September 29, 2020 to finalize charter and to develop list of initiatives. 	✓ ✓

	<p>Foreign Influence Task Force</p>	<ul style="list-style-type: none"> • Meeting held on June 19, 2020 via Zoom. Included a brief recap of the March meeting, progress updates regarding Export Controls and Global Affairs, a presentation regarding Foreign Influence strategic assessment modules, and a legislative update. • Next task Force meeting set for September 2020. • Assigned recommended training (Defense Counterintelligence and Security Agency (DCSA) Webinar) to the Foreign Influence Task Force members held on July 16, 2020. The briefing discussed how adversaries continue to target U.S. cleared defense contractors to illegally acquire sensitive information and technology. Particular focus was given to the increasing exploitation of IT systems and social media by foreign intelligence services and the resulting harm to U.S. national security. 	<p>✓</p> <p>✓</p> <p>✓</p>
	<p>Higher Education Act - Foreign Source Reporting</p>	<ul style="list-style-type: none"> • Coordinated FIU response to Foreign Source reporting requirement pursuant to Section 117 Higher Education Act. Worked with the Office of the General Counsel (OGC) to communicate requirements, create a reporting system, and develop guidelines for required July 31, 2020 submission. 	<p>✓</p>

<p>Supervisor and manager training in collaboration with Human Resources.</p>	<p>Develop and conduct compliance training.</p>	<ul style="list-style-type: none"> • Worked with Human Resources to assign Professional Development Credits to required Compliance trainings and to align required Compliance trainings to employee training summaries. This will enable managers to consider these trainings during the Performance Excellence Process (“PEP”). 	<p>✓</p>
<p>Communicate all major compliance initiatives with senior leadership to coordinate messaging.</p>	<p>Develop and execute communication campaigns for major compliance initiatives.</p>	<ul style="list-style-type: none"> • Reported status of major initiatives such as the Foreign Influence Task Force, the Policy Framework Project, the Code of Conduct launch, Export Controls program enhancements, etc. to OPS, DAC, and Executive Committee leadership. • Submitted a summary memorandum and supplemental documents to President Rosenberg following the Foreign Influence Task Force meeting. • Met with the Chief of Staff for weekly Compliance updates to align with operational initiatives. 	<p>✓</p> <p>✓</p> <p>✓</p>
<p>Compliance Liaison Scorecard</p>	<p>The Compliance Liaison Scorecard will be used to track the level of program participation for each Compliance Liaison.</p> <p>The scorecard is made available to the Division of Human Resources and the supervisor of the Compliance Liaison.</p>	<ul style="list-style-type: none"> • Conducted strategic one-on-one Compliance Liaison meetings with key partners in the fourth quarter. • Liaison Scorecard was further developed and used to track: <ul style="list-style-type: none"> - Participation in group initiatives such as quarterly meetings and special assignments. - Participation in one-on-one meetings with the CCO (to ensure regular discussion regarding risk management 	<p>✓</p> <p>✓</p>

		and compliance challenges within each liaison’s respective area).	
Policy Working Group Member Scorecard	The Policy Working Group Member Scorecard will be used to track the level of program participation for each member. The Scorecard will include participation in group initiatives and will be made available to executive leadership through the Monthly Compliance Report.	<ul style="list-style-type: none"> • Included scorecard in the monthly Compliance Reports to DAC and OPS committees. • Held Policy Work Group meeting to discuss the three-year policy review including its history, updates and improvements for the 2020 review, the updated review process, the second-tier review by the Work Group and areas identified for future review. • Distributed policies to Policy Work Group for second tier review process as part of the University’s three-year policy review. • Submitted work group feedback to policy owners. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Enterprise Risk Management Advisory Committee	Compliance Liaisons will serve as the Enterprise Risk Management (“ERM”) Advisory Committee and will continue with governance responsibilities related to the ERM.	<ul style="list-style-type: none"> • Met with Office of Internal Audit team twice in third quarter to develop Enterprise Risk Management platform. • Will continue to work with Internal Audit during the 2020-21 fiscal year to further develop an automated risk mitigation platform (continuing initiative). 	<p>✓</p> <p>✓</p>

Standards of Conduct and Policies

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

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Leverage the University Policy Workgroup to impact the FIU culture of compliance.	<p>Review and update Policy Framework.</p> <p>Conduct substantive review of all official University policies.</p>	<ul style="list-style-type: none"> • Initiated second-tier review of the three-year policy review process. • Updated escalation process. • Worked with Academic Affairs, Human Resources and the OGC to remove 81 bargaining unit policies from the Policy Library and to reinforce that in-unit faculty are subject to the policies and procedures outlined in the FIU Board of Trustees and United Faculty of Florida -FIU Chapter collective bargaining agreement. 	<p>✓</p> <p>✓</p> <p>✓</p>
Conduct policy campaigns to inform the University community of new and updated policies and core policies in need of regular dissemination.	Twenty-five (25) scheduled Policy Campaigns for 2019-2020.	<p>The following policies were distributed according to schedule:</p> <ul style="list-style-type: none"> • Gift Policy • Adding and Dropping of Courses Policy (includes Adding and Dropping of Courses policy and the Adding or Registering After the First Week of Classes procedure) • Drug-Free Campus/ Workplace Drug and Alcohol Abuse Prevention Policy • Incident Response Plan • Authorization and Modification of Courses • Missed Class related to Authorized University Events • Spouses and Relatives as Students 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

		<ul style="list-style-type: none"> • Verification of Credentials for Faculty ✓ • Service and Emotional Support Animals on Campus ✓ • University Travel Expense ✓ • Approvals Required on Electronic Proposal Routing Approval Form Prior to Proposal Submission ✓ • Research Misconduct ✓ • Nepotism in Research ✓ • Conflict of Interest in Research ✓ • Office of Research and Economic Development Prior Approval of Sponsored Project Proposals ✓ • Acquisition, Assignment and Use of University Vehicles ✓ • Fraud Prevention and Mitigation ✓ • Environmental Management Policy ✓ • Security in Laboratories with Special Hazards ✓ • Firearms and weapons ✓ • Nepotism ✓ • Access Control for University Buildings and Facilities ✓ • Export Controls (distributed to key partners in ORED for final approval and wider campaign launched in July) ● <p>*Although all campaigns were launched during the work plan year, some were extended to allow for conversion to the new training platform.</p>	
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	Transition the policy distribution, attestation and tracking system to Canvas/Catalog.	<ul style="list-style-type: none"> • Met regularly with FIU Develop team to track trends and address user experience issues with ongoing campaigns. • Redesigned messaging and announcement functions in all compliance-based training. • Extended campaign deadlines to allow for troubleshooting user experience issues and allow for full completion of campaigns within the new platform. • Worked with Human Resources to assign Professional Development Credit to compliance-based training. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
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Training, Education and Communication

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.	Eleven (11) scheduled training campaigns for FY 2019-20.	The following trainings campaigns took place according to schedule: <ul style="list-style-type: none"> • FIU Athletics Travel (released) • Documenting Travel Expenses and Requesting Reimbursement (released) • Allowable Travel Expenses (released) • FIU Travel Business Process (released) • FIU's Travel Policy Origins (released) 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

		<ul style="list-style-type: none"> • Introduction to Travel at FIU (released) • FIU Data Breach Prevention Incident Response Plan Infographic (released) • Family Education Rights and Privacy Act (FERPA) Regulation (released) • Clery Act (Released) • Health Insurance Portability and Accountability Act (Released) • Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) (Released) <p>*Although all campaigns were launched during the work plan year, some were extended to allow for conversion to the new training platform.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
	<p>Development of University Compliance and Integrity Newsletter.</p>	<ul style="list-style-type: none"> • First quarterly newsletter drafted announcing the roll out of several key compliance initiatives. Distribution pending launch of new Ethical Panther Hotline. 	<p>✓</p>
	<p>Development of New Export Control Website.</p>	<ul style="list-style-type: none"> • Collaborate with consultant to develop content for user friendly, 	<p>✓</p>

	<p>Development of updated Office of University Compliance and Integrity Website.</p> <p>Provide employees with training related to ethical decision making. Provide supervisors and managers with training related to communicating and modeling ethical decision making.</p> <p>Execution of University Mandatory Training Inventory and Support Project.</p>	<p>enterprise-wide, interactive Export Control Website.</p> <ul style="list-style-type: none"> • Work with web developers to design website. • Work with campus partners to evaluate and finalize prototype. • Evaluate and finalize content. • Scheduled go live date for Export Control Website. <p>• Perform testing assessment and updates (continuing initiative)</p> <p>• Conducted Ethics training for FIU Departments upon request</p> <p>• Created mandatory training inventory and calendar (continuing initiative).</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
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Risk Assessment, Measurement and Monitoring

Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Conduct strategic assessments to identify and address compliance and risk.	Ethisphere - Compliance Program Assessment (in progress)	<ul style="list-style-type: none"> Board of Governors' expectations for the external review of university centralized compliance programs as required in Board of Governors Regulation 4.003(7)(c). Guidance issued March 19, 2019. As a result, FIU has moved forward with this assessment and is gathering documents and data for the assessment consultant (this will be a continuing initiative). 	●
	CynergisTek HIPAA Compliance Program assessment	<ul style="list-style-type: none"> Meet regularly with HIPAA committee to address findings and recommendations related to HIPAA privacy. Develop enterprise wide HIPAA privacy policies. Develop enterprise wide HIPAA training modules for covered units. Participate in Cynergistek re-assessment. Draft reassessment report received and distributed to HIPAA committee on June 15, 2020. 	✓ ✓ ● ✓ ✓

	<p>Develop Compliance Calendar for 2020.</p>	<ul style="list-style-type: none"> • Updated Compliance Calendar notifications to more effectively communicate requirements and responsibilities of Compliance Calendar item owners. • Performed independent research of Compliance Calendar items to ensure requirements continue to be applicable to the University. • Collaborated with Compliance Calendar item contacts on updates to requirement details and appropriate ownership for continued monitoring of completion. • Updated tracking system to maintain consistent recordkeeping of status of Compliance Calendar activity and submissions. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<p>Support the University-wide effort to develop and implement a comprehensive ERM program.</p>	<p>Educate Risk Owners regarding risk management principles.</p> <p>Assist Risk Owners in determining the most appropriate business response to each risk.</p> <p>Provide resources to Risk Owners for reporting updates</p>	<ul style="list-style-type: none"> • Met with Chief Audit Executive to further develop a process for mitigating identified risk across the enterprise by educating risk owners and risk managers and developing a system of accountability. • Develop “risk mitigation toolbox” for risk owners, including templates for documenting controls and best practices. • Will continue to work with Internal Audit during the 2020-21 fiscal year to further develop an 	<p>✓</p> <p>✓</p> <p>●</p>

	related to identified risks.	automated risk mitigation platform (continuing initiative).	
Investigations, Discipline and Incentives			
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
Maintain policies and procedures to effectively enforce compliance and incentivize employees to perform in accordance with the compliance program, including the obligation to report.	FIU Policy Working Group, Compliance Liaison and Executive Scorecards	<ul style="list-style-type: none"> Documented and shared on schedule (continuing initiative). 	✓
	Policy and training escalation procedure for compliance	<ul style="list-style-type: none"> Escalation process in place and consistently implemented to achieve maximum campaign completion percentages (continuing initiative). 	✓
Take appropriate investigative actions in response to suspected ethics and compliance violations.	New and Integrated FIU Ethical Panther Hotline and Case Management System	<ul style="list-style-type: none"> Partnered with Employee and Labor Relations and Inclusion, Diversity, Equity and Access to wireframe and test new hotline and case management system, including developing supporting documents, hotline scripts and webforms. 	✓
		<ul style="list-style-type: none"> Worked with the Employee and Labor Relations and Inclusion, Diversity, Equity and Access and platform vendor to implement system improvements identified as part of the hotline testing process. 	✓

	Robust collaboration among Compliance, Internal Audit and Human Resources in evaluating reports of misconduct.	<ul style="list-style-type: none"> • Collaboration took place upon receipt of a hotline report to assign the appropriate investigator and degree of urgency to each matter (continuing initiative). • Regular monitoring of the status of hotline reports and follow up with assigned investigators to ensure reports are addressed in a timely manner (continuing initiative). 	<p>✓</p> <p>✓</p>
	Review and update materials and training related to rights and protections of reporters of misconduct.	<ul style="list-style-type: none"> • Incorporated discussion of retaliation into regular training and educational sessions (New Employee Orientation and training campaign materials). 	<p>✓</p>

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 President and executive leadership to encourage and promote a culture of compliance and ethics.	Utilize culture survey tools and focus groups to determine employee concerns and engagement related to compliance and ethics.	<ul style="list-style-type: none"> • Trend results will be used to benchmark additional culture survey tools following the Principles and Standards campaign. 	<p>✓</p>
Promote ethical decision making across the University community.	Conduct trainings and educational opportunities related to ethical decision making.	<ul style="list-style-type: none"> • Present to various departments and groups to discuss ethical decision making and to promote “bystander engagement” (continuing initiative). 	<p>✓</p>



**Office of
Internal Audit**

FLORIDA INTERNATIONAL UNIVERSITY

**Office of Internal Audit
Annual Report
2019-2020**




Office of Internal Audit

FLORIDA INTERNATIONAL UNIVERSITY

Date: September 9, 2020

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

From: Trevor L. Williams, Chief Audit Executive 

Subject: **Annual Report for FY 2019-2020**

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 2019-2020 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 June 16, 2020, the Board of Trustees' Audit and Compliance Committee reviewed and approved the FIU Office of Internal Audit FY 2020-2021 Internal Audit Plan included herein.

Unlike any other time in recent history, our University's operations have experienced unprecedented changes due to COVID-19. We continue to adjust to these changed circumstances. Through it all, 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.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
ORGANIZATION	2
STAFF TRAINING.....	3
TIME ANALYSIS	4
AUDIT AND INVESTIGATION ACTIVITIES	5
QUALITY ASSURANCE AND IMPROVEMENT PROGRAM	15
OTHER ACHIEVEMENTS.....	16
AUDIT PLAN	17
RISK-BASED FIVE-YEAR AUDIT PLAN.....	20

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, 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, abuse, or wrongdoing, and whistle-blower 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 (IIA).

Vision:

To provide independent, objective assurance and consulting activity designed to add value and improve FIU operations.

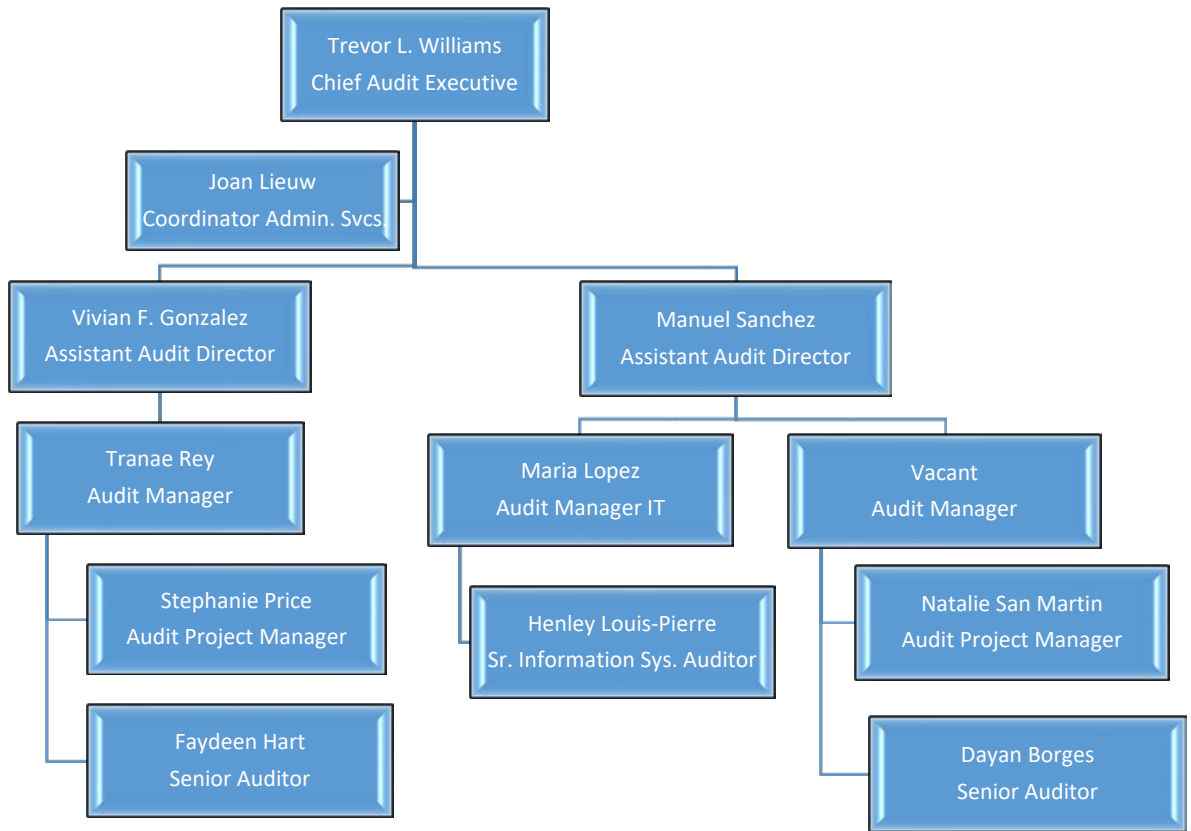
Mission:

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight through a systematic disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and control processes.



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 corrective actions. The OIA staff reports to the Chief Audit Executive as depicted in the organizational chart below.



The two Senior Auditor positions were filled during the early part of FY 2020-2021. Achieving full staffing will continue to be one of our strategic goals.

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.

Professional Development

The Office is committed to maintaining a competent, professional staff. To that end, the audit staff continues to take advantage of available professional development opportunities. During the year, three staff members attended the ACFE & IIA 2020 Fraud Conference sponsored by the Association of Certified Fraud Examiners and The Institute of Internal Auditors. Six staff members also attended the ACAMS & ACFE 2019 AML/Fraud Conference co-sponsored by the Association of Certified Anti-Money Laundering Specialist and the ACFE. Collectively, the OIA staff members completed 622 hours of professional development that are directly related to maintaining their professional competence.

On October 23-24, 2019, the CAE attended a State University Audit Council (SUAC) meeting of fellow CAEs of Florida's State University System institutions and the Inspector General of the Florida Board of Governors Office of the Inspector General. The meeting was hosted at the University of Central Florida in Orlando. Since the advent of COVID-19 and the University's transition to a remote environment, this consortium of CAEs has met each month, remotely, to continue the exchange of collectively shared knowledge.

Professional Association

During the year, we also maintained group and personal affiliations with the following professional organizations:

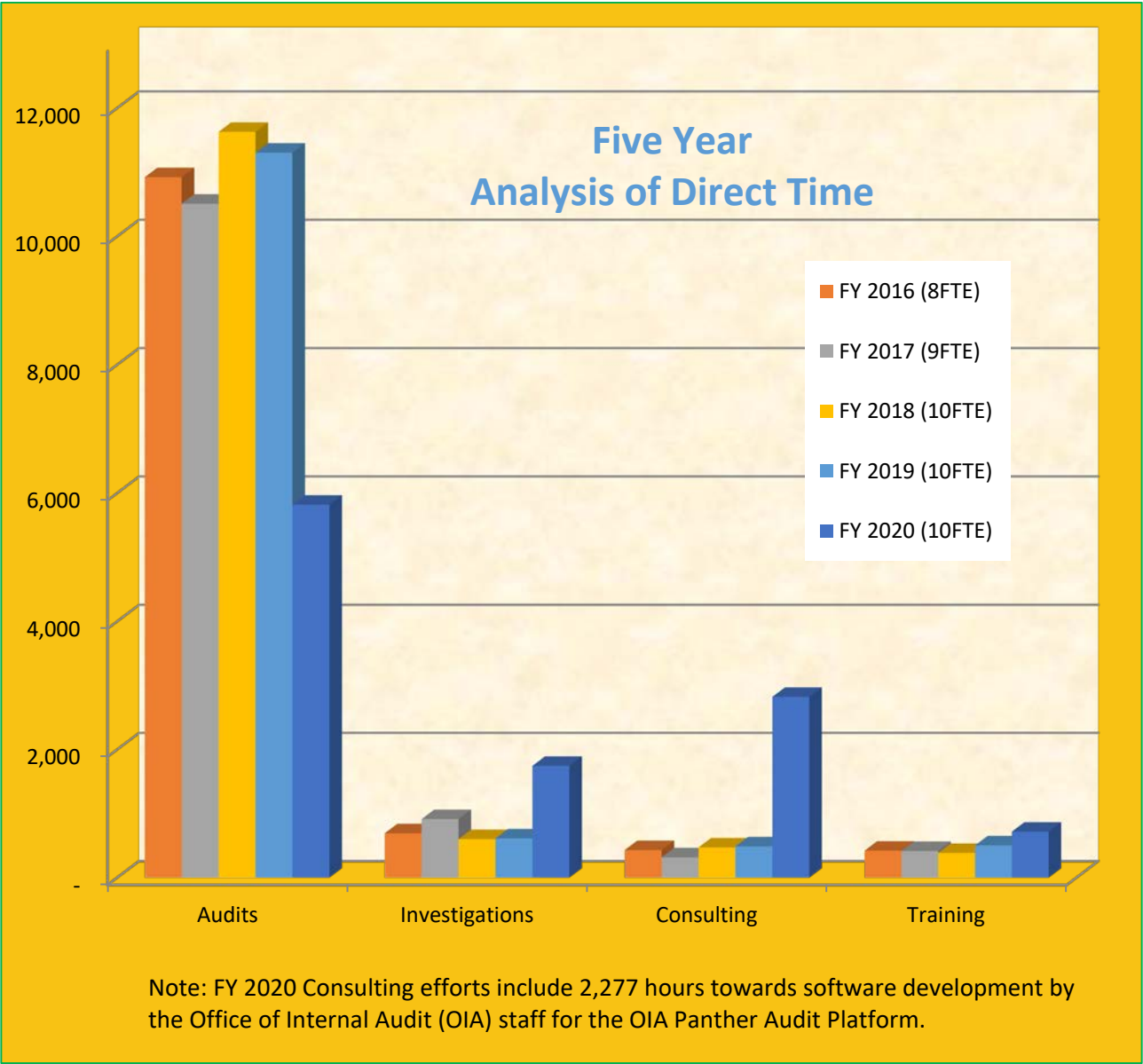
- The Institute of Internal Auditors
- Association of College and University Auditors
- Association of Certified Fraud Examiners
- Association of Healthcare Internal Auditors
- Information Systems Audit and Control Association
- American Institute of Certified Public Accountants
- Association of Local Government Auditors
- Association of Inspectors General

Audit staff continue to take advantage of professional development opportunities. Mr. Manuel Sanchez, Assistant Audit Director, Ms. Vivian Gonzalez, Assistant Audit Director, Ms. Tranae Rey, Audit Manager, and Ms. Stephanie Price, Audit Project Manager, attained the professional designation of Certified Fraud Examiner (CFE). In addition, Ms. Price successfully obtained the Certified Internal Auditor (CIA) designation. Finally, Ms. Natalie

San Martin, Audit Project Manager, obtained the Certification in Risk Management Assurance (CRMA) designation.

TIME ANALYSIS

The following graph reflects how the OIA’s direct staff time was spent during the past five fiscal years:



As depicted, our workload is often difficult to predict as investigations and other unplanned work affect our progress towards completion of all the planned audit projects. This dynamic was evident during the last fiscal year as already scarce resources were committed to three

major investigations, two of which were referrals from the Governor’s Executive Office Chief Inspector General.

In addition to the shift in resources related to investigations mentioned above, we also experienced similar shifts towards developing, testing, and launching our audit management tool – the OIA Panther Audit Platform. We believe this tool advances our audit follow-up function to a posture of greater accountability from University management. Finally, during the initial weeks of working remotely due to COVID-19, there was a substantial shift in staff’s effort towards completing online professional development courses. Although we cannot control all circumstances such as some of the aforementioned, we will work to rebalance our audit, investigative, and other accountability activities, including following up on the implementation status of past recommendations.

AUDIT AND INVESTIGATION ACTIVITIES

Audit of Facilities Management Data Systems Controls

The mission of the Facilities Management Department (“Facilities”) is to provide for the physical development and growth of the University community. Facilities is committed to providing quality, sustainable facilities and diligent oversight of all aspects of the physical environment. To meet its mission, Facilities maintains over 2,800 devices that control systems, which include, but are not limited to, electrical, fire, metering, and surveillance.



The primary objective of this audit was to determine whether general Information Technology (IT) controls related to Facilities' data systems were adequate and effective. The audit identified opportunities to strengthen Facilities' internal controls that pertain to:

- malware prevention,
- risk assessments,
- enabling audit log capability,
- disabling generically named user accounts,
- mitigating information systems' vulnerabilities,
- reviewing firewall rules,
- sharing the University's continuity of operations plan with the Department of Emergency Management, and
- documenting business continuity test results, corrective actions, and lessons learned.

The audit resulted in 10 recommendations, which management agreed to implement with the assistance from the Division of IT.

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

This is an audit of the internal controls and data security governing Admissions Operations, Enrollment Management and Services' ("Enrollment Processing Services") use and dissemination of personal data pursuant to the requirements of the Florida Department of Highway Safety and Motor Vehicles (DHSMV) Contract Number HSMV-0910-16 ("MOU"). Through the said agreement, Enrollment Processing Services is permitted electronic access to driver license and motor vehicle data used to validate residency classification of student applicants.

The objectives of the audit were to determine whether Enrollment Processing Services has policies and procedures in place to prevent unauthorized access, distribution, use, modification, or disclosure of the personal data that is provided/received pursuant to the MOU and to provide a basis to complete DHSMV's required Attestation Statement.

The audit concluded that, in all material respects, the internal controls over personal data are adequate to protect the personal data from unauthorized access, distribution, use, modification or disclosure pursuant to the terms of the MOU and that any and all deficiencies or issues found during the audit have been corrected and measures enacted to prevent recurrence.

Audit of the Nicole Wertheim College of Nursing and Health Sciences

The Nicole Wertheim College of Nursing and Health Sciences offers several different programs to its students. This audit looked at revenues and expenditures emanating primarily from the operation of the College's continuing education programs for the period

July 1, 2017, through December 31, 2018, and assessed the practices through June 30, 2019. Said revenues and expenditures for the six in-scope auxiliary operations (for credit and non-credit) totaled approximately \$4.7 million and \$3.7 million, respectively.

The objectives of the audit were to determine if established operational and financial controls and procedures over the College's auxiliary operations were: (a) adequate and effective; (b) being adhered to; and (c) in accordance with established University policies and procedures, and applicable laws, rules, and regulations.



While some aspects of the College's operations are functioning well, the audit identified opportunities for improvement over others. Specifically, improvements to operational and financial controls related to auxiliary operations, revenue reconciliation, payroll and personnel administration, expenditure management, and compliance with University policies and procedures are warranted. The audit resulted in 18 recommendations, which management has agreed to implement.

Audit of Treasury Management

The Florida International University Board of Trustees (BOT) and the four-member Investment Committee, who manages the assets of the University's investment portfolio, oversee the University's treasury function. The Committee meets quarterly to review the investment portfolio's performance and to determine if the investment objectives set forth in the Investment Policy are being met. We audited the University's Treasury Management

function, including the transactions and investment positions for the period July 1, 2017, through December 31, 2018, and assessed the practices through May 2019. At December 31, 2018, the University's investments totaled \$342.8 million. During the audit period, investment purchases and sales totaled \$177.5 million and \$187.3 million, respectively.

The objectives of the audit were to determine whether the Office of the Treasurer's procedures and internal controls ensure that:

- the monitoring and reporting of the Portfolio's performance are adequate;
- investment policies and procedures comply with all applicable laws, rules, regulations, and best practices;
- controls for executing investment transactions are adequate and comport with best practices;
- the University is compliant with all indentures;
- procedures surrounding cash exhibit proper segregation of duties and are processed adequately; and
- processes for accessing new and ongoing relationships are proper.



The audit concluded that the treasury management function is generally operating effectively. Nevertheless, we identified opportunities for improvement related to the documentation and approval of policies and procedures, the timely completion of proper background screenings and Conflict of Interest disclosures, and the inconsistent manner in how investment manager fees are reported that could result in incomplete reporting. The audit resulted in six recommendations, which management has agreed to implement.

Audit of the University Accounts Receivable Process

This is an audit of the University's Accounts Receivable Process covering the period July 1, 2017, through June 30, 2019. The University's gross accounts receivable balances as of June 30, 2018, and 2019, were \$40.6 and \$56.5 million, respectively. The primary objective of the audit was to determine whether there are adequate and effective controls and procedures in place to ensure that accounts receivables are properly recorded, related allowances for doubtful accounts are reasonable, and collection and write-off processes are adequately managed.

Overall, it was noted that the University's accounts receivable process has adequate and effective controls and procedures in place for those receivables recorded in the University's books. However, the report also noted that the University could benefit from having an integrated system to capture unrecorded accounts receivable balances not reported in the University's general ledger. The audit resulted in six recommendations, which management has agreed to implement.



Audit of the Performance Based Funding and Emerging Preeminence Metrics Data Integrity

The audit is required by the State University System of Florida Board of Governors (BOG), annually. It assesses the integrity of data and processes utilized in compiling the University's Performance Based Funding and Emerging Preeminence Metrics. The objective of the audit was to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the Performance Based Funding and Emerging Preeminence Metrics; and provide an objective basis of support for the BOT Chair and University President to sign the representations made in the Data Integrity Certification, which had to be filed with the BOG by March 2, 2020. The audit resulted in four recommendations, which management has agreed to implement, and was filed with the BOG by the prescribed due date.

Certified Audit of FIU Football Attendance for the 2019 Season in Accordance with the National Collegiate Athletic Association Operating Bylaws

This is an annual audit that is required by the National Collegiate Athletic Association (NCAA). The objective of the audit was to certify the accuracy of the season's attendance at FIU's home football games reported by the University to the NCAA for the 2019 season. Based on the methodology adopted by the FIU Athletics Department, we found that the football attendance data reported to the NCAA on the 2019 Football Paid Attendance Summary sheets were supported by sufficient, relevant, and competent records. Moreover, the current year's average home attendance of 15,298 met minimum NCAA requirements.



Investigations

One of the responsibilities of the OIA is to investigate allegations of financial fraud, waste, abuse, wrongdoing, and any whistle-blower complaints. Accordingly, from time to time, our office receives and reviews complaints from various sources: The Chief Inspector General, the BOG's Inspector General, the FIU hotline, Human Resources, and directly from a complainant. During FY 2019-2020, our office received 14 such complaints, 11 of which were either fully investigated by us or referred to the appropriate University staff for follow-up after our initial evaluation of the complaint. Our investigations of the remaining three (3) complaints were ongoing at the end of the 2019-2020 fiscal year.

BOG regulation requires that an appropriately redacted final investigative report shall be submitted to the appropriate action officials, board of trustees, and the Board of Governors if, in the CAE's judgment, the allegations are determined to be significant and credible. The following are the results of three significant investigations completed during FY 2019-2020:

- On August 9, 2019, the OIA received a referral from the BOG's Office of Inspector General and Director of Compliance, wherein the complainant alleged FIU engaged in the improper use of Educational & General (E&G) funds and improper purchasing practices. Based on the circumstances surrounding the complaint, we investigated the allegations under the Florida Whistle-blower's Act, Section 112.3189, Florida Statutes.

The complainant made the following five (5) distinct allegations:

- (1) The University transferred E&G funds from Carryforward to [FIU] Foundation in November 2014 to cover the donor's administration fee.
- (2) The University misused E&G funds to cover costs of the President's personal expense.
- (3) The University used E&G funds to cover Athletics expenses.
- (4) The University violated BOG Regulation 18.001 for not providing competitive solicitations or sole source waiver.
- (5) The University violated several purchasing regulations with the hiring of an executive coach consultant.

The results of the investigation determined all five (5) allegations to be unsubstantiated.

- On August 27, 2019, the University received an anonymous complaint through the Ethical Panther Line ("hotline"), regarding the University's purchase of palm trees. The staff group that reviews and evaluates complaints received through the hotline assigned the complaint to the OIA to investigate.

The complainant made the following two distinct allegations:

- (1) The trees were purchased from a company that is known to have had questionable practices with government agencies in the past [inferring wrongdoing].
- (2) The trees were planted at both the Modesto A. Maidique and Biscayne Bay Campuses before purchase orders were generated, which is a violation of purchasing procedures.

The investigation concluded that the first allegation was unsubstantiated and the second was substantiated.

The complainant also proposed several questions of concern pertaining to the said purchase. We investigated the following two questions:

- (1) Was the price of \$999,800 arbitrarily set just under one million to avoid some authority threshold?
- (2) Does the tree supplier have some sort of personal relationship with someone at FIU that would explain FIU's decision?

We were unable to determine whether the predicates proposed in the complainant's questions were the bases for the University's decisions. Nonetheless, the evidence examined generated additional questions related to internal controls and six recommendations to management.

- On September 16, 2019, the OIA received a complaint wherein the complainant alleged a former FIU Department Chair had engaged in diversion of University funds, abuse of authority, and a nepotism conflict of interest. Based on the circumstances surrounding the complaint, we investigated the allegations under the Florida Whistle-blower's Act, Section 112.3189, Florida Statutes.

The complainant made the following three (3) distinct allegations:

- (1) The former Department Chair diverted University funds to his research project by refusing to pay faculty and staff, and by preventing faculty from charging effort to the projects.
- (2) The former Department Chair used his position to "repay" some of the researchers with department resources that he controlled, including reducing their teaching load, giving them extra merit raises, and assigning them extra graduate teaching assistants.

- (3) There is a conflict of interest because the wife of the former Department Chair handles financial matters of a major conference hosted by his research project.

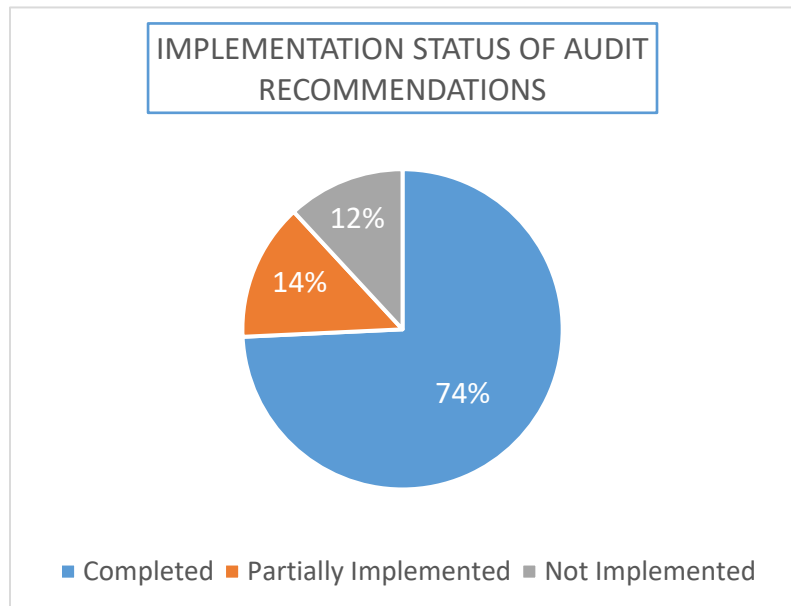
The investigation concluded that allegations No. 1 and No. 2 were unsubstantiated and allegation No. 3 was substantiated. The investigation also identified areas for improvement and offered nine recommendations for management’s consideration.

In addition, throughout the year, our office worked with the Office of Compliance and Integrity and the Department of Human Resources in evaluating and assigning complaints received through the University’s complaint hotline to the appropriate personnel to investigate.

Audit Follow-Up Activities

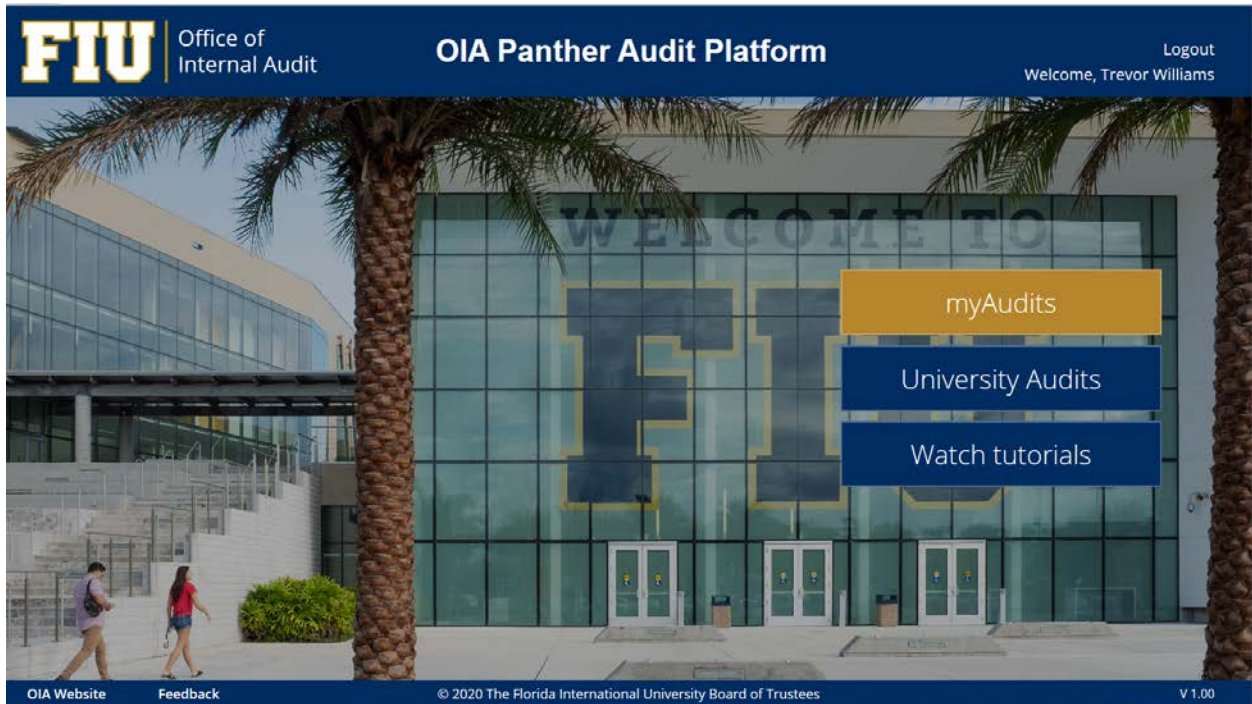
There were two transformational changes to the OIA audit follow-up process. First, starting in Q2 of FY 2019-2020, our prior audit recommendation follow-up process evolved to include the examination of corroborating documented evidence to validate the self-reported status of each audit recommendation. When we are unable to validate the reported status, based on our review of the evidence submitted or other applied procedures, we notify the auditee and adjust the status accordingly. Second, starting near the end of Q4, we launched Phase I of the OIA Panther Audit Platform, an interactive application we developed to assist University management with managing their audit issues, including the implementing of audit recommendations. We believe this active, ongoing audit of management’s efforts of mitigating areas of risks and concerns identified through our audits improves accountability.

During FY 2019-2020, there were 101 recommendations that were due for implementation. Through our validation of the reported status, we concluded that 75 recommendations (74 percent) were completed, 14 (14 percent) were partially implemented, and 12 (12 percent) were not implemented.



OIA Panther Audit Platform

The staff of OIA, with support from the Division of Information Technology, worked tirelessly to develop the OIA Panther Audit Platform, which was launched on May 28, 2020. This application provides the platform through which management is informed about recommendations coming due for implementation and enables them to describe the corrective actions taken, changes to the recommendation's status, and to upload supporting documentation. It also enables us to evaluate management's response and communicate our conclusions with management.



QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP)

The OIA performs its audit work in accordance with the *International Standards for the Professional Practice of Internal Auditing* (“Standards”) adopted by The IIA. Both the *Standards* and our operating charter require that we develop and maintain a QAIP for the OIA. The program requires that the Office’s activity be subject to a periodic internal assessment and an independent external assessment to determine conformance with the *Standards* at least every five years.

In December 2019, an external quality assurance review (QAR) of the OIA activity was completed to validate the internal self-assessment completed during the preceding months. The external QAR concluded that FIU’s internal audit department “generally conforms” with the *Standards*. This opinion is the highest of the three possible ratings that an audit organization can achieve from a QAR.



To: The Florida International University (FIU) Management Team, Trustees and Internal Audit Staff;

I have completed a Quality Assurance Review (QAR) of the FIU Office of Internal Audit (OIA). The primary objective was to assess the department’s operations regarding its conformance to the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).

In acting as an independent reviewer, I am fully independent of FIU and have the necessary knowledge and skills to undertake this engagement (see Appendix Reviewer Background). The review consisted primarily of reviewing policies, procedures and practices. Additionally, I interviewed audit team members and several key administrators and/or Board members. These interviews helped me gain a better understanding of the internal control environment within which the audit department operates.

I have reviewed the QAR results audit management. It has been determined that overall, the audit department “Generally Conforms” with auditing Standards. This report provides additional information on the purpose and scope of the review, highlights successful practices and denotes process improvement recommendations.

Robert Berry
Robert Berry

Table of Contents

Executive Summary	3
Report Details	7
Partial Conformance Areas	7
Areas For Operational Improvement	9
Appendix	12
Stakeholders Interview Listing – Executive Management	12
Stakeholders Interview Listing – Audit Staff	13
Survey Results – Internal Audit Staff	14
Survey Results – Executive Management	15
Detailed Conformance Matrix	16
Internal Audit Maturity Matrix	22
Reviewer Background	24

OTHER ACHIEVEMENTS

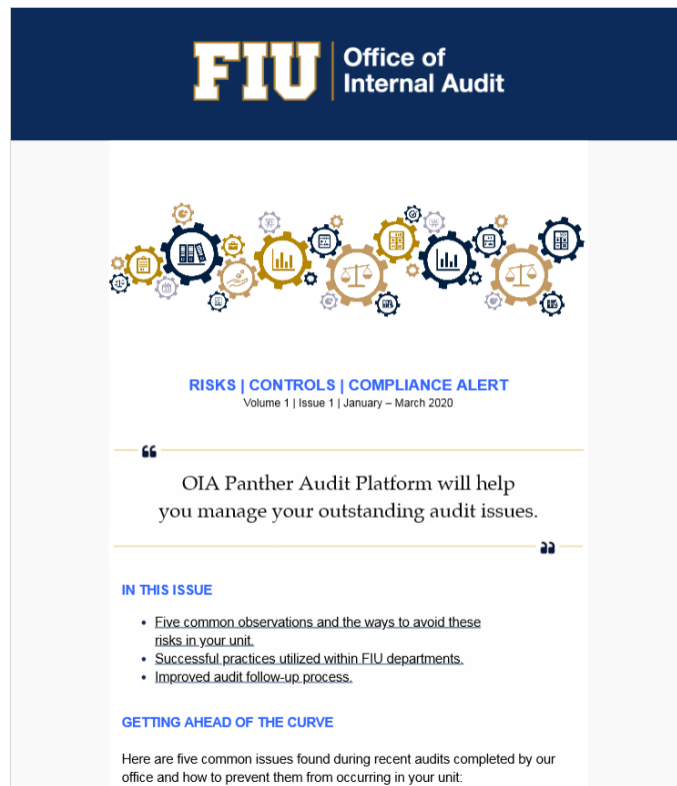
Office of Internal Audit Policy and Charter Update

BOG Regulation 4.002 and the OIA operating charter require that the BOT review and approve the charter at least every three years. Predicated by this requirement and the results from the internal and external quality assessment / assurance reviews, we significantly revised the operating charter. The revisions incorporated the recommendations emanating from the said quality reviews and aligned the charter more closely to The IIA's model charter framework. The revisions were discussed with the Audit and Compliance Committee, senior management, and General Counsel, and approved by the FIU BOT.

Other Matters

In keeping with our vision, we continue to seek means of providing independent, objective assurance and consulting services designed to add value and improve FIU's operations. To that end, we created a quarterly newsletter, *FIU Office of Internal Audit Risks ♦ Controls ♦ Compliance Alert*.

The newsletter provides content to inform FIU stakeholders about existing and emerging risks borne out of recent and past audits, as well as other important resources. Each issue contains two centerpiece sections: "A Recent Success" and "Getting Ahead of the Curve," where the former highlights a recent success story in applying good internal controls or other practices, and the latter highlights commonly encountered audit observations or emerging risks and suggested mitigation strategies. Through this newsletter, our aim is to add value to the University and strengthen accountability.



AUDIT PLAN

Every year, the BOT approves a risk-based plan prepared by the CAE. In preparing the plan, the CAE consults with senior management and the BOT 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 BOT on any required changes.

This approach fulfills our goal of allocating internal audit resources effectively and focused on the imminent risks to the University's operations. While our operations have been impacted by the COVID-19 pandemic, this year's plan was developed with the anticipation that a measure of normal operations would resume during the first quarter of the 2020-2021 fiscal year.

In developing this year's audit plan, we used the results of the extensive University-wide risk assessment and Five-year Audit Plan we completed last year as baseline. We reviewed the documents and evaluated the risk ratings and areas of audit focus for relevance and timing. In addition, we considered the current and near-term conditions, especially those related to COVID-19, and their potential risks and impact on University operations. Our baseline risks assessment and heat map were adjusted for identified COVID-19-related risks. In evaluating the potential risks related to COVID-19, we considered the typical relevant risk factors, including operational, safety, financial, regulatory, and reputational risks, as well as materiality.

A compilation of the risks and their relative rating, based on the established rating criteria, is presented in the Risk Assessment Heat Map on the following page. To achieve the best use of audit resources, we continue to focus our audit coverage to areas of high risks (those falling within the red section on the heat map). This focus is reflected on the combined Risk Assessment/Five-Year Audit Plan (page 20). We are collaborating with the Office of University Compliance and Integrity in developing a framework and strategy for addressing and mitigating the other identified risks.

At its June 16, 2020, meeting, the BOT approved the audit plan for the 2021 fiscal year presented on page 19.

FLORIDA INTERNATIONAL UNIVERSITY

THE OFFICE OF INTERNAL AUDIT UNIVERSITY RISK ASSESSMENT HEAT MAP

IMPACT	Lasting damage to reputation, operations & funding.	Severe (4)	40	25	8	9
	Disrupts operations over months; up to \$1M at risk.	Significant (3)	109	128	30	6
	Short-term negative effects/press; up to \$250K at risk.	Moderate (2)	112	154	30	1
	Minor regulatory or reputational effects; < \$25K at risk.	Negligible (1)	168	43	4	1
			Remote (1)	Less than likely (2)	Likely (3)	Very likely (4)
			Chance of occurrence < 10%	Chance of occurrence = 10% - 30%	Chance of occurrence = 30% to 75%	Chance of occurrence > 75%
LIKELIHOOD						

The following table outlines our approved audit plan for FY 2021:

Carryover Audits:	
Affiliated Agreement for Student Placement/Rotation •	
Payroll Irregularities and Fraud Controls / New Employee Document Verification •	
Conflict of Interest/Related Party Transactions •	
Motor Pool (University Fleet Management) •	
Grant Accounting - Auxiliary and Foundation Funded •	
Lab Safety •	
Procurement and Bidding Procedures •	
Compliance with Donor Confidentiality and Intent •	
Health Services Billing and Coding Process and Contract Performance •	
Proposed New Audits:	
Unit/Department	Area of Focus
Academic Affairs	COVID-19 Related Student Fee Refund •
Analysis and Information Management	Performance Based Funding Metrics Data Integrity
Athletics	NCAA Football Attendance Certification
Information Technology	Media Sanitation Guidelines and Controls •
Information Technology	Data Breach of Protected Information •
University-wide	COVID-19 Financial Assistance Compliance •

Florida International University Office of Internal Audit
Risk-Based Five-Year Audit Plan

Operational Unit/Area	General Subject Matter	Risk Index	Past Audit Coverage				Planned Audit Coverage				
			Prior	2017	2018	2019	2020	2021	2022	2023	2024
Academic Affairs	Student Health Center	(2/4)	x		x			✓			
Academic Affairs	Applied Research Center	(3/3)									✓
Academic Affairs	Food Network South Beach Wine & Food Festival	(2/4)	x			x			✓		
Analysis & Information Management	Performance Based Funding Metrics	(2/2)	x	x	x	x	✓	✓	✓	✓	✓
Athletics	Major NCAA Violations	2/3						✓			✓
Athletics	Title IX Violations	3/2								✓	
Athletics	Health Services Billing & Coding Process	(2/4)					✓				
Athletics	NCAA Football Attendance Certification	(2/3)	x	x	x	x	✓	✓	✓	✓	✓
Capital Construction	Project Administration & Funding	(2/4)	x						✓		
College of Arts & Science	Information Technology Controls	(3/3)	x					✓			
College of Medicine	Affiliated Agreements For Student Placement & Rotation	3/4	x				✓				
College of Medicine	Human Research Controls	4/4	x					✓			
Enrollment Services	Motor Vehicle Internal Controls & Data Integrity	(4/1)		x		x			✓		
Environmental Health & Safety	Lab Safety	3/4	x				✓				
Environmental Health & Safety	Hazardous Wastes & Materials Management	2/4	x							✓	
Environmental Health & Safety	Regulatory & Code Compliance	2/3	x							✓	
External Relations, Communications, & Marketing	Comprehensive/Coordinated Content Driven Solutions	4/3							✓		
External Relations, Communications, & Marketing	Brand Alignment and Affinity Management	4/4						✓			
External Relations, Communications, & Marketing	Digital/Web Communication Standards Compliance	4/4						✓			
Financial Management	Purchasing & Competitive Bidding Process	2/3	x	x	x	x	✓				
FIU Foundation	Donor Intent/Confidentiality	2/3	x				✓				
Housing & Residential Life	Student Housing	4/2		x						✓	
Human Resources	New Employee Document Verification Process	4/3					✓				
Human Resources	Payroll	(4/3)	x			x			✓		
Human Resources	Overpayment of Terminated Employees	(3/2)	x			x			✓		
Information Technology	Data Breach of Protected Information	3/4	x	x	x	x		✓			
Information Technology	IT Physical Controls	3/3	x	x	x				✓		
Information Technology	Panther Tech	(3/3)							✓		
Information Technology	Data Loss Prevention Controls	(3/2)	x	x	x	x				✓	
Information Technology	Vendor Management	(3/3)	x	x	x					✓	
Information Technology	Physician Assistant Program – IT Controls	(3/2)						✓			
Information Technology	Media Sanitation Guidelines & Controls	(3/3)						✓			
Instruction & Academic Support	Grading Integrity Management	4/3							✓		
Parking & Transportation	Motor Vehicle Internal Controls & Data Integrity	(4/1)		x		x			✓		
Plant Operations & Maintenance	Motor Pool	4/4	x				✓				
Plant Operations & Maintenance	Access Controls – Secure Locations	3/3	x							✓	
Plant Operations & Maintenance	Facilities Inspections & Deferred Maintenance	3/3	x								✓
Plant Operations & Maintenance	Construction Accident Reporting	2/4									✓
Plant Operations & Maintenance	Student Safety – Safety Athletic & Recreational Facilities	2/3	x							✓	
Police Department	Jeanne Clery Act Compliance	(2/4)	x								✓
Research & Development	Research Training & Policy Compliance	3/3	x					✓			
Research & Development	Biohazards Response Management	2/3	x								✓
Research & Development	Information Technology Controls	(3/4)							✓		
Research & Development	Grant Sub-recipient Monitoring	(2/1)	x	x	x	x	✓	✓	✓	✓	✓
Research & Development And College of Medicine	Plagiarism & Research Misconduct Management & Controls	3/3							✓		
Student Affairs	Children's Creative Learning Center	(3/3)	x								✓
University-wide	Conflict of Interest & Related Party Transactions	3/3	x				✓				
University-wide	Export/Import Controls	4/4						✓			
University-wide	FERPA Compliance	3/3	x		x		✓				
University-wide	Grant Accounting – Auxiliary & Foundation Funded	4/4					✓				
University-wide	Payroll Irregularities and Fraud Controls	3/3					✓				
University-wide	Natural Disaster Preparedness & Response	3/4							✓		
University-wide	Use of Student Fees	2/3	x			x					✓
University-wide	Grant Expenditure Controls	2/3	x							✓	
University-wide	General Data Protection Regulation Controls	(3/4)						✓			
University-wide	Background Check – Volunteers & Third Parties	(4/3)	x	x	x	x			✓		
University-wide	Student Safety – Hazing & Alcohol Abuse Prevention	(3/4)						✓			
University-wide	Admissions Policy Compliance	(3/4)						✓			

Note: The Risk Index represents the coordinates of the X and Y-axes as plotted on the Risk Assessment Heat Map. Parenthetic Risk Index is assigned by OIA to specific audit projects identified through analyses other than the risk assessment survey tool.

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University Compliance and Integrity

FLORIDA INTERNATIONAL UNIVERSITY

University Compliance Program

Annual Report

2019-2020





FLORIDA INTERNATIONAL UNIVERSITY

THE FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

September 9, 2020

UNIVERSITY COMPLIANCE PROGRAM ANNUAL REPORT (2019-2020)

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 maintaining and continuing to build 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. We especially acknowledge the FIU Community Members who make a robust and comprehensive compliance program possible through an individual commitment to ethical conduct, compliance with the law and *doing the right thing*.

PURPOSE AND SCOPE

The purpose of the FIU Program is to promote and support a working environment which reflects FIU’s commitment to operating with the highest level of integrity while maintaining compliance with applicable laws, regulations, and policies. The Program applies to all FIU campuses, facilities, and operations, and to the senior leaders, management, faculty, and 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. This is done, in part, by providing education and training on compliance-related topics, assisting in developing FIU policies, helping Community Members to understand the policy development process, explaining and supporting the responsibilities and obligations of our Community Members who are public employees and clarifying and interpreting FIU policies, procedures and regulations.

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

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:

Elements of an effective compliance program

(based on Chapter 8 of the U.S. Federal Sentencing Guidelines)

- Effective program structure and oversight to ensure compliance with the governing body
- Documented compliance and ethics standards of conduct and policies
- Effective training, education, and communication to the governing body and employees
- Exercise of due diligence in hiring and assignment of delegation of authority and responsibility
- Measurement and monitoring to ensure that the compliance and ethics program is followed
- Promotion of the program and consistent investigation, discipline and incentives
- Corrective action is taken in response to identified weakness or compliance failures
- Development of an effective compliance risk assessment and management review and response process

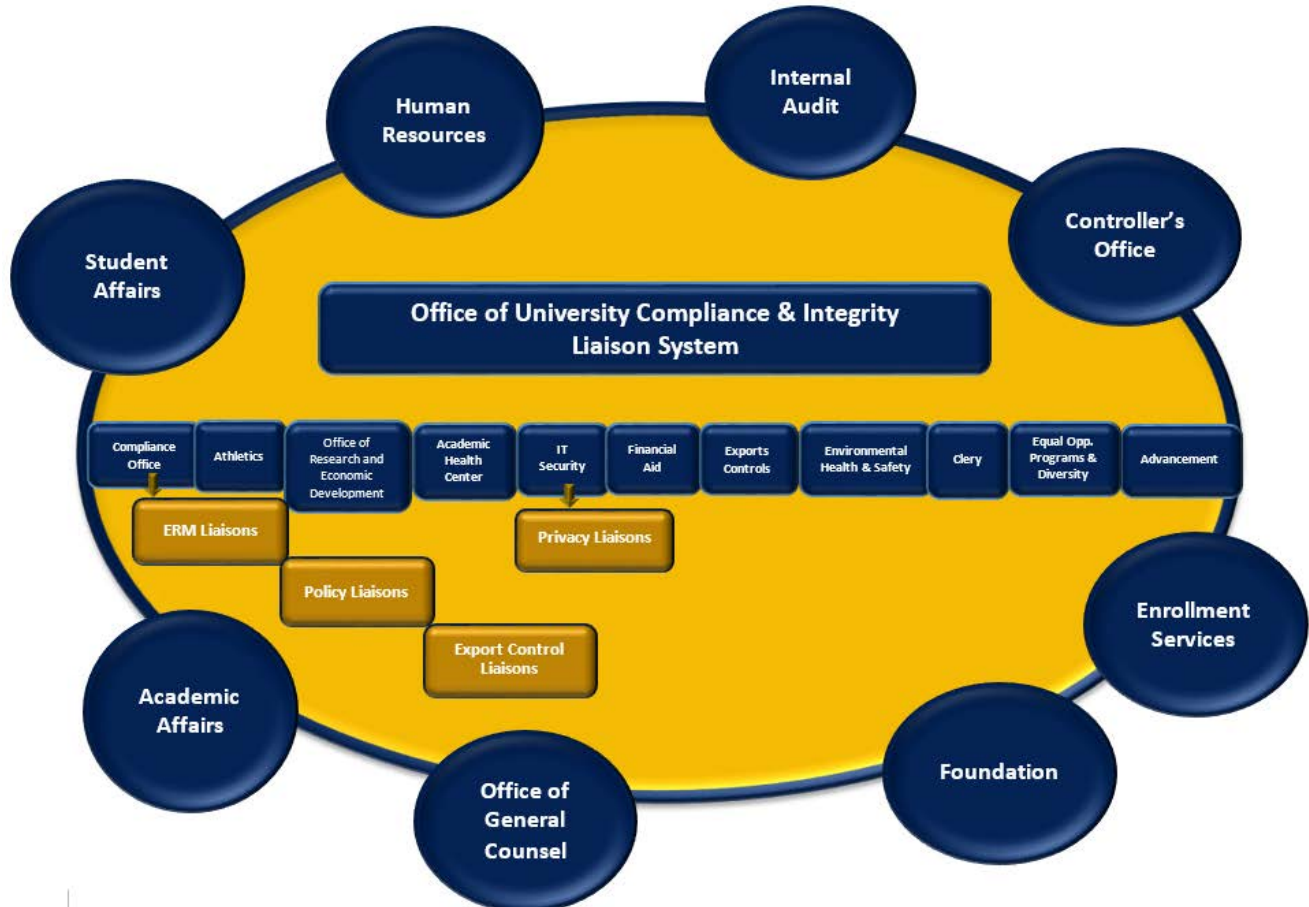
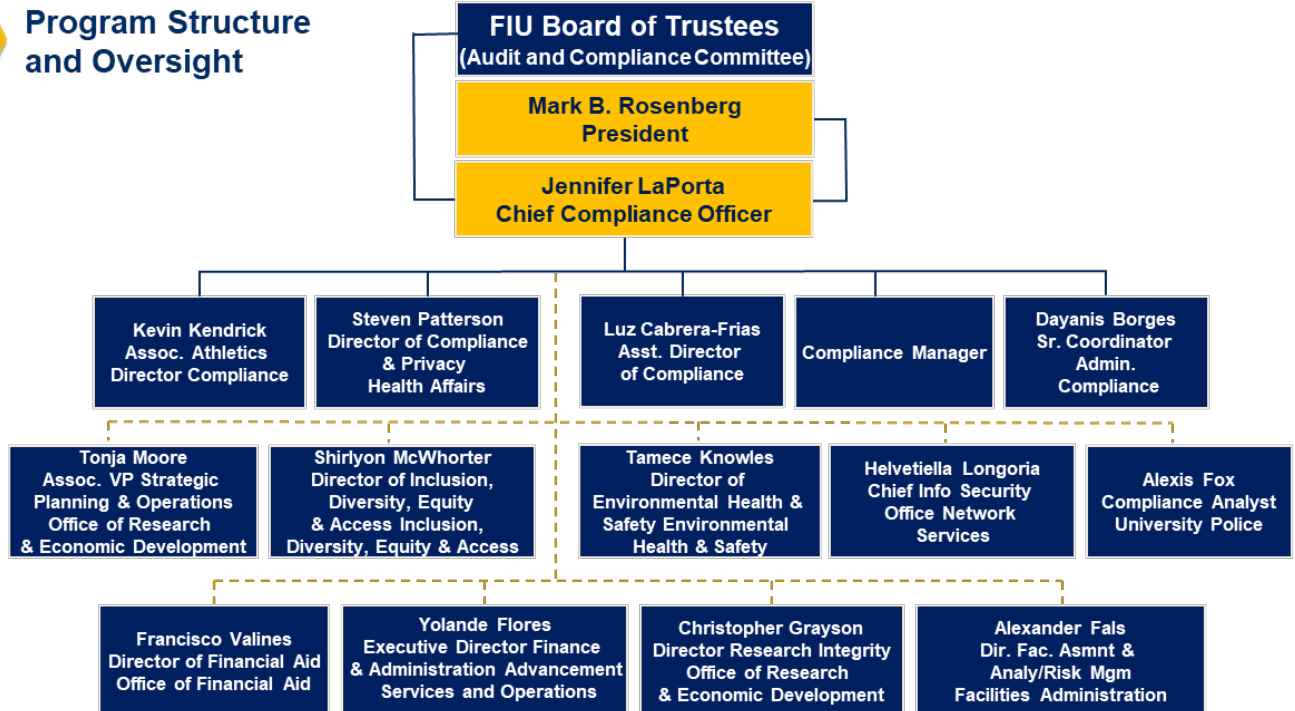
OFFICE OF UNIVERSITY COMPLIANCE AND INTEGRITY

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	Institutional Review Board Violations
Access/ Accommodations/Disability	Drug law policy	Identity Theft
Admissions Irregularities	Export Control Violations	Immigration Concerns
Animal Subject Research	Firearms and Dangerous Weapons policy violation	Information Security
Anti-bribery	FIU Trademarks	Interruption to campus operations or services
Billing for Health Care Services	Foreign Influence and Global Risk	Laboratory Safety
Child Abuse or Neglect	Fraud and Financial Abuse	NCAA Rules Violations
Conflict of Interest	Grant Expenditure Violations	Political Activity Violation
Criminal or civil charges against FIU Executives	Grant Performance	Privacy
Copyright infringement	Harassment	Research Misconduct
Damage to campus property	Institutional Animal Care and Use Committee	Retaliation
Death or serious bodily injury on campus	Institutional Bio-safety Committee/Institutional Review Entity Violations	Sexual Misconduct
		Workplace Safety

Compliance Governance

Program Structure and Oversight



The information below reflects the status on key action items and other compliance activities for the 2019-20 reporting year.

Completed	In Process		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
Facilitate discussion and support initiatives related to compliance governance.	Privacy Governance Committee	<ul style="list-style-type: none"> • Drafted Privacy Governance Charter. • Identified key FIU constituents for membership. • Fully implement subcommittee work related to FERPA and HIPAA. • First meeting scheduled on September 29, 2020 to finalize charter and to develop list of initiatives. 	✓ ✓ ✓ ✓
	Global Risk and Foreign Influence Task Force	<ul style="list-style-type: none"> • Disseminated Global Risk and Foreign Influence Task Force Charter to group for comment. • Identified, drafted and distributed resource documents to membership. • Agenda and training developed for first meeting. • Meeting held on January 27, 2020 included discussion of extensive Federal dialogue and investigation concerning Foreign Influence and Research Security in Higher Education and a presentation educating the task force regarding key definitions, the nature of multiple agency actions, the various avenues of 	✓ ✓ ✓ ✓

		<p>foreign influence and task force objectives.</p> <ul style="list-style-type: none"> • Meeting held on March 16, 2020 via Zoom with full task force attendance (first day of remote work). Included a brief recap of the January meeting, a recommendation for addressing agency inquiries, a presentation regarding international travel risks and related FIU controls, and a discussion of go forward Task Force Strategy. • Meeting held on June 19, 2020 via Zoom. Included a brief recap of the March meeting, progress updates regarding Export Controls and Global Affairs, a presentation regarding Foreign Influence strategic assessment modules, and a legislative update. • Strategic Assessment Modules fully developed to be launched and completed in the 2020-2021 Program Year. • Task force is an ongoing initiative that will continue into the 2020-2021 Plan Year (next task Force meeting set for September 2020). 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
	Higher Education Act - Foreign Source Reporting	<ul style="list-style-type: none"> • Developed and coordinated FIU's response to Foreign Source reporting requirement pursuant to Section 117 of the Higher Education Act. Worked with the Office of the General Counsel (OGC) to communicate requirements, create a reporting system, and develop guidelines for required January and July 2020 submissions. 	<p>✓</p>
Supervisor and manager training in collaboration with Human Resources.	Compliance Training	<ul style="list-style-type: none"> • Launched new Training and Policy Attestation Platform 	<p>✓</p>

		<ul style="list-style-type: none"> • Facilitated meetings and ongoing discussions with Human Resources and the OGC to identify key training areas. • Finalized interactive Compliance and Ethics training materials in collaboration with State University System (“SUS”) consortium subcommittee. • Met with Human Resources and OGC to discuss addition of compliance topics in currently mandated training such as new manager training and faculty orientation. This is a continuing initiative into the next calendar year. • Worked with Human Resources to assign Professional Development Credits to required Compliance trainings and to align required Compliance trainings to employee training summaries. This will enable managers to consider these trainings during the Performance Excellence Process (“PEP”). 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<p>Communicate all major compliance initiatives with senior leadership to coordinate messaging.</p>	<p>Develop and execute communication campaigns for major compliance initiatives.</p>	<ul style="list-style-type: none"> • Reported status of major initiatives such as the Foreign Influence Task Force, the Policy Framework Project, the Code of Conduct launch, Export Controls program enhancements, etc. to OPS, DAC, and Executive Committee leadership. • Submitted summary memoranda to President Rosenberg following each Foreign Influence Task Force meeting. • Met with the Chief of Staff for weekly Compliance updates to align with operational initiatives. 	<p>✓</p> <p>✓</p> <p>✓</p>

<p>Compliance Liaison Scorecard</p>	<p>The Compliance Liaison Scorecard will be used to track the level of program participation for each Compliance Liaison.</p> <p>The scorecard is made available to the Division of Human Resources and the supervisor of the Compliance Liaison.</p>	<ul style="list-style-type: none"> • Conducted first quarterly Compliance Liaison meeting to discuss the Annual Compliance plan and program objectives for the year. • Conducted second quarterly Compliance Liaison meeting in addition to one-on-one meetings between the Chief Compliance Officer (“CCO”) and Compliance Liaisons. The Chief Audit Executive was invited to share the new Audit distribution platform. Full discussion of risk assessment and mitigation and the role of the liaison. • Conducted third quarterly Compliance Liaison meeting in addition to monthly one-on-one meetings between the Chief Compliance Officer (“CCO”) and Compliance Liaisons. The Chief Audit Executive and key members of his team attended and provided a full demo of the OIA Audit platform functionality. Began discussion of Panther Enterprise Risk Management Platform. • Conducted strategic one-on-one Compliance Liaison meetings with key partners in fourth quarter. • Liaison Scorecard further developed and used to track: <ul style="list-style-type: none"> - Participation in group initiatives such as quarterly meetings and special assignments. - Participation in one-on-one meetings with the CCO (to ensure regular discussion regarding risk management and compliance challenges within each liaison’s respective area). 	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>
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<p>Policy Working Group Member Scorecard</p>	<p>The Policy Working Group Member Scorecard will be used to track the level of program participation for each member. The Scorecard will include participation in group initiatives and will be made available to executive leadership through the Monthly Compliance Report.</p>	<ul style="list-style-type: none"> • Implemented Policy Working Group Scorecard. • Included scorecard in the monthly Compliance Reports to DAC and OPS committees. • Held Policy Working Group meeting to discuss the three-year policy review including its history, updates and improvements for the 2020 review, the updated review process, the second-tier review by the Working Group and areas identified for future review. • Distributed policies to Policy Working Group for second tier review process as part of the University’s three-year policy review. • Submitted Working Group feedback to policy owners. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<p>Enterprise Risk Management Advisory Committee</p>	<p>Compliance Liaisons will serve as the Enterprise Risk Management (“ERM”) Advisory Committee and will continue with governance responsibilities related to the ERM.</p>	<ul style="list-style-type: none"> • Discussed role of compliance liaisons at first quarterly meeting. • Chief Audit Executive presented the enterprise risk “heat map” in second quarterly meeting and the new Audit platform in third quarterly meeting. • Developed Risk Mitigation toolbox and mitigation/control reporting form for enterprise wide risk owners. • Met with Office of Internal Audit team twice in third quarter to develop Enterprise Risk Management platform. • ERM is an ongoing initiative that will continue into the 2020-2021 Plan Year. Will continue to work with Internal Audit to further develop an automated risk mitigation platform. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

		<ul style="list-style-type: none"> • Nepotism in Research (1022 employees reached) ✓ • Conflict of Interest in Research (1022 employees reached) ✓ • Office of Research and Economic Development Prior Approval of Sponsored Project Proposals (1022 employees reached) ✓ • Acquisition, Assignment and Use of University Vehicles (118 employees reached) ✓ • Fraud Prevention and Mitigation (636 employees reached) ✓ • Environmental Management Policy (64 employees reached) ✓ • Security in Laboratories with Special Hazards (38 employees reached) ✓ • Firearms and weapons (141 employees reached) ✓ • Nepotism (100 employees reached) ✓ • Access Control for University Buildings and Facilities (97 employees reached) ✓ • Export Controls (distributed to key partners in ORED for final approval and wider campaign launched in July) (408 employees reached) ✓ <p>*Although all campaigns were launched during the work plan year, some were extended to allow for conversion to the new training platform.</p>	
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	<p>Transition the policy distribution, attestation and tracking system to Canvas/Catalog.</p>	<ul style="list-style-type: none"> • Selected FIU Canvas/Catalog as FIU's official policy platform. • Met regularly with transition workgroup to fulfill necessary project management steps to effectuate the transition. • Coordinated with current platform (Convercent) representatives to secure necessary FIU historical data. • Designed communication campaign for Canvas/Catalog rollout. • Rolled out Campus Catalog in January as FIU's official policy and training distribution platform. Has been successfully launched for ongoing HIPPA and Payment Card Industry (PCI) trainings. • Met with Human Resources and Information Technology to plan the development of an implementation timeline for phase II of the Canvas Catalog project which will include integration with PantherSoft for reporting purposes. • Extended campaign deadlines to allow for full completion of campaigns within the new platform. • Worked collaboratively with FIU Develop to enhance the system based on initial feedback and user experience. • Worked with Human Resources to redesign escalation system and work toward maximum completion rates for all training and policy attestations. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
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Training, Education and Communication

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.	Eleven (11) scheduled training campaigns for FY 2019-20.	<p>The following trainings campaigns took place according to schedule:</p> <ul style="list-style-type: none"> • FIU Athletics Travel (released) ✓ • Documenting Travel Expenses and Requesting Reimbursement (released) ✓ • Allowable Travel Expenses (released) ✓ • FIU Travel Business Process (released) ✓ • FIU's Travel Policy Origins (released) ✓ • Introduction to Travel at FIU (released) ✓ • FIU Data Breach Prevention Incident Response Plan Info-graphic (released) ✓ • Family Education Rights and Privacy Act (FERPA) Regulation (released) ✓ • Clery Act (Released) ✓ • Health Insurance Portability and Accountability Act (Released) ✓ • Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) (Released) ✓ <p>*Although all campaigns were launched during the work plan year, some were extended to allow for</p>	

		conversion to the new training platform.	
	Development of University Compliance and Integrity Newsletter.	<ul style="list-style-type: none"> • First quarterly newsletter drafted announcing the roll out of several key compliance initiatives. Distribution pending launch of new Ethical Panther Hotline. • Begin drafting and planning for content of future newsletters. 	<p>✓</p> <p>✓</p>
	Development of New Export Control Website.	<ul style="list-style-type: none"> • Collaborate with consultant to develop content for user friendly, enterprise-wide, interactive Export Control Website. • Worked with web developers to design website. • Worked with campus partners to evaluate and finalize prototype. • Evaluated and finalized content. • Scheduled go live date for Export Control Website. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
	Development of updated Office of University Compliance and Integrity Website.	<ul style="list-style-type: none"> • Partnered with IT to update Compliance Website. • Launched updated Website. • Perform testing assessment and updates (continuing initiative). 	<p>✓</p> <p>✓</p> <p>✓</p>
	Provide employees with training related to ethical decision making. Provide supervisors and managers with training related to communicating and	<ul style="list-style-type: none"> • Developed a comprehensive, interactive Compliance and Ethics Training Program as part of an SUS Consortium sub-committee. • Selected and implemented FIU Canvas/Catalog, EverFi and current vendors (Compliance Wave and Venngage) to provide 	<p>✓</p> <p>✓</p>

	modeling ethical decision making.	training platform and content to the University community.	
	Execution of University Mandatory Training Inventory and Support Project.	<ul style="list-style-type: none"> • Institution-wide survey distributed to identify training efforts throughout the FIU Community. • Create mandatory training inventory and calendar (continuing initiative). 	<p style="text-align: right;">✓</p> <p style="text-align: right;">●</p>

Risk Assessment, Measurement and Monitoring

Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Conduct strategic assessments to identify and address compliance and risk.	Ethisphere - Compliance Program Assessment (in progress)	<ul style="list-style-type: none"> • Board of Governors' expectations for the external review of university centralized compliance programs as required in Board of Governors Regulation 4.003(7)(c). Guidance issued March 19, 2019. As a result, FIU has moved forward with this assessment and is gathering documents and data for the assessment consultant (this will be a continuing initiative). 	●
	CynergisTek HIPAA Compliance Program assessment	<ul style="list-style-type: none"> • Met regularly with HIPAA committee to address findings and recommendations related to HIPAA privacy. • Developed enterprise wide HIPAA privacy policies. • Develop enterprise-wide HIPAA basics training for covered units. • Participated in Cynergistek re-assessment. • Draft reassessment report received and distributed to HIPAA committee on June 15, 2020. Final reassessment will inform development of 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

		additional training modules in next plan year.	
	Develop Compliance Calendar for 2020.	<ul style="list-style-type: none"> • Compliance Calendar finalized for 2020. • Each month a communication was sent to units with Compliance related filing deadlines. • Updated Compliance Calendar notifications to more effectively communicate requirements and responsibilities of Compliance Calendar item owners. • Performed independent research of Compliance Calendar items to ensure requirements continue to be applicable to the University. • Collaborated with Compliance Calendar item contacts on updates to requirement details and appropriate ownership for continued monitoring of completion. • Updated tracking system to maintain consistent recordkeeping of status of Compliance Calendar activity and submissions. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Support the University-wide effort to develop and implement a comprehensive ERM program.	<p>Educate Risk Owners regarding risk management principles.</p> <p>Assist Risk Owners in determining the most appropriate business response to each risk.</p>	<ul style="list-style-type: none"> • Met with Chief Audit Executive to further develop a process for mitigating identified risk across the enterprise by educating risk owners and risk managers and developing a system of accountability. • Developed “risk mitigation toolbox” for risk owners, including templates for documenting controls and best practices. 	<p>✓</p> <p>✓</p>

	Provide resources to Risk Owners for reporting updates related to identified risks.	<ul style="list-style-type: none"> ERM is an ongoing initiative that will continue into the 2020-2021 Plan Year. Will continue to work with Internal Audit to further develop an automated risk mitigation platform. 	●
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Investigations, Discipline and Incentives

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
Maintain policies and procedures to effectively enforce compliance and incentivize employees to perform in accordance with the compliance program, including the obligation to report.	FIU Policy Working Group, Compliance Liaison and Executive Scorecards	<ul style="list-style-type: none"> Documented and shared on schedule (continuing initiative). 	✓
	Policy and training escalation procedure for compliance	<ul style="list-style-type: none"> Assessed and revised escalation process to achieve maximum campaign completion percentages (continuing initiative). 	✓
Take appropriate investigative actions in response to suspected ethics and compliance violations.	New and Integrated FIU Ethical Panther Hotline and Case Management System	<ul style="list-style-type: none"> Identified a platform which will be used by the Division of Human Resources, the Office of Inclusion Diversity Equity and Access and the Office of University Compliance and Integrity and implementation has begun. 	✓
		<ul style="list-style-type: none"> Partnered with Employee and Labor Relations and Inclusion, Diversity, Equity and Access to wireframe and test new hotline and case management system, including developing supporting documents, hotline scripts and webforms. 	✓
		<ul style="list-style-type: none"> Worked with the Employee and Labor Relations and Inclusion, Diversity, Equity and Access and platform vendor to implement system improvements identified 	✓

		as part of the hotline testing process.	
	Robust collaboration among Compliance, Internal Audit and Human Resources in evaluating reports of misconduct.	<ul style="list-style-type: none"> • Collaboration takes place upon receipt of a hotline report to assign the appropriate investigator and degree of urgency to each matter (continuing initiative). • Regular monitoring of the status of hotline reports and follow up with assigned investigators to ensure reports are addressed in a timely manner (continuing initiative). 	<p>✓</p> <p>✓</p>
	Review and update materials and training related to rights and protections of reporters of misconduct.	<ul style="list-style-type: none"> • Met with OGC, Human Resources and Internal Audit. • Reviewed current policies. • Incorporated discussion of retaliation into regular training and educational sessions (New Employee Orientation and training campaign materials). 	<p>✓</p> <p>✓</p> <p>✓</p>

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 President and executive leadership to encourage and promote a culture of compliance and ethics.	Utilize culture survey tools and focus groups to determine employee concerns and engagement related to compliance and ethics.	<ul style="list-style-type: none"> • Embedded culture-related questions in the Policy Program Survey. • Policy Working Group provided observations and identified trends. (Trend results will be used to benchmark additional culture survey tools following the Principles and Standards campaign). 	<p>✓</p> <p>✓</p>
Promote ethical decision making across	Conduct trainings and educational opportunities related	<ul style="list-style-type: none"> • Partnered with Human Resources to conduct a Compliance “table talk” small focus group discussion which 	<p>✓</p>

the University community.	to ethical decision making.	<p>will be repeated on the Biscayne Bay Campus and with a small group of supervisors.</p> <ul style="list-style-type: none"> • Developed interactive compliance and ethics training program as part of a SUS Consortium sub-committee. • Present to various departments and groups to discuss ethical decision making and to promote “bystander engagement” (continuing initiative). 	<p style="text-align: right;">✓</p> <p style="text-align: right;">✓</p>
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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 and 2019 (below) and more recent Benchmarking data which will not be released until late in 2020.

Oversight and Accountability Standards

Reporting Structures and Relationships

- **Approximately half of compliance officers report to the Board.** This is true when looking at the data by industry, ownership (for profit and non-profit) and even by the gender of the compliance officer. **Meeting with the Board four or more times a year is the norm.** Overall, 35% of respondents reported four regularly scheduled meetings per year, and another 29% reported five or more, bringing the total to 64% with four meetings or more annually.
- **FIU:** FIU’s Chief Compliance Officer reports functionally to the Board through the Audit and Compliance Committee and has a reporting relationship to the President of the University. FIU provides quarterly reporting to the Audit and Compliance Committee and annually to the full Board.

Conclusions/Implications

The role of compliance in organizations seems to be solidified and strong. The consistency of the data year to year and the overwhelming consistency across the various measures suggests that the position has become an integral one in most organizations with reporting lines to the governing body or very close to it.

The idea that compliance reporting to the general counsel is the norm is not born out by the data in the survey or previous ones. Reporting to the general counsel is the exception, albeit a common one, rather than the rule.

Overall the relationship between the board and compliance seems to meet the needs of compliance professionals. Their general high satisfaction levels with the quality and frequency of the meetings is encouraging.

With the permission of the sources cited, the benchmarking data used to generate this report is from the Relationship between the Board of Directors and the Compliance and Ethics Officer, April 2018, A survey by the Society of Corporate Compliance and Ethics and the Health Care Compliance Association. Compliance Training and the Board, September 2017, A survey by the Society of Corporate Compliance and Ethics and the Health Care Compliance Association. State of the Compliance and Ethics Function 2018: Investigations and Discipline Findings © 2019 Gartner, Inc. and/or its affiliates. All Rights Reserved. Compliance and Ethics State of the Function Full Report 2019 Gartner, Inc. and/or its affiliates. All Rights Reserved.

Education, Communication and Awareness Standards

Compliance Board Training

- **While Board training is the norm**, a significant minority of companies do not offer compliance training to Board members. Overall 28% report that the Board does not receive compliance and ethics-related training, and for publicly traded companies, 34% of respondents indicated no training is provided.
- **FIU:** Ongoing Board training occurs as an integrated function of the quarterly reporting to the Audit and Compliance Committee; during on-boarding of all new Board members and periodically in conjunction with the Office of the General Counsel. The Chief Compliance Officer is working with a sub-committee of the State University System Consortium to develop consistent, comprehensive ethics training which can be leveraged for ongoing Board education.

Conclusions/Implications

Organizations not providing training to their Board on compliance and ethics issues are clearly in the minority, and that may carry some risk. The lack of training may be difficult to explain to a prosecutor after an incident, especially now that the Fraud Section in the Criminal Division of the US Department of Justice has indicated that, should an incident occur, prosecutors may be asking what compliance expertise is available on the Board.

Likewise, organizations providing training less than annually are clearly deficient as compared to their peers. Given the responses to this survey, it is clearly the norm to provide training at least once a year if not more. That would be expected with the changing enforcement environment and the ever-increasing number of legal and regulatory risk areas facing organizations. Providing less than annual training may be perceived as deficient.

Overall there appears to be significant room for improvement, even for organizations training their Board annually. Compliance professionals surveyed were generally not fully satisfied with the level of training provided to the Board. This suggests that likely more could and should be done. However, given the limited time of the Board, it is also likely that there will

always be tension between the amount of training desired and the time available for that training.

Compliance Risk Management

Top Compliance and Ethics Risks

- **Managing compliance and reducing compliance and ethics risk to the organization is at the very core of compliance and ethics programs' mandate.** Risk management is often the key outcome of a wide range of the program's activities, driving much of the program's training, analytics and culture-building activities. **Over half of the surveyed compliance and ethics leaders report risk assessment is done annually, with another quarter of programs conducting risk assessments less frequently.** For programs that conduct an enterprise-wide compliance and ethics risk assessment, over two-thirds use a hybrid top-down and bottom-up approach to complete this assessment.
- **FIU:** FIU has regularly conducted risk assessment; however, in 2017 FIU engaged in an Enterprise Risk Management program ranking system to inform University leadership in prioritizing risk assessments and mitigation plans as we move forward. In 2018-2019 the FIU Office of Internal Audit engaged in a formalized Risk Management Process to better inform the internal audit work plan and ongoing efforts of the Office of Compliance and Integrity. The Office of Compliance and Integrity is working closely with the Office of Internal Audit to build upon this approach and to create an integrated Risk management platform to bring FIU to the next level of maturity in its Risk Management application.

Conclusions/Implications

For compliance executives working to manage risks in a rapidly changing environment while minimizing drag on business operations, aligning the program's activities with other assurance functions can provide significant benefits to risk management outcomes.

Compliance and ethics leaders currently operate in an environment of unprecedented change. To better manage the risks their organizations' face, these executives must work to manage their program's structure, resources and activities as efficiently as possible. **Leaders of compliance and ethics programs should partner with other assurance leaders to align efforts throughout the organization.**

Ethical Panther Hotline Oversight and Reporting Trends

As public employees of the State of Florida, we seek to provide assurance to our University Community Members and the State of Florida at large, that our conduct is in accordance with high ethical standards and compliance with applicable laws, regulations and policies. An effective reporting system can be our most useful tool in reducing losses due to fraud and abuse. The Ethical Panther Hotline at Florida International University is an option for making a confidential report to identify or raise any compliance or misconduct concerns by using either an internet based webform or a telephone option.

- The Office of University Compliance & Integrity provided administration and oversight of the Ethical Panther Hotline to include review and tracking of all reports submitted.

- Received forty-seven (47) reports through the Ethical Panther Hotline alleging some type of misconduct.
- Upon receipt of each report, the Office of University Compliance & Integrity responded to the reporter to confirm that the report had been received, was being reviewed, and to point the reporter to additional support and resources at Florida International University that may be relevant given the specific nature of the report.
- The Office of University Compliance & Integrity coordinated the triage of reports by the Hotline Reports Review Committee (“Committee”) consisting of the Chief Compliance Officer, the Vice President for Human Resources and the Chief Audit Executive. The Committee reviewed all reports to determine the University’s immediate and initial response and also to determine what other University personnel, if any, must be involved in the investigation and the ultimate resolution of each report. Relevant information was only shared with other University personnel if it was necessary to investigate or resolve a matter. When appropriate, reports were referred to a compliance partner or University Internal Audit for review or investigation.
- The Committee is committed to safeguarding the confidentiality of individuals who submit reports whenever possible and, when applicable, to assigning Whistleblower status and protections to those reporters who may meet that legal definition (via the Chief Audit Executive).
- Of those reports filed, 19 reporters chose to use the call center, 24 reporters used the web form and 4 reports were filed “by proxy” (reported via an alternate means and entered by a Compliance professional). Thirty-nine of the reporters chose to remain anonymous to FIU and 8 fully disclosed their name and/or contact information. 33 of these cases were investigated and closed and 14 remain in review.
- The Office of University Compliance & Integrity continued to provide recommendations for corrective actions and improvements of ethical conduct to the appropriate authorities following investigations or requests for guidance.
- The Office of University Compliance & Integrity continued to promote the Ethical Panther Hotline on the Office of University Compliance & Integrity website; in key FIU University policies, on the websites of key compliance partners (including the “OneStop” web site for admissions, registration and financial services for students); in various communications from the Office of University Compliance & Integrity and in New Employee Orientation.