



**Audit and Compliance Committee**  
**June 15, 2023**  
**FIU, Modesto A. Maidique Campus, Graham Center Ballrooms**

**MINUTES**

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**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 Carlos A. Duart at 9:04 AM on Thursday, June 15, 2023.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Carlos A. Duart, *Chair (Zoom)*; Deanne Butchey; Natasha Lowell; and Alexander P. Sutton.

Board Chair Dean C. Colson, Board Vice Chair Roger Tovar, and Trustees Francis A. Hondal and Marc D. Sarnoff and University President Kenneth A. Jessell also were in attendance.

Committee Chair Duart welcomed all Trustees and members of the University administration. He also welcomed the University community and general public accessing the meeting via the University's webcast.

Committee Chair Duart also welcomed Student Government Association President and student Trustee, Alexander P. Sutton.

**2. Approval of Minutes**

Committee Chair Duart asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on February 23, 2023. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on February 23, 2023.

**3. Action Items**

**AC1. Approval of the Office of Internal Audit Policy and Charter**

Chief Audit Executive Mr. Trevor L. Williams presented for Committee review the proposed revisions to the Office of Internal Audit Policy and Charter. He indicated that Florida Board of Governors (BOG) Regulation 4.002 requires that the Office of Internal Audit Policy and Charter be reviewed at least every three (3) years for consistency with applicable BOG and university regulations, professional standards, and best practices. Mr. Williams pointed out that the proposed revisions to the charter ensure alignment with revisions to BOG Regulation 4.001, include clarifying language, and address scrivener's errors. He explained that the Office of Internal Audit follows the professional standards promulgated by The Institute of Internal Auditors. He added that, presently, there is a draft of the revised Institute of Internal Auditors standards collecting comments. Mr.

Williams noted that if new professional standards are adopted, the Office of Internal Audit Policy and Charter may necessitate further review to ensure consistency with said professional standards.

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

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

Chief Compliance and Privacy Officer Jennifer LaPorta presented for Committee review the proposed revisions to the Compliance and Ethics Charter for the Office of University Compliance and Integrity. She explained that, like the Office of Internal Audit, the Office of University Compliance and Integrity is also governed by a charter, which must be approved by the Board of Trustees and reviewed every three (3) years for consistency with BOG regulation, professional standards, best practices, and University regulations. She indicated that the proposed revisions to the charter are in alignment with BOG Regulation 4.003 State University System Compliance and Ethics Programs. Ms. LaPorta delineated the proposed revisions, including updated language to reflect the Office of Compliance's role in enterprise risk management, a new section regarding the protocol for reporting and escalating matters involving any restriction or barrier placed on the Chief Compliance Officer while conducting a compliance-related inquiry, and a new section regarding the Chief Compliance Officer's duty to ensure the Compliance Office staff and the compliance program is appropriately staffed and has the capabilities and resources to perform its duties and responsibilities.

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

### **3. Action Items** *(Committee Action; Full Board Information Only)*

#### **AC3. Internal Audit Plan, 2023-24**

Mr. Williams presented for Committee review and approval the Internal Audit Plan for the 2023-24 fiscal year. He remarked on the plan's authority, namely, that BOG Regulation 4.002 stipulates that the chief audit executive should develop a risk-based audit plan, and that the plan should provide an overview of the audits and other significant engagements planned for the fiscal year. He added that the FIU Board of Trustees Audit and Compliance Committee Charter requires that the Audit and Compliance Committee review and approve the Office of Internal Audit annual plan, and any subsequent changes thereto. Mr. Williams explained that the plan was developed using a systematic risk-based approach with input from University stakeholders and considered a number of different risks, including financial, operational, safety, regulatory, and reputational. He added that certain factors were considered as part of developing the plan, such as inherent risk in particular area(s), expectation of new or emerging regulations, and audit history.

Mr. Williams pointed out that the planned audits include one (1) carryover audit from the prior year's plan in addition to 12 new audits. He explained that the planned audit relating to the post-tenure faculty review process responds to BOG Regulation 10.003, which requires that, beginning January 1, 2024, each university conduct an audit of the comprehensive post-tenure review process

for the prior fiscal year and submit a final report to the university's board of trustees by July 1, 2024. He added that said BOG regulation also stipulates that the audit shall be performed by the university's chief audit executive or by an independent, third-party auditor, as determined by the chair of the university's board of trustees. Mr. Williams commented on challenges related to timing. He noted that similar to FIU, other State University System (SUS) institutions, have not yet fully implemented the requirements of said BOG Regulation and as such, discussions are ongoing with the SUS consortium of chief audit executives related to fulfilling the requirements set forth in the regulation in the terms that meet the expectations of the BOG and FIU Board of Trustees.

In response to Committee Chair Duart, Mr. Williams commented that the heat map is color coded, ranks risks from highest to lowest, and addresses the risk areas that are of higher concern. Mr. Williams referenced the 2023-2024 Internal Audit Plan and noted that the number(s) in parenthesis indicate the line number(s) on the risk-based five-year audit plan that comprises the area(s) covered by the planned audit. He added that the annual and five-year plans correspond to the items in the heat map.

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 2023-24.

#### **AC4. University Compliance and Integrity Work Plan, 2023-24**

Ms. LaPorta presented for Committee review and approval the University Compliance and Integrity Work Plan for the 2023-24 fiscal year. She explained that the plan outlines the goals and objectives of the University Compliance and Ethics Program. She explained that key action items are focused on initiatives and activities that will mitigate risks to the resources and the reputation of the University. She added that the plan and quarterly reports are based upon the seven (7) elements of an effective compliance program as prescribed by the U.S. Federal Sentencing Guidelines.

Ms. LaPorta highlighted planned key enhancement activities related to Program structure and oversight, including leveraging, through the Privacy Taskforce, a more comprehensive governance structure dedicated to privacy considerations throughout the University, creation of a dedicated three-year communications plan, separate from the Compliance workplan, to ensure that decisions around messaging, modality, and frequency are targeted to University community members, and launch of a foreign influence and global risk website to comprehensively and proactively inform and educate the University community and protect the University from activities or situations which could result in adverse foreign influence.

Ms. LaPorta explained that the Office of Compliance and Integrity is responsible for overseeing the development of new policy and the integrity of FIU's policy library. She added that every three years, the Office of Compliance and Integrity oversees a University-wide policy review during which each designated policy owner is responsible for reviewing and updating policies and procedures. Ms. LaPorta commented that said review will take place in the spring of the upcoming plan year and will require policy owners to define the risk profile of each policy, its target audience, and to engage in training and communications planning. She commented that the Office of Compliance and Integrity will also be providing language, support, and resources for inclusion in the next iteration of the faculty handbook. Ms. LaPorta commented that the Office of Compliance and Integrity has 10

scheduled policy campaigns and initiatives in the upcoming year. She remarked that the Office of Compliance and Integrity will work with Information Technology to develop an on-line platform to automate the University policy development process to ensure that all policy development elements required by the FIU policy framework are captured in a consistent, accessible, and auditable format.

Ms. LaPorta delineated planned key enhancement activities pertaining to training, education, and communications, including the execution of 26 scheduled training, education and communication compliance campaigns, a comprehensive Athletics Compliance Rules Education Plan, and a Comprehensive Health Affairs Compliance Training and Education Plan. She added that the Office of Compliance and Integrity will also be evaluating and updating the New Employee Experience Orientation Training. Ms. LaPorta noted that, in the upcoming year, the Office of Compliance and Integrity will be conducting and facilitating 10 distinct compliance reviews and risk assessments, and also will be developing system enhancements to all Program elements to address new and emerging foreign influence concerns.

Ms. LaPorta commented that, in the upcoming plan year, the Office of Compliance and Integrity will be making enhancements to FIU's hotline with respect to case management and will develop guidance for those individuals who are determined to be the point of contact for the review and investigation of complaints that originate through the Ethical Panther Hotline. She indicated that the Office of Compliance and Integrity will also be working with Human Resources and the Office of the Provost to develop a consistent corrective action program for foreign influence workflows and to determine appropriate consequences for employees not fulfilling their own compliance responsibilities.

In response to Trustee Natasha Lowell, Ms. LaPorta indicated that during orientation, new employees are made aware of key policies and procedures and expectations that are required of state and FIU employees. In response to Trustee Alexander P. Sutton, Ms. LaPorta commented on the 10 scheduled policy campaigns and communications initiatives.

#### **4. Discussion Items**

##### **4.1 Office of University Compliance and Integrity Quarterly Report**

Ms. LaPorta presented the Office of University Compliance and Integrity quarterly report. With regard to foreign gift and contract reporting, she pointed out that the Office of Compliance and Integrity continues to work with the Office of General Counsel to gather the information necessary for them to review and make the necessary determinations. She stated that the Office of Compliance and Integrity initiated and completed a compliance assessment of international shipping. Ms. LaPorta pointed out that the athletics compliance program underwent an assessment in the third quarter by Conference USA. She indicated that FIU has since received the report, which found that the groundwork has been formed for a very strong compliance environment. She added that the report also issued recommendations to enhance efforts and a plan is being developed to address said recommendations. She remarked that in July the Board of Trustees can expect to receive a memo listing any FIU work-related travel to countries of concern over the past year.

#### **4.2 Office of Internal Audit Status Report**

Mr. Williams presented the Office of Internal Audit Status Report. He explained that since the Committee last met, the Office of Internal Audit completed audits related to the Robert Stempel College of Public Health and Social Work and the College of Arts, Sciences, and Education. He indicated that the audits focused on assessing the effectiveness of internal controls and procedures relating to operations, finances, and information security over non-research related activities. He added that the audits also examined revenues, payroll administration, procurement of goods and services, travel, and asset management and evaluated accreditation standards and information security controls over sensitive and/or confidential information. Mr. Williams indicated that the audits concluded that while the Colleges have established internal controls for the areas in scope, areas were identified where the Colleges can improve their respective levels of internal control. Specifically, he noted that the audit related to the Robert Stempel College of Public Health and Social Work resulted in 17 recommendations and the audit pertaining to the College of Arts, Sciences, and Education resulted in nine (9) recommendations.

Mr. Williams indicated that there are currently eight (8) audits in various stages of completion. He pointed out that the Chief Audit Executive has updated the Office of Internal Audit Professional Practice Guide, operating manual, which was last updated in 2014. He noted that, since 2014, the Office of Internal Audit has transformed many of its operating practices and methodologies, including migrating from paper-based to fully electronic work paper documentation. Mr. Williams commented on the requirement that he annually communicate to the Board of Trustees whether management has accepted a level of risk that may be unacceptable to the organization. He stated that he is not aware of any such risk.

### **5. New Business**

#### **5.1 Office of Internal Audit Discussion of Audit Processes**

Committee Chair Duart 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 or accessing the meeting via the webcast was required to exit the meeting during the discussion with Mr. Williams. He added that this was strictly voluntary. The Committee met with Mr. Williams. Mr. Williams commented that responses from University leadership are, generally, timely. He also remarked on the positive relationship with University leadership. In response to Committee Chair Duart, Mr. Williams remarked that University leadership, generally, responds to and accepts the recommendations that are issued by the Office of Internal Audit. In response to Trustee Deanne Butchey, Mr. Williams stated that open positions within the Office have not posed a problem in terms of completing audits and the related follow-up but do present a challenge in terms of the number of audits that can be completed.

### **6. Concluding Remarks and Adjournment**

With no other business, Committee Chair Carlos A. Duart adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Thursday, June 15, 2023, at 10:02 AM.