



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
FEBRUARY 27, 2018**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Audit and Compliance Committee meeting was called to order by Committee Chair Gerald C. Grant, Jr. at 8:08 am on Tuesday, February 27, 2018 at the FIU, Modesto A. Maidique Campus, Student Academic Success Center, room 100.

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

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Gerald C. Grant, Jr., *Chair*; Natasha Lowell, *Vice Chair*; Krista M. Schmidt; and Kathleen L. Wilson.

Trustees Leonard Boord and Michael G. Joseph were excused.

Board Chair Claudia Puig, Trustees Cesar L. Alvarez and Rogelio Tovar, and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant noted that at the Board's October Full Board meeting, Trustees engaged in a substantive discussion on the honorary degree review and approval process. He added that the University's Faculty Senate conducts thorough reviews of honorary degree candidates and that among the State University System institutions, only half require Board of Trustees approval for honorary degrees. He noted that the Board's Academic Policy and Student Affairs Committee would review the honorary degree review and approval process at their meeting later in the day.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on December 8, 2017. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Friday, December 8, 2017.

3. Action Item

AC1. Performance Based Funding Metrics

A. Performance Based Funding – Data Integrity Certification

B. Audit of Performance Based Funding Metrics Data Integrity

Chief Audit Executive Allen Vann presented the Data Integrity Certification and the results of the third Audit of Performance Based Funding Metrics for Committee review. He added that the State

University System of Florida Board of Governors (BOG) requires the Chief Audit Executive to audit Performance Based Funding-related controls, processes, and data submissions. He stated that the current audit did not result in any recommendations and confirmed that the University has good process controls for maintaining and reporting performance metrics data. He reported that during the current audit, all recommendations previously reported were implemented. Mr. Vann further indicated that the results of the current audit provide assurances to the President and Board of Trustees that data submitted to the BOG is accurate and reliable.

A motion was made and passed that the Florida International University Board of Trustees Audit and Compliance Committee recommend that the Florida International University Board of Trustees:

1. Approve the Performance Based Funding – Data Integrity Certification to be signed by the Chair of the FIU Board of Trustees and the University President; and
2. Approve the Audit Report - Audit of the Performance Based Funding Metrics Data Integrity

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Vann presented the Internal Audit Report, providing updates on recently completed audits. He reported that the audit of the Robert Stempel College of Public Health and Social Work disclosed that the College's established controls relating to revenues and expenditures were good, and adequate processes were in place to monitor its fiscal activities. He explained that internal controls relating to the payroll approval process, asset management, and information security controls over research data need strengthening and that the audit resulted in 12 recommendations.

Mr. Vann noted that the Controller's Office will obtain reimbursements from overpaid travelers and institute better system controls as a result of the review of University travel expense reports. He stated that football attendance data reported to the National Collegiate Athletic Association (NCAA) on the 2017 Football Paid Attendance summary sheets are supported by sufficient, relevant, and competent records.

Mr. Vann also reported on work in progress and presented a follow-up status report on past audit recommendations, noting that 13 of the 24 recommendations were completed and that the remaining recommendations are in progress.

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

4.2 University Compliance Report

Assistant Vice President and Chief Compliance Officer Karyn Boston noted that three of the 11 key action items on the 2017-18 Compliance Work Plan have been completed, adding that the remaining eight action items are on track for completion by July 1, 2018. She reported that a search and screen committee is in the process of identifying a qualified candidate for the Health Sciences Compliance Officer position.

Ms. Boston reported that the Committee could expect, at its next regularly scheduled meeting, to receive an update on the audit of billing and coding. She stated that a review on the University's policies and procedures on sexual harassment was being conducted in terms of the effectiveness and reach of communications, the escalation and notification process, and the management and resolution of investigations.

Ms. Boston explained that the General Data Protection Regulation sets forth protections of personal data for all individuals within the European Union (EU), noting that enforcement begins May 25, 2018. She mentioned that the University will comply with the requirements by appointing a data privacy officer to monitor internal compliance, conducting privacy impact assessments for high risk data processing activities, informing national regulators within 72 hours after discovering a breach, ensuring that EU citizens consent to the type of data that is collected, and developing a structure that allows EU citizens to transfer his/her data from one electronic processing system to another.

In response to Trustee Natasha Lowell's inquiry, Ms. Boston stated that the University is in the process of identifying FIU students, faculty, and staff that are EU citizens.

4.3 University Enterprise Risk Management Status Report

Ms. Boston explained that in September, BOG Chair Thomas G. Kuntz forwarded a survey to each State University System institution to collect information regarding the status of the Enterprise Risk Management (ERM) or ERM-like programs at the state universities. She noted that during the January meeting of the BOG's Audit and Compliance Committee, Inspector General Maleszewski provided the results of the 2017 SUS ERM Practices Survey regarding each SUS institution's current efforts to identify and manage risks.

Ms. Boston indicated that the University started scoring approximately 350 risks in the fall with 75 risks undergoing a second round of more extensive scoring, adding that the process was completed in December. She stated that the ERM Committee met in January to determine the University's most significant risks. She added that at its next regularly scheduled meeting, the Audit and Compliance Committee, could expect to receive a report on the top 10 risks as identified by the ERM Committee.

Committee Chair Grant requested a moment of silence to honor the lives lost in the Marjory Stoneman Douglas High School shooting. Trustee Kathleen L. Wilson mentioned that she will be discussing with the University's Faculty Senate a recommendation from a Senator pertaining to mandatory active shooter training for faculty and staff.

5. Report

Committee Chair Grant requested that the Athletics Compliance Report be accepted as written. There were no objections.

6. New Business

6.1 Office of Internal Audit Discussion of Audit Processes

Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Chief Audit Executive without the presence of Senior

Management. He also noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with the Chief Audit Executive, adding that this was strictly voluntary. The Committee met with the Chief Audit Executive and confirmed that management was cooperating fully with the staff of the Office of Internal Audit. With regard to inquiries made by Committee members about succession management planning, the Chief Audit Executive assured the Committee and the Board Chair that he would remain in place throughout the transition process, until such time that a replacement was in place.

7. Concluding Remarks and Adjournment

With no other business, Committee Chair Gerald C. Grant, Jr. adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Tuesday, February 27, 2018 at 8:40 a.m.

There were no Trustee requests.

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