



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
DECEMBER 5, 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 Vice Chair Natasha Lowell at 8:16 am on Wednesday, December 5, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Committee Vice Chair Lowell 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 Natasha Lowell, *Vice Chair*, Leonard Boord; Joerg Reinhold; and Sabrina L. Rosell.

Trustees Gerald C. Grant, Jr., *Chair* and Michael G. Joseph were excused.

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

2. Approval of Minutes

Committee Vice Chair Lowell asked that the Committee approve the Minutes of the meeting held on September 5, 2018. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, September 5, 2018.

3. Discussion Items

3.1 Office of Internal Audit Status Report

Mr. Trevor L. Williams noted that after over 20 years of dedicated service to the University, Mr. Pyong Cho, Assistant Director Audit, will be entering retirement.

Mr. Williams presented the Internal Audit Status Report, providing updates on recently completed audits. He reported on the findings pertaining to the audit of the Food Network & Cooking Channel South Beach Wine & Food Festival (Festival). He explained that while the audit concluded that the Festival's results of operations were properly accounted for and managed in accordance with established policies and procedures, and revenues generated were used as intended and in accordance with University policy, opportunities for improvement were present in terms of administration over recording of ticket sales, personnel administration, disbursements, supplier contract management, and adherence to PCI compliance.

Mr. Williams stated that the audit of the Steven J. Green School of International and Public Affairs focused on the adequacy and effectiveness of financial and operational controls, and concluded that the School's financial management needed improvement, particularly in the areas of revenue controls, approving payroll and extra compensation, expenditure controls, and asset management. He indicated that better oversight over the use of lab and equipment fees collected is needed, stating that the School needs to assess the rates charged for these fees, annually, to establish the correct rate and ensure that the use of the fees comports with the purpose for their establishment.

Mr. Williams reported that the audit pertaining to the College of Engineering and Computing concluded that the College's financial controls were generally adequate and in accordance with University policies and procedures. He explained that opportunities for improvement exist in internal controls, particularly pertaining to the payroll and extra compensation process and the expenditure process related to student fees.

Mr. Williams explained that nine audits are in various stages of completion and that the Office of Internal Audit is currently trending audit findings to determine where commonalities exist.

3.2 University Compliance and Ethics Quarterly Report

Ms. Jennifer LaPorta provided a status update on the 2018-19 Compliance Work Plan, noting that the referenced key action items have either been fully implemented or are on target with good progress. She explained that the roll out of the recently completed Principles and Standards is scheduled for Spring 2019, explaining that this is a critical component in supporting employees in ethical decision making and is a powerful resource in terms of addressing questions, identifying issues, and aiding employees in their shared responsibility in terms of compliance.

Ms. LaPorta presented updates relating to compliance reviews, noting that the healthcare billing and coding assessment has been completed and that the HIPAA assessment and the Compliance Program reviews are in progress. She subsequently provided an update on the Compliance-related positions currently under recruitment.

4. Reports

There were no questions from the Committee members in regards to the reports included as part of the agenda materials: State University System of Florida Compliance Program Status Checklist; and the Athletics Compliance Report.

5. New Business

5.1 Senior Management Discussion of Audit Processes

Committee Vice Chair Lowell noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with senior management without the presence of members of the Office of Internal Audit. She further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with senior management, adding that this was strictly voluntary. The Committee met with senior management. University President Mark B. Rosenberg indicated that Mr. Williams is helping to accelerate urgency and implementation and that elements of the work of Ms. LaPorta align with the new FIU strategic plan.

Trustee Roger Tovar recommended that in terms of audits in areas with operations comparable to that of the Festival's which have a high volume of transactions, the timing of the audit work be aligned with the related risk factors. Trustee Leonard Boord explained that the Risk Assessment/Five Year Plan was reviewed resulting in more frequent audits for high-risk categories. Adding to Trustee Tovar's recommendation, Trustee Boord suggested that the Committee should engage in another review of the Risk Assessment/Five Year Plan in order to assess where new areas within the high-risk categories should be included. President Rosenberg stated that the University will work to identify high impact and high transaction areas similar to those of the Festival. Trustee Tovar further stated that his recommendation is related to oversight and not the implementation of additional controls that can lead to the stagnation of operations.

6. Concluding Remarks and Adjournment

With no other business, Committee Vice Chair Natasha Lowell adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Wednesday, December 5, 2018 at 8:48 a.m.

There were no Trustee requests.

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