



Audit and Compliance Committee
December 6, 2022
FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

MINUTES

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. Duarte at 8:37 AM on Tuesday, December 6, 2022.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Carlos A. Duarte, *Chair*; Natasha Lowell; and Cristhofer E. Lugo.

Trustees Carlos Trujillo and Deanne Butchey were excused.

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

Committee Chair Duarte 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.

2. Approval of Minutes

Committee Chair Duarte asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on September 22, 2022. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on September 22, 2022.

3. Discussion Items

3.1 Office of Internal Audit Status Report

Chief Audit Executive Trevor L. Williams presented the Office of Internal Audit Status Report and commented on recently completed audits pertaining to student safety – hazing prevention, examination of the Department of Parking, Sustainability, and Transportation's compliance with contract number HSMV 0185-22, Office of Research and Economic Development – research training and policy compliance, and cybersecurity prevention and detection controls – ransomware. He remarked that the audit of student safety as it relates to hazing prevention covered the period January 1, 2021, through December 31, 2021, and subsequent events through August 2022. He indicated that the University adopted an anti-hazing policy as required but the audit noted some instances of noncompliance and opportunities for process improvements to the University's hazing prevention efforts. He pointed out that the audit resulted in 23 recommendations, including:

requiring all student organizations and groups to register with Campus Life and identifying a department or person to centrally manage the University's hazing prevention efforts; developing a records maintenance and retention plan and ensuring proper storage pursuant to FIU Regulation 2501; creating an anti-hazing attestation requirement and agreement form for all members of student organizations and groups and monitoring its completion; ensuring proper dissemination of the anti-hazing policy and that all student organizations and groups include the required information in their bylaws; and revising and expanding the University's hazing prevention education plan.

Mr. Williams commented on the examination of the Department of Parking, Sustainability, and Transportation's compliance with contract number HSMV 0185-22. He explained that the Florida Department of Highway Safety and Motor Vehicles allows the Department of Parking, Sustainability, and Transportation (Parking) electronic access to driver's license and motor vehicle data for the purpose of issuing parking permits and citations. Mr. Williams noted that the examination disclosed deviations in Parking's internal controls subject to this examination, that if not corrected, could diminish the controls' effectiveness in protecting data from unauthorized access, distribution, use, modification, or disclosure. He explained that due to the sensitive nature of the subject matter audited, details related to the specific areas where opportunities for improvement exist have been omitted. He pointed out that the Office of Internal Audit verified that management took corrective actions and applied appropriate examination procedures to ensure that the implementation and effectiveness of the corrective actions taken by Parking prevent recurrence.

Mr. Williams remarked that the audit of the Office of Research and Economic Development (ORED) – research training and policy compliance covered the period July 1, 2021 through June 30, 2022 and subsequent events through October 2022. He pointed out that the audit was conducted to determine if ORED's research-related policies were enacted according to University policy and whether they, along with research-related trainings, are adequate and adhere to applicable federal and state regulations. Mr. Williams stated that the audit found no adverse reportable conditions and concluded that ORED has effective process controls for creating and maintaining research related-policies and ensuring research-related training is adequate and completed timely.

Mr. Williams mentioned that the audit of cybersecurity prevention and detection controls – ransomware covered the period July 1, 2021 through June 30, 2022 and subsequent events through April 2022. He explained that the audit assessed FIU's readiness for preventing and detecting ransomware cyberthreats by applying the National Institute of Standards and Technology (NIST) Cybersecurity Framework. He indicated that the Office of Internal Audit developed a rating system to translate the level of alignment for the five in-scope units with the NIST Cybersecurity Framework. Mr. Williams added that the Office of Internal Audit assessed the collective overall readiness against ransomware with a score of 2.69 out of 3.00, which translates to a state of needing improvement. Mr. Williams stated that for the 45 subcategories comprising the three functional areas of the NIST Cybersecurity Framework audited, identify, protect, and detect, that were applied across the five units in scope, the audit found that all five units maintained a satisfactory cybersecurity posture for 53 percent, or 24 of 45, of the subcategories reviewed. He mentioned that the audit found that for 16 of the 45 subcategories, or 36 percent, there were varying degrees of achievement between satisfactory and needs improvement across the five units. Mr. Williams explained that due to the sensitive nature of the subject matter audited, details related to the specific

areas where opportunities for greater alignment with the Cybersecurity Framework exist have been omitted. He pointed out that the Office of Internal Audit has communicated said details to the appropriate levels of management and that the resulting recommendations have either already been implemented or are in progress toward implementation.

Mr. Williams indicated that there are currently four (4) audits in various stages of completion. He mentioned that any complaints of alleged fraud, waste, abuse, and mismanagement that the Office of Internal Audit has received have been evaluated, investigated, and/or referred to the appropriate University department. He stated that the Office of Internal Audit continues to provide support to University departments and Direct Support Organizations in responding to the Florida State University System Board of Governors' (BOG) monitor of past audit findings from the State of Florida Auditor General and Crowe, LLP. Mr. Williams indicated that the BOG implemented a new process that requires universities' president, chairs of boards of trustees, and chairs of audit and compliance committees to sign an attestation that the Auditor General findings that are violation of law are corrected or being corrected. Mr. Williams pointed out that there are two vacant positions within the Office of Internal Audit.

In response to Trustee Natasha Lowell, Mr. Williams indicated that where there has been a substantiated case of hazing, an organization may lose its standing. Further responding to Trustee Lowell, Interim Vice President for Student Affairs Charlie Andrews stated that in addition to state statutes, FIU has its own process for addressing instances of hazing.

3.2 Office of University Compliance and Integrity Quarterly Report

Chief Compliance and Privacy Officer Jennifer LaPorta presented the University Compliance and Integrity Quarterly Report. She pointed out that, as required by the BOG, FIU's foreign gift and contract report was submitted to the Board of Trustees in July. She added that said report, along with the reports submitted by all State University System (SUS) institutions were audited by the BOG. She noted that there were no findings relating to FIU's report that required the attention of the FIU Board of Trustees. Ms. LaPorta indicated that the BOG continues to work with SUS consortium members to further define guidance relating to said reporting.

Ms. LaPorta commented that 262 visual compliance research reviews were conducted during the reporting period as part of the visa applicant questionnaire screening, international agreement screening, international shipping review, and travel authorization review processes. She commented on assisting stakeholders with developing systems to address the findings and recommendations resulting from the audit on export controls and foreign influence. Ms. LaPorta stated that the Office of Compliance and Integrity is working with the export controls consultant to begin drafting content for the development of the new foreign influence website.

Ms. LaPorta remarked on the design, development, and launch of five (5) compliance policy acknowledgement/training campaigns. She commented on the increased reporting to the FIU Ethical Panther Hotline, noting 37 new reports from the reporting period.

4. New Business

4.1 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 during the discussion with Mr. Williams. He added that this was strictly voluntary. The Committee met with Mr. Williams. Mr. Williams commented on positive interactions with University leadership and added that he has not encountered instances where units or individuals have been uncooperative with the audit and investigations process. He stated that he continues to have access to the resources and information needed. In terms of the Ethical Panther Hotline, he remarked on the increased number of complaints and the importance of ensuring that the University community understands the conduct and behaviors that are expected. In response to Board Vice Chair Roger Tovar and Committee Chair Duart, Mr. Williams stated that the Office of Internal Audit's Panther Audit Platform has been instrumental in achieving high rates of responsiveness.

5. 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 Tuesday, December 6, 2022, at 9:21 AM.