



**Audit and Compliance Committee**  
**June 5, 2024**  
**FIU, Modesto A. Maidique Campus, FIU Stadium, Stadium Club**

**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 Vice Chair Alan Gonzalez at 8:02 AM on Wednesday, June 5, 2024.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Chanel T. Rowe, *Chair (Zoom; joined after roll call)*; Alan Gonzalez, *Vice Chair*; Noël C. Barengo; Francis A. Hondal (*joined after roll call*); Natasha Lowell; and Yaffa Popack (*joined after roll call*).

The following Board members were also in attendance: Board Chair Roger Tovar, Board Vice Chair Carlos A. Duarte, and Trustees Francesca Casanova and Marc D. Sarnoff.

Committee Vice Chair Gonzalez welcomed all Trustees and members of the University administration. He also welcomed the University community and general public.

**2. Approval of Minutes**

Committee Vice Chair Gonzalez asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on February 29, 2024. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on February 29, 2024.

**3. Action Items**

**AC1. Internal Audit Plan, 2024-25**

Chief Audit Executive Mr. Trevor L. Williams presented for Committee review and approval the Internal Audit Plan for the 2024-25 fiscal year. He remarked on the plan's authority, namely, that Florida Board of Governors (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 activities or 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 materiality, regulatory requirements, area of special concern, inherit risk, known exposure, prior investigations, and past audit coverage.

Mr. Williams pointed out that the planned audits include four (4) carryover audits from the prior year's plan in addition to 14 new audits. He explained that the plan details the planned audits through 2029 and aims to provide audit coverage in areas with higher risks and to utilize audit resources efficiently. He added that some audits are required either by regulation or contract provisions. Mr. Williams indicated that the plan covers areas within the University, including federal financial assistance, construction, research, performance-based funding, health services operations and partnerships, information technology controls and data security, FIU Foundation, Inc. operations related to pledges, campus safety, and foreign influence. Mr. Williams commented that a plan completion rate of 80 to 90% would be satisfactory and that a certain degree of flexibility was necessary to, with the Committee's approval, advance work that is planned for out years as well as the removal of items that may not have relevance.

Committee Chair Rowe commented that due to technical issues she was not able to connect in time to join for the beginning of the meeting. She thanked Committee Vice Chair Gonzalez for chairing the meeting up to this point in time.

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 2024-25.

## **AC2. University Compliance and Integrity Work Plan, 2024-25**

Chief Compliance and Privacy Officer Jennifer LaPorta presented for Committee review and approval the University Compliance and Integrity Work Plan for the 2024-25 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 commented that the plan is structured to include, for each of the seven Program elements, a general definition and standard of what is expected, the ongoing program activities that represent the foundation and infrastructure for each element and workplan activities and initiatives that represent enhancements to the Program's structure for each element. She highlighted planned key enhancement activities related to Program structure and oversight, including: leveraging FIU's comprehensive foreign influence website, which will be significantly updated to reflect changes in federal and state foreign influence obligations and will assist the FIU community with their decision making related to procurement from foreign entities, drone usage, travel, research and academic collaborations and other work activities; development of a risk-based decision matrix for decisions related to foreign travel and activities to ensure consistency in decision making; continuing to facilitate the implementation and process improvement related to compliance with Florida's State foreign influence requirements; development of a drone purchase, acquisition and usage policy and program; implementation of the second year of the three-year compliance communications plan to ensure that decisions around messaging, modality, and frequency are targeted to the University

community based on function, job level, misconduct trends, and other risk-based audience identification; assessing and updating policies and risk controls to develop educational resources related to Employee Conflict of Interest and Outside Activities Disclosures, Ethics in Purchasing Policy, Institutional Conflict of Interest Disclosures and Gift Acceptance Policy; and convening key University stakeholders quarterly to leverage a more comprehensive governance structure dedicated to privacy considerations throughout the University.

Ms. LaPorta explained that in the plan year, the Compliance Office will be implementing some of the process improvements and sharing guidance gleaned from the three-year policy review with policy owners to ensure policies represent current practices and expectations and that they are updated regularly as changes in the law, operations, or FIU's strategic planning occur. She commented that the Compliance Office has 11 scheduled policy campaigns and communications initiatives in the upcoming year. Ms. LaPorta remarked that the Compliance Office will work with Information Technology to develop an on-line platform to incorporate automation for certain policy development, approval, and review functions. She highlighted objectives regarding training, education, and communications, including executing 26 scheduled compliance campaigns, executing a comprehensive athletics compliance rules education plan, executing a comprehensive health affairs compliance training plan, and reevaluating and updating the New Employee Experience training to ensure it captures the key elements of FIU's Compliance Program and new requirements and expectations as they emerge. Ms. LaPorta commented on objectives pertaining to risk assessment, measurement and monitoring, including conducting and facilitating 10 distinct compliance reviews and risk assessments, working with the Office of General Counsel and the Office of the Provost to design and implement a prohibited expenditures monitoring/assessment plan, and continuing to partner with the Office of Internal Audit to launch and manage the Panther Enterprise Risk Management Platform.

Ms. LaPorta stated that in the upcoming plan year the Compliance Office will be researching and selecting a replacement platform for the Ethical Panther Hotline that will meet the evolving need for a systematic root cause analysis of hotline reports, improved user-interface, and a more automated workflow for investigation and resolution. She added that the Compliance Office will also be developing investigation 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 added that said guidance document will serve as a resource to outline the expectations for resolution of hotline reports that are addressed throughout various departments. Ms. LaPorta indicated that the Compliance Office 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 escalation and consequences for employees not fulfilling their own compliance responsibilities.

Trustees engaged in a discussion regarding foreign influence. Ms. LaPorta commented that a greater amount of time within the Compliance Office is devoted to foreign influence concerns. She added that the Compliance Office is in the process of recruiting a risk professional who will be dedicated to working full time on foreign influence issues. University President Kenneth A. Jessell remarked on the work of the Florida Board of Governors in terms of foreign countries of concern. Senior Vice President for Research and Economic Development and Dean of the University Graduate

School Andres G. Gil pointed out that the National Science Foundation (NSF) will have five (5) foreign influence related trainings that will become effective soon and will be required for all faculty in all universities that have \$50M or more in research. Vice President for Information Technology and Chief Information Officer Robert N. Grillo commented on an application that runs on the network that flags sensitive data and then routes said data to the relevant department for review. Ms. LaPorta explained that the University's foreign travel program requires that all FIU faculty, staff, students, and other personnel traveling abroad on FIU-sponsored trips, or for any international travel on behalf of FIU, are required to read and acknowledge their understanding of the guidance for international travel and to also undergo a process of answering certain risk-based questions about the travel and activities. She added that a percentage of said travelers get flagged for individual export control review and compliance review, including those traveling to a country of concern or those engaging in certain activities or meeting with certain people when they travel.

Ms. LaPorta indicated that increased reporting through the Ethical Panther Hotline can be attributed to increased awareness of the reporting mechanism and is not a result of the nature of the reports trending to significant misconduct.

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 2024-25.

#### **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. She indicated that the Compliance Office worked with the Office of General Counsel to gather the information necessary for them to review and determine reportable gifts and contracts for state and federal reports that were submitted in January. She pointed out that, in March, the Compliance Office initiated and completed a compliance assessment of international shipping. Ms. LaPorta remarked that the Compliance Office also worked closely with the Office of General Counsel, Office of the Provost, and the Office of Research and Economic Development to address BOG guidance issued in October related to the requirement to obtain Board of Trustees and BOG approvals prior to hiring individuals from or engaging in activities with countries of concern. She commented on working with the Office of General Counsel to interpret National Collegiate Athletics Association (NCAA) Name, Image, and Likeness (NIL) guidance as it applies to the FIU community, Board of Trustees, and other FIU associated Boards.

Ms. LaPorta mentioned that the third quarter also marked the wrap up of the Compliance Office's three-year University wide policy review. She commented on the launch of the first in a series of Health Insurance Portability and Accountability Act (HIPAA) job-specific training modules. She added that new workforce members are required to complete said training modules commensurate with their role and responsibilities. She remarked on efforts to report back to the BOG by July 1 relating to the University's compliance with the BOG Regulation regarding prohibited expenditures.

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

Mr. Williams presented the Office of Internal Audit Status Report. He indicated that since the Committee last met, the Office of Internal Audit (OIA) completed audits related to digital brand

management and controls over protected information. He stated that audit of digital brand management confirmed that good controls for development of policies regarding accessibility and digital communications were demonstrated. He indicated that actions required for improvement included, implementing a schedule to review and update the Digital Communications Standards policy to align with evolving business needs and technological advancements and establishing a centralized website launch process to ensure adherence to University branding standards and to facilitate monitoring for compliance, functionality, and obsolescence. He stated that the audit offered six (6) recommendations. Mr. Williams stated that the audit of controls over protected information confirmed that the University has a functioning incident response framework. He indicated that actions required for improvement included, refining the Incident Response Plan to incorporate some missing essential characteristics, improving the post-event incident reporting, enhancing employee training strategies to ensure all relevant personnel have been identified for training, and appointing PCI Compliance liaisons across units to ensure consistent compliance with standards. He added that the audit offered 22 recommendations across 11 units.

Mr. Williams commented that there are currently seven (7) audits that are in various stages of completion. He mentioned that the Office of Internal Audit (OIA) receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse. He added that since OIA's last report to the Committee, seven (7) such complaints were received and eight (8) have been closed. Mr. Williams indicated that the Office of Internal Audit developed a collection of queries scripts that are utilized in performing audits and other non-attest engagements on an ongoing basis. He added that OIA communicates anomalies observed from the queries to the appropriate personnel for them to investigate and provide an explanation.

Mr. Williams commented on the process for OIA to undergo an independent Quality Assurance Review in the fall. He added that the three-person team of independent reviewers has been identified. He pointed out that professional standards require that annually, he communicate to the Board of Trustees whether management has accepted a level of risk that may be unacceptable to the organization. He added that said risks include those risks that may result in harm to FIU's reputation, employees, or other stakeholders; significant regulatory, financial, or contractual fines and penalties; material misstatements; conflicts of interest, fraud, or other illegal acts; and significant impediments to conducting business or achieving strategic objectives. Mr. Williams noted that the risk assessment process and particularly management's response and implementation of corrective actions to audit findings provide awareness of whether management has accepted any risk that is of the level or type previously described. Mr. Williams added that, based upon said processes, he was not aware of any instance where management has accepted a level of risk, as described above, that may be unacceptable to FIU. Mr. Williams further assured the Committee that if he were aware of any such instances, that he would have duly informed the Committee.

Mr. Williams noted that after 28 years at FIU, Mr. Manuel (Manny) Sanchez, Assistant Audit Director, retired on April 1, 2024. Mr. Williams added that, through a competitive selection process, Ms. Emily Murillo joined the Office of Internal Audit as the Senior Auditor on April 15, 2024.

## **5. New Business**

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

Committee Chair Rowe noted that, prior to today's meeting and as is the practice prior to every meeting of the Audit and Compliance Committee, she met with the Chief Audit Executive, Mr. Williams, Chief Compliance Officer, Ms. LaPorta, and the University's liaison to the Committee, Vice President and Chief of Staff Javier I. Marques regarding matters to be brought before and actions to be taken by the Committee. Committee Chair Rowe added that she also met separately with Mr. Williams. Committee Chair Rowe indicated that Mr. Williams commented on the positive interactions with University leadership. Committee Chair Rowe added that Mr. Williams stated that he has not encountered instances where units or individuals have been uncooperative with the audit and investigations process and that he continues to have access to the resources and information needed. Responding to Committee Chair Rowe, Mr. Williams indicated that he had nothing further to bring to the Committee's attention regarding the audit process.

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

With no other business, Committee Chair Chanel T. Rowe adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Wednesday, June 5, 2024, at 9:11 AM.