



Audit and Compliance Committee
September 12, 2024
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 Alan Gonzalez at 9:00 AM on Thursday, September 12, 2024.

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

Board Vice Chair Carlos A. Duarte and Trustee Chanel T. Rowe were excused.

The following Board members were also in attendance: Trustees Francesca Casanova, Dean C. Colson, Marc D. Sarnoff, and Albert R. Taño.

Committee Chair Gonzalez welcomed all Trustees and members of the University administration. He also welcomed the University community and general public. On behalf of the Committee, he recognized the Committee's past Chair, Chanel T. Rowe, for her service. He also welcomed Trustee Yaffa Popack as the Committee's Vice Chair.

2. Approval of Minutes

Committee Chair Gonzalez asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on June 5, 2024. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on June 5, 2024.

3. Discussion Items

3.1 Office of Internal Audit Status Report

Chief Audit Executive Mr. Trevor L. Williams presented the Office of Internal Audit Status Report. He indicated that since the Committee last met, the Office of Internal Audit (OIA) issued three final internal audit reports related to the post-tenure faculty review process, student housing, and continuous auditing of selected processes for the period July 1, 2022, through March 31, 2024. He commented on the audit related to the post-tenure faculty review process. He indicated that the audit is required by the Florida Board of Governors (BOG) and has the objective of determining the University's compliance with BOG Regulation 10.003 and Florida Statutes. Mr. Williams referred to the June 5, 2024, meeting of the Board of Trustees Academic Policy and Student Affairs Committee

where Executive Vice President and Provost Elizabeth M. Bejar provided an update on the University's post-tenure review and reported that of the 661 tenured faculty, 40 were selected for review and 38 went through the process given that two (2) faculty members resigned before the review could take place. Mr. Williams indicated that Provost Bejar also reported that of the 38 faculty members who were subject to review, 25 or 66% exceeded expectations, 11 or 29% met expectations, and 2 or 5% did not meet expectations. He stated that the audit created challenges, not unique to FIU, due to the nature of the subject matter and the timing required for implementation and monitoring of the process. He commended the Office of the Provost on the implementation of the post-tenure review process. Mr. Williams noted that the audit found that the post-tenure review process generally complied with BOG Regulation 10.003, with few exceptions, including 11 faculty members mistakenly being excluded from a comprehensive review, exceptions granted to faculty were not communicated to the Board of Trustees as required, all review elements required by BOG Regulation 10.003 were not consistently available for review, and need for clarity related to which tenured faculty in administrative roles could be excluded from the post-tenure faculty review process. He further stated that OIA offered seven (7) recommendations.

Mr. Williams commented on the audit related to student housing. He stated that said audit looked at whether Housing had adequate internal controls over its operations and provided a safe environment for student residents. He added that the period audited was the 18-months ended December 31, 2023. He indicated that, for the fiscal year ended June 30, 2023, Housing ended the year with a small excess of revenues over expenses and transfers of \$42,190 on \$33.5M of revenues. Mr. Williams noted that OIA found that the internal controls and processes pertaining to Housing's financial operations were designed well and functioning effectively. He added that the areas in the audit scope that needed attention revolved around building maintenance and safety. He indicated that nine (9) recommendations were offered to address the issues found and most were quickly acted upon.

Mr. Williams explained that continuous auditing of selected processes is the first report of its kind. He stated that continuous auditing enables OIA to investigate and resolve potential issues, promptly, with the goal of providing ongoing assurance of effective controls and reducing the risk of errors. He noted that this is done through automated continuous monitoring of transactions and processes to identify and sample red flags and anomalies in real-time. Mr. Williams mentioned that the inaugural cycle covered the period July 1, 2022, through March 31, 2024. He indicated that 10 processes were tested and verified exceptions were noted in three (3). He commented that three (3) processes with 12 exceptions were found across nine (9) business units and the related dollar amount was \$29,651. He introduced Ms. Natalie San Martin, Audit Manager. Ms. San Martin presented on the continuous auditing process and tools.

Board Chair Tovar commended OIA's efforts related to the continuous auditing process.

Mr. Williams commented that there are currently eight (8) audits that are in various stages of completion. He reported that of the 81 recommendations that were due for implementation during the six (6) months ended June 30, 2024, 60 or 74% were completed, 16 or 20% were partially implemented, and 5 or 6% were pending some form of implementation. He also commented on the implementation of audit recommendations for the 18-month period from January 1, 2023, to June

30, 2024. Mr. Williams noted that 68% - 79% were completed, 14% - 26% were partially implemented, and 6% - 7% were pending some form of implementation. He recognized the commitment that management is putting forth in being responsive to the audit recommendations. He mentioned that OIA receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse. He added that since OIA's last report to the Committee, one (1) such complaint was received and two (2) have been closed.

3.2 Office of University Compliance and Integrity Quarterly Report

Chief Compliance and Privacy Officer Ms. Jennifer LaPorta commented on finalizing the job description for the new position of Foreign Influence Manager. She explained that in its Civil Discourse Report of 2022, the BOG included seven (7) recommendations for implementing civil discourse on State University System (SUS) campuses. Ms. LaPorta added that FIU President Kenneth A. Jessell created a task force charged with periodic review, making recommendations for implementation and reporting to administration, including submitting a report to the Board of Trustees through the Audit and Compliance Committee on the status and activities of the taskforce. She referred to the agenda materials, which include an update on the University's plans for implementing civil discourse recommendations. She indicated that in its third recommendation, the BOG recommended that "the leadership of each university board of trustees, annually review and endorse the Board's Statement of Free Expression and commit to the principles of civil discourse." She pointed out that the BOG's Statement of Free Expression is set for annual endorsement by the Board of Trustees at their meeting later in the day.

Ms. LaPorta noted that the federal government has broadened and refined research security requirements. She added that the Compliance Office, Office of Research and Economic Development (ORED), Human Resources and the Office of Information Security continue to partner closely when implementing research security measures, conferring on a regular basis and, as necessary, with the Office of the Provost on measures which specifically impact faculty hiring and academic affairs. Ms. LaPorta commented that, as measured against prior years, a sustained increase has been observed in the number of activities and transactions that required both export compliance and research security reviews. She added that said increase was reflected in the substantial number of international travel authorization requests. She indicated that of those employees engaging in foreign travel and completing the export control and foreign influence screening, 425 instances were elevated for further review, research, and consideration by the Compliance Office and the Office of Export Controls, which included significant engagement with the international traveler. Ms. LaPorta mentioned that the elevated reviews can take as little as an hour or could take several weeks, requiring ongoing engagement with the traveler, collaboration with ORED regarding the nature of research activities of the traveler, screening additional parties the traveler will be collaborating with, reviewing conference websites, and tailoring additional guidance and restrictions, depending on the travel destination and activities.

Ms. LaPorta indicated that the Compliance Office conducted 654 visual compliance research reviews during the reporting period as part of the visa applicant questionnaire screening, international agreement screening, international shipping review, and travel authorization review processes. She added that, University-wide, a total of 4,831 visual compliance research reviews were conducted by various departments. She commented that ORED conducted the most significant number of visual

compliance research reviews as part of the University's institutional process for vetting foreign national researchers and graduate students in accordance with Florida statute. Ms. LaPorta noted that, in addition to expanded restricted party screening of a candidate's affiliations, the process includes expanded publication and credentials review by ORED's Foreign Influence Manager and an expanded background check by Human Resources.

Ms. LaPorta commented on additional initiatives, including the build out of a new Research Security website that provides more robust guidance and links to existing related webpages addressing export control and foreign influence prevention. She added that the approach reflects the overall federal perspective that research security holistically incorporates numerous compliance elements that inform research, academic and business activities. Ms. LaPorta mentioned that also, in partnership with ORED, the Office of the General Counsel (OGC), and the Chief Information Security Officer, the Compliance Office implemented a drone purchase and utilization review process, that is designed to proactively meet state cybersecurity requirements. She pointed out that the Compliance Office worked with the OGC to submit required federal and state foreign gift and agreement reports for the January 31 and July 31 deadlines. She indicated that, beginning in the July 2024 reporting period, the Compliance Office assumed responsibility for making foreign reporting determinations.

Ms. LaPorta stated that the Compliance Office made significant updates and changes to the University Policy Framework and related documentation. She added that said framework is the governing document setting forth the systematic approach for the development, review, and approval of University policies and procedures. She commented that a significant initiative accomplished this year was the launch of the University-wide three-year review of over 350 policies and procedures. Ms. LaPorta noted that the review process included resourcing policy owners and managing the University-wide initiative, ushering 23 new or significantly revised policies through the formal Deans Advisory Council and Operations Committee review and endorsement process. She noted that non-substantive updates were made to 160 policies to ensure that links and resources were current and that policy language used was clear, concise, and instructive. She added that an additional 168 policies were reviewed by policy owners to ensure they were current and did not require changes.

Ms. LaPorta pointed out that the Compliance Office designed, developed, and issued seven (7) targeted mandatory policy attestation/compliance trainings with a completion rate of 99.97%. She added that there was a 100 percent completion rate for University deans and vice presidents for the training assigned to them during the fiscal year. She noted that the Compliance Office also presented live compliance training and orientation during each New Employee Experience, which is held every two (2) weeks. Ms. LaPorta commented that the Compliance Office implemented the first full year of its three-year communications plan, which included developing or assisting with 12 targeted, time sensitive compliance related communications through employee specific and broadcast e-mail distribution on a variety of topics. She remarked that the Athletics Compliance team completed their comprehensive rules education training and Health Affairs Compliance completed development of and launched a series of targeted Health Insurance Portability and Accountability Act (HIPAA) training modules based on specific job responsibilities.

Ms. LaPorta indicated that in December 2023, the Compliance Office updated the compliance requirements contained in the Compliance Requirements Matrix (CRM) platform to prepare for the new calendar year, and throughout the 2023-2024 fiscal year, oversaw the completion of over 103 legally required submissions and other compliance activities. She stated that during the 2023-2024 work plan year, the Compliance Office conducted or participated in 11 compliance reviews and assessments. Ms. LaPorta remarked that the Compliance Office coordinated the triage of reports by the Hotline Reports Review Committee, which reviewed all reports to determine the University's immediate and initial response and determined what other University personnel, if any, must be involved in the investigation and the ultimate resolution of each report. She commented that the Compliance Office continued administration of the FIU Ethical Panther Hotline to include review, assignment, and tracking of 132 open reports, including 82 new reports. Ms. LaPorta indicated that 45% of reports were filed by students, who are increasingly using the Hotline and the vast majority of said reports were academic related and involved educating the reporter about what other internal options were available to them to resolve academic-related concerns. She pointed out that of the 82 new reports received, 34% of reporters chose to use the call center, 53% used the web form, and 13% of the reports were filed by proxy. She stated that 45% reports were filed anonymously as compared to 73% last year. She commented on vetting new Hotline providers.

4. Reports (*For Information Only*)

There were no questions from the Committee members in terms of the reports included as part of the agenda materials.

5. New Business

5.1 Senior Management Discussion of Audit Processes

Committee Chair Gonzalez noted that, prior to today's meeting and as is the practice prior to every meeting of the Audit and Compliance Committee, he met with Mr. Williams, 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 Gonzalez added that he also met separately with Provost Bejar on behalf of the University's senior leadership. Committee Chair Gonzalez indicated that Provost Bejar spoke about the collaborative relationship that University leadership maintains with the Chief Audit Executive and members of the Office of Internal Audit. Committee Chair Gonzalez pointed out that Provost Bejar did not raise any material concerns about the referenced relationship.

6. Concluding Remarks and Adjournment

With no other business, Committee Chair Alan Gonzalez adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Thursday, September 12, 2024, at 9:52 AM.