



**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
AUDIT AND COMPLIANCE COMMITTEE  
MINUTES  
DECEMBER 5, 2019**

**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 8:07 a.m. on Thursday, December 5, 2019, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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*; Leonard Boord; Joerg Reinhold; and Sabrina L. Rosell.

Trustee Michael G. Joseph was excused.

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

**2. Approval of Minutes**

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on September 18, 2019. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, September 18, 2019.

**3. Discussion Items**

**3.1 Office of Internal Audit Status Report**

Chief Audit Executive Trevor L. Williams presented the Internal Audit Status Report, providing updates on recently completed audits. In terms of the audit of the revenues and expenditures for the continuing education programs at the Nicole Wertheim College of Nursing and Health Sciences, he explained that while some aspects are functioning well, improvements to operational and financial controls are needed. He pointed out that the audit resulted in 18 recommendations. Turning his attention to the audit of Treasury Management, Mr. Williams indicated that the objectives of the audit were to determine whether adequate and functioning procedures and internal controls are in place for fundamental duties, namely, the monitoring and reporting of the subject portfolio's performance, adherence to investment policies, and proper segregation of duties. He stated that the audit resulted in six recommendations and noted that one particular area for improvement pertained to the inconsistent manner in how investment manager fees are reported.

Mr. Williams explained that one of the responsibilities of the Office of Internal Audit is to investigate allegations of financial fraud, waste, abuse, wrongdoing, and any whistle-blower complaints. He pointed out that a number of such allegations and complaints have been received and are currently being evaluated. In response to the Trustees' feedback regarding the timely implementation of outstanding audit recommendations, he reported that the Office of Internal Audit has been working on the development of an application for managing the implementation of audit recommendations. He indicated that the application will provide the platform through which management will be informed about recommendations coming due for implementation and will enable them to manage their response. Mr. Williams facilitated a brief demonstration of the application, the Panther Audit Platform, highlighting the expectations for greater efficiency and effectiveness, and that the rollout will follow within the coming months after testing and training is completed.

In response to Trustee Leonard Boord's request from the prior Committee meeting, Mr. Williams reported that the Office of Internal Audit compiled a matrix of the ratings assigned to the five internal control criteria that the audit reports, from FY 2017 to current, generally contained. He explained that of the 29 audits that were issued during that period, the data gathered could not provide a singular compelling indicator of the overall state of compliance and risk management at the University. He pointed out that if there were an inference to be drawn from the data, it would be that the areas audited during that period reflect a maturing risk and control environment, in that 97% of the inflection points were rated either satisfactory or fair.

Mr. Williams stated that the Office of Internal audit is undertaking an internal self-assessment and has also started the process of arranging for the performance of an independent external validation of the internal self-assessment. He pointed out that the results of the internal self-assessment and the external validation review will be shared with the Committee, once completed. He also provided an update on recruitment efforts within the Office of Internal Audit, indicating that all vacancies, except for a Senior Auditor position, have been filled.

In response to Trustee Boord's inquiry, Mr. Williams explained that the audit platform will log participation and track activity. Committee Chair Grant and Trustee Roger Tovar commended the work of the Office of Internal Audit.

### **3.2 University Compliance and Ethics Update**

Chief Compliance and Privacy Officer Jennifer LaPorta provided the University Compliance and Ethics Update. She reported that three new compliance platforms, namely, the compliance hotline, policy and training, and training content are on schedule for launch in January 2020. She explained that the Compliance newsletter is on schedule for a January 2020 launch and pointed out that the transitions to the new platforms will be the focus of the first issue. She explained that the newsletter subsequently will focus on ethical decision making and will provide a platform to recognize outstanding efforts in compliance.

In terms of the University's Enterprise Risk Management program, Ms. LaPorta explained that in collaboration with the Office of Internal Audit, a "risk mitigation toolbox" for risk owners, is being developed and this will include templates for documenting controls and best practices. She pointed

out that these efforts will be supported with the Compliance liaisons as they work with risk owners on developing mitigation tools.

Ms. LaPorta pointed out that the first meeting of the Foreign Influence Task Force is scheduled for December 12, 2019, noting the growing concerns over foreign influence in higher education. She added that as FIU continues its efforts in building its research portfolio and engaging in critical emerging technologies, the University is operating at a higher risk of being targeted by individuals and entities of concern to the U.S. government. She explained that the University must address these challenges by continuing to develop systems with the adequate controls in place where connections with foreign concerns can be understood and managed effectively. She described agency focus in terms of foreign influence, namely, that long-standing statutes are being expanded upon, that new guidance is being issued, and that comprehensive reporting is being required of universities. She indicated that, in collaboration with the Office of the General Counsel, the University's compliance with said statutes is being assessed in order to address any deficiencies that might have occurred in the past, and to also ensure that moving forward, the nature of relationships with foreign entities remain transparent and meet any mandated disclosure requirements. She highlighted the importance of managing FIU's relationships with foreign entities responsibly and that the Foreign Influence Task Force will be critical to that effort.

Ms. LaPorta described ongoing efforts toward supporting FIU's cleared facility status, namely, the establishment of a security program. She delineated the process for the development of the 2020 Compliance calendar and provided updates on completed policy and training campaigns, policy development workshops, and trends identified from policy program surveys. In terms of recruitment, she pointed out that the position for the Director of Compliance for Health Affairs has been filled and that two professional Compliance positions have been posted and are in process.

In response to Trustee Tovar's inquiry, Ms. LaPorta explained that there are two compliance positions in the central Compliance office, four in Athletics Compliance, and one in Health Affairs Compliance. In terms of foreign influence concerns, Trustee Tovar pointed out the importance of monitoring the University's regional locations. Relating to grants, Vice President of Research and Economic Development Andres G. Gil explained that the University's Research office has a considerable responsibility relating to foreign influences, and therefore, the pre-award unit works closely with the Compliance office. In response to Trustee Marc D. Sarnoff's inquiry regarding instances of foreign infiltration, Ms. LaPorta pointed out that while there may be no known occurrences, it is critical to have the systems in place that allow the University to be aware of interactions in order to effectively mitigate risks.

#### **4. New Business**

##### **4.1 Senior Management 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 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 was required to leave during the discussion with senior management, adding that this was strictly voluntary. The Committee met with senior management to discuss the internal audit process. University President Mark B. Rosenberg indicated that there were no instances or issues

that warranted the attention of the Board with respect to the offices of Internal Audit and Compliance and noted that ongoing efforts have led to improved operations.

#### **5. 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 Thursday, December 5, 2019, at 8:49 a.m.

*There were no Trustee requests.*