



Audit and Compliance Committee  
December 8, 2021

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom

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 Chair Carlos A. Duart at 8:32 a.m. on Wednesday, December 8, 2021.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Carlos A. Duart, *Chair*; Carlos Trujillo, *Vice Chair (arrived after roll call)*; Natasha Lowell; Joerg Reinhold; and Alexander Rubido.

Board Chair Dean C. Colson, Board Vice Chair Roger Tovar, and Trustees Cesar L. Alvarez, Donna J. Hrinak, and Marc D. Sarnoff and University President Mark B. Rosenberg also were in attendance.

Committee Chair Duart welcomed all Trustees and members of the University administration.

Committee Chair Duart explained that the Committee's Charter was created in compliance with Florida Board of Governors (BOG) Regulation and in alignment with best practices, adding that at the Committee's September meeting, the Charter was reviewed as a discussion item. He indicated that minor revisions were identified but any potential substantive change to the Charter is dependent on the adoption of a proposed new fraud regulation, which addresses BOG Regulations 3.003, Fraud Protection and Detection and 4.001, University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement. He remarked that all identified revisions to the Charter will be made, and the revised Charter and new fraud regulation should be presented for Board of Trustees' approval at the next regularly scheduled meeting.

**2. Approval of Minutes**

Committee Chair Duart asked that the Committee approve the minutes of the meeting held on September 14, 2021. A motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on September 14, 2021.

**3. Action Item**

**AC1. External Program Review of the Florida International University Compliance Program, 2021**

Chief Compliance and Privacy Officer Jennifer LaPorta presented the 2021 external program review of the Florida International University Compliance Program for Committee review. She explained that the scope and methodology of the review included interviews with members of the Compliance

team, senior leadership, compliance liaisons, and a member of the Audit and Compliance Committee. Ms. LaPorta thanked Trustee Natasha Lowell for meeting with the assessment team from Ethisphere. Ms. LaPorta pointed out that the review also included evaluation of the compliance team's responses to an Ethics Quotient Survey, program documentation, and several risk and compliance related processes. She added that Ethisphere compared said data against the BOG Regulation using its own assessment process. Ms. LaPorta indicated that the Compliance team also requested Ethisphere to conduct a deeper evaluation beyond the required BOG report to inform workplan initiatives, adding that Ethisphere provided a detailed memorandum that includes benchmarking against the programs and practices of leading companies around the world. She remarked that said memorandum will be provided to the Committee at the next regularly scheduled meeting as a discussion item.

Ms. LaPorta explained that it is Ethisphere's overall opinion that the Compliance program "Generally Conforms" with BOG Regulation 4.003 with respect to the relevant structures, policies, procedures and processes by which they are applied. She added that "Generally Conforms" was the highest possible rating, commenting that the assessors pointed out that the compliance program environment is well structured and progressive and that BOG regulations are understood and management is endeavoring to provide useful tools and implement appropriate practices. She described successful Compliance program practices as noted by the assessors. Ms. LaPorta mentioned that there were two matters for consideration by management and the Committee. She indicated that the assessors referenced significant new regulation and the need to address resource allocation for compliance with new mandates. She added that FIU has internal mechanisms in place for addressing the need for additional resources through the budgeting and strategic initiative process. She pointed out that the assessors also recommended that the Committee provide written performance review input for the Chief Compliance Officer, adding that she will be discussing the recommendation with the University President and at the next State University System Compliance Consortium committee meeting. She mentioned that the recommendations for the Chief Compliance Officer's consideration are all initiatives that are currently underway.

A motion was made and unanimously passed that the Audit and Compliance Committee recommend that the Florida International University Board of Trustees approve the External Program Review of the Florida International University Compliance Program (the "External Program Review") and authorize the submission of the External Program Review to the Florida Board of Governors.

#### **4. Discussion Items**

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

Chief Audit Executive Mr. Trevor L. Williams presented the Internal Audit Status Report, commenting on recently completed audits. In terms of the Audit of Laboratory Safety, he indicated that the Office of Internal Audit concluded that the University has established robust policies and procedures and effective governance and oversight practices to enforce regulatory compliance over lab safety. He added that the audit identified gaps in the operations of laboratories, indicating that some of said gaps have a more direct impact on safety, while others are operational in nature. Mr. Williams explained that the process for managing lab safety inspections could be more efficient, notification and correction of lab deficiencies could be timelier, lab personnel need to ensure all

required refresher safety training are current, and controls are needed to ensure controlled substances and other hazardous materials are not improperly purchased with departmental credit cards. He remarked that improvements are needed for managing access to labs, including timely removal of such access for terminated lab employees. He commented that the audit resulted in 11 recommendations, noting that management has agreed to implement the necessary corrective actions.

Relating to the Audit of Healthcare Affiliated Agreements for Student Placement/Rotation, Mr. Williams explained that the period covered during the audit was between July 2018 and June 2021. He pointed out that the audit reviewed the Herbert Wertheim College of Medicine (HWCOM) and the Nicole Wertheim College of Nursing and Health Sciences (NWCNHS) and that both utilize affiliated agreements to afford students the education, training, and clinical experience required by their curricula. He remarked that the audit concluded that HWCOM and NWCNHS have appropriate internal controls for some areas of their operations for managing affiliated agreements. Mr. Williams mentioned that the Colleges have established processes in place for the execution of affiliated agreements and student placement in the facilities covered by said agreements. He described the contract utilization rates as 80% for HWCOM and 49% for NWCNHS. He commented that HWCOM appeared to have good controls over the timely and accurate payment for the services provided through the affiliated agreements, stating that NWCNHS agreements are not fee-for-service agreements, as prohibited by Florida Statutes. He noted that HWCOM students who participated in the voluntary end of program survey, issued by the Association of American Medical Colleges, found that nearly 90% of those students were satisfied with their program experience.

Mr. Williams indicated that the Office of Internal Audit offered the following recommendations to improve the management of executed affiliated healthcare agreements and general operations: (1) review all contracts that are auto renewed and transition them to contracts with set terms; (2) update the affiliated agreements to include insurance coverage and an indemnification clause and ensure that the General Counsel reviews all contracts for legal sufficiency; (3) consider implementing a universal contract management system; (4) improve controls over use of the Volunteer and Employee Criminal History System by removing access of a former employee and another employee whose duties no longer require access and prohibit employees from sharing user credentials; (5) consider developing an effective quality control review process for validating the background screening results; and (6) ensure appropriate supporting documentation of students' completion of prerequisite requirements are maintained and that all employees complete the Outside Activity/Conflict of Interest Form.

Mr. Williams pointed out that there are six (6) audits in various stages of completion. He explained that the Office of Internal Audit receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse, adding that six (6) complaints have been received since the Committee's September meeting. He stated that the Office of Internal Audit has evaluated the complaints received and are currently investigating those deemed appropriate for their office to investigate and have referred the others to the appropriate units within the University for investigations. Mr. Williams remarked that the Office of Internal Audit continues to provide support with regard to the

development of University's Fraud Protection and Detection Regulation, noting that the Regulation has been posted to the University's Regulation website.

#### **4.2 Office of University Compliance and Integrity Quarterly Report**

Ms. LaPorta provided work plan updates and highlighted key initiatives. She explained that she serves as the Chair of the Foreign Influence and Global Risk Taskforce, and as such, oversees the four distinct subcommittees formed to address the requirements of new Florida Statutes regarding foreign influence and research integrity. She added that several of the provisions focus on seven "countries of concern", stating that the required screening, foreign travel controls and reporting mandates extend far beyond those countries of concern and affect all of the University's international touchpoints. She described the subcommittees, pointing out that most workflows will require a multidisciplinary approach.

Ms. LaPorta commented on the fall newsletter and indicated that the Code of Conduct is under final review by key stakeholders and that over 2,700 University employees responded to the Compliance and Ethics Program Survey. She remarked on the policy development process, which the Compliance team has managed, including ushering 12 new policies through the appropriate review process prior to posting. Ms. LaPorta mentioned that nine (9) training/attestation campaigns were designed, developed, and launched and are in various stages of escalation. With respect to investigation, discipline, incentive, and corrective action, she indicated that 23 open reports are in various stages of the assignment, review, and tracking process. She mentioned that the Office of Compliance continues to work on the development of the enterprise risk management platform.

### **5. New Business**

Trustee Lowell commended the Compliance team on the results of the external review.

#### **5.1 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 participating via Zoom or accessing the meeting via the webcast was required to exit those platforms during the discussion with the Office of Internal Audit, adding that this was strictly voluntary. The Committee met with Mr. Williams. Mr. Williams confirmed that the administration has provided the Office of Internal Audit with the support, resources, and independence needed to perform the audit function in an objective manner. He added that he is able to perform his work without hinderance, influence, or pressure. In terms of managing and accepting risks, he stated that management has been and continues to be responsive regarding the recommendations from the Office of Internal Audit. Mr. Williams commented on the challenges that the Office of Internal Audit is facing as it relates to appropriately sourcing open positions, noting that while recruitment efforts continue for the two (2) open positions, qualified candidates are seeking hybrid work environments and competitive compensation levels.

In response to Trustee Lowell, Mr. Williams indicated that the Office of Internal Audit is working on-site with two (2) Office of Internal Audit team members working remotely. Further responding to Trustee Lowell, he remarked that current Office of Internal Audit team members have also

discussed their desire for a hybrid work environment. In response to Committee Chair Duarte, Mr. Williams commented that the Division of Human Resources has provided a market analysis and that the open positions could potentially impact the programmed audits for 2022. Board Vice Chair Roger Tovar mentioned that while reports can be drafted from an off-campus location, the audit function does require on-site work and asked that Mr. Williams inform the Committee of any budgetary issues and/or concerns that may arise. Board Vice Chair Tovar mentioned that as the University continues to expand its footprint, it is critical to remain focused on the various campuses and locations.

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

With no other business, Committee Chair Carlos A. Duarte adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Wednesday, December 8, 2021, at 9:22 a.m.