



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
MARCH 4, 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 8:02 am on Monday, March 4, 2019 at the FIU, Modesto A. Maidique Campus, MARC 290, Earlene and Albert Dotson Pavilion.

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; Michael G. Joseph; Joerg Reinhold; and Sabrina L. Rosell.

Board Chair Claudia Puig and Trustees Dean C. Colson, 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 December 5, 2018. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, December 5, 2018.

3. Action Items

AC1. Performance Based Funding Metrics

A. Performance Based Funding – Data Integrity Certification

B. Audit of Performance Based Funding Metrics Data Integrity

Chief Audit Executive Trevor L. Williams explained that, as part of an annual request, the State University System of Florida Board of Governors (BOG) requires the Chief Audit Executive to audit Performance Based Funding-related controls, processes, and data submissions. He indicated that the Chair of the FIU Board of Trustees (BOT) and the President of the University are required to execute a BOG-furnished Data Integrity Certification. Mr. Williams stated that while the audit report and executed Data Integrity Certification were due for submission to the BOG by no later than March 1, 2019, the Chair of the BOG approved an extension of time. Mr. Williams explained that the draft audit report was provided to the BOG by the March 1, 2019 deadline and that once the BOT approved the audit report and the Data Integrity Certification was executed (both of which were expected to occur later in the day), the referenced documents would then be submitted to the BOG.

Mr. Williams presented the Data Integrity Certification and the results of the fifth audit of performance Based Funding Metrics for Committee review. He presented the audit findings and recommendations, stating that the current audit confirms the results of past audits that FIU continues to have process controls for maintaining and reporting performance metrics data. Mr. Williams further indicated that the results of the current audit provide assurances to the President and Board of Trustees that data submitted to the BOG is accurate and reliable.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the FIU Board of Trustees:

1. Approve the Performance Based Funding – Data Integrity Certification to be signed by the Chair of the FIU Board of Trustees and the University President; and
2. Approve the Audit Report - Audit of the Performance Based Funding Metrics Data Integrity

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Williams presented the Internal Audit Status Report, providing updates on recently completed audits. He reported on the findings pertaining to the follow-up audit of the FIU Health Care Network's billing, collections, and electronic medical record systems. He explained that 18 of the 30 prior recommendations were fully implemented, 11 were partially implemented, and one was not implemented. He indicated that the follow-up audit resulted in six additional recommendations that related to billing and coding, HIPAA and security awareness trainings, asset management, breach notification policies, facility access logs, and the business continuity plan. In terms of the certified audit of FIU Football attendance for the 2018 season, Mr. Williams reported that the football attendance data reported to the NCAA on the 2018 Football Paid Attendance Summary sheets were supported by sufficient, relevant, and competent records.

Mr. Williams stated that while the Division of Information Technology's established controls and procedures for administering the University's Technology Fee were generally adequate, the audit of the Student Technology Fees resulted in 10 recommendations. He explained that the function could benefit from identifying expenditures incurred by each project in PantherSoft and better allocating Technology Fee funding of expenditures to align with the intended purpose of the fee. He indicated that the recommendations noted the need for a final reconciliation of project costs and that better documentation of the Technology Fee Advisory Council's methodology for reviewing and recommending project proposals, as well as obtaining the Provost and CIO's final approvals for all proposals, would strengthen the process.

In terms of the audit of the Student Technology Fees and in response to Trustee Roger Tovar's inquiry, Vice President of Information Technology Robert Grillo explained that the necessary adjustments and reallocations were completed and that processes have been centralized in order to mitigate moving forward. Also, in response to a request from Trustee Tovar, VP Grillo indicated that he would review possible options with the Office of Internal Audit in terms of including post-audit corrective actions as part of the audit report.

Mr. Williams also reported that reviews were completed for two institutions who are sub-recipients under FIU grants and that the purpose of these reviews is to ensure that sub-recipients are compliant with the financial reporting requirements. He indicated that eight audits are in various stages of completion. He stated that the reported rate of fully implemented recommendations due for implementation was 75%, which he noted has increased by 21% from the rate of six months prior and 39% from the rate of approximately one year prior.

University President Mark B. Rosenberg indicated that in order to facilitate a generalized sense of understanding that can also help to reduce the instances of audit findings being repeated by other units, a review of all audits is now part of University leadership meetings, namely, Vice Presidents and Deans.

In response to President Rosenberg's inquiry regarding the Board's position on requiring timely responses, Committee Chair Grant explained that issues can arise which ultimately delay the completion of audit recommendations. Committee Chair Grant indicated that the University is acting in a proactive manner by sharing the audits across the University. He added that a dashboard would also be a beneficial resource in helping to ensure the avoidance of repeat findings and contributing towards timely responses. Trustee Leonard Boord noted that while a 75% implementation rate is acceptable given the operational challenges that may be present when implementing audit recommendations, he recommended a smaller variance between the new and original implementation target dates. Trustee Michael G. Joseph added that if audit recommendations are not fully implemented within the quarter, an action plan be developed in order to delineate the issues hindering implementation along with an expected completion date. Trustee Tovar stated that independent of an implementation timeline, an understanding of how risks are being mitigated is critical.

4.2 University Compliance and Ethics Quarterly Report

Chief Compliance and Privacy Officer Jennifer LaPorta provided a status update on the 2018-19 Compliance Work Plan, noting that the referenced key action items have either been fully implemented or are on target with good progress. She explained that 44 policy and training campaigns have either been completed or are scheduled to be completed. Ms. LaPorta provided updates on the recruitment activities of the Compliance office, noting that the Coordinator position has been filled and will have added responsibilities for project management and that Mr. Julian Dakkak is now serving as the Director for Compliance and Privacy for Health Affairs.

Ms. LaPorta reported that the HIPAA assessment is in the final stages and explained that 18 of the 19 required State University System checklist components are in place, adding that the remaining component, which pertains to an external assessment of the University's Compliance program, is also in progress. She described University-wide training and partnership initiatives that are aimed at operationalizing regulations and fostering a culture of compliance.

In terms of the University Compliance Work Plan Status Update report, Trustee Boord requested that target dates and percentage of completion achieved be included for the key action items listed as in progress

5. Report

There were no questions from the Committee members in regards to the Athletics Compliance Report.

6. New Business

6.1 Office of Internal Audit 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 Chief Audit Executive without the presence of Senior Management. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with the Chief Audit Executive, adding that this was strictly voluntary. The Committee met with the Chief Audit Executive and inquired whether he is experiencing any challenges, including the lack of management's cooperation, which would hinder the staff of the Office of Internal Audit from performing their function. Mr. Williams assured the Committee that he has received full cooperation from the University President Mark B. Rosenberg and his Executive Team and that they have provided their support in addressing audit concerns. Board Chair Claudia Puig commented that the 75% implementation rate for prior audit recommendations is remarkable and one that had not been seen before. Committee Chair Grant stated that a monitoring model that includes an escalation component may prove effective, to which Trustee Natasha Lowell concurred and described her experience using such a model. Additionally, the Committee noted that the reduction in the Office personnel is significant, and they are concerned about how this might impact the Office's ability to effectively perform its function. The Committee asked Mr. Williams if an augmentation of resources is needed. Mr. Williams replied that the ongoing efforts to fill the recently vacated positions and to reorganize the structure of the Office is the strategic model he is currently employing. Finally, Trustee Lowell commended Mr. Williams and his staff for their remarkable work, especially during a period of transition.

7. 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 Monday, March 4, 2019 at 9:01 a.m.

Trustee Request:

In terms of the University Compliance Work Plan Status Update report, Trustee Board requested that target dates and percentage of completion achieved be included for the key action items listed as in progress.