



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
JUNE 16, 2020**

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 8:00 a.m. on Tuesday, June 16, 2020, at the FIU, Modesto A. Maidique Campus, Parking Garage 5 (PG5) Market Station, room 155 and via Zoom.

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; Gene Prescott (*arrived late*); Joerg Reinhold (*arrived late*); and Alexandra Valdes.

Board Chair Claudia Puig, Trustees Dean C. Colson, Donna J. Hrinak (*via Zoom*), Marc D. Sarnoff, and Roger Tovar, and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant welcomed all Trustees and members of the University administration. He explained that Trustees and University administrators and staff were attending in-person and via the virtual environment and that in order to help prevent the spread of COVID-19, the University community and general public had access to the meeting via the University's webcast.

Committee Chair Grant also welcomed the newly-elected student representative on the Board, Alexandra Valdes, adding that Trustee Valdes is serving as a member of the Committee.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on February 26, 2020. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, February 26, 2020.

3. Action Items

AC1. Office of Internal Audit Policy and Charter

Chief Audit Executive Trevor L. Williams presented the proposed revisions to the Office of Internal Audit Policy and Charter for Committee review. He explained that Florida Board of Governors (BOG) Regulation requires that the Board of Trustees adopt a charter which defines the duties and responsibilities of the office of chief audit executive, that the charter be reviewed at least every three (3) years for consistency with applicable BOG and university regulations, professional standards, and

best practices, and that a copy of the approved charter and any subsequent changes be provided to the BOG. Mr. Williams pointed out that the proposed revisions to the charter ensure alignment with relevant provisions of BOG Regulations 4.001 and 4.002 and incorporate the applicable recommendations emanating from the Office's recent internal and external quality assessment reviews. He described the substantive changes, namely, that said proposed revisions incorporate key elements from The Institute of Internal Auditors' (IIA) model charter framework, recognize the mandatory guidance, amplify the functional reporting relationship of the Board of Trustees, spotlight independence and objectivity as the cornerstone of the internal audit function, and enhance the definition of the Office of Internal Audit quality assurance and improvement program. He delineated the charter review process, noting that following the Committee's review and discussion at the February meeting, Committee Chair Grant worked with the Office of Internal Audit and the Office of the General Counsel to review the charter. Also in alignment with the IIA, Mr. Williams indicated that the proposed charter changes were shared with senior management as part of the review process.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee recommend to the Florida International University Board of Trustees approval of the proposed revisions to the Office of Internal Audit Policy and Charter.

AC2. Compliance and Ethics Charter for the Office of University Compliance and Integrity

Chief Compliance and Privacy Officer Jennifer LaPorta presented the proposed revisions to the Compliance and Ethics Charter for the Office of University Compliance and Integrity for Committee review. She indicated that the Office of University Compliance and Integrity Charter was first approved on March 2, 2017, and is drafted in close alignment with the BOG Regulation. She described the proposed charter changes, namely, adding Board of Trustees approval and review dates to illustrate the history of the charter, deleting a single reference to a vendor that is no longer used for FIU's Hotline Services and replacing it with the updated name of FIU's Hotline, and changing the review period from two to three years in alignment with the BOG Regulation and the review period of the Office of Internal Audit Charter.

A motion was made and unanimously passed that the FIU Board of Trustees Audit and Compliance Committee recommend to the Florida International University Board of Trustees approval of the proposed revisions to the Compliance and Ethics Charter for the Office of University Compliance and Integrity.

AC3. Internal Audit Plan, 2020-21

Mr. Williams presented the Internal Audit Plan for the 2020-21 fiscal year for Committee review and approval, noting that the plan was developed using a systematic risk-based approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. He explained that the plan accounts for current and near-term potential COVID-19 related risks and that management also provided input in terms of identifying potential COVID-19 related risks. Mr. Williams presented an overview of carryover audits from the 2019-20 fiscal year, stating that these audits are in process. He delineated the proposed audits for the 2020-21 fiscal year and described how the six planned audits align with

the University risk assessment heat map and past audit coverage as demonstrated in the risk-based five-year audit plan.

Mr. Williams pointed out that the prior audit recommendation follow-up process has evolved, adding that deficiencies or areas of concern as identified in prior audits will be revisited and will receive on-going monitoring. In response to Trustee Leonard Boord, Mr. Williams referred to the risk index within the Risk-Based Five-Year Audit Plan and explained that a grouping of related risks may fall within one (1) planned audit. University President Mark B. Rosenberg solicited Trustee feedback on new audit issues that may be emerging as a consequence of the COVID-19 pandemic. Committee Chair Grant indicated that data integrity issues are at the forefront given the increased remote work environment. Mr. Williams described active work plan items for the U.S. Department of Education Office of Inspector General, namely, an audit of the awarding and disbursement of funds related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and intentional focus on cybersecurity provisions, controls, and vulnerabilities. He also pointed out that during ongoing discussions among peers, the cybersecurity threat is a matter of emphasis.

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 2020-21.

AC4. University Compliance and Integrity Work Plan, 2020-21

Ms. LaPorta presented the University Compliance and Integrity Work Plan for the 2020-21 fiscal year for Committee review and approval. In terms of program design, she described the elements of an effective compliance program as based on Chapter 8 of the U.S. Federal Sentencing Guidelines. She delineated the focus and guidance of the U.S. Department of Justice in terms of the concrete steps an organization's leadership takes to foster a corporate culture of compliance, emphasizing the difference between a "paper program" and a "real program," and guidance recently updated on June 1, 2020, to emphasize program effectiveness. She provided a comprehensive review of the proposed 2020-21 Work Plan objectives in relation to the corresponding Federal Sentencing Guidelines provisions. Among the highlighted Work Plan objectives, Ms. LaPorta commented on the Compliance Program Assessment five-year review.

President Rosenberg mentioned the University's Equity Action Initiative, indicating that key concepts resulting from the core advisory group's work will be infused, as appropriate, into the University's compliance program. Trustee Tovar commented on the potential benefits of touring University campuses, centers, and regional locations and Trustee Natasha Lowell concurred. In response to Trustee Boord, Ms. LaPorta explained that the Compliance office supports other units in order to ensure that appropriate and consistent disciplinary measures are meted out and that in terms of incentives, she relayed an example of how employees are recognized in the Compliance newsletter for their achievement and/or contribution in ethical and legal compliance. In terms of policy impact, Trustee Boord requested examples, while protecting all applicable privacy rights, of disciplinary measures and implementation of consequences. In response to Trustee Boord's request, Ms. LaPorta stated that the University Compliance and Integrity annual report will include trends in misconduct reporting and that the quarterly reports will highlight instances where disciplinary measures or actions were taken in response to non-compliance.

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 2020-21.

4. Discussion Items

4.1 Office of Internal Audit Status Report

Mr. Williams presented the Internal Audit Status Report, noting that there are five (5) audits in various stages of completion and that there are two ongoing internal investigations. He commented on the official launch of the FIU-bred OIA Panther Audit Platform. In terms of data analytics efforts, he explained that the Office of Internal Audit is working with the Division of Information Technology (DoIT) to explore the feasibility of leveraging the Business Intelligence functionality in the University's Enterprise Resource Planning system. He added that DoIT staff facilitated a demonstration of the system's analysis capabilities and that the Office of Internal Audit is continuing the evaluation of those capabilities in comparison to other products. Mr. Williams indicated that while the COVID-19 pandemic delayed recruiting efforts, two (2) conditional offers of employment have been extended.

4.2 University Compliance and Integrity Quarterly Report

Ms. LaPorta provided the University Compliance and Integrity quarterly report. She commented on participation in COVID-19 response activities, namely, Emergency Operations Committee response planning, CARES Act Emergency Funding Taskforce, Repopulating FIU Campuses/Sites Taskforce, and a Supervisor Guidelines Workgroup. Ms. LaPorta reported on the second meeting of the University's Foreign Influence Task Force and on the launch of Campus Catalogue as FIU's official policy and training distribution platform. Ms. LaPorta pointed out that the review of all official University policies launched in March and that 10 additional policies were distributed in Spring 2020. In terms of recruiting, Ms. LaPorta indicated that Ms. Luz Cabrera-Frias joined the University as Assistant Director of Compliance.

5. New Business

5.1 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. President Rosenberg pointed out that the activities of the Office of Internal Audit have been impacted by the COVID-19 pandemic and commented that overall, the entire function of the Office of Internal Audit is satisfactory.

6. 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 Tuesday, June 16, 2020, at 9:08 a.m.