



**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
AUDIT AND COMPLIANCE COMMITTEE  
MINUTES  
SEPTEMBER 18, 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 a.m. on Wednesday, September 18, 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 (by phone)*; Leonard Boord; Michael G. Joseph (*by phone*); Joerg Reinhold; and Sabrina L. Rosell (arrived late).

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 June 19, 2019. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, June 19, 2019.

**3. Discussion Items**

**3.1 Audit and Compliance Committee Charter**

General Counsel Castillo explained that the Committee's Charter was created in compliance with Florida Board of Governors (BOG) Regulation and in alignment with best practices. He indicated that, under the leadership of Committee Chair Grant, a workgroup was developed in order to engage in the review of the Committee Charter. General Counsel Castillo noted that Chief Audit Executive Trevor L. Williams, Chief Compliance and Privacy Officer Jennifer LaPorta, and Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell also participated in the workgroup. General Counsel Castillo explained that as a result of the workgroup's review, no proposed amendments were being recommended.

### **3.2 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 activity and service fee and assessment of the current fee allocation practices, he explained that the audit concluded that there were adequate controls and procedures over the allocation and use of A&S fees. He indicated that the calculation of the A&S fee increase could be refined and that the manner in which expenditures are accounted for and processed, including the timeliness of approving payroll contracts needs enhanced diligence when being executed. He noted that management is in the process of implementing the ten audit recommendations.

Mr. Williams described the findings related to the Facilities Management data systems controls audit. He noted that the audit identified opportunities to strengthen Facilities' internal controls that pertain to malware prevention, risk assessments, enabling audit log capability, disabling generically-named user accounts, mitigating information systems' vulnerabilities, reviewing firewall rules, sharing the University's continuity of operations plan with the Department of Emergency Management, and documenting business continuity test results, corrective actions, and lessons learned. Mr. Williams noted that of the 10 audit recommendations, four will be implemented within four months or less.

Mr. Williams reported on the audit of Admissions Operations, Enrollment Management and Services internal controls and data security governing the use and dissemination of personal data pursuant to the requirements of the Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0910-16 ("MOU"). He stated that the audit concluded that, in all material respects, the internal controls over personal data are adequate to protect the personal data from unauthorized access, distribution, use, modification or disclosure pursuant to the terms of the MOU and that any and all deficiencies or issues found during the audit have been corrected and measures enacted to prevent recurrence.

Mr. Williams explained that the prior audit recommendation follow-up process has recently evolved to include examination of corroborating documented evidence to validate the self-reported status of the recommendation. He further stated that when the Office of Internal Audit is unable to validate the reported status, the auditee is notified, and the status is adjusted accordingly. Mr. Williams explained that through this process of surveying management on their progress towards completing past recommendations that were currently due for implementation and the validation of the reported status, the Office of Internal Audit has concluded that 25 of 44 recommendations (57 percent) were completed and that 19 of 44 (43 percent) were either partially or not implemented. He indicated that management has provided expected completion dates for the 19 recommendations that were not completed. In terms of fiscal year 2018-19 results, he pointed out that 98 of 126 recommendations (78 percent) were completed and that 28 of 126 recommendations (22 percent) were partially implemented.

Mr. Williams also provided an update on vacant positions within the Office of Internal Audit, indicating that conditional offers have been extended for all but one of the vacancies and that the anticipated timeline to fill the vacancies ranges from late September to mid-November.

In response to Trustee Roger Tovar's inquiry relating to implementation delays, Mr. Williams described the follow-up process for audit recommendations implementation, noting that communication with management is initiated once implementation due dates approach and that extensions to the due dates are sometimes warranted due to the nature of the recommendation. Relating to audit recommendations and implementation delays, President Mark B. Rosenberg indicated that a follow-up discussion will be planned for the Committee's next regularly scheduled meeting in order to determine whether there are commonalities in the delays and if there are other issues to be considered such as when the audit is issued.

### **3.3 University Compliance and Ethics Update**

Chief Compliance and Privacy Officer Jennifer LaPorta provided the University Compliance and Ethics Update. She reported on the launch of new compliance platforms, in terms of policy and training, in addition to the compliance hotline. She also provided an overview of the compliance and ethics survey, policies currently in development and recently launched campaigns. She described the first compliance liaison meeting of the year and explained that the updated and revised Enterprise Risk Management framework will be presented to the Committee once completed. She indicated that the process of identifying and addressing enterprise risks at FIU is being further developed, adding that the process will also help to provide additional guidance to University risk owners.

Ms. LaPorta mentioned that the Compliance Office has been collaborating with the Division of Human Resources on a roundtable discussion where obstacles for reporting misconduct are discussed. Ms. LaPorta also provided an update on the recruitment of three professional compliance positions, noting that the positions have been posted and are in process.

## **4. Reports**

There were no questions from the Committee members in regards to the annual reports pertaining to the Office of Internal Audit and the Office of Compliance.

## **5. New Business**

### **5.1 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 because this meeting is 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 to discuss the internal audit process. In discussing the audit follow-up process and in response to the Trustees' inquiry, Mr. Williams described the planned escalation process for ensuring timely implementation of outstanding audit recommendations and discussed a collaborative team approach where the Office of Internal Audit assists management in fulfilling its implementation responsibilities. In response to Committee Chair Grant's inquiry, Mr. Williams confirmed that management was cooperating fully with the staff of the Office of Internal Audit to enable them to perform their function without hindrance. Mr. Williams introduced Ms. Stephanie Price, Audit Project Manager and commended the staff of the Office of

Internal Audit for the work they have accomplished during the last fiscal year. On behalf of the Committee, Committee Chair Grant commended the efforts of the Office of Internal Audit team.

#### **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 Wednesday, September 18, 2019, at 8:49 a.m.

*There were no Trustee requests.*