FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE

Monday, March 4, 2019
8:00 am
Florida International University
Modesto A. Maidique Campus
MARC 290, Earlene and Albert Dotson Pavilion

AGENDA

1. **Call to Order and Chair's Remarks**   **Gerald C. Grant, Jr.**

2. **Approval of Minutes**   **Gerald C. Grant, Jr.**

3. **Action Item**

    AC1. **Performance Based Funding Metrics Data Integrity**   **Trevor L. Williams**
          A. Performance Based Funding – Data Integrity Certification
          B. Audit of Performance Based Funding Metrics

4. **Discussion Items** *(No Action Required)*

    4.1 **Office of Internal Audit Status Report**   **Trevor L. Williams**

    4.2 **University Compliance and Ethics Quarterly Report**   **Jennifer LaPorta**

5. **Report** *(For Information Only)*

    5.1 **Athletics Compliance Report**   **Jessica L. Reo**

6. **New Business**   **Gerald C. Grant, Jr.**

    6.1   Office of Internal Audit Discussion of Audit Processes

7. **Concluding Remarks and Adjournment**   **Gerald C. Grant, Jr.**

The next Audit and Compliance Committee Meeting is scheduled for Wednesday, June 19, 2019

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 4, 2019

Subject: Approval of Minutes of Meeting held December 5, 2018

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on Wednesday, December 5, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Background Information:

Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Wednesday, December 5, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Supporting Documentation: Minutes: Audit and Compliance Committee Meeting, December 5, 2018

Facilitator/Presenter: Gerald C. Grant, Jr., *Audit and Compliance Committee Chair*

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FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
DECEMBER 5, 2018

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 Vice Chair Natasha Lowell at 8:16 am on Wednesday, December 5, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Committee Vice Chair Lowell 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 Natasha Lowell, *Vice Chair*; Leonard Boord; Joerg Reinhold; and Sabrina L. Rosell.

Trustees Gerald C. Grant, Jr., *Chair* and Michael G. Joseph were excused.

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

2. Approval of Minutes
Committee Vice Chair Lowell asked that the Committee approve the Minutes of the meeting held on September 5, 2018. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Wednesday, September 5, 2018.

3. Discussion Items
3.1 Office of Internal Audit Status Report
Mr. Trevor L. Williams noted that after over 20 years of dedicated service to the University, Mr. Pyong Cho, Assistant Director Audit, will be entering retirement.

Mr. Williams presented the Internal Audit Status Report, providing updates on recently completed audits. He reported on the findings pertaining to the audit of the Food Network & Cooking Channel South Beach Wine & Food Festival (Festival). He explained that while the audit concluded that the Festival's results of operations were properly accounted for and managed in accordance with established policies and procedures, and revenues generated were used as intended and in accordance with University policy, opportunities for improvement were present in terms of administration over recording of ticket sales, personnel administration, disbursements, supplier contract management, and adherence to PCI compliance.

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DRAFT

Mr. Williams stated that the audit of the Steven J. Green School of International and Public Affairs focused on the adequacy and effectiveness of financial and operational controls, and concluded that the School's financial management needed improvement, particularly in the areas of revenue controls, approving payroll and extra compensation, expenditure controls, and asset management. He indicated that better oversight over the use of lab and equipment fees collected is needed, stating that the School needs to assess the rates charged for these fees, annually, to establish the correct rate and ensure that the use of the fees comports with the purpose for their establishment.

Mr. Williams reported that the audit pertaining to the College of Engineering and Computing concluded that the College's financial controls were generally adequate and in accordance with University policies and procedures. He explained that opportunities for improvement exist in internal controls, particularly pertaining to the payroll and extra compensation process and the expenditure process related to student fees.

Mr. Williams explained that nine audits are in various stages of completion and that the Office of Internal Audit is currently trending audit findings to determine where commonalities exist.

3.2 University Compliance and Ethics Quarterly Report
Ms. 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 the roll out of the recently completed Principles and Standards is scheduled for Spring 2019, explaining that this is a critical component in supporting employees in ethical decision making and is a powerful resource in terms of addressing questions, identifying issues, and aiding employees in their shared responsibility in terms of compliance.

Ms. LaPorta presented updates relating to compliance reviews, noting that the healthcare billing and coding assessment has been completed and that the HIPAA assessment and the Compliance Program reviews are in progress. She subsequently provided an update on the Compliance-related positions currently under recruitment.

4. Reports
There were no questions from the Committee members in regards to the reports included as part of the agenda materials: State University System of Florida Compliance Program Status Checklist; and the Athletics Compliance Report.

5. New Business
5.1 Senior Management Discussion of Audit Processes
Committee Vice Chair Lowell noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with senior management without the presence of members of the Office of Internal Audit. She further noted that as a meeting 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. University President Mark B. Rosenberg indicated that Mr. Williams is helping to accelerate urgency and implementation and that elements of the work of Ms. LaPorta align with the new FIU strategic plan.

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Trustee Roger Tovar recommended that in terms of audits in areas with operations comparable to that of the Festival's which have a high volume of transactions, the timing of the audit work be aligned with the related risk factors. Trustee Leonard Boord explained that the Risk Assessment/Five Year Plan was reviewed resulting in more frequent audits for high-risk categories. Adding to Trustee Tovar's recommendation, Trustee Boord suggested that the Committee should engage in another review of the Risk Assessment/Five Year Plan in order to assess where new areas within the high-risk categories should be included. President Rosenberg stated that the University will work to identify high impact and high transaction areas similar to those of the Festival. Trustee Tovar further stated that his recommendation is related to oversight and not the implementation of additional controls that can lead to the stagnation of operations.

6. Concluding Remarks and Adjournment
With no other business, Committee Vice Chair Natasha Lowell adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Wednesday, December 5, 2018 at 8:48 a.m.

There were no Trustee requests.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 4, 2019

Subject: Performance Based Funding Metrics
> A. **Performance Based Funding – Data Integrity Certification**
> B. **Audit of Performance Based Funding Metrics Data Integrity**

Proposed Committee Action:
Recommend that the Florida International University 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

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Background Information:
This item is presented pursuant to a request from the State University System of Florida Board of Governors (BOG) dated July 12, 2018. The Chair of the Florida International University Board of Trustees (BOT) and the President of the University shall execute a Data Integrity Certification, furnished by the BOG. The certification document shall be signed by the President and BOT Chair after being approved by the BOT.

To make such certifications meaningful, the University's Chief Audit Executive has been directed to perform an audit of the University's processes that ensure the completeness, accuracy, and timeliness of data submissions. The results of the audit shall be provided to the BOG after being accepted by the BOT.

The completed Data Integrity Certification and audit report shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2019. The Chair of the BOG approved an extension of time to submit the BOT-approved Data Integrity Certification report to the BOG. The draft report will be provided to the BOG by March 1, 2019 and the BOT-approved report will be submitted to the BOG on March 4, 2019.

Supporting Documentation:	March 2019 Data Integrity Certification
	Audit of the Performance Based Funding Metrics Data Integrity
Facilitator/Presenter:	Trevor L. Williams

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Performance Based Funding

March 2019 Data Integrity Certification

University Name: **Florida International University**

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.   Certification: _____ Date_____   President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.   Certification: _____ Date_____   Board of Trustees Chair

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FIU | FLORIDA INTERNATIONAL UNIVERSITY

Office of Internal Audit

Audit of the Performance Based Funding Metrics Data Integrity
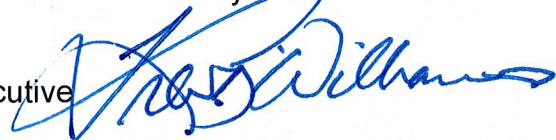
Report No. 18/19-06

January 23, 2019

FLORIDA INTERNATIONAL UNIVERSITY

Date: January 23, 2019

To: Kenneth G. Furton, Provost and Executive Vice President
              Hiselgis Perez, Acting Vice Provost of Office of Analysis and Information
              Management

From: Trevor L. Williams, Chief Audit Executive

**Subject: Audit of the Performance Based Funding Metrics Data Integrity
           Report No. 18/19-06**

Beginning in fiscal year 2013-14, the State University System of Florida Board of Governors (BOG) instituted a performance-funding program based on 10 performance metrics used to evaluate Florida's public universities. Of the $560 million dollars in performance-based awards made by the BOG for fiscal year 2018-2019 FIU received $73.7 million.

Pursuant to a request by the (BOG), we have completed an audit relating to the University's performance based funding metrics. The primary objectives of our audit were to:

1) Determine whether the processes established by the University ensures the reliability, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding Metrics; and

2) Provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the *Performance Based Funding - Data Integrity Certification* that will be submitted to the Board of Trustees and filed with the BOG by March 1, 2019.

Our annual audit confirmed the results of past audits that FIU continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system in all material respects continues to function in a reliable manner. We made two recommendations to further reduce that risk which management agreed to implement.

I would like to take this opportunity to express our appreciation for the cooperation and courtesies extended to us during this audit.

Attachment

C: FIU Board of Trustees
    Mark B. Rosenberg, University President
    Kenneth A. Jessell, Chief Financial Officer and Senior Vice President
    Javier I. Marques, Chief of Staff – Office of the President
    Carlos Castillo, General Counsel

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OBJECTIVES, SCOPE, AND METHODOLOGY

As directed by the State University System of Florida (SUS) Board of Governors (BOG), we have completed an audit of the data integrity and processes utilized in the University's Performance Based Funding Metrics ("PBF" or "Funding Metrics"). The primary objectives of our audit were to:

(a) Determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding Metrics; and

(b) Provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the *Performance Based Funding - Data Integrity Certification,* which will be submitted to the Board of Trustees and filed with the BOG by March 1, 2019.

Our audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* and ISACA *IS Audit and Assurance Standards*, and included tests of the supporting records and such other auditing procedures, as we considered necessary under the circumstances.

During the audit, we:

1. Updated our understanding of the process flows of data for all of the relevant data files from the transactional level to their submission to the BOG;

2. Reviewed BOG data definitions, SUS Data workshop documentation, and meeting notes to identify changes to the BOG Funding Metrics;

3. Interviewed key personnel, including the University's Data Administrator, functional unit leads, and those responsible for developing and maintaining the information systems;

4. Observed current practices and processing techniques;

5. Tested the system access controls and user privileges within the State University Database System (SUDS) application, upload folders, and production data; and

6. Tested the latest data files for two of the 10 performance based funding metrics submitted to the BOG as of August 31, 2018. Sample sizes and transactions selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit fieldwork was conducted from August to December 2018. In fiscal year 2017-2018, we issued the report Audit of Performance Based Funding Metrics Data Integrity (Report No. 17/18-07), dated January 29, 2018. During the current audit, we reviewed the prior audit report and found that no recommendations were issued, which otherwise would have required follow-up.

BACKGROUND

The Florida Board of Governors (BOG) has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013-2014, the BOG instituted a performance based funding program, which is based on 10 performance metrics used to evaluate the institutions on a range of indicators, including graduation and retention rates, job placement, and access rate, among others. Two of the 10 metrics are "choice metrics" – one picked by the BOG and one by each University's Boards of Trustees. These metrics were chosen after reviewing over 40 metrics identified in the Universities' Work Plans but are subject to change yearly.

The BOG model has four guiding principles:

1. Use metrics that align with SUS Strategic Plan goals;
2. Reward Excellence or Improvement;
3. Have a few clear, simple metrics; and
4. Acknowledge the unique mission of the different institutions.

The Performance Funding Program also has four key components:

1. Institutions are evaluated and receive a numeric score for either Excellence or Improvement relating to each metric;
2. Data is based on one year data;
3. The benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were decided after reviewing data trends for each metric; and
4. The Florida Legislature and Governor determine the amount of new state funding and the proportional amount of institutional funding that would come from each university's recurring state base appropriation.

In 2016, the Florida Legislature passed and the Governor signed into law the Board of Governors' Performance-Based Funding Model, now codified into the Florida Statutes under Section 1001.66, *Florida College System Performance-Based Incentive*.

	FIU's Performance Based Funding Metrics		
1.	Percent of Bachelor's Graduates Employed (Earning $25,000) or Continuing their Education One Year After Graduation	6.	Bachelor's Degrees Awarded in Areas of Strategic Emphasis
2.	Median Average Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation	7.	University Access Rate (Percent of Undergraduates with a Pell-grant)
3.	Average Cost to the Student (Net Tuition and Fees per 120 Credit Hours)	8.	Graduate Degrees Awarded in Areas of Strategic Emphasis
4.	Four Year Graduation Rate (Full-Time, First-Time-In-College)	9.	Board of Governor's Choice - Percent of Bachelor's Degrees Without Excess Hours
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10.	Board of Trustee's Choice - Bachelor's Degrees Awarded to Minorities

The following table provided by the BOG summarizes the performance funds allocated for the fiscal year 2018-2019 using the performance metrics results from fiscal year 2017-2018, wherein FIU earned 90 points.

Florida Board of Governors Performance Funding Allocation, 2018-2019[1]				
	Points*	Allocation of State Investment	Allocation of Institutional Investment	Total Performance Funding Allocation
UF	93	$ 57,631,857	$ 53,002,618	$110,634,475
FIU	90	39,996,601	33,730,710	73,727,311
FSU	86	51,607,104	47,135,335	98,742,439
USF	86	37,650,670	41,913,010	79,563,680
UWF	86	10,772,844	11,992,412	22,765,256
FAU	84	20,553,876	22,880,729	43,434,605
UCF	77	37,522,699	41,770,552	79,293,251
FGCU	75	9,264,349	10,313,143	19,577,492
NCF	75	-	3,921,395	3,921,395
FAMU	72	-	14,765,439	14,765,439
UNF	68	-	13,574,657	13,574,657
Totals		$265,000,000	$295,000,000	$560,000,000

*Institutions scoring 50 points or less or the three lowest scoring universities will not receive any State Investment. Any ties in scores are broken using the tiebreaker policy in BOG Regulation 5.001.

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[1] The amount of state investment is appropriated by the Legislature and Governor. A prorated amount is deducted from each university's base recurring state appropriation (Institutional Investment) and is reallocated to each institution based on the results of the performance based funding metrics (State Investment).

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In 2018, the Florida Legislature changed the graduation rate metric (Metric 4) included in the PBF from a six-year to a four-year measure and changed from accounting for all First-Time-In-College (FTIC) students to only Full-Time, FTIC. The new metric was used in calculating the performance metrics results on the previous page.

Organization

FIU's Office of Analysis and Information Management (AIM) consists of Institutional Research (IR) and the Office of Retention & Graduation Success. One of the goals of AIM is to provide the University community with convenient and timely access to information needed for planning and data driven decision-making and to respond to data requests from external parties. IR is currently responsible for:

- Faculty Perception of Administrators (FPOA) formerly Faculty Assessment of Administrator System; Assisting with the online system used to credential faculty;
- Academic Program Inventory; and
- Assignment of CIP (Classification of Instructional Program) codes to courses and certificate programs.

IR has been the official source of FIU's statistics, providing statistical information to support decision-making processes within all academic and administrative units at FIU, and preparing reports and files for submission to the BOG and other agencies. It is also responsible for data administration, enrollment planning, and strategic planning.

The Office of Retention & Graduation Success identifies barriers to student success and works to eliminate those barriers. This Office helps to carry out the Graduation Success Initiative (GSI), primarily by providing "Major Maps" and alerts for students and academic advisors, and information and analyses to departments and decision-makers.

The Acting Vice Provost for AIM who is also the University's Data Administrator reports directly to the Provost and is responsible for gathering data from all applicable units, preparing the data to meet BOG data definitions and requirements, and submitting the data.

At FIU, the Performance Funding Metrics reporting process flows consist of four layers: (1) Production, (2) Staging, (3) Upload, and (4) the State University Database System (SUDS) application. The Production data (extracted from the PantherSoft databases) are originated from the following functional units—the Admissions Office, Registrar's Office, Academic Advising, and Financial Aid. AIM and the BOG team from the University's Division of IT (DoIT) work collaboratively to translate the production data, which are then sent to Staging (either to tables or directly to Upload folders) where dedicated developers perform data element calculations that are based on BOG guidelines and are used to develop the Internal Portal. Once the calculations are completed, the data are formatted into text files and moved to an Upload folder. Users then log into the SUDS and depending on their roles, they upload, validate, or submit the data to the BOG. The DoIT assists with the entire consolidation and upload process.

The diagram below illustrates the operational controls and the information system access controls currently implemented in the overall data element process flows.
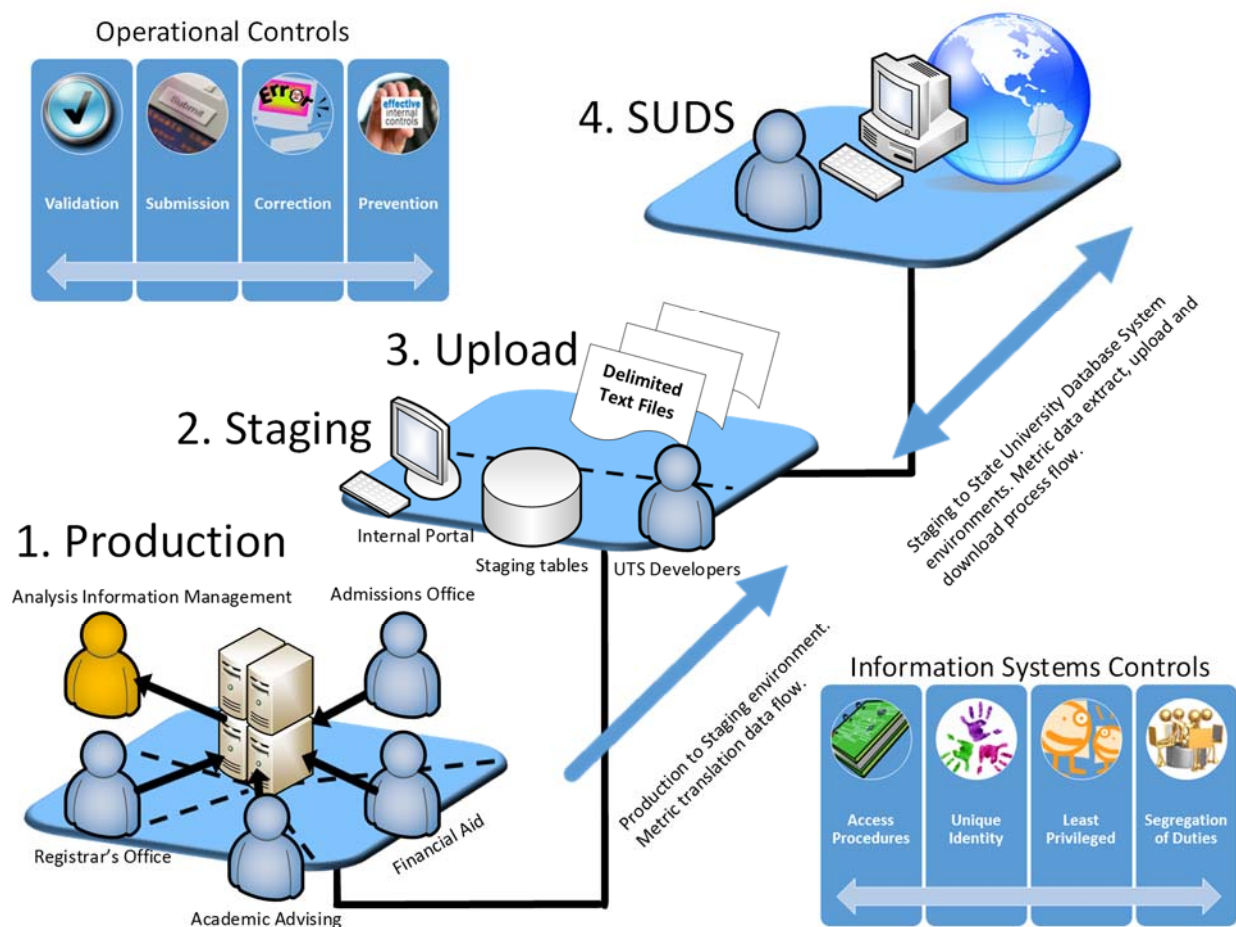
FINDINGS AND RECOMMENDATIONS

Based on our audit, we concluded that there are no material weaknesses or significant deficiencies in the processes established by the University to report required data to the Board of Governors in support of their Performance Based Funding Metrics. While there is always room for improvement as outlined in the detailed findings and recommendations that follow, the system is functioning in a manner that can be relied upon to provide complete, accurate, and timely submission of data to the BOG.

Accordingly, in our opinion, this report provides an objective basis of support for the Board of Trustees Chair and the University President to sign the representations made in the BOG *Performance Based Funding Data Integrity Certification*, which the BOG requested be filed with them by March 1, 2019. Our evaluation of FIU's operational and system access controls that fall within the scope of our audit is summarized in the following table:

INTERNAL CONTROLS RATING			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	X		
Policy & Procedures Compliance	X		
Effect	X		
Information Risk	X		
External Risk	X		
INTERNAL CONTROLS LEGEND			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
Policy & Procedures Compliance	Non-compliance issues are minor	Non-compliance Issues may be systemic	Non-compliance issues are pervasive, significant, or have severe consequences
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable	Data systems are mostly accurate but can be improved	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions
External Risk	None or low	Potential for damage	Severe risk of damage

The results of our audit are as follows:

1. Review of Process Flows of Data

During prior years' audits, we obtained an understanding of the processes the University implemented to ensure the complete, accurate, and timely submission of data to the BOG. During this audit, we met with the Data Administrator and other key personnel to update our understanding of the processes in place to gather, test, and ensure that only valid data, as defined by the BOG, are timely submitted to the BOG. Based on our updated understanding, we determined that no significant changes have occurred in the process flows of data.

At FIU, the PantherSoft Security Team and AIM collaborated and developed a tool that generates edit reports similar to the ones found in the State University Database System (SUDS). This tool allows users at functional units more time to work on their file(s) since the BOG edits are released closer to the submission deadline. The purpose of the review is for users at functional units to correct any problems concerning transactional errors before submitting the files. We found the Registrar's Office, which generates data for five of the 10 performance based metrics, along with the Office of Financial Aid and the Graduation Office using the tool. The Data Administrator's team routinely reviews error and summary reports to identify and correct any data inconsistencies. As explained, the Data Administrator's team is responsible for the day-to-day reporting and understands the functional process flows, while the functional units are responsible for their data and understand the technical process flows. According to AIM, they plan to continue to extend the use of the tool to all appropriate users. Furthermore, for certain files, there are additional PantherSoft queries in place that users run to identify errors or bad data combinations.

In addition to the internal FIU reports, the BOG has built into the SUDS a data validation process, which through many diagnostic edits flags errors by critical level. SUDS also provides summary reports and frequency counts that allow for trend analysis. The AIM team reviews the SUDS reports and spot-checks records to verify the accuracy of the data. Once satisfied as to the validity of the data, the file is approved for submission.

As a result of a prior audit recommendation, AIM developed the *OPIR-BOG Business Process Manual*. The Manual addresses BOG SUDS Portal Security, BOG SUDS File Submission Process (see table on the following page and description and diagram of the process on page 5 of this report), and details of the process for each file submitted to the BOG. It is also evident that the Manual has been continually updated since its implementation.

Steps	BOG Files Submission Cycle
1.	The PantherSoft (PS) team extracts data from the PantherSoft database. Data are formatted according to the BOG data elements definitions and table layouts.
2.	The PantherSoft team uploads data to SUDS and runs edits.
3.	SUDS edits the data for possible errors and generates dynamic reports.
4.	Functional unit users are notified that edits are ready to be reviewed.
5.	Functional unit users review the edits and make any required transactional corrections in the PantherSoft database.
6.	AIM Lead/PS Team/Functional Unit users communicate by email, phone, or in person about any questions/issues related to the file.
7.	Steps 1-6 are repeated until the freeze date.
8.	On the freeze date, a final snapshot of the production data is taken.
9.	The file is finalized, making sure all Level-9 (critical) errors were corrected or can be explained.
10.	AIM Lead reviews SUDS reports, spot-checks data, and contacts functional unit users if there are any pending questions.

Conclusion

Based on the review performed, the data submitted to the BOG is properly validated prior to submission and approval and no material weaknesses were found in the University's current process flows of data.

2. System Access Controls and User Privileges Follow-up

Access controls testing included examination of user privileges within the SUDS application and examination of audit log files and production data. Annually, AIM works with the functional units and the PantherSoft Security Team to:

a) Review user accounts to ensure on-boarded and off-boarded SUDS users have an associated PAWS ticket and the existing users' access match their current job description;

b) Review and reduce access privileges to production and stage environments to appropriately mitigate least privileged and segregation of duties risks; and

c) Review log reporting for all metric data files, where appropriate, to ensure the integrity of the data sent to the BOG.

On September 27, 2018, AIM completed their data integrity review. The following were the results of our follow-up into these areas:

a. <u>Review and Deactivate State University Database System User Accounts</u>

In our prior audits, we noted that AIM relied on expired passwords as a mitigating access control. However, a BOG Database Administrator stated that this is not a good control, as the system will prompt the user to create a new password. She also said that user accounts would need to be deactivated in order to revoke their access. With this understanding of SUDS user accounts, AIM identified 21 questionable user accounts. These are accounts where the access rights granted to the users might not be needed in order for them to perform their job duties, based on the least-privilege principle of "need-to-have and need-to-know." After communicating with the functional units, they deactivated two of the 21 user accounts and one terminated employee's account.

Job duties may change as the user account sits dormant and can increase the risk of inappropriate access should the user reactivate their account. AIM has adequately identified and deactivated user accounts from the SUDS, deemed warranted as indicated above.

b. <u>Limit Access to Production Data</u>

On the following page, Figure 1 – *Production Data Elements Process Flows*, illustrates the four departments: Admissions Office, Registrar's Office, Academic Advising, and Financial Aid that feed data into the production system available to AIM.

1. Production

Analysis Information Management   Admissions Office

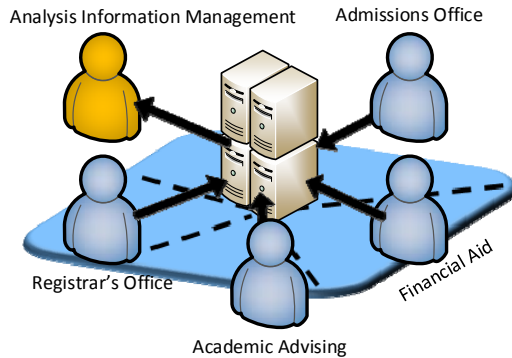Registrar's Office

Academic Advising

Financial Aid

Figure 1 – Production Data Elements Process Flows

According to documentation provided by AIM, they reviewed write-access for all metrics. In their write-access reviews for Metrics 4 and 5, they identified four questionable user accounts. The users had the ability to modify data, which appeared to be in conflict with their job titles and duties. User access was changed to view-only for one of the four users after obtaining approval from the functional units.

By continually reviewing and limiting user access, as appropriate, AIM adequately reduces the integrity risk[2] to the data uploaded to the BOG.

c. Review Log Reports

Documentation provided by AIM showed that they reviewed log files and identified four users that made changes to the BOG data as questionable. After communicating with the functional units, the PantherSoft Security Team changed access to read-only on one user's account.

Figure 1 - Upload Process Flows

However, we noted that none of the fields in the Staging environment had its logging capabilities activated. This is where AIM uploads data to the SUDS. In addition, we identified one production field requiring a change in a user's access but did not have its logging capabilities activated. Ultimately, the University Data Administrator is accountable for the data provided to the BOG. Activating audit log capabilities in the Staging and Production environments, as appropriate, increases the effectiveness of detection control to help the Data Administrator mitigate least privileged and segregation of duties risks.

Conclusion

The actions taken to deactivate dormant accounts, continuously review log reports, and limit access reduce the integrity risks to the data uploaded to the BOG. However, activating audit log capabilities to all fields in the Staging environment and as needed in Production, further reduces the likelihood that an unauthorized data change can be made and go undetected.

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[2] COBIT 5.0 correlates Integrity to the information quality goals of completeness and accuracy.

Recommendation

	The Office of Analysis and Information Management should:
1.1	Work with the PantherSoft Department to activate auditing log capabilities to the Staging and Production environment fields, as appropriate, for inclusion into their annual analysis report.

Management Response/Action Plan:

1.1   The Office of Analysis and Information Management will work with IT to add more audit logs to capture updates to other high-risk fields. Both teams (AIM/IT) will begin work during the spring term. As with current audits, they will have a date search parameter. Therefore, although expected availability will be for summer, the date parameter will be able to capture any updates regardless of when it was completed.

Implementation date: May 2019

3. Data Accuracy Testing

This is our fifth audit of the performance based funding (PBF) metrics since it became effective in 2014. During our first-year audit, we performed data accuracy testing on all 10 metrics as requested by the BOG. In subsequent years' audits, we limited our data accuracy testing to specific metrics and followed up on any prior year recommendations as depicted in the following table.

	AUDIT COVERAGE OF PBF METRICS		
	Audit FY	**Metrics Tested**	**Comment**
1.	2014-15	1-10	First year; test of all metrics required by BOG
2.	2015-16	6, 7, 8, & 10	
3.	2016-17	1, 2, 4, & 5	
4.	2017-18	3 & 9	First year of the revised Metric 3
5.	2018-19	4 & 5	First year of the revised Metric 4

At the May 2018 meeting of the *State University Audit Council* (SUAC), the BOG Chief Data Officer presented a risk rating, ranging from low to high, for each PBF metric. In developing this year's audit scope, since there were no prior year audit findings stemming from our data accuracy testing, we determined to test Metrics 4 and 5, two of the four metrics identified during the said meeting to be of moderately high and moderate audit risk, respectively. The remaining two metrics were audited in the prior year. Furthermore, this is the first year of the revised Metric 4. In addition, the University received the highest possible points (10) for both metrics. Points are distributed based on a rating of either "Excellence" or "Improvement." Both Metrics 4 and 5 saw improvements of greater than 5 percent. Based on the PBF benchmarks, improvements of 5 percent or greater are given the maximum of 10 points.

Metrics Testing

The two PBF metrics tested were as follows:

- Metric 4 – Four Year Graduation Rate (Full-time, First-Time-In-College).
- Metric 5 – Academic Progress Rate (Second Year Retention with GPA Above 2.0).

We identified the main data files and tables related to the calculations of the two metrics under review, as follows:

- Student Instruction file (SIF), Enrollment table;
- Degrees Awarded file (SIFD), Degrees Awarded table; and
- Retention file (RET), Retention Cohort Changes table.

The BOG provided us with the in-scope data elements for each of the metrics under review (see Appendix A – In-scope BOG Data Elements), which we used in our testing.

Data accuracy for the two metrics was tested by reviewing the corresponding data files, tables, and elements, and by tracing them to the source document data in PantherSoft. Testing was limited to the PantherSoft data itself as the objective of our testing was to corroborate that the data submitted were in fact unabridged and identical to the data contained in the University's PantherSoft system.

Metrics 4 and 5

As a result of the *Florida Excellence in Higher Education Act of 2018*, signed into law by the Governor on March 11, 2018, Metric 4 was changed from a six-year graduation standard to a four-year measure and from all first-time-in-college students to full-time, first-time-in-college students. Universities achieving or exceeding the 50 percent mark under the new standard will secure the maximum points in the formula, while universities with a four-year graduation rate below 38.8 percent will receive no points.

> *Metric 4, Four Year Graduation Rate (Full-time, First-Time-In-College), is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution during the Summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation.*

> *Metric 5, Academic Progress Rate (2nd Year Retention with GPA above 2.0), is based on the percentage of FTIC students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).*

The data for Metrics 4 and 5 are generated by the BOG from the Student Instruction file (SIF), Degrees Awarded file (SIFD), and Retention file (RET) submitted by the University.

In order to verify that the data submitted in the SIF file to the BOG were accurate, we selected a sample of 25 students from the Fall 2017 SIF and verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the 14 elements relevant to Metrics 4 and 5 and found no exceptions.

In addition, to verify the data submitted in the SIFD file, we judgmentally selected a sample of 25 students for testing. We verified without exception the one element related to Metrics 4 and 5. As evidenced by the supporting documentation, all students had graduated in Fall 2017 as reported in the Fall 2017 SIFD file.

The BOG builds the Retention file annually using the SIF and SIFD files. The BOG then annually provides the retention data to the University. FIU's Office of Institutional Research (IR) reconciles the data with the files (SIF and SIFD) originally submitted to the BOG and investigates and resolves any differences. They work with the BOG Information

Resource Management (IRM) staff to make edits, if necessary, before the Data Administrator approves and submits the data to the BOG IRM.

We reviewed IR's reconciliation process of retention data and concluded that FIU's IR staff adequately performed the reconciliation of data provided by the BOG against FIU's data. We reviewed the retention data for cohort year 2013-2014 and determined that the cohort count of 1,652 students matched the data found in the Fall 2016, Spring 2017, and Summer 2017 SIF files, with the difference of one student, which we determined was properly accounted for in PantherSoft.

To validate further that the data submitted to the BOG in the Retention file were accurate, we selected a sample of 15 students from the Annual 2016 RET file. We reviewed the supporting documentation related to three relevant elements and verified that the data provided to the BOG were the same as the data contained in the PantherSoft student records. No exceptions were found.

However, during our review of the reconciliation process, we found that there were no written guidelines in place detailing the process. Moreover, only one employee who is the sole employee that is fully knowledgeable of the system's reconciliation process performs the reconciliations. In addition, management stated they relied heavily on the internal programs to pick up any discrepancies.

<u>Conclusion</u>

Our testing of the SIF, SIFD, and RET files data found no differences between the information submitted to BOG and the data in FIU's system relating to the relevant elements for Metrics 4 and 5. However, we found that there were no written guidelines in place detailing the RET reconciliation procedures performed and the employee performing these reconciliations had no backup.

Recommendation

The Office of Analysis and Information Management should:	
1.2	Develop written guidelines detailing the reconciliation procedures for the Retention file received from the BOG and ensure that more than one employee is able to perform the procedures.

Management Response/Action Plan:

1.2   The Office of Analysis and Information Management will enhance the current BOG documentation with a manual of written procedures that document the steps taken in the verification and validation of the annual Retention file. Furthermore, another technical employee at AIM will be trained and delegated with additional

responsibilities to handle the BOG files with an emphasis on mastering the reconciliation procedures for the Retention file.

Implementation date: June 2019

4. Data File Submissions and Resubmissions

Data File Submissions

To ensure the timely submission of data, AIM used the due date schedule provided by the BOG as part of the SUS data workshop to keep track of the files due for submission and their due dates. AIM also maintains a schedule for each of the files to be submitted, which includes meeting dates with the functional unit leads, file freeze date, file due date, and actions (deliverables) for each date on the schedule. We used data received directly from the BOG-IRM Office in addition to data provided by AIM to review the timeliness of actual submittals.

The following table and related notes, where applicable, reflects the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during our audit period:

File	File Submission	Period	Original Due Date	Original Submission Date
SFA	Student Financial Aid	Annual 2016	10/09/2017	10/09/2017
ADM	Admissions	Fall 2017	10/06/2017	10/06/2017
SIFD	Degrees Awarded	Summer 2017	10/11/2017	10/11/2017
IRD	Instruction & Research	Annual 2016	10/23/2017	10/23/2017
SIFP	Student Instruction Preliminary	Fall 2017	10/17/2017	10/17/2017
HTD	Hours to Degree	Annual 2016	11/08/2017	11/08/2017
EA	Expenditure Analysis	Annual 2016	10/30/2017	10/30/2017
SIF	Student Instruction	Fall 2017	01/19/2018	01/19/2018
RET	Retention	Annual 2016	01/23/2018	01/23/2018
SIFD	Degrees Awarded	Fall 2017	02/02/2018	02/02/2018
ADM	Admissions	Spring 2018	03/02/2018	03/02/2018
SIF	Student Instruction	Spring 2018	06/14/2018	06/14/2018
SIFD	Degrees Awarded	Spring 2018	06/28/2018	07/02/2018*

*Management informed us that the Spring 2018 Degrees Awarded file (SIFD) was submitted four days late due to a delay in the SIF file being accepted by the BOG. According to management and BOG, the SIFD file cannot be submitted until the SIF file is accepted by the BOG. Based on the records provided, the SIF file was submitted by the due date, June 14, but was not accepted by the BOG until July 2. Once the SIF was accepted, the SIFD was submitted on the same day, July 2.

Data File Resubmissions

The list of resubmissions since the last audit was obtained from the BOG-IRM staff. The Data Administrator described the nature and frequency of these resubmissions and provided correspondence between the BOG and the University related to the data resubmissions. AIM examined the correspondence to identify lessons learned and to determine whether any future actions can be taken that would reduce the need for resubmissions.

The Data Administrator has acknowledged that although their goal is to prevent any resubmissions, they are needed in cases where inconsistencies in data are detected by either University or BOG staff after the file has been submitted. According to her, a common reason for not detecting the error before submission is that some inconsistencies only arise when the data are cross-validated among multiple files. "When logic changes are implemented or added, it is an additional edit in our internal tool," said the Data Administrator.

In regards to the frequency of the resubmissions, a list was provided by the BOG-IRM staff for all files submitted pertaining to the 10 PBF metrics. For files with due dates between October 1, 2017, and August 31, 2018, the University submitted 13 files to the BOG.

The following table describes the two files resubmitted and AIM's reasons for each resubmission.

No.	File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
1	Hours to Degree	Annual 2016	11/08/2017	11/08/2017	11/20/2017
	AIM Reason for Resubmission: In preparing the annual HTD file, we discovered a student's record as it related to elements 01413 and 01468 had been reported incorrectly. The error resulted from our institution's transition to reporting the data from a legacy system to the current student information system as well as a bug in the logic. Our institution requested feedback from the BOG office to determine the best course of action in correcting the errors. We did not know if the BOG would require resubmission of all the files where the error was listed or simply request the corrections via an email from our University's data administrator to the BOG office. Unfortunately, we were unable to receive a response in time for the original submission due date. Subsequently, the BOG informed our institution to resubmit the file in order for their office to make the necessary data corrections.				
2	Retention	Annual 2016	01/23/2018	01/23/2018	03/12/2018
	AIM Reason for Resubmission: At the request of the BOG, the cohort adjustment table for the Retention file was resubmitted in order to include adjustments (72 exclusions) to the 2012 cohort. This allowed the same methodology to be used when comparing the cohorts and scoring the performance metric.				

In both instances observed, the BOG staff authorized the resubmission by reopening the SUDS system for resubmission. Furthermore, continuing improvements have been noted from prior years' where two files were resubmitted in FY 2017-18, four in FY 2016-17, and nine in FY 2015-16.

<u>Conclusion</u>

Our review disclosed that the process used by the Data Administrator provides reasonable assurance that complete, accurate, and for the most part timely submissions occurred. The one late filing was the result of a system issue, not considered systemic, while the two resubmissions were necessary and authorized. In addition, we noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions.

5. Review of University Initiatives

We obtained the following list of the University initiatives that are meant to bring the FIU's operations and practices in line with SUS Strategic Plan goals:

- Implemented E&G revenue reallocation model
- Implemented faculty reallocation model for academic units
- Provided greater access to on-demand analytics relevant to the metrics
- Implemented student level graduation benchmarking
- Implemented student attendance and midterm progress monitoring and outreach
- Integration of career and academic advising
- Strategic enrollment planning and course scheduling optimization via Noel Levitz and Platinum Analytics
- Created an Office of Scholarships and Academic Program Partners to support all colleges in their efforts to apply foundation scholarship funds to student success and enrollment goals
- Expanded merit scholarship opportunities and initiated two new scholarships – "Jumpstart FIU" and "Panther Achievement Award"
- Implemented centralized coordination and local deployment for student recruitment efforts
- Established centralized retention, graduation, and student success outreach

Conclusion

None of the initiatives provided appears to have been made for the purposes of artificially inflating performance goals.

			In-Scope BOG Data Elements	
No.	**Metric**	**Definition**	**Submission/Table/Element Information**	**Relevant Submission**
4	Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes "early admits" students who were admitted as degree-seeking student prior to high school graduation.	**Submission:** SIFD **Table:** Degrees Awarded **Elements:** 02001 – Reporting Time Frame	October 11, 2017 February 2, 2018 July 2, 2018
			Submission: SIF **Table:** Enrollments **Elements:** 01063 – Current Term Course Load 01067 – Last Institution Code 01068 – Type of Student at Date of Entry 01085 – Institutional Hours for GPA 01086 – Total Institutional Grade Points 01088 – Term Credit Hours for GPA 01089 – Term Credit Hours Earned 01090 – Term Grade Points Earned 01060 – Student Classification Level 01112 – Degree Highest Held 01107 – Fee Classification Kind 01420 – Date of Most Recent Admission 01413 – Type of Student at Time of Most Recent Admission 01411 – Institution Granting Highest Degree	January 19, 2018 June 14,2018
			Submission: RET **Table:** Retention Cohort Changes **Elements:** 01429 – Cohort Type 01437 – Student – Right-to-Know (SRK) Flag 01442 – Cohort Adjustment Flag	January 23, 2018
5	Academic Progress Rate *2nd Year Retention with GPA Above 2.0*	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).	Same as No. 4 above.	

Definition Source: State University Database System (SUDS).

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Office of Internal Audit Status Report

BOARD OF TRUSTEES

March 4, 2019

Date: March 4, 2019

To: Board of Trustees Audit and Compliance Committee Members

From: Trevor L. Williams, Chief Audit Executive

Subject: **OFFICE OF INTERNAL AUDIT STATUS REPORT**

I am pleased to provide you with our quarterly update on the status of our office's activities. Since our last update to the Board of Trustees Audit and Compliance Committee on December 5, 2018, the following projects were completed:

Follow-up Audit of the Florida International University Health Care Network's (HCN's) Billing, Collections, and Electronic Medical Record Systems

The audit included a review of transactions for the period of July 1, 2016, through December 31, 2017, and an assessment of current practices through December 31, 2018. During the fiscal year 2016-17, the HCN's operating revenues totaled approximately $8.2 million and operating expenses totaled approximately $4.9 million. Operating revenues consisted of approximately $4.3 million in management fee revenue, $3.4 million in Office of International Affairs revenue, and $0.5 million in rental income and other revenue. The cost for managing and operating the Herbert Wertheim College of Medicine (HWCOM) Clinics was $2.1 million, representing approximately 50% of the management fee revenue.

Our assessment revealed that 18 of the 30 prior recommendations were fully implemented, 11 were partially implemented, and one was not implemented. In addition, while testing management's implementation of the prior audit recommendations, we found that opportunities for improvement existed in other areas, specifically related to billing and coding, HIPAA and Security Awareness trainings, asset management, breach notification policies, facility access logs, and the business continuity plan. This resulted in six additional recommendations, which management agreed to implement.

Certified Audit of FIU Football Attendance for the 2018 Season in Accordance with the National Collegiate Athletic Association Operating Bylaws

The objective of our audit was to certify the accuracy of the season's attendance at FIU home football games reported by the University to the National Collegiate Athletic Association (NCAA) for the 2018 season. Based on the methodology adopted by the FIU Athletics

Department, we found that the football attendance data reported to the NCAA on the 2018 Football Paid Attendance Summary sheets are supported by sufficient, relevant, and competent records. We are also pleased to report that the current year's average home attendance of 15,398 meets minimum NCAA requirements.

Audit of the Performance Based Funding Metrics Data Integrity

Beginning in fiscal year 2013-14, the State University System of Florida Board of Governors (BOG) instituted a performance-funding program based on 10 performance metrics used to evaluate Florida's public universities. Of the $560 million dollars in performance-based awards made by the BOG for fiscal year 2017-2018, FIU received $73.7 million.

Our annual audit confirmed the results of past audits that FIU continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system, in all material respects, continues to function in a reliable manner and provides an objective basis of support for the Board of Trustees (BOT) Chair and the University President to sign the representations made in the BOG *Performance Based Funding Data Integrity Certification*. Nevertheless, we made two recommendations, which management agreed to implement, to reduce the likelihood of incomplete and untimely submission of data.

Student Technology Fees

As authorized by Florida Statutes, section 1009.24(13), Regulation FIU-1101, Tuition and Fees Schedule, established a technology fee at 5 percent of the tuition per credit hour, the statutory limit. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty. All 12 State University System (SUS) institutions have adopted the technology fee at 5 percent.

The Division of Information Technology's Business Project Management Office administers FIU's Technology Fee program. For the two fiscal years ended June 30, 2017, the University generated $20,143,545 in revenue from the Technology Fee assessment and incurred $22,252,065 in expenditures.

The Division of Information Technology's established controls and procedures for administering the University's Technology Fee were generally adequate. Nevertheless, 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. A final reconciliation of project costs is also needed. In addition, 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 will strengthen the process. We made 10 recommendations, which management agreed to implement.

Sub-recipient Monitoring (Division of Research)

We reviewed sub-recipients' annual financial report submissions pursuant to the Federal and the State of Florida's respective single audit acts. The purpose of these reviews is to ensure that sub-recipients are compliant with the financial reporting requirements under the respective acts, that their reports reflect that they are fiscally responsible and are free of, or have adequately addressed significant or material findings reported by their independent auditors. We completed reviews of two institutions who are sub-recipients under FIU grants:

Amazon Center for Environmental Education and Research Foundation
Banyan Research and Innovation Center, Inc.

Work in Progress

The following ongoing audits are in various stages of completion:

Audits	Status
Procurement Process at the Chaplin School of Hospitality and Tourism Management	Drafting Report
Information Technology - Cloud Services	Fieldwork in Progress
Nicole Wertheim College of Nursing and Health Sciences	Fieldwork in Progress
College of Business	Fieldwork in Progress
Patricia and Phillip Frost Art Museum	Fieldwork in Progress
Student Activity and Service Fee	Fieldwork in Progress
Facilities Management Data Systems Controls	Fieldwork in Progress
Internal Control and Data Security Audit over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0512-18	Fieldwork in Progress

Semi-Annual Follow-Up Status Report

We surveyed management on their progress towards completing past recommendations that were currently due for implementation. According to management, 50 of 67 recommendations (75 percent) were completed. Management has partially implemented the remaining recommendations and has provided revised completion dates for full implementation of outstanding items. We are pleased to highlight that the reported rate of fully implemented recommendations has seen a 21 percent increase from the 62-percent rate of six months ago (September 2018) and a 39 percent increase from the 54-percent rate of approximately one year ago (February 2018). This positive trend suggests that management is committed to following through on resolving identified audit issues in a timely manner. We commend management for their efforts and encourage continued improvement.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
FIU Online	2	2	-
Review of Expense Reports	2	2	-
University Implementation of Prior Years' Recommendations	6	6	-
Steven J. Green School of International and Public Affairs	11	11	-
University Building Access Controls	2	1	1
Mobile Health Center	2	1	1
Financial Aid	2	1	1
The Wolfsonian–FIU	24	19	5
South Beach Wine & Food Festival	1	-	1
Athletics Department Operations	1	-	1
Center for Children and Families	9	4	5
Robert Stempel College of Public Health and Social Work	3	2	1
University IT Network Security Controls	2	1	1
Totals	**67**	**50**	**17**
Percentages	**100%**	**75%**	**25%**

MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS WITH REVISED TARGET DATES

University Building Access Controls (January 20, 2016)

1. Audit Issue: **Oversight/Management of Building Access Controls** (Recommendation #4.3)

   Recommendation:
   Determine whether the BBC lock system should be upgraded.

   Action Plan to Complete:
   Re-keying with new university standard locks has begun. To date, the following buildings are in progress or complete: HM, Marine Biology, AC1, and KCC. Completion of remaining buildings is dependent on funding.

   Original Target Date: June 30, 2016   New Target Date: August 31, 2020

The Mobile Health Center (September 13, 2016)

1. Audit Issue: **Identity Access Management Control** (Recommendation #3.3)

   Recommendation:
   Review application audit log files starting from June 2015.

   Action Plan to Complete:
   Meeting set with Compliance Officer 1/17/2019. Waiting for new hire and CO to delegate task to resource.

   Original Target Date: March 1, 2017   New Target Date: April 1, 2019

Financial Aid (February 10, 2017)

1. Audit Issue: **Enrollment Status** (Recommendation #2.1)

   Recommendation:
   Ensure that courses that do not count towards a program of study are excluded when determining a student's enrollment status and cost of attendance for federal student aid.

   Action Plan to Complete:
   Will be working with Central IT and Academic IT on options for implementation using the functionality in EduNav. Since last Spring FIU has had a major IT project and Systems Upgrades that took priority on resources available to implement this solution.

   Original Target Date: April 1, 2017   New Target Date: July 1, 2019

The Wolfsonian-FIU Museum (April 23, 2018)

1. Audit Issue: **Access to Collection and Collection Records** (Recommendation #2.1)

   Recommendation:
   Implement adequate surveillance camera coverage of the Collection.

   Action Plan to Complete:
   Management is working collaboratively with FIU Facilities and FIU Technology services to complete integration and transition of the access and surveillance system into the FIU IT Network. Wide-angle cameras have been added in select areas to provide better surveillance of the collection. The Annex is no longer an active work area and the current mitigating control is requiring a minimum of two persons to

access and secure the Annex. Annex keys must be checked out of the Keywatcher cabinet, which is monitored and controlled by the access and surveillance system.

Original Target Date: December 31, 2018   New Target Date: June 30, 2019

2. Audit Issue: **Network Security Controls** (Recommendation #9.2)

    Recommendation:
    Include the business need and duration for all active rules and work with the Division of IT to review firewall rules, and disable all inactive connections.

    Action Plan to Complete:
    We continue to work with the Division of IT to ensure the inactive connections are disabled.

    Original Target Date: December 31, 2018   New Target Date: April 30, 2019

3. Audit Issue: **Business Continuity** (Recommendation #10.1)

    Recommendation:
    Adopt procedures to ensure that the Business Continuity Plan's IT operations can meet the self-identified critical ratings.

    Action Plan to Complete:
    FIU Ready Plan update is in process. The unit is also revisiting disaster mitigation plan to incorporate information related to additional perils.

    Original Target Date: June 30, 2018   New Target Date: April 30, 2019

4. Audit Issue: **Business Continuity** (Recommendation #10.2)

    Recommendation:
    Include formal test results, lessons learned, and corrective actions taken to ensure the success of the business continuity plan.

    Action Plan to Complete:
    Upon completion of edits to the FIU Ready Plan, The Wolfsonian Team will schedule testing exercises to ensure the plan's integrity and value.

    Original Target Date: June 30, 2018   New Target Date: April 30, 2019

5. Audit Issue: **Implementation of Prior IT Audit Recommendations** (Recommendation #11.1)

Recommendation:
Implement the cited prior audit recommendation.

(Perform formal contingency plan testing with key personnel. Test results should be formally reviewed and corrective actions taken to ensure the plan's ability to support the operations and protect its data in the event of a disaster. – Reported initially as Recommendation 11.9)

Action Plan to Complete:
Upon completion of edits to the FIU Ready Plan, The Wolfsonian Team will schedule testing exercises.

Original Target Date: June 30, 2018   New Target Date: April 30, 2019

South Beach Wine and Food Festival (October 8, 2018)

1. Audit Issue: **PCI DSS Compliance** (Recommendation #4.1)

   Recommendation:
   The PCI Compliance Team evaluate the cardholder data process to ensure payment transactions are processed in a PCI compliant manner.

   Action Plan to Complete:
   The PCI Compliance Team along with the University's Qualified Security Assessor (QSA) firm, CampusGuard, conducted a review in December 2018 and made preliminary recommendations. A formal report listing recommendations and outcomes will be produced by the end of February 2019. The vendor has committed to deploy P2PE solution devices at the 2019 Festival.

   Original Target Date: December 31, 2018   New Target Date: March 31, 2019

Athletic Department Operations (October 23, 2017)

Management of the Athletic Department has provided a comprehensive response, inclusive of their initial plans of action to address the recommendations and **their follow-up to those plans, along with revised implementation dates, presented in bold type**.

1. Audit Issue: **Other Expenditures** (Recommendation #3.2)

   Recommendation:
   Work with the Controller's Office to ensure compliance with all University policies and procedures. In most of the circumstances identified in this section, compliance would simply require proper support, prior approval, explanation and/or justification of expenses, and timely submission of TAs and ERs. While in other cases, cash

advances should be computed using expected out-of-pocket costs and resolved timely; proof of payment should be obtained for missing receipts; travel manifests should be properly signed-off; and trips should be better planned to avoid conflicts.

<u>Action Plan to Complete:</u>
Management concurs with the recommendation and Athletics will take the following steps to implement the recommendation.

1. The Athletics Business Office will work with the Controller's Office in conducting annual workshops aimed at ensuring that Athletics Business Office employees are well versed on travel and expense reimbursements, P-Card transactions, and purchasing policies. **Athletics Business office has initiated date/time options and has requested for a workshop with The Office of the Controller prior to the end of April 2019. Revised Due date: 5/15/2019**

2. Athletics will request the Controller's Office give a presentation at an Athletics all-staff meeting and that this presentation be given annually. **Athletics Director of Finance has extended an invitation to the Office of the Controller for our next All-Staff meeting, which is tentatively scheduled for 2/12/2019. Revised Due Date: 6/30/2019**

3. The Athletics Business Office will prepare checklists for travel, expense reimbursements, and purchasing to assist staff members in properly preparing travel advances, reimbursements and requesting purchase orders. The checklists will outline the proper support and approvals needed for each transaction. Checklists will be distributed as soon as created and reviewed by Controller's Office and senior staff. **Due to new leadership in the Athletics' Business Office as of September 2018, we have made some strategic changes to the sequence of initiatives as it pertains to this response. Once our Business Office has had its annual workshop for 2018-2019, and Controller has attended the Athletics' All-Staff Meeting, the Business Office will follow up with checklists. These workshops and meetings will serve as opportunities to collaborate with the Office of the Controller in the completion of such documents. Revised Due Date: 9/30/2019**

4. Athletics Business Office staff will begin including memos of explanation for expenses that are out of the ordinary (i.e., airfare fees for name changes or non-travel), hotel rates that are in excess of the GSA rate, and any other expense or purchase that could be deemed excessive or not in compliance with state guidelines by an outside party. **This has been implemented.**

5. The Athletics Business Office staff will continue to work with Athletics staff on the timely submission of Travel Authorizations and Expense Reports. It is worth noting that coaches may not know that they need to go on a recruiting trip or visit until the day of travel and as such, Travel Authorizations will be made the day of instead of in

advance when these exceptional trips are required. Athletics Business Office staff is working with Head Coaches and Director of Operations to submit team travel advances at a minimum 10 business days before departure. **Due to transition of leadership in the Athletics Business Office, this process is being reviewed for maximum efficiency and effectiveness. Revised Due Date: 6/30/2019**

6. Expense reports that have not been submitted within 20 business days of the date of travel will be reported to the Associate AD for Business Operations who will in writing inform the employee in question and his/her supervisor that they have 10 business days to submit the expense report. **Due to transition of leadership in the Athletics Business Office, this process is being reviewed for maximum efficiency and effectiveness. Revised Due Date: 6/30/2019**

Cash advances that have not been resolved within seven business days of return will be reported to the Associate AD for Business Operations who will inform in writing the employee in question and his/her supervisor that they have three business days to resolve the advance. This will begin immediately. **Due to transition of leadership in the Athletics Business Office, this process is being reviewed for maximum efficiency and effectiveness. Revised Due Date: 6/30/2019**

Athletics Business Office staff will work with the Controller's Office and Division of IT to see if it is possible to add drop down boxes on the travel advance and cash advance screens for expenses that will be paid via p-card or purchase orders. **The Office of the Controller has implemented a solution in the travel module.** In the interim, Athletics Business staff will make notes on the travel authorizations of known expenses that will be paid by credit card or purchase order. Athletics Business Office staff will work with the Controller's Office to implement a procedure to ensure proper calculation of the cash advance. It should be noted, that many travel authorizations are done well in advance in order to purchase airline tickets at the best possible pricing. As a result, it may not be known at the time of the creation of the authorization whether any other expenses will be paid via the p-card or purchase order and these will be inputted as out of pocket expenses. **Ongoing/implemented.**

The Athletics Business Office will require proof of payment for any missing receipt forms. The receipt forms will outline the nature of the expense. **Implemented.**

The Athletics Business Office staff in conjunction with the Athletics Compliance Office has revised the travel and per diem manifests. In addition, the form has been uploaded to our compliance software so the form can be electronically submitted and approved. Athletics Business Office staff will review the manifests to ensure that it has been properly signed off by the appropriate Athletics personnel.

It should be noted, that the finding regarding the cancelled trip outlined in the report was a unique situation and the Athletics Business staff has been in contact with the

promoter to continue to seek reimbursement of the cancellation fee. Athletics has not had any other cancellations except those caused by inclement weather.

Original Target Date: December 31, 2018   New Target Date: September 30, 2019

Center for Children and Families (May 1, 2018)

1. Audit Issue: **Information Systems Security** (Recommendation #6.2)

   Recommendation:
   Continue to mitigate the security gaps identified in the HIPAA Risk Assessment.

   Action Plan to Complete:
   In collaboration with the FIU Division of IT, ORED, the General Counsel's Office, Compliance, and many others, FIU has hired an external vendor (Cynergistek) to conduct a Risk Assessment. We (the CCF) have been working with all parties involved since the spring of 2018 to provide all requested information to participate in this exercise. Additionally, the REDCAp and Application server has been transitioned to AWS. Finally, the implementation of Haivision as a video management system began in September of 2018. All current videos recorded in our space are being recorded on this system. We are now in the process of beginning to transition old videos into Haivision for storage and management (this is the only process that remains only partially implemented). Finally, we have developed procedures to address HIPAA issues in our center.

   Original Target Date: December 31, 2018   New Target Date: June 1, 2019

2. Audit Issue: **Identity Access Management** (Recommendation #7.1)

   Recommendation:
   Formally review the Research Electronic Data Capture System logs periodically to detect any unauthorized access or changes to sensitive information.

   Action Plan to Complete:
   The reports that look at user rights information and downloading data from REDCAp have been created in the CCF Reporting Server. We will now be working on sending Faculty these reports on a quarterly basis so they can address any concerns. We created a position and hired a new User Management Administrator, who will be the person that manages and tracks this process.

   Original Target Date: July 31, 2018   New Target Date: July 1, 2019

3.   Audit Issue: **Identity Access Management** (Recommendation #7.3)

Recommendation:
Continue to review and assign roles or disable where appropriate users with access in Research Electronic Data Capture System beyond their business needs.

Action Plan to Complete:
The Data Services team has been gathering User Agreements from all users requesting access to any of our systems (REDCAp, Haivision, SharedDrive, and SharePoint), based on their role in the particular project they are working on. The process described above in 7.1 will be used to identify any inappropriate use of the systems beyond the business needs. Finally, we are working on the development of the Data Services procedures that will establish when the collected data should be archived.

Original Target Date: July 31, 2018   New Target Date: July 1, 2019

4.   Audit Issue: **Network Security Controls** (Recommendation #8.1)

Recommendation:
Work with the Division of IT to review firewall rules, disable all inactive connections and include business need and duration for all active rules.

Action Plan to Complete:
The CCF has discussed this issue with the FIU IT Security team. We have agreed that the Security team will send the responsible FIU administrator (the person that administers our servers and systems at an enterprise level) twice per year the list of applicable firewall rules, as it pertains to the servers we utilize, for review. We will begin this process during spring 2019.

Original Target Date: December 31, 2018   New Target Date: June 1, 2019

5.   Audit Issue: **Business Continuity Plan** (Recommendation #9.2)

Recommendation:
Conduct yearly Continuity Plan testing and document test results and lessons learned.

Action Plan to Complete:
We have updated our emergency plan and will next work on coordinating a tabletop exercise.

Original Target Date: December 31, 2018   New Target Date: July 1, 2019

Robert Stempel College of Public Health and Social Work (January 16, 2018)

1. Audit Issue: **Information Security Controls over Research Data** (Recommendation #5.2)

   Recommendation:
   Work with the Division of IT to conduct a formal risk assessment and send a quarterly report to the Division of IT of any systems implementation or changes to the IT environment.

   Action Plan to Complete:
   An MOU between Stempel College and DoIT was signed to create a unified collaboration that will allow for support in the areas of end user, endpoint and academic/administrative applications. IT Generalist has been working with DoIT weekly to remediate endpoints that are not centrally managed or patched based on results of periodic security scans. Changes to IT environment are now visible to DoIT and Stempel IT in near real time and life cycled through SCCM and related management tools. Request for risk assessment was made to ITSO (IT Security Officer). A security assessment will be performed by April 1, 2019 for the systems in scope at the Clinic. The Clinic will be included in the HIPAA Enterprise Assessments being performed by a third party vendor which DoIT and the Office of Compliance have hired. The assessment should be completed by Sept. 2019. In the meantime, Stempel Staff will participate in the HIPAA Compliance meetings.

   Original Target Date: July 31, 2018   New Target Date: September 1, 2019

University's IT Network Security Controls (November 2, 2017)

1. Audit Issue: **Identify** (Recommendation #1.2)

   Recommendation:
   Work with senior management to enhance policies so as to provide for stronger centralized authority over the implementation of security controls and ensure that business units understand their responsibilities.

   Action Plan to Complete:
   DoIT is continuously working to update, review and create new IT Cyber Security Policies based on various IT Cybersecurity Frameworks.

   Original Target Date: June 30, 2016   New Target Date: June 30, 2019

Other Matters

During the first two months of the 2019 calendar year, the office has experienced the separation of three important staff members. Assistant Audit Director, Pyong Cho, retired on January 31st; Senior Information Systems Auditor, Vanessa Montero, took a management position outside of the University; and my Administrative Services Coordinator, Dayanis Borges, accepted a position in the University Compliance Office. We are in the process of filling all three positions and aim to have this completed by the next time we report to you.

FIU FLORIDA INTERNATIONAL UNIVERSITY

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 4, 2019
UNIVERSITY COMPLIANCE QUARTERLY REPORT

2018-2019 Compliance Work Plan Status Update

The Office of University Compliance and Integrity is pleased to present the quarterly status update for the 2018 – 2019 Compliance Work Plan. The information reflects progress on the key action itemsand other compliance activities for the reporting period beginning October 1, 2018 – December 31, 2018.

Completed	In Process			Not Begun
Fully Implemented	**Good Progress**	**Slow Progress**	**Poor Progress**	**Not Begun**
✓	🟢	🟡	🔴	N/B

Program Structure and Oversight				
Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.				

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Serves as a point for coordination of and responsibility for activities that promote an organizational culture that encourages ethical conduct and a commitment to compliance with applicable federal, state, and local laws, as well as regulations, rules, policies, and procedures.	Develop the Compliance Liaison scorecard to track Compliance Liaison participation and engagement.	This compliance program objective ("Program Objective") has been fully executed.	✓
	Leverage existing infrastructure by integrating Enterprise Risk Management ("ERM") Advisory Committee responsibilities into the responsibilities of the Compliance Liaisons.	This Program Objective has been fully executed.	✓

Policies and Procedures			
Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.			
Compliance Program Objective	**Key Action Items**	**Summary**	**Progress Indicator**
Provide support for the development and enforcement of University policies and procedures.	Distribute the Principles and Standards (University Code of Conduct).	This Program Objective is in process. Roll-out is now scheduled for spring 2019.	●
	Conduct the following annual trainings: • Adding and dropping of courses (policy campaign released) • Animals in the Workplace Policy (policy and training campaign distribution scheduled) • Career and Talent Development (policy campaign distribution scheduled) • Clery Act training and Campus Fire and Saftety report (campaign distribution released) • Conflict of Interest (policy and training campaign distribution to be scheduled) • Ethics in purchasing and gift policy (policy and training campaign released) • Employment of foreign national in visa categories (policy campaign distribution to be scheduled) • Family Education Rights and Privacy Act (FERPA) (policy and training campaign distribution scheduled)	This Program Objective is in process. Campaign materials are currently in various stages of completion.	●

- Fraud Prevention and Mitigation Policy (policy and training campaign distribution released)
- Health Insurance Portability and Accountability Act (HIPAA) (policy and training campaign released)
- Mandatory Reporting of Child Abuse (policy and training scheduled)
- Military Leave (policy and training campaign released)
- Observance of Religious Holy Days (policy and training campaign released)
- Payment Card Industry Data Security Standards (PCI-DSS compliance) (policy and training campaign released)
- Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) (policy and training campaign released)

Training and Education

Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support compliance education and training efforts and leverage technology to enhance awareness of important laws, regulation, and policies, and to document training completions.	Provide training and communication support for the following compliance topics: • Policy Library info-grahic (released) • Policy Development Timeline (released) • Political Activity and Participation shorter training video (released) • Political Activity and Participation training video (released) • Anti-retaliation training video (released) • Military Leave training video (released) • Observance of religious Holy Days training video (released) • Animals in the Workplace training video (scheduled) • Animals in the Workplace info-graphic (schceduled) • Clery Act training video (released) • Conflict of Interest training (to be scheduled) • Ethics in Purching and Gift policy info-graphic (released) • FERPA training video (scheduled)	This Program Objective is in process. Training and communication materials are currently in various stages of completion.	●

	- FIU-105 Sexual Misconduct (Title IX) (released) - FIU-106 Nondiscrimination, Harassment and Retaliation (Title VII) (released) - FIU-113 Smoke and Tobacco-Free Campus campaign (released) - Fraud Prevention and Mitigation Policy live training (released) - HIPAA training video (released) - Mandatory Reporting of Child Abuse video training (scheduled) - PCI-DSS compliance video training (released) - Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags) video training (released) - Approvals required on Electronic Proposal Routing Approval Form prior to proposal submission (released) - Research misconduct (released) - Nepotism in research (released) - Conflict of Interest in research (released) - Office of Research and Economic Development prior approval of sponsored project proposals (released)		
	Partner with the Division of Human Resources to identify, schedule, coordinate, support and resource enterprise-wide legally required mandatory training across the University.	This Program Objective is in process.	●

Measurement and Monitoring			
Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.			
Compliance Program Objective	**Key Action Items**	**Summary**	**Progress Indicator**
Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.	Conduct compliance reviews for the following areas: • Cynergistek ○ Information Security Program Assessment Department Review (in progress) ○ Risk Analysis (in progress) ○ Research Assessment (in progress) ○ Privacy Assessment (in progress) ○ HIPAA Hybrid Entity Assessment (in progress) • Ethisphere - Compliance Program Assessment (in progess)	This Program Objective is in process. Compliance reviews are currently in various stages of completion.	●

Allegation Reporting and Investigations			
Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.			
Compliance Program Objective	**Key Action Items**	**Summary**	**Progress Indicator**
Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies.	• Development of guidelines for handling and reporting significant compliance matters ("Escalation Guidelines") • Investigation Guidelines • Work with the Division of Human Resources and the Office of Internal Audit to review and update materials related to rights and protections of reporters of misconduct	The proposed Escalation Guidelines and Investigation Guidelines are being finalized for Spring rollout.	●

Discipline and Incentives

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action.	Develop an executive scorecard that highlights policy review and training requirements completed by the University President's Leadership Team.	This Program Objective is in process.	✔

Enterprise Risk Management

Organizations are expected to periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Support the University-wide effort to develop an ERM program	Execute the ERM framework byorking with the assigned Risk Owners to identify controls and montoring efforts.	This Program Objective has been partially executed. The policy statement, process, framework and risk owners have been identified. Developing mitigation plan materials.	●

Organization Culture

Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Consult with the Board of Trustees and the President to encourage a culture of compliance and ethics.	Communicate the results of the 2016 culture survey and develop metrics on how to assess progress.	The deliverable for this Program Objective changed. The communication plan is in process.	●

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FLORIDA INTERNATIONAL UNIVERSITY

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 4, 2019
2018-19 ATHLETICS COMPLIANCE QUARTERLY REPORT

Reporting Period: October 1, 2018 – December 31, 2018

The Senior Associate Athletics Director of Compliance and Special Projects ("ACO") is pleased to present this Athletics Compliance Report to the Audit and Compliance Committee of the Florida International University Board of Trustees.

The purpose of the athletics compliance program ("Program") at Florida International University ("FIU") is to advance a culture of ethics, integrity, and compliance with National Collegiate Athletics Association ("NCAA") Bylaws, Conference USA ("CUSA") policies, regulations and procedures, and institutional regulations and policies, which govern institutions who are members of the NCAA. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer ("CCO") is responsible for oversight of the department. The ACO is responsible for maintaining day-to-day oversight of NCAA athletics compliance.

Progress Indicators				
Completed	**In Process**			**Not Begun**
Fully Implemented	**Good Progress**	**Slow Progress**	**Poor Progress**	**Not Begun**
✓	●	●	●	N/B
Program Structure and Oversight				
Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.				

Compliance Program Objective	Key Action Items	Summary	Progress Indicator
Serve as a point for coordination of and responsibility for activities that promote an organizational culture that encourages ethical conduct and a commitment to compliance with applicable federal, state, and local laws, as well as regulations, rules, policies, and procedures.	Continue to deliver monthly compliance reports to the University President's Chief of Staff, General Counsel, and the CCO.	This compliance program objective ("Program Objective") is and continues to be on-going and in progress.	●

Policies and Procedures			
Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.			
Provide support for the development and enforcement of University policies and procedures.	Continue to update the NCAA Athletics Compliance Manual and distribute to all athletics staff.	Compliance Manual has been distributed to all athletics staff and continues to be updated as needed.	●
	Administer the NCAA recruiting test each year to all coaches to ensure accountability to NCAA rules.	For the 2018-19 year this objective is currently in progress. Coaches are expected to take the exam no later than July 31, 2018 for the 2018-19 recruiting year. All coaches have currently taken the test and as new coaches are hired, we require proof of their score from a previous institution or they will take the test under our guidelines.	●
	Ensure communication efforts are appropriate for reporting of NCAA violations and violations of institutional policies and procedures.	This is an on-going Program Objective and continues to be in process for the 2018-19 academic year. We will be reviewing our policies and procedures to communicate any updates to coaches and staff.	●
	Athletics Compliance Staff should regularly attend practice of teams to ensure that practice times being reported are accurately reflected in the practice reports.	For the 2018-19 academic year, our Athletics Compliance Office has been attending more practices on a weekly basis. We have a tracking procedure in place and are rotating the sports throughout the office staff to ensure fair and equitable review of the sports' training schedules.	●

Training and Education			
Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.			
Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.	Execute monthly rules education meetings with all coaches.	We have had rules education meetings in August and September. These are scheduled for the second Tuesday of every month.	●
	Execute twice-per-year educational meetings with all departments that work with student-athletes and/or have responsibility over executing or monitoring certain areas of NCAA compliance.	During August and September, the Athletics Compliance Office concentrates on internal departments for rules education. All of these meetings for internal athletics departments are scheduled for October. External departments within the university are scheduled for November. All of the Training was completed by December 31, 2018.	●
Measurement and Monitoring			
Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.			
Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.	Monitor phone calls pursuant to NCAA bylaws.	This Program Objective is in progress. Due to NCAA legislative changes, the ACO is re-evaluating how to monitor phone calls between the coaching staff and prospective student-athletes.	●
	Monitor recruiting contact between coaches and prospective student-athletes.	This Program Objective is in progress. The ACO is continuing to work with the coaching staff to ensure that coaches are knowledgeable about recruiting rules.	●

	Monitor Time Management Plan Implementation and Documentation	The Time Management Plan has been implemented again for the 2018-19 academic year. The summary for the 2017-18 academic year was reviewed by the University President.	●
Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies.	Finalize and communicate the NCAA reporting process to all coaches and administrative staff within athletics.	During the first of the year meeting for 2018-19, this was communicated to all coaches/staff at our All-Staff Meeting.	✔
	Provide opportunities for ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.	The ACO staff attended the NCAA Regional Rules Sessions that address all of the issues indicated.	✔
Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.	Execute a targeted compliance risk assessment for two (2) high-risk areas. The assessments will be selected based on internal audit findings or based on assessments of reported NCAA violations in a particular bylaw and/or sport.	This Program Objective is in the planning stages. Audits will be completed in the 2018-19 academic year. We have conducted one audit to-date regarding full-time enrollment and identifying student-athletes who may be dropped from courses for various reasons after the drop/add period ends.	●

Allegation Reporting and Investigation

Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.			
Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations, policies, and NCAA rules.	Coordinate efforts to investigate allegations of NCAA guidelines and University policy violations.	This Program Objective is on-going and in progress. The ACO continues to monitor potential violations.	●
	Through monthly rules education, integrate ethics and compliance incentive opportunities.	This Program Objective is on-going and in progress. During the reporting period, mandatory educational sessions have been conducted for staff and coaches.	●

Discipline and Incentives

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.			
Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action.	Coordinate efforts to respond to requests and inquiries from internal and external sources.	The Athletics Compliance Office continues to identify non-athletic departments on-campus that may have an impact on student-athletes and/or their eligibility. These Departments need training regarding knowledge of NCAA rules, procedures and processes. and these departments.	✔

Ongoing Program Improvement

Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

Organizations should encourage a "speak up" culture to support reporting instances of misconduct.	Execute a culture survey to coaches, administrators and student-athletes and incorporate the findings into the Athletics Compliance strategy for education, information, and communication.	A culture survey was executed for student-athletes in the 2017-18 academic year. The planning for a culture survey for coaches and administrators will be conducted and findings will be implemented.	●