FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms
To help prevent the spread of COVID-19, general public access via http://webcast.fiu.edu/

Tuesday, February 23, 2021
8:00 a.m.

Vice Chair: Gene Prescott
Members: Leonard Boord, Natasha Lowell, Joerg Reinhold, Alexandra Valdes

AGENDA

1. **Call to Order and Chair's Remarks**   **Gene Prescott**

2. **Approval of Minutes**   **Gene Prescott**

3. **Follow-up from Previous Meeting**   **Gene Prescott**

4. **Action Item**

   AC1. **Performance Based Funding and Emerging Preeminence**   **Trevor L. Williams**
        Metrics

   A. Performance Based Funding and Emerging Preeminence
      Status – Data Integrity Certification
   B. Audit of Performance Based Funding and Emerging
      Preeminent Metrics Data Integrity

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

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

   5.2 **University Compliance and Integrity Quarterly Report**   **Jennifer LaPorta**

6. **New Business**   **Gene Prescott**

   6.1   Senior Management Discussion of Audit Processes

7. **Concluding Remarks and Adjournment**   **Gene Prescott**

The next Audit and Compliance Committee Meeting is scheduled for Wednesday, June 16, 2021

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FIU Board of Trustees Audit and Compliance Committee Meeting

Time: February 23, 2021 8:00 AM - 8:45 AM EST

Location: FIU, Modesto A. Maidique Campus, Graham Center Ballrooms | To help prevent the spread of COVID-19, general public access via http://webcast.fiu.edu/

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
February 23, 2021

Subject: Approval of Minutes of Meeting held December 3, 2020

Proposed Committee Action:
Approval of Minutes of the Audit and Compliance Committee meeting held on December 3, 2020, via Zoom.

Background Information:
Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on December 3, 2020, via Zoom.

Supporting Documentation: Minutes: Audit and Compliance Committee meeting, December 3, 2020

Facilitator/Presenter: Gene Prescott, *Audit and Compliance Committee Vice Chair*

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FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
MINUTES
DECEMBER 3, 2020

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Audit and Compliance Committee meeting was called to order by Committee Chair Gerald C. Grant, Jr. at 8:05 a.m. on Thursday, December 3, 2020, via Zoom.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Gerald C. Grant, Jr., *Chair*; Gene Prescott, *Vice Chair*; Leonard Boord; Natasha Lowell; Joerg Reinhold; and Alexandra Valdes.

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

Committee Chair Grant welcomed all Trustees and members of the University administration. He explained that Trustees and University administrators and staff were attending via the virtual environment and that the University community and general public had access to the meeting via the University's webcast.

2. Approval of Minutes

Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on September 9, 2020. A motion was made and unanimously passed to approve the Minutes of the Audit and Compliance Committee meeting held on September 9, 2020.

3. Discussion Items

The discussion items were taken out of order.

3.2 University Compliance and Integrity Quarterly Report

Chief Compliance and Privacy Officer Ms. Jennifer LaPorta provided the University Compliance and Integrity quarterly report. She pointed out that the new format for the quarterly report is based on feedback from the Committee, utilizes a narrative approach, is structured on the elements of an Effective Compliance Program as set forth in the Federal Sentencing Guidelines and Florida Board of Governors Regulation 4.003, and also provides detail and progress on key compliance initiatives. She commented on program structure and oversight, specifically relating to the Compliance team's participation in taskforces, committees and other compliance-related initiatives. She remarked on global risk and foreign influence governance activities, the launch of the new export control website,

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and the launch of the first three of 10 foreign influence assessment modules (export control, foreign nationals on campus and conflicts of interest and commitment). Ms. LaPorta described progress regarding compliance initiatives pertaining to standards of conduct and policies, namely, the University-wide three-year policy review, University-wide substantive policy review of 588 total policies and procedures, and the submission of 278 policies to the Policy Committee for a second tier substantive review to provide feedback and recommendations to the policy owners.

Ms. LaPorta described process improvements to the training and education program and that said improvements included a message from University leadership, comprehension questions, connection to University resources, and more intention in identifying the appropriate audience. She highlighted the escalation protocol, commenting on coordination with Deans, Vice Presidents and Human Resources, incentives and discipline, and on the 97% completion rate. She pointed out that the enhanced Scorecard system serves as an incentive for completing compliance tasks and contributes to a culture of compliance and as a method for communicating non-compliance through the reporting chain for discipline, if appropriate. Ms. LaPorta commented on the completion of phase two of the privacy program assessment, significant measurable improvements in the University's HIPAA program, and the reminder and verification processing for thirty-two legally required submissions.

Ms. LaPorta addressed the Ethical Panther Hotline, noting that the Compliance office coordinated, reviewed, and tracked 29 reports during the review period. She pointed out that the Compliance office coordinated the triage of reports by the Hotline Reports Review Committee, consisting of the Chief Compliance Officer, the Vice President for Human Resources and the Chief Audit Executive, adding that the committee is tasked with reviewing all reports to determine the University's immediate and initial response, whistleblower status, and what other University personnel, if any, must be involved in the investigation and the ultimate resolution of each report. She reported that the Compliance Manager vacancy has been filled and that the Office is currently recruiting for the Senior Coordinator of Administrative Compliance position.

Trustee Leonard Boord commended Ms. LaPorta for the detailed and insightful presentation.

3.1 Office of Internal Audit Status Report
Chief Audit Executive Mr. Trevor L. Williams presented the Internal Audit Status Report, providing updates on five recently completed audits. He explained that the audit of Payroll Irregularities, Fraud Controls, and New Employee Documentation Verification combined two separately planned audits. He commented that the audit found no fictitious employees on the payroll and that the new employee document verification process provided adequate controls to protect against this risk. He added that the audit disclosed areas for potential enhancements to the process, specifically shoring up the self-reporting nepotism screening model that is in place, ensuring that employee separation is processed as timely as possible, and implementing IT controls for specific areas. Mr. Williams commented on the audit pertaining to Compliance with Donor Confidentiality and Intent, noting that the audit concluded that the function is operating well in the context of the audit scope and objectives and that there appears to be adequate controls in place to ensure compliance with donor confidentiality and intent. He added that it was recommended that certain identified IT control weaknesses or risks be addressed and that said risks included prohibiting users of their fundraising

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application from sharing login credentials with other employees, addressing limitations to audit logs, and formalizing their Business Continuity and Disaster Recovery Plans into a written document. Mr. Williams indicated that the audit relating to the COVID-19 Student Financial Assistance Program found that CARES Act compliant emergency aid awarding guidelines were developed, adding that although immaterial in the context of the audit scope, for the purposes of full disclosure, the audit also found that a calculation error caused excess allowable need-type aid to 29 students ($22,609), that $1,399 was over-awarded to one student, and that there was uncertainty surrounding lack of aid distribution to some students.

Mr. Williams pointed out that the primary objective of the audit pertaining to Athletics Health Services Billing and Collections Process and Contract Performance was to ensure compliance with the terms of the contract for managing medical claims for injuries to student-athletes and that the billing, collecting, and recording of these claims are done timely and accurately. He explained that the agreement with the vendor allowed for revenue sharing on the collection of claims, noting that the company would receive 25% and Athletics would receive 75%. He commented that the audit found non-compliance with the contract terms, material gaps in the controls for monitoring the billing, collecting, and recording of claims, and operational frustration. He indicated that the audit resulted in 14 recommendations, stating that eight of the recommendations would likely not be implemented due to Athletics' stated intent to terminate the existing contractual agreement.

Mr. Williams commented on the audit findings relating to University Fleet Management, stating that the overall operation is functioning well, adheres to safety protocols, and boasts a robust vehicle maintenance program. He stated that opportunities for improvement exist related to the documentation of fuel policies and procedures, specifically disabling access to certain system controls and the establishment of a reconciliation process over fuel usage and inventory. Mr. Williams added that the audit also found instances where preventative maintenance needed to be completed timely and thoroughly and that additional safety signage was needed. He indicated that many of the resulting 15 recommendations were implemented immediately with the remaining recommendations to be implemented in the near future. He pointed out that the corrective actions identified in each audit report now include a complexity rating, ranging from routine to exceptional. He explained that the index is mutually developed and agreed upon by the auditee and the Office of Internal Audit. He mentioned that there are nine audits in various stages of completion.

Trustees engaged in a substantive discussion regarding the audit pertaining to Athletics Health Services Billing and Collections Process and Contract Performance. In response to Trustee Leonard Boord, Mr. Williams confirmed that there were nearly 17,000 claims since October 2016 and that only $210,000 in revenues were realized. Further responding to Trustee Boord regarding the validity of 68 average claims per day, Senior Vice President and Chief Financial Officer Kenneth A. Jessell indicated that the claims are primarily for physical therapy services and quite frequently, athletes are receiving two to three sessions per day. Sr. VP and CFO Jessell added that insurance companies do not reimburse for multiple physical therapy sessions in a single day, but each time a therapist works on an athlete, that session is entered into the system. He pointed out that Vivature, Inc. estimates that only 11% of the $8.3M in billed services would be a claim that insurance companies would pay. Board Vice Chair Roger Tovar commented that if the $8.3M in billed claims are correct, the University would have been entitled to receive $6.2M in reimbursements, adding that the issue

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should have been addressed prior to the audit. Board Vice Chair Tovar suggested to Committee Chair Grant that there be additional follow-up regarding the audit in order to understand the gap in billed claims and the amount received by Athletics in reimbursements. Executive Director, Sports and Entertainment Pete Garcia requested that Senior Associate Athletic Director Julie M. Berg provide additional background. Ms. Berg expressed frustration with the process, noting that many units were involved as the agreement with Vivature, Inc. was initiated. She added that Vivature claims that they are not receiving the follow-up information on submitted claims. President Mark B. Rosenberg recommended that the University conduct a full review and that said findings, along with any planned course of remediation, be presented at the next regularly scheduled Audit and Compliance Committee Meeting.

4. New Business
4.1 Senior Management Discussion of Audit Processes
The discussion with senior management was postponed for the next regularly scheduled Audit and Compliance Committee Meeting.

5. Concluding Remarks and Adjournment
With no other business, Committee Chair Gerald C. Grant, Jr. adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Thursday, December 3, 2020, at 8:59 a.m.

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
February 23, 2021

Subject: **Performance Based Funding and Emerging Preeminence Metrics**
           A. Performance Based Funding and Emerging Preeminence Status –
               Data Integrity Certification
           B. Audit of Performance Based Funding and Emerging Preeminent
               Metrics Data Integrity

Proposed Committee Action:
Recommend that the Florida International University Board of Trustees:
1. Approve the Performance Based Funding and Emerging Preeminence Status – 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 and Emerging Preeminent Metrics Data Integrity.

Background Information:
This item is presented pursuant to a request from the State University System of Florida Board of Governors (BOG) dated June 25, 2020. 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, 2021.

Supporting Documentation:	March 2021 Data Integrity Certification
	Audit of the Performance Based Funding and Emerging Preeminent Metrics Data Integrity
Facilitator/Presenter:	Trevor L. Williams

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Data Integrity Certification
March 2021

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 **significant** audit findings.

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 and Preeminence or Emerging-preeminence Status.	☒	☐	
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 provided 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.	☒	☐	

Data Integrity Certification

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, and data definitions 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 Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes 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 the related metrics.	☒	☐	

Data Integrity Certification

Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
12. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.	☒	☐	
13. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.	☒	☐	

Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) 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 Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) 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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**Audit of Performance Based Funding and
Emerging Preeminent Metrics Data Integrity
Report No. 20/21-06
February 1, 2021**

FIU | Office of Internal Audit

Date: February 1, 2021

To: Kenneth G. Furton, Provost, Executive Vice President, and Chief Operating Officer
Hiselgis Perez, Associate Vice President of Office of Analysis and Information Management

From: Trevor L. Williams, Chief Audit Executive

Subject: Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity, Report No. 20/21-06

Beginning in fiscal year 2013-14, the State University System of Florida Board of Governors (BOG) instituted a performance-based funding program predicated on 10 performance metrics used to evaluate Florida's public universities. For fiscal year 2020-2021, the Florida Legislature and Governor allocated $560 million in performance-based awards, of which FIU received $66.2 million. Furthermore, in 2019, the University achieved sufficient preeminent metrics to receive the designation of an emerging preeminent state research university by the authority of Florida Statute 1001.7065.

Pursuant to a request by the BOG and the mandate of Florida Statute 1001.706, we have completed an audit of the University's performance based funding and emerging preeminent metrics. The primary objectives of our audit were to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the Performance Based Funding and Emerging Preeminent Metrics and to 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, 2021.

Our audit confirmed 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. Nevertheless, although having no adverse impact on the calculation of the metrics tested, we noted three conditions related to some ancillary university processes for data maintained in PantherSoft that suggested the need for process improvements thereto and have communicated them to management in a separate letter dated February 1, 2021, for their consideration and follow up.

I also 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, Senior Vice President and Chief Financial Officer
   Javier I. Marques, Vice President and Chief of Staff, Office of the President
   Carlos B. 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) and mandated by Florida Statutes, we have completed an audit of the data integrity and processes utilized in the University's Performance Based Funding (PBF or "Funding Metrics") and Emerging Preeminent Metrics. Our audit entailed an examination of files submitted to the BOG between September 1, 2019, and August 31, 2020. 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 that support the Performance Based Funding and Emerging Preeminent 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 *Data Integrity Certification,* which will be submitted to the Board of Trustees and filed with the BOG by March 1, 2021.

Our audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors and *IS Audit and Assurance Standards* issued by ISACA, and included an examination of the supporting records, systems, and processes and the performance of such other auditing procedures, as we considered necessary under the circumstances.

During the audit, we:

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

2. Performed an analysis of the *Annual AIM [Office of Analysis and Information Management] Review.* This review includes an assessment of audit logs, system access controls, and user privileges within PantherSoft and State University Database System (SUDS);

3. Confirmed change management controls for redefining and/or correcting data to meet the BOG's data definition standards during the submission and resubmission process;

4. Interviewed key personnel, including AIM employees, functional unit leads, and those responsible for developing and maintaining the information systems;

5. Reviewed BOG data definitions, SUS data workshop documentation, and meeting notes from the relevant groups within the BOG and FIU to identify changes to the BOG Funding Metrics;

6. Observed current practices and processing techniques;

7. Tested the latest data files for three of the 10 performance based funding metrics and four of the seven emerging preeminent metrics achieved and submitted to the

BOG as of August 31, 2020. Sample sizes and elements selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit fieldwork was conducted from September 2020 to December 2020. In fiscal year 2019-2020, we issued the report Audit of Performance Based Funding and Emerging Preeminence Metrics Data Integrity (Revised), (Report No. 19/20-06), dated February 12, 2020. That audit report offered five recommendations, which management implemented, and our office confirmed during our audit follow-up process prior to the commencement of our current audit.

BACKGROUND

The Florida Board of Governors 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 predicated on 10 performance metrics used to evaluate the universities on a range of indicators, including graduation and retention rates, job placement, and access rate, among others. Two of the 10 performance metrics are "choice metrics"—one picked by the BOG and one picked 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 metrics pertaining to Florida International University are depicted in the following table.

FIU's Performance Based Funding Metrics			
1.	Percent of Bachelor's Graduates Employed (Earning $25,000+) and/or Continuing their Education Further One Year After Graduation	6.	Bachelor's Degrees Awarded in Areas of Strategic Emphasis
2.	Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	7.	University Access Rate (Percent of Undergraduates with a Pell-grant)
3.	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 Governors' Choice - Percent of Bachelor's Degrees without Excess Hours
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10.	Board of Trustees' Choice – Number of Post-Doctoral Appointees

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.*

The BOG's model has four guiding principles:

1. Use metrics that align with the SUS Strategic Plan goals
2. Reward Excellence or Improvement
3. Have a few clear, simple metrics
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

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benchmarks for Improvement were decided after reviewing data trends for each metric.

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.

The following table summarizes the performance funds allocated for the fiscal year 2020-2021 using the performance metrics results from fiscal year 2019-2020, wherein FIU earned 88 points.

Florida Board of Governors Performance Funding Allocation, 2020-2021[1]				
	Points*	Allocation of State Investment	Allocation of Institutional Investment	Total Performance Funding Allocation
FAMU	73	$ 13,322,826	$ 14,831,071	$ 28,153,897
FAU	85	21,197,885	23,597,645	44,795,530
FGCU	88	11,715,809	13,042,127	24,757,936
FIU	88	31,333,250	34,880,409	66,213,659
FSU	85	41,292,730	45,967,379	87,260,109
NCF	87	4,035,348	4,492,180	8,527,528
UCF	89	35,175,932	39,158,113	74,334,045
UF	90	47,699,700	53,099,666	100,799,366
UNF	83	13,214,326	14,710,288	27,924,614
USF	94	35,923,379	39,990,177	75,913,556
UWF	82	10,088,815	11,230,945	21,319,760
	Totals	$ 265,000,000	$ 295,000,000	$ 560,000,000

*Institutions scoring 51 points or higher receive their full institutional funding restored.

Source: BOG

During the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending section 1001.706, Florida Statutes. The new language at section 1001.706(5)(e) states:

Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.

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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 addition to the data integrity audit for the Performance Based Funding Model, universities designated as preeminent or emerging preeminent must conduct a similar audit for the data and metrics used for preeminence status consideration. The BOG permits this audit either to be included with or separate from the Performance Based Funding Data Integrity Audit.

In 2019, Florida International University achieved sufficient preeminent metrics to qualify for designation as an emerging preeminent state research university by the authority of Florida Statute 1001.7065. Emerging Preeminent status is achieved upon meeting six of the 12 metrics, while Preeminent status requires meeting 11 of the 12 metrics. The University met seven of the 12 metrics as noted in **bold type** below:

FIU's Emerging Preeminent Metrics			
1.	**Average GPA and SAT Score for Incoming Freshman in Fall Term**	**7.**	**Total Amount R&D Expenditures in Non-Health Sciences**
2.	Public University National Ranking	**8.**	**National Ranking in Research Expenditures**
3.	Freshman Retention Rate (Full-Time, First-Time-In-College)	**9.**	**Patents Awarded (over a 3-year period)**
4.	4-Year Graduation Rate (Full-Time, First-Time-In-College)	**10.**	**Doctoral Degrees Awarded Annually**
5.	**National Academy Memberships**	**11.**	**Number of Post-Doctoral Appointees**
6.	Total Annual Research Expenditures (Science & Engineering only)	12.	Endowment Size

Organization

AIM consists of the Office 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, data driven decision-making, and to respond to data requests from external parties. IR is currently responsible for:

- Faculty Perception of Administrators, formerly Faculty Assessment of Administrator System
- Assisting with the online system used to credential faculty
- Academic Program Inventory
- Assignment of 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, primarily by providing "Major Maps" and alerts for students and academic advisors, and information and analyses to departments and decision-makers.

The Associate Vice President of 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.

The Performance Funding Metrics reporting process flows consist of:
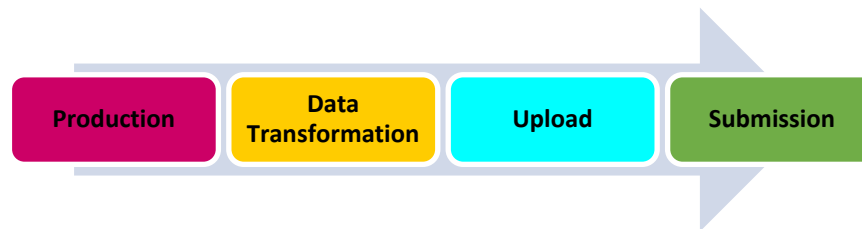
AIM and the Division of PantherSoft Technology work collaboratively to translate the production data, which is sent to staging tables, where dedicated developers perform data element calculations that are based on BOG guidelines and definitions. Once the calculations are completed, the data is formatted into text files and moved to an Upload folder. Users then log into SUDS and depending on their roles, they either upload, validate, or submit the data to the BOG. The PantherSoft Technology team assists with the entire consolidation and upload process. Refer to Figure 1 on page 8.

OBSERVATIONS AND RECOMMENDATIONS

Our audit found 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 and the Emerging Preeminent Metrics. Accordingly, in our opinion, our audit provides an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the BOG's *Data Integrity Certification* to be filed with the BOG by March 1, 2021.

Our evaluation of FIU's operational and system access controls that fall within the scope of our audit is summarized in the following table:

CRITERIA	SATISFACTORY	OPPORTUNITES TO IMPROVE	INADEQUATE
Process Controls	X		
Policy & Procedures Compliance	X		
Effect	X		
Information Risk	X		
External Risk	X		

INTERNAL CONTROLS LEGEND			
CRITERIA	**SATISFACTORY**	**OPPORTUNITES TO IMPROVE**	**INADEQUATE**
Process Controls (Activities established mainly through policies and procedures to ensure that risks are mitigated and objectives are achieved.)	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
Policy & Procedures Compliance (The degree of compliance with process controls – policies and procedures.)	Non-compliance issues are minor	Non-compliance issues may be systematic	Non-compliance issues are pervasive, significant, or have severe consequences
Effect (The potential negative impact to the operations- financial, reputational, social, etc.)	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk (The risk that information upon which a business decision is made is inaccurate.)	Information systems are reliable	Data systems are mostly accurate but need to be improved	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions
External Risk (Risks arising from events outside of the organization's control; e.g., political, legal, social, cybersecurity, economic, environment.)	None or low	Potential for damage	Severe risk of damage

1. Data Systems Design, Process Flow, and Controls

A. Data Process Flow

During the prior year's audit, we tested and verified that processes established by AIM and the Division of PantherSoft Technology provide reasonable assurance that valid data, as defined by the BOG, is gathered, tested, and timely submitted to the BOG. During this audit, we met with AIM and the Division of PantherSoft Technology management and updated our understanding of the processes in place and determined that no significant changes have occurred in the data flow process since the prior audit.

The figure below illustrates how data is captured, analyzed, stored, and distributed to the BOG through SUDS and the information system controls in place.

Figure 1: Florida International University
Performance Based Funding Data Flow
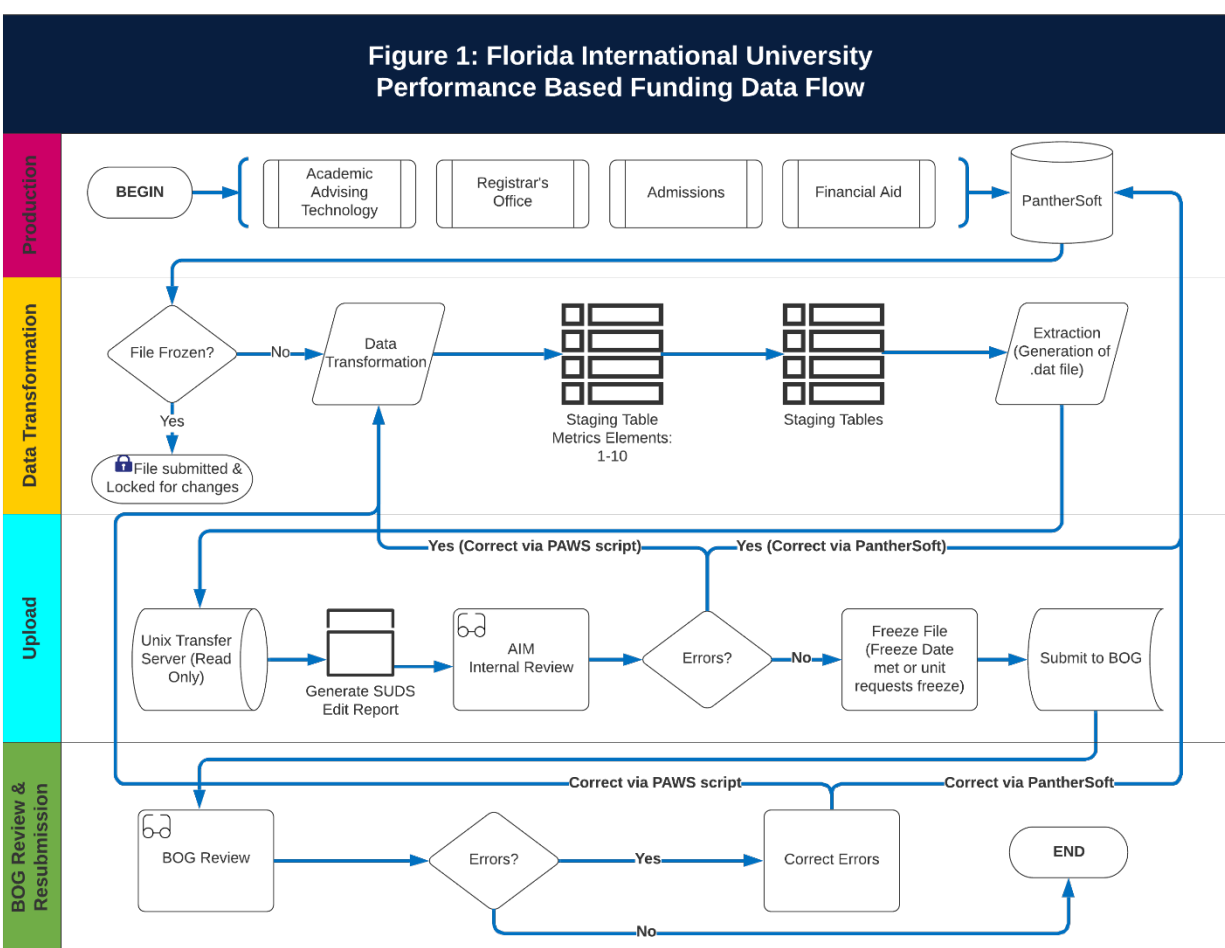
PantherSoft and AIM collaborated and developed a tool that generates preliminary reports similar to the ones found in SUDS. This tool allows users at functional units more time to work on their file(s) since the BOG edits are released closer to the submission deadline. The purpose of the review is for users at functional units to correct any transactional errors.

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The Data Administrator's team routinely reviews error and summary reports to identify and correct any data inconsistencies. The 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. Furthermore, for certain files, there are additional PantherSoft queries in place that users run to identify errors or incompatible data combinations.

In addition to the internal FIU reports, the BOG has built into SUDS a data validation process, which through many diagnostic edits, flags errors by levels of criticality. SUDS also provides summary reports and frequency counts that allow for trend analysis. The AIM team reviews 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.

Conclusion

Based upon the review performed, we observed that data is properly validated and approved prior to submission. We concluded that there were no material weaknesses found in the process that supports data submitted to the BOG.

B. **Selected Access Controls Review**

AIM implemented an annual review process, which is performed in collaboration with the functional areas and the PantherSoft security team to limit functional unit personnel access to critical data. The annual review included examination of user privileges within the SUDS application and examination of audit log files and production data. The objectives of the annual review are to:

- review user accounts to ensure onboarded and offboarded SUDS users have an associated PAWS[2] ticket and the existing users' access match their current job description;
- review and reduce access privileges to the production environment to appropriately mitigate least privileged and segregation of duties risks; and
- review log reporting for all metric data files, where appropriate, to ensure the integrity of the data sent to the BOG.

We obtained updated copies of the *AIM-BOG Business Process Manual* and *Annual AIM Review*. We interviewed key personnel and performed sample testing in our analysis and determined that the review performed was adequate and ensured proper controls.

a) SUDS Onboarding and Offboarding
It is the responsibility of the user's supervisor or functional unit lead to notify the security manager when an employee no longer requires SUDS access, and this is done through the creation of a PAWS ticket. Also, during the annual user access review, AIM investigates changes in employment status, and if appropriate, the

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[2] Ticketing system used to submit access requests.

AIM Data Analyst initiates PAWS tickets to add, change, or remove users with access to SUDS.

b) <u>PantherSoft Access Control</u>
We observed there is an effective analysis performed by AIM to determine that functional users, PantherSoft developers, and AIM users have the appropriate levels of access to PantherSoft. Additional testing performed indicated that controls are in place to enforce segregation of duties between PantherSoft and SUDS.

c) <u>PantherSoft Audit Logs</u>
Audit logs capabilities in the production environments, as appropriate, increases the effectiveness of detection controls to help the data administrator mitigate the risks of least privilege access, lack of segregation of duties, and unauthorized activities.

Our testing confirmed that the PantherSoft security team has developed queries that allow functional unit leads and AIM to identify actions that have been taken on relevant fields. The auditing capability is typically limited to a small number of specified fields due to the performance and resource intensive nature of audit logging.

Any field that has the audit flag enabled will be captured in a log. The audit logs are separate tables in PantherSoft that cannot be modified. Any actions taken by a user on an audited field (e.g., logging into the system) is recorded. The actions taken by a user can be reviewed by either the functional unit or the AIM team. Thus, the functional units are responsible for the integrity of data entered in PantherSoft. Similarly, the PantherSoft security team is responsible for ensuring the integrity of the audit logs.

<u>Conclusion</u>

We observed there is an effective analysis performed by AIM to determine that functional users, developers, and AIM users have the appropriate levels of access to PantherSoft and SUDS portal. Similarly, there is a process of monitoring audit logs and communicating with business units to find the root cause of unusual activity. We concluded that there were no material weaknesses found in the AIM review process.

C. **Change Management Controls**

To understand the process for ensuring complete and accurate submissions, we reviewed controls around the extraction, compilation, and review of data to ensure completeness and accuracy of the submission. Any corrections of data during the generation of SUDS files should go through the change management process. We noted that there were no significant changes since the prior audit. To make a change, a request by an authorized user or unit must be placed via PAWS to unfreeze a frozen file. The unit can then either make the correction via PantherSoft or via a PAWS script. An automated process places the corrected file onto a transfer server, which can only

be accessed by developers with "Read-Only" access. A developer with the "Uploader" role in SUDS can upload the file. AIM then reviews the SUDS report for errors prior to having a "Submitter" send the file to the BOG for review.

Conclusion

PantherSoft Technology staff can make system and program changes following established change management procedures via PAWS. Likewise, functional staff can make changes to data only through the applications, providing compliance with separation of job functions. Our review and analysis found no exceptions in the change management process.

2. Data Accuracy Testing - Performance Based Funding Metrics

This is our seventh audit of the Performance Based Funding 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, since internal controls have always been deemed satisfactory, we have limited our data accuracy testing to specific metrics and followed up on any prior year recommendations. Our choice of metrics to audit was based on different factors: audit risk, changes to the metric, and the time elapsed since the metric was last audited. Since 2014, we have audited each of the 10 metrics at least twice, with metrics 4 through 10 three times. Depicted in the following table are the metrics audited by year.

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
6. 2019-20	7 & 10	
7. 2020-21	6, 8, & 9	

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. Since there were no prior year audit findings stemming from our data accuracy testing and there have been no significant changes to the metrics affecting this year's audit, we determined to test Metrics 6 and 8, as they were last audited in 2015-16 and Metric 9, as it is one of the metrics identified at the SUAC meeting as high risk. The other three metrics that were rated either "moderately high" or "moderate" were audited during the three more recent audits, without exception. In addition, Metric 9 received the rating of "Excellence" awarding 9 out of 10 points to FIU with a two-point increase (28.6%) since the prior audit. Points are distributed based on a rating of either "Excellence" or "Improvement."

The three PBF metrics tested were as follows:

- Metric 6 – Bachelor's Degree Awarded in Areas of Strategic Emphasis
- Metric 8 – Graduate Degrees Awarded in Areas of Strategic Emphasis
- Metric 9 – Board of Governor's Choice – Percent of Bachelor's Degrees without Excess Hours

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

- Degrees Awarded file (SIFD), Degrees Awarded table
- Hours to Degree file (HTD), Courses to Degree table

The BOG provided us with the in-scope data elements for each of the metrics subject to our audit testing (see Appendix I – In-scope BOG Data Elements).

We tested the accuracy of the data used for the three metrics by reviewing the corresponding data files, tables, and elements, and tracing them to the source data in PantherSoft. We limited our testing to the PantherSoft data as the objective of our testing was to validate that the data submitted was unabridged and identical to the data contained in PantherSoft, the University's system of record.

Metric 6 – Bachelor's Degrees Awarded in Areas of Strategic Emphasis
Metric 8 – Graduate Degrees Awarded in Areas of Strategic Emphasis

The data for Metrics 6 and 8 is generated by the BOG from the Degrees Awarded file (SIFD) submitted by the University.

> ***Metric 6, Bachelor's Degrees within Programs of Strategic Emphasis,*** *is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as "Programs of Strategic Emphases". A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice.*

> ***Metric 8, Graduate Degrees within Programs of Strategic Emphasis***, *is based on the number of graduate degrees awarded within the program designated by the Board of Governors as "Programs of Strategic Emphasis". A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice.*

We selected a sample of 30 students (baccalaureate and graduate degrees) and verified that the data submitted to the BOG in the Fall 2019 SIFD file was the same as the data contained in PantherSoft student records. We verified the accuracy of the data in the six elements relevant to the Degrees Awarded file without exception.

In addition, as part of our testing of the SIFD file, we reconciled the number of students and degrees awarded reported to the BOG with the records maintained by the Office of the Registrar. The SIFD file contained 5,424 degrees awarded, in which 40 were out-of-term degrees.

We examined 12 of the 40 out-of-term degrees to understand why they were posted late and found that the students' graduation approval was received late from the department or the degree was awarded late by the Office of the Registrar. The Division of Information

Technology has an algorithm in place to include late degrees from three terms prior, as such, these degrees were appropriately included and reported to the BOG.

In addition, we found 86 students not reported to the BOG but were included in the Registrar's records. However, of these students, 77 were subsequently reported in Spring 2020 as out-of-term degrees, and another six students were reported in Summer 2020. The remaining three student's degree dates were posted in PantherSoft as of Fall 2020 and should be included in the Fall 2020 submission.

Additionally, we found one (1) student was reported twice for the same degree during Fall 2019 and Spring 2020. AIM explained that the degree was rescinded, and a resubmission was not required by the BOG. We reviewed appropriate support where the BOG approved the rescinded degree for the student, without exception.

Conclusion

Our testing of the SIFD data files found no differences between the information submitted to BOG and the data in the PantherSoft system relating to the relevant elements for Metrics 6 and 8.

Metric 9 - Percent of Bachelor's Degrees without Excess Hours

The data for Metric 9 is generated by the BOG from the Hours to Degree file (HTD) submitted by the University.

> **Metric 9, Percent of Bachelor's Degrees Without Excess Hours,** is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. This metric excludes the following types of student credits: accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program. Starting in 2018-19, the calculation for this metric included a new type of statutory exclusion of up to 12 credit hours for students who graduated in four years or less. This metric does not report the number of students who paid the "Excess Hour Surcharge."

To verify that the data submitted in the HTD 2018-2019 file to the BOG was accurate, we selected a sample of 20 students (three of whom were active-duty military) and verified that the data provided to the BOG was the same as the data contained in PantherSoft student records. We verified that the data in the seven elements relevant to the metric in the Degrees Awarded file agreed to the information in PantherSoft.

Notwithstanding the agreement of the data in the HTD file and PantherSoft, we did find three instances during our testing that suggested the need for process improvements to some ancillary processes that could have a bearing on the integrity of some data maintained in PantherSoft. Specifically, two student's data were inconsistent with

PantherSoft records and one military student's status was incorrectly reflected in PantherSoft. However, these instances did not impact the metrics calculation. Notwithstanding this determination, we have communicated these matters in a separate letter dated February 1, 2021, to management for their consideration and follow up.

Conclusion

Our testing of the HTD data files found no significant differences between the information submitted to the BOG and the data in PantherSoft relating to the relevant elements for Metric 9. However, we have referred certain matters related to some ancillary university processes to management for their consideration and follow up.

3. Data Accuracy Testing - Emerging Preeminent Metrics

In 2020, the University achieved seven of the 12 Preeminence metrics, earning it the Emerging Preeminent designation. Three of the seven (7) metrics were tested in our prior year's audit; therefore, we selected the remaining four metrics for testing as follows:

- Metric 1 – Average GPA and SAT Score for Incoming Freshman in Fall Term
- Metric 5 – National Academy Memberships
- Metric 8 – National Ranking in Research Expenditures
- Metric 10 – Doctoral Degrees Awarded Annually

In December 2019, the BOG issued the *Preeminent Metrics Methodology Document*, which we used in our testing.

We tested the accuracy of the data used for the four metrics by obtaining the respective University files and reviewing them against the data provided to the respective organizations associated with each metric, that is, the National Science Foundation (NSF) and National Academy of Sciences, Engineering, and Medicine. In addition, where applicable, we agreed the information to the data in PantherSoft.

Metric 1 – Average GPA and SAT Score for Incoming Freshman in Fall Term

> *An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of 1800 or higher on a 2400-point scale or 1200 or higher on a 1600-point scale for fall semester incoming freshmen, as reported annually.*

To test the accuracy of the 4.2 average GPA reported for this metric, we obtained the ADM – Applicants Admit File, identified the first-time-in-college (FTIC) students who were newly admitted and registered during the Fall 2019 term, and recalculated that group's average GPA of 4.2, without exception. Student's with non-traditional or unavailable GPA information were appropriately excluded from the calculation.

To confirm the accuracy of the 1292 average SAT score reported for this metric, we obtained a BOG report of the redesigned/concorded average SAT scores derived from SAT score data provided by FIU. Using this report, we recalculated the average SAT score of 1292, without exception. In addition, we selected a sample of 30 students and confirmed the SAT scores in the report agreed to the students' records in PantherSoft, without exception.

Metric 5 – National Academy Memberships

> *Six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report or the official membership directories maintained by each national academy. (National Academy of Sciences, Engineering, & Medicine)*

To test the accuracy of the data related to National Academy memberships, we confirmed the seven memberships the University reported via the academy directories. Four faculty were members of the National Academy of Medicine and three were members of the National Academy of Engineering.

Metric 8 – National Ranking in Research Expenditures

> *A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the National Science Foundation (NSF).*

Once a year, the BOG's Office of Data & Analytics staff download research expenditure data from the National Science Foundation's annual Higher Education Research and Development survey using the National Science Foundation's National Center for Science and Engineering Statistics (NCSES) online data tool. The NSF identifies eight broad disciplines within Science and Engineering: Computer Science, Engineering, Environmental Science, Life Science, Mathematical Sciences, Physical Sciences, Psychology, and Social Sciences. The BOG's Office of Data & Analytics staff analyze total research expenditures by fiscal year for each public and private four-year institution in the country by broad discipline and determine the rankings for each State University System institution for each of the broad disciplines.

To test the accuracy of the data related to the FIU's national ranking in research expenditures, we reviewed the national rankings on the NSF reports on the NCSES online data tool. We confirmed that FIU was ranked in the top 100 in six of the eight broad disciplines as reported in the metric.

Metric 10 – Doctoral Degrees Awarded Annually

> *Four hundred or more doctoral degrees awarded annually, including professional doctoral degrees awarded in medical and health care disciplines, as reported in the Board of Governors annual Accountability Plan.*

To test the accuracy of the data reported, we reviewed the SIFD reports for the academic year 2019 and identified students who obtained a Doctorate or Medical Doctorate degree. The total degrees awarded amounted to 433, which agrees to the amount reported for the metric.

Conclusion

Our testing of the Emerging Preeminent metrics found the data reported to be accurate and consistent with the definitions and methodology as outlined in the BOG's *Preeminent Metrics Methodology Document.*

4. PBF Data File Submissions and Resubmissions

A. 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 Office in addition to data provided by AIM to review the timeliness of actual submittals.

The following table reflect the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during the audit period:

File	File Submission	Period	Original Due Date, Including Extensions	Original Submission Date
ADM	Admissions	Summer 2019	09/20/2019	09/20/2019
SIF	Student Instruction	Summer 2019*	09/27/2019	09/27/2019
ADM	Admissions	Fall 2019*	10/14/2019	10/14/2019
SFA	Student Financial Aid	Annual 2019	10/11/2019	10/11/2019
SIFD	Degrees Awarded	Summer 2019	10/04/2019	10/04/2019
SIFP	Student Instruction Preliminary	Fall 2019	10/21/2019	10/21/2019
EA	Expenditure Analysis	Annual 2019	11/04/2019	11/04/2019
HTD	Hours to Degree	Annual 2019	11/08/2019	11/08/2019
SIF	Student Instruction	Fall 2019	01/17/2020	01/17/2020
RET	Retention	Annual 2019	01/31/2020	01/31/2020
SIFD	Degrees Awarded	Fall 2019	01/27/2020	01/27/2020
ADM	Admissions	Spring 2020*	03/02/2020	03/02/2020
SIF	Student Instruction	Spring 2020*	06/26/2020	06/26/2020
SIFD	Degrees Awarded	Spring 2020	07/10/2020	07/10/2020

* The indicated file was subsequently resubmitted and is reviewed on the following pages.

B. Data File Resubmissions

We obtained the list of resubmissions since the last audit from the BOG staff. The University's Data Administrator described the nature and frequency of the four required 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.

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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 the Data Administrator, a common reason for not detecting an error before submission is that some inconsistencies only arise when the data is cross validated among multiple files.

To determine the frequency of the resubmissions, we reviewed a list provided by the BOG staff for all files submitted pertaining to the 10 PBF metrics. The University submitted 14 files with due dates between September 1, 2019, and August 31, 2020, of which four files required resubmission.

The following table describes the four files resubmitted and AIM's reason for the resubmission.

File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
Student Instruction	**Summer 2019**	**09/27/2019**	**09/27/2019**	**10/16/2019**

No. 1	**AIM Reason for Resubmission:** New admission element 02089 "First Time in College (FTIC) Alternative Admin Flag" was implemented effective Summer 2019. The element is also reported in the SIF file. This new element needed to be applied retroactively in the submission. In other words, if the student was admitted prior to Summer 2019, we still needed to retrofit our data and report it accordingly. Our team reached out to the BOG seeking clarification as to how to treat students admitted prior to Summer 2019. Although the BOG provided a response, our interpretation of their instructions did not match their expectations and we needed to resubmit.

Admissions	**Fall 2019**	**10/14/2019**	**10/14/2019**	**10/18/2019**

No. 2	**AIM Reason for Resubmission:** BOG no longer accepts an explanation for students admitted with a GPA greater than 5.0. For many years, the BOG has been accepting an explanation. However, starting in the Fall 2019 submission, the BOG decided an explanation was not allowed and a resubmission was necessary. This required for our institution to implement additional program logic that converted the High School GPA for the students whose GPA was greater than 5.0 to a default value of 5.0 in order to comply with the limitation in BOG reporting requirements.

File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
Admissions	**Spring 2020**	**03/02/2020**	**03/02/2020**	**05/29/2020**

No. 3	**AIM Reason for Resubmission:** For a number of submissions, the BOG accepted an explanation for Edit 5396. This edit was revised during the 2019-20 cycle as it was previously edit 5321. Basically, the reason for the resubmission is that the BOG no longer accepts an explanation for the error. In the past, in all past submissions, we had been allowed to provide an explanation for all students listed as Cancelled After Admission. These students were originally provisionally admitted but subsequently got cancelled. The BOG has indicated we must first determine if the student was admitted yes or no (Y/N). If the student was admitted (Y) and the student is missing admission requirements, then they need to be reported as an alternative admit, even if there was an admission cancellation.

Student Instruction	Spring 2020	06/26/2020	06/26/2020	07/22/2020

No. 4	**AIM Reason for Resubmission:** As a result of COVID-19, our students were allowed to request for their final class grade to be submitted as a pass or fail (P/F) instead of a formal letter grade. Upon completion of their internal review, the BOG requested we recheck the file because there was a drop in the credit hours earned. Our team investigated this issue to find probable causes and then consulted with the IT department to validate their findings. There was a problem with the IT program logic that populates Term Credit Hours Earned (01089) element. It was not counting the (P) grades as earned credits. IT corrected the problem in the logic and AIM validated the data and resubmitted the file with the correct calculations.

In all instances observed, the BOG staff authorized the resubmission by reopening the SUDS system for resubmission. Furthermore, the number of resubmissions decreased from five files in the prior reporting cycle to four files in the current reporting cycle.

Conclusion

Our review disclosed that the process used by the Data Administrator provides reasonable assurance that complete, accurate, and timely submissions occurred. We noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions. Moreover, the resubmissions were authorized and accepted and the reasons for them continue to be addressed.

5. Review of University Initiatives

We obtained the following list of the University initiatives that are meant to bring the University'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 via Noel Levitz
- 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
- Implemented graduation and retention predictive models
- Working with EduNav and FIU's Business Intelligence team to replicate what Ad Astra was not able to produce regarding course scheduling optimization.

Conclusion

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

APPENDIX I – IN-SCOPE BOG DATA ELEMENTS

No.	Metric	Definition	Submission/Table/Element Information	Relevant Submission
6	**Bachelor's Degrees within Programs of Strategic Emphasis**	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).	**Submission:** SIFD **Table:** Degrees Awarded **Elements:** 01082 – Degree Program Category 01083 – Degree Program Fraction of Degree Granted (This field is a summed field) 01045 – Reporting Institution 01412 – Term Degree Granted 01081 – Degree Level Granted 02015 – Major Indicator	Summer 2019 October 4, 2019 Fall 2019 January 27, 2020 Spring 2020 July 10, 2020
8	**Graduate Degrees within Programs of Strategic Emphasis**	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).	Same as No. 6 above.	Summer 2019 October 4, 2019 Fall 2019 January 27, 2020 Spring 2020 July 10, 2020
9	**Percent of Bachelor's Degrees Without Excess Hours**	This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. This metric excludes the following types of student credits (i.e., accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program). Starting in 2018-19, the calculation for this metric included a new type of statutory exclusion of up to 12 credit hours for students who graduated in four years or less. This metric does not report the number of students who paid the "Excess Hour Surcharge" (1009.286, FS).	**Submission:** HTD **Table:** Courses to Degree **Elements:** 01104 – Course Section Type 01484 – Course System Code 01485 – Course Grouping Code 01488 – Credit Hour Testing Method 01489 – Credit Hour Usage Indicator 01459 – Section Credit (Credit Hours) 02065 – Excess Hours Exclusion	2018-2019 Academic Year November 8, 2019

Definition Source: State University Database System (SUDS).

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APPENDIX II – OIA CONTACT AND STAFF ACKNOWLEDGMENT

OIA contact:

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Contributors to the report:

In addition to the contact named above, the following staff contributed to this audit in the designated roles:

Stephanie Price (auditor in-charge);
Henley Louis-Pierre (IT auditor in-charge);
Julian Martinez Gutierrez (assistant – student intern);
Maria Rosa Lopez (IT audit manager and reviewer); and
Vivian Gonzalez (supervisor and reviewer).

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Office of Internal Audit
Status Report

BOARD OF TRUSTEES

February 23, 2021

Date: February 23, 2021

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 3, 2020, the following project was completed:

Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity

The Florida Legislature and Governor allocated $560 million in performance-based funding for fiscal year 2020-2021, of which FIU received $66.2 million. As required by the State University System of Florida Board of Governors (BOG), we have completed an audit of the data integrity and processes utilized in the University's Performance Based Funding and Emerging Preeminent Metrics. The objectives of our audit were to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the Performance Based Funding and Emerging Preeminent Metrics; and to provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the Data Integrity Certification, which will be submitted to the Board of Trustees and filed with the BOG by March 1, 2021. The audit did not make any recommendations, but communication of certain matters, that while not impacting the calculation of the metrics tested, suggested the need for process improvements in some ancillary University functions, was provided to management under a separate letter for their consideration and follow up.

Work in Progress

The following ongoing audits are in various stages of completion:

Audits	Status
CARES Act Institutional Relief Funds	Fieldwork in Progress
Grant Accounting – Foundation Funded	Fieldwork in Progress
Lab Safety	Fieldwork in Progress
Procurement and Bidding Procedures	Fieldwork in Progress
Affiliated Agreement for Student Placement/Rotation	Fieldwork in Progress
Data Breach of Protected Information	Planning
Media Sanitation Guidelines and Controls	Planning
Internal Controls and Data Security over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0548-18	Planning

Excluded from the list of ongoing audits is the Audit of Conflict of Interest/Related Party Transactions, which was approved by the BOT in the FY 2020-2021 Annual Audit Plan. We had begun planning and preliminary work on this audit when we learned that the University is in the process of revamping its conflict of interest (COI) process and reporting system in light of the recent changes in Florida Statutes. Given these developments, we determined our audit of the COI process would be more purposeful if performed after the implementation and operation of the revamped process. Therefore, we are postponing this audit once more and replacing it with the new Audit of Internal Controls and Data Security over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0548-18, which was requested by the Department of Parking, Sustainability, and Transportation. This audit was not on the FY 2020-2021 Audit Plan.
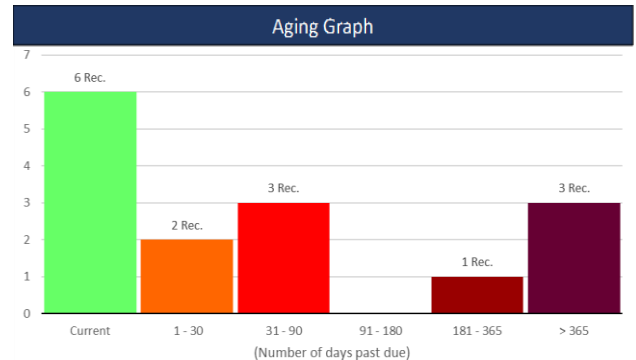
Prior Audit Recommendations Follow-Up Status Report

Since our last report to the Committee on management's progress towards completing past audit recommendations, there were 60 recommendations due for implementation through January 31, 2021. Based on our review and validation of management's corrective action by our examination of supporting documentation, we have concluded that 51 of the said recommendations (85 percent) were completed and 9 (15 percent) were partially implemented. We acknowledge that while the corrective action for some recommendations may involve a routine process, other recommendations may require an involved, complicated, and interconnected process stretching across multiple units and/or functions and may necessitate building new infrastructures or materially modifying existing ones. Management has provided expected completion dates for all recommendations that were not completed. (See table and recommendation summaries on the following pages.) We thank management for their cooperation and encourage continued improvement.

The following graphs display the aging of outstanding audit recommendations as of January 31, 2021. The first is an aging based on the original due date of each recommendation, whereas the second is an aging based on the current revised due date of each recommendation.


Aging of University Audit Recommendations

Outstanding Recommendations Statistics by Original Due Date		
Days Past Due	**Number of Recommendations**	**Average Complexity**
Current	6	2.83
1 -30	2	2.5
31 – 90	3	1.67
91 – 180	0	0
181 – 365	1	2
More than 365	3	2.33

Pending University Audit Recommendations

Outstanding Recommendations Statistics by Revised Due Date		
Days Remaining	**Number of Recommendations**	**Average Complexity**
Current	0	0
1 -30	6	2.17
31 – 90	3	1.67
91 – 180	4	2.75
181 – 365	2	3.5
More than 365	0	0

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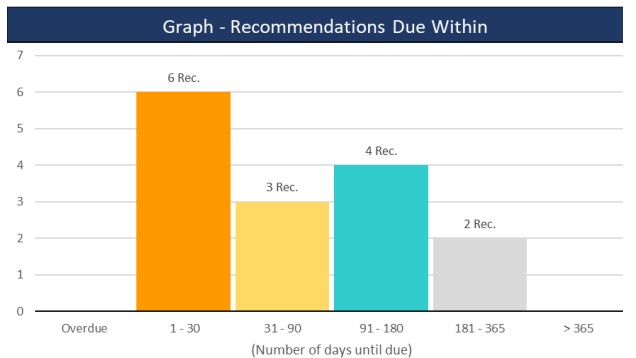
AUDIT RECOMMENDATIONS FOLLOW-UP				
Areas Audited	Total Due for Implementation	Implemented	Partially Implemented	Not Implemented
Accounts Receivable	1	1		
College of Engineering and Computing	1	1		
COVID-19 Student Assistance Program	4	4		
Facilities Management Data Systems Controls	1	1		
FIU HealthCare Network's (HCN's) Billing, Collections, and Electronic Medical Record Systems	1	1		
Information Security Controls of Mobile Health Center	1	1		
University Building Access Controls	3	3		
The Wolfsonian – FIU Museum	2	2		
Athletics Health Services Billing and Collections Process and Contract Performance	12	11	1	
Chapman Graduate School	2	1	1	
Compliance with Donor Confidentiality and Intent	2	1	1	
Financial Aid	1		1	
Nicole Wertheim College of Nursing and Health Sciences	1		1	
Patricia and Phillip Frost Art Museum	5	4	1	
Payroll Irregularities, Fraud Controls, and New Employee Document Verification	8	7	1	
University Fleet Management	15	13	2	
Totals	**60**	**51**	**9**	
Percentages	**100%**	**85%**	**15%**	

**MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS
WITH REVISED TARGET DATES**

Athletics Health Services Billing and Collections Process and Contract Performance (November 10, 2020)

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1. <u>Audit Issue</u>: **Billing and Collections (**Recommendation #1.2)

   <u>Recommendation</u>:
   Request replacement credit cards or other forms of payment from the respective insurance companies to recoup the revenues earned and not settled and ensure that future credit card payments received are timely processed.

   <u>Complexity Rating</u>: 2 – Moderate
   Corrective action is believed to be more than routine. Actions involved are more than normal and might involve the development of policies and procedures.

   <u>Action Plan to Complete</u>:
   A call was placed on 11/09/2020 to the insurance provider to re-issue payment via credit card or check. Payment has not been received; however, they did state that it can take up to 30 business days to re-issue.

   Original Target Date: December 1, 2020   New Target Date: February 28, 2021

Chapman Graduate School (May 22, 2019)

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1. <u>Audit Issue</u>: **Control Environment (**Recommendation #6.1)

   <u>Recommendation</u>:
   Leverage the appropriate University resources, such as the Offices of the General Counsel and Compliance to provide awareness training on the Florida Code of Ethics and ethical values of the University.

   <u>Complexity Rating</u>: 2 – Moderate
   Corrective action is believed to be more than routine. Actions involved are more than normal and might involve the development of policies and procedures.

   <u>Action Plan to Complete</u>:
   Through the Office of Compliance and Integrity (https://compliance.fiu.edu/education-training/), the College will be organizing an ethics and awareness training. After meeting with General Counsel and the Office of University Compliance and Integrity, it was decided that the training would be conducted in two parts. The first involved the College's senior leadership, which was held on

Wednesday, January 20, 2021, via zoom. This format was agreed upon by everyone as to ensure that College's leadership pressed upon their direct reports the importance of the training. The next meeting will include everyone with a direct report, the date is still being finalized with the Office of University Compliance & Integrity, but we anticipate it to be by the end of February. The College will also remind employees of other training opportunities offered through the Division of Human Resources, Talent Management & Development (TMD), such as employee assistance, equal opportunity programs and diversity, and FERPA (when applicable).

Original Target Date: December 31, 2019   New Target Date: February 28, 2021

Compliance with Donor Confidentiality and Intent (November 3, 2020)

1. Audit Issue: **Billing and Collections** (Recommendation #3.1)

   Recommendation:
   Design and formally document a BCP/DRP to ensure that it can respond to incidents and disruptions to continue operations of critical business processes.

   Complexity Rating: 2 – Moderate
   Corrective action is believed to be more than routine. Actions involved are more than normal and might involve the development of policies and procedures.

   Action Plan to Complete:
   Management is working on obtaining the additional required information and needs an extension of time due to lack of staff and the addition of some last-minute emergency projects. Management plans to meet with their various departments to determine the critical functions and a realistic amount of downtime their operations can tolerate.

   Original Target Date: January 2, 2021   New Target Date: March 30, 2021

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.

   Complexity Rating: 3 – Complex

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Corrective action is believed to be intricate. The solution might require an involved, complicated, and interconnected process stretching across multiple units and/or functions; may necessitate building new infrastructures or materially modifying existing ones.

Action Plan to Complete:
This is on hold during the Pandemic. We have created a prototype and will anticipate the resources needed for testing will be available in July.

Original Target Date: July 31, 2017   New Target Date: July 16, 2021

Nicole Wertheim College of Nursing and Health Sciences (October 28, 2019)

1. Audit Issue: **Operational Controls** (Recommendation #1.4)

    Recommendation:
    Develop a schedule of AHA course offerings and applicable registration details.

    Complexity Rating: 3 – Complex
    Corrective action is believed to be intricate. The solution might require an involved, complicated, and interconnected process stretching across multiple units and/or functions; may necessitate building new infrastructures or materially modifying existing ones.

    Action Plan to Complete:
    The Nicole Wertheim College of Nursing and Health Sciences (NWCNHS) has been coordinating with the prospective vendor Enrollware, to provide the services needed for American Heart Association (AHA) activities in the NWCNHS STAR Center (simulated hospital). Enrollware is the premiere provider of enrollment/payment/tracking services for AHA activities. Unfortunately, Enrollware recently notified the College that it would not sign off on any FIU supplemental addendum, since the College sent the vendor a copy of FIU's Software Supplemental Addendum. The Director of the STAR Center was notified, and he indicated that the next service provider Authorize.net does not offer the same level of services as Enrollware and that it would be preferable to try to come to an accord with Enrollware if possible. In light of this, the College is currently coordinating with FIU's Office of the General Counsel (OGC), which was provided with a copy of Enrollware's services agreement for review. Enrollware stated that the only document that they would sign is their own services agreement and that they would only entertain minor edits. Presently, the College is currently waiting to hear back from the OGC, to determine if the University can accept Enrollware's services agreement with or without minor edits. In the event that FIU's OGC cannot accept Enrollware's services agreement, then the College will need to begin negotiations with Authorize.net to try

to reach an agreement with the alternate vendor option. Either option is going to take time beyond the end of January 2021, so the College is requesting that the completion date be extended to March 31, 2021.

Original Target Date: February 28, 2020   New Target Date: March 31, 2021

Patricia and Phillip Frost Art Museum (May 24, 2019)

1. Audit Issue: **Information Systems Security** (Recommendation #6.3)

    Recommendation:
    Work with the Division of IT to conduct a formal risk assessment of the Museum's information systems.

    Complexity Rating: 3 – Complex
    Corrective action is believed to be intricate. The solution might require an involved, complicated, and interconnected process stretching across multiple units and/or functions; may necessitate building new infrastructures or materially modifying existing ones.

    Action Plan to Complete:
    Risk assessment form has been sent to IT before Christmas break. Waiting for review from that office before we can receive the final assessment from IT. Due to not having an IT person that works directly with the museum, this process has been slow as it does not follow usual procedures. We will reach out to IT to see if a risk assessment has been conducted, and if not, we will have IT conduct one.

    Original Target Date: October 31, 2019   New Target Date: February 28, 2021

Payroll Irregularities, Fraud Controls, and New Employee Document Verification (October 28, 2020)

1. Audit Issue: **Terminations and Transfers** (Recommendation #3.1)

    Recommendation:
    Update Policy No. 1710.280a, Separation from Employment/Transfer Clearance Procedure, to reflect employees that are exempt from completing Separation from Employment/Transfer Clearance forms.

    Complexity Rating: 2 – Moderate
    Corrective action is believed to be more than routine. Actions involved are more than normal and might involve the development of policies and procedures.

Action Plan to Complete:
We will review the wording of the policy and update the Separation Clearance form for clarification and to reflect our business process. Have reviewed policy wording and form wording. Testing the new form and updating the policy.

Original Target Date: December 31, 2020   New Target Date: February 26, 2021

University Fleet Management (November 12, 2020)

1. Audit Issue: **FuelMaster IT Control Weaknesses** (Recommendation #1.1)

    Recommendation:
    Ensure that terminated employees' access to FuelMaster is rescinded upon separation and that other users' access to the Operator and Supervisor roles, as well as encoded Utility Keys, is limited to employees with a job-specific need.

    Complexity Rating: 1 – Routine
    Corrective action is believed to be uncomplicated, requiring modest adjustment to a process or practice.

    Action Plan to Complete:
    Business Services is in the process of working with Human Resources on automating the notification process in order to timely delete access to employees no longer with FIU. However, the Fleet Manager has been communicating with Fleet Liaisons to ensure everyone who has access is still employed.

    Original Target Date: November 15, 2020   New Target Date: March 31, 2021

2. Audit Issue: **Accountable Property** (Recommendation #7.1)

    Recommendation:
    Work with Asset Management to ensure that all vehicles are appropriately captured within both lists.

    Complexity Rating: 3 – Complex
    Corrective action is believed to be intricate. The solution might require an involved, complicated, and interconnected process stretching across multiple units and/or functions; may necessitate building new infrastructures or materially modifying existing ones.

    Action Plan to Complete:
    29 of the 30 assets in Asset Management not listed in Fleet Management have been identified, Fleet Management is working with the department to identify the

remaining 1 asset. 105 of the 130 assets listed in Fleet Management not listed in Asset Management have been identified. Fleet Management is working with Facilities Management - Grounds to identify the remaining 25 assets.

Original Target Date: January 31, 2021   New Target Date: June 30, 2021

Other Activity

We are providing support to Athletics and the Office of the General Counsel's efforts in resolving the contracting issues reported in our Audit of Athletics Health Services Billing and Collections Process and Contract Performance. We will continue our participation in this effort to the extent required and deemed appropriate.

The CAE attended a State University Audit Council (SUAC) virtual meeting of fellow CAEs on January 29, 2021. The Council members discussed various audit-related topics, including the proposed BOG Regulation 3.003 Fraud Prevention and Detection. Of primary concern among the group were: (1) the delineation of responsibility for the ownership of fraud controls and risk management framework (that this is the responsibility of management) and (2) clarity on the responsibility for investigating fraud, waste, and abuse (that this should be the responsibility of the internal audit function). The group agreed that lack of coordination within the university community may result in the inappropriate handling of complaints or internal audit being unaware of matters that appropriately should have been investigated by them.

Other Matters

At the end of November, Ms. Faydeen Hart, Senior Auditor, separated from the University. The office currently has two vacancies—an Audit Manager position and a Senior Auditor position. Our aim is to be fully staffed at the earliest possibility with qualified candidates.

Professional Development

The audit staff continue to take advantage of available professional development opportunities. Recently, Tranae Rey, Audit Manager, attained The Institute of Internal Auditors Certification as an Internal Auditor in December 2020.

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Office of University Compliance and Integrity
Quarterly Report
2020-2021
February 23, 2021

BOARD OF TRUSTEES
Audit and Compliance Committee
February 23, 2021

Office of University Compliance & Integrity Quarterly Report

The purpose of the Florida International University ("University") institutional Compliance and Ethics Program ("Program") is to promote and support a working environment which reflects the University's commitment to operating with the highest level of integrity while maintaining compliance with applicable laws, regulations, and policies. The Program is designed to prevent, detect, and correct misconduct within the University based on the elements of an effective compliance program as set forth in Chapter 8 of the U.S. Federal Sentencing Guidelines and as required by Florida Board of Governors Regulation 4.003.

The Office of University Compliance and Integrity (the "Compliance Office") is pleased to present the status update for the 2020 – 2021 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the second quarter of fiscal year 2020 - 2021 (October 1 – December 31).

1. **Provide Program Structure and Oversight of Compliance and Ethics and Related Activities**
   The Compliance Office 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.

2. **Standards of Conduct and Policies**
   The Compliance Office oversees the Florida International University Policies and Procedures Library as well as the university-wide policy development and management process. The Compliance Office provides support to the Responsible Offices charged with developing, updating, administering, communicating, training, monitoring and ensuring compliance with University policy.

3. **Training, Education and Communications**

   The Compliance Office trains, educates and creates communication pathways to inform the Florida International University Community of its compliance responsibilities, regulatory obligations, and the university compliance and ethics program.

4. **Measurement and Monitoring**

   The Compliance Office identifies and remediates noncompliance through proactive review and monitoring of risk areas. The monitoring plan is typically determined by the evolving risks, new laws and regulations as well as trends identified by the Compliance Office in partnership with other units. The Compliance Office also measures and evaluates the overall compliance and ethics culture of Florida International University

5. **Enforce and Promote Standards through Appropriate Incentives and Disciplinary Measures**

   The Compliance Office, in consultation with the University President and FIU Board of Trustees and in partnership with Human Resources, promotes and enforces the Program and university regulations, policies and procedures consistently through appropriate incentives and consequences for noncompliance.

6. **Respond Promptly to Detected Problems and Undertake Corrective Action**

   The Compliance Office conducts timely reviews and coordinates investigations of allegations of noncompliance and misconduct and provides guidance on corrective actions.

7. **Risk Management**

   The Compliance Office partners with the Office of Internal Audit through the Enterprise Risk Assessment to identify areas of compliance risk for further monitoring and to assist risk owners in mitigating and managing risk.

Office of University Compliance & Integrity Quarterly Report
PROGRAM STRUCTURE & OVERSIGHT
Compliance Internal Operating Procedures
- Completed Process Improvement Assessment and developed Internal Operating Procedure for required HIPAA Privacy Training for all employees in the HIPAA Hybrid units   - Completed Process Improvement Assessment and developed Internal Operating Procedure for required Compliance Training and Policy Attestation Escalation Process   - Began Process Improvement Assessment with Human Resources for Discipline/Performance Review Consequences for failure to complete Required Compliance Tasks   - Engaged in Process Improvement Assessment for the Compliance Calendar (tracking University-wide Federal and State filings)   - Engaged in Process Improvement Assessment for monthly reporting to the Deans Advisory Council (DAC) and the Operations Committee (OPS)   - Engaged in Process Improvement Assessment for New Policy Development Process
Foreign Influence and Global Risk Governance Activities
- Continued testing and process improvements for new Export Control Website exportcontrol.fiu.edu which incorporates user-friendly interfaces and interactively linked forms, procedural guidance, materials, definitions, trainings and go-to resources.   - Completed communications campaign for FIU's revised official Export Control Policy and Procedure and continued to create centralized forms and process improvements to comply with regulatory requirements.   - In cooperation with Global Affairs and the Office of the Controller, redesigned the Travel Authorization Request (TAR) process to incorporate export control and foreign influence filters and referral to University Compliance when needed.   - Coordinated a special meeting of the Global Risk and Foreign Influence Task Force on November 2, 2020 featuring Special Agent David P. Fernicola, Jr., Private Sector Coordinator for the Federal Bureau of Investigation (Miami Division) who presented to the group on foreign influence related matters affecting Florida International University.

➢ Continued assessment activities related to the first three of ten assessment modules to identify measures to minimize foreign influence risk in the overall context of FIUs international academic and research mission including: <u>Foreign Nationals on Campus: Visa-holders and Visitors</u> – assesses preventative measures to selectively detect and avoid undue foreign influence where it could potentially arise in the context of foreign nationals on campus; <u>Conflicts of Interest and Commitment</u> – assesses Conflicts of Interest and Conflicts of Commitment policies and processes pertaining to global engagement scenarios; and <u>Compliance with Export Controls</u> - assesses the alignment of export control processes to account for and support foreign influence prevention strategies. Module-specific subcommittees reported back to the larger Task Force and will continue to as we move forward.

➢ Coordinated FIU's response to Foreign Source reporting requirement pursuant to Section 117 Higher Education Act. Worked with the Office of the General Counsel (OGC) to communicate requirements, respond to questions, make process improvements to the reporting system, and develop guidelines for required January 31, 2021 submission.

➢ Participated in regular Travel Committee meetings to review and issue recommendations regarding employee and student petitions for international (and domestic) travel and student mobility programs. Determined recommendation for the Provost for summer travel programs.

➢ Worked with Export Compliance consultant to make process improvements to the J-1 Due Diligence Process, IP Agreement, and International Travel Process, as well as to develop three additional training modules and international shipment notification.

➢ Collaborated with the Office of Research and Economic Development and the OGC to respond to the Office of Inspector General Institutional Survey to all National Institutes of Health Grantees.

➢ Conducted 111 visual compliance research reviews during the reporting period.

➢ Chaired Foreign Influence and Global Risk Task Force Meeting held on December 11, 2020. The Office of Governmental Relations presented a Foreign Influence Legislative Update to the group. The Office of Reginal Locations and Institutional Development with our Export Control consultant summarized the work underway to address and respond to the November FBI presentation regarding China. The Conflict of Interest subcommittee outlined the significant process improvements undertaken to address recent legislation and to address identified gaps in the current process. They briefed the group on the changes that are being implemented for 2021 and the communication and training campaign that will take place in the first quarter of the year.

Participation in Task Forces, Committees and Other Compliance-Related Initiatives

The Office of Compliance continues to lead and/or participate in several task forces, committees and initiatives including, but not limited to:

- Chair of the State University System Compliance Consortium
- Chair of the Global Risk and Foreign Influence Taskforce
- Chair of the Policy Committee
- Chair of the Compliance Liaison Committee
- Co-Chair of the Health Insurance Portability and Accountability Act Committee
- Co-Chair of the FERPA Committee
- Co-Chair of the Enterprise Risk Management Group
- Member of the Deans Advisory Council
- Member of the Operations Committee
- Member of the National Collegiate Athletic Association Oversight Committee
- Member of the International Travel Committee
- Member of the University Building Access Policy Committee
- Member of the National Institute of Standards and Technology Compliance Working Group
- Member of the Chosen First Name Policy Working Group
- Member of the Drug and Alcohol Taskforce
- Member of the Digital Accessibility Working Group
- Member of the Conflict of Interest Working Group
- Member of the Professional Licensure Disclosure Committee
- Member of the Outside Activity/Conflict of Interest Workgroup
- Participant in the Biscayne Bay Leadership Team meetings
- Participation in COVID-19 Response Initiatives
  - Emergency Operations Committee COVID-19 Response Planning Briefings
  - CARES Act Emergency Funding Taskforce
  - Repopulating FIU Campuses/Sites Taskforce
  - Supervisor Guidelines Workgroup
- Participation in the OCR Resolution Action Plan Workgroup
  - Design response to fulfill OCR Resolution required actions

- Develop and implement a strategy to provide equal access to FIU's Learning Management System Content and functionality
- Implement and maintain an accessible process for LMS users to alert the University to LMS content with accessibility issues
- Submit a report demonstrating that FIU has fully satisfied the terms of this Resolution Agreement

STANDARDS OF CONDUCT & POLICIES

University-wide Three -Year Policy Review

- ➢ Managed University-wide substantive policy review of 596 total policies and procedures.
- ➢ Removed 99 policies from the policy library as either repetitive, no longer applicable or because they did not otherwise meet the definition of a University policy.
  - Collaborated with the OGC, Human Resources and Academic Affairs to remove several union policies from the policy library and add language describing the Collective Bargaining Agreement coordination with University policy.
- ➢ Submitted 312 policies to the Policy Committee for a "second tier" substantive review to provide feedback and recommendations to the policy owners.
- ➢ Communicated second-tier review feedback to policy owners for their consideration to include in their updated policies.
- ➢ Posted 172 policies to the Policy Library following full review, revision and updating into the new comprehensive policy template.

2020-2021 Policy Development Process

- ➢ Managed the Policy Development Process, including ushering 27 new or significantly revised policies through the formal DAC and OPS review and endorsement process.

Support and Resource the University Policy Working Group

- ➢ Prepared guidance documents for the Policy Working Group to assist in their second-tier substantive review of University policies as part of the Three-Year Policy Review process.

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Office of University Compliance & Integrity Quarterly Report

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➢ Managed second-tier review and feedback process for revised policies submitted by the Policy Owners.
➢ Updated Policy Working Group Member Scorecard to reflect the significant contributions of the group members.

Increase University Policy Awareness

➢ Continued to work with Policy Owners to determine the frequency and appropriate audience for Policy Campaigns through the Three-Year Policy Review process and individually for each Policy Campaign.
➢ Continued to work with Human Resources to utilize the HR Newsletter as a new/updated policy communication tool.

TRAINING EDUCATION & COMMUNICATIONS

2020 – 2021 Annual and Scheduled Training, Education, and Communication

➢ Designed, developed, and issued eight compliance trainings to University faculty and staff including:
  ➢ FERPA Basics
     • currently in escalation
     • 6,136 employees trained
  ➢ FIU Clery Act Basics
     • 97% campaign completion
     • 397 employees trained
  ➢ Health Insurance Portability and Accountability (HIPAA) Act Basics
     • rolling enrollment
     • 736,574 employees trained
  ➢ Payment Card Industry Data Security Standard (PCI-DSS) for Merchants
     • rolling enrollment
     • 286 employees trained
  ➢ Payment Card Industry Data Security Standard (PCI-DSS) for IT
     • rolling enrollment
     • 51 employees trained

- ➤ Red Flags – Preventing ID Theft with Data Security
  - 97% campaign completion
  - 1,040 employees trained
- ➤ The FIU Chosen First Name and Pronoun Use Training
  - 97% campaign completion
  - 133 employees trained
- ➤ Travel at FIU
  - 100% campaign completion
  - 684 employees trained

➤ Designed, developed, and issued seven policy attestation courses including:
- ➤ Acquisition, Assignment and Use of University Vehicles
  - 100% campaign completion
  - 168 employees trained
- ➤ Nepotism
  - 100% campaign completion
  - 110 employees trained
- ➤ Export Control
  - 99% campaign completion
  - 422 employees trained
- ➤ Environmental Management
  - 100% campaign completion
  - 69 employees trained
- ➤ Fraud Prevention and Mitigation
  - 99% campaign completion
  - 698 employees trained
- ➤ Firearms and Dangerous Weapons
  - 98% campaign completion
  - 173 employees trained

➢ Access Control for University Buildings
  • 94% campaign completion
  • 136 employees trained

➢ Conducted the New Employee Experience Compliance and Ethics training (bi-weekly).
➢ Coordinated Whistleblower Training by a representative from the Florida Board of Governors for the OGC, the Office of University Compliance & Integrity, the Division of Human Resources, and Internal Audit. The training was designed to assist FIU key departments with assessing and further developing the systems we have in place to identify and address whistleblower complaints and to differentiate them from complaints that may not meet that standard but are still entitled to privacy/confidentiality protection and protection from retaliation.

Process Improvements to Training and Education Program

➢ Designed trainings customized to FIU with personal messages from the University leader hosting the training, connection to University resources and quiz questions embedded in each policy attestation to improve comprehension.
➢ Performed a training campaign process improvement assessment and developed an Internal Operating Procedure to ensure efficacy and consistency in Campaign Escalation Protocol.
➢ Utilized the Announcement and Messaging course notification and reminder functionality within the Canvas platform to maximize campaign completion rates and effectuate the Escalation Protocol.
➢ Leveraged the improved Escalation Protocol to maximize completion rates for 12 campaigns.
➢ Completion rates at the final escalation level averaged 97% (this represents an increase from the same period last year where there was an average completion rate of 83% at the final escalation level).
  • Communicated with Deans and Vice Presidents regarding individual department completion rates to leverage their assistance with communicating the importance of completing compliance-related tasks to their teams.
  • Coordinated with Employee and Labor Relations to ensure that for those employees who did not complete a required compliance task following the escalation period, a notification was placed in their personnel file which impacts the Performance Excellence Process (PEP) compliance rating for the applicable year.
➢ Continued to work with the FIU Develop team to enhance and troubleshoot the learning management system based on campaign feedback and continuous improvement assessment of the platform.

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➢ Continued to work with Human Resources to effectuate phase II of the Canvas/Catalog project to include University-wide tracking and monitoring, communication with PantherSoft and other FIU systems.
➢ Communicated with Deans and Vice President's regarding their own compliance obligations to be recorded in the Executive Scorecard. Executive leadership maintained a completion rate of 96% for assigned trainings during the reporting period.
➢ Chief Compliance Officer (CCO) attended Dean's Advisory Committee and Operations Committee meetings to present the Executive Scorecard and to communicate expectations for leadership participation in the Escalation Process.
➢ CCO submitted the Executive Scorecard to the University President.
➢ Developed Training and Communications Plan with the Outside Activity/Conflict of Interest Workgroup related to updates to the policy and platform.

New Export Control Website and Updates to University Compliance Website and Policy Library

➢ Created, launched and continued to test and incorporate process improvements to a new, intuitive, user-friendly Export Control website that fulsomely reflects the Program, and which will be effectively leveraged for training purposes.
➢ Worked with IT to begin building design and process improvements into the University Compliance Website and the Policy Library.
➢ Worked with IT to build design and process improvements into the University Policy Library to improve appearance, functionality, and searchability for the end-user experience.

MEASUREMENT & MONITORING

Health Insurance Portability and Accountability Act (HIPAA) – University-wide HIPAA Assessment

➢ Completed phase two of the Privacy Program Assessment (PPA), which is an administrative evaluation of the University's HIPAA privacy and security-related policies, procedures, management processes, physical characteristics and workforce awareness.
➢ Began work with the Director of Health Affairs Compliance to develop series of HIPAA training modules.
➢ Reviewed the process and communication tools used to effectuate the HIPAA Privacy Training requirement for all employees in the HIPAA Hybrid units.

> ➢ Partnered with Human Resources to develop a more automated system to effectuate HIPAA compliance training.
> ➢ Kicked off phase three of the Privacy Program Assessment (PPA) with the Consultant's Information Security Program Assessment Workshop designed to provide managers and staff a detailed understanding of FIU's current information security policies and procedures.
> ➢ Kicked off phase three of the Privacy Program Assessment (PPA)with the Consultant's Risk Analysis Session designed to provide management and staff with an overview of the risk analysis process with a focus on review of the NIST Risk Analysis methodology and discussion of top organizational risks and current mitigating controls.

Foreign Influence Assessment Modules

> ➢ Assessment modules represent a risk-based, comprehensive strategy to identify, assess, mitigate and monitor risk associated with universally identified areas of focus related to foreign influence.
> ➢ Engaged in first three of ten assessment modules to identify measures to minimize foreign influence risk in the overall context of FIUs international academic and research mission.
>   • Engaged in assessment module regarding <u>Foreign Nationals on Campus: Visa-holders and Visitors</u> – assesses preventative measures to selectively detect and avoid undue foreign influence where it could potentially arise in the context of foreign nationals on campus.
>   • Engaged in assessment module regarding <u>Conflicts of Interest and Commitment</u> – assesses Conflicts of Interest and Conflicts of Commitment policies and processes pertaining to global engagement scenarios. Collaborated with workgroup members from the OGC, the Office of Research and Economic Development, the Division of Human Resources and the Office of the Provost to
>   ▪ Change COI policy and procedures due to changes in State laws.
>   ▪ Incorporate new foreign influence procedures due to Federal and State regulations.
>   ▪ Draft new Institutional Conflict of Interest policy and procedures.
>   ▪ Develop Communications and Training Plan for University community.
>   • Engaged in assessment module <u>Compliance with Export Controls</u> - assesses the alignment of export control processes to account for and support foreign influence prevention strategies.

Compliance Calendar Monitoring

> ➢ Administered the Compliance monitoring calendar which includes deadlines for items requested of business partners throughout the campus by regulators.
> ➢ Built a second step in the process to verify required submissions were made.
> ➢ Worked with Information Technology, with the support of Internal Audit, to build an automated platform to support the Compliance monitoring function.
> ➢ Communicated with business partners to remind them of deadlines and to seek verification of submissions for the following compliance items within this reporting period:

- Outside Activity/Conflict of Interest Reporting (staff and faculty)
- Report of J-1 Visitors
- New Hire Report
- Higher Education Act: Federal Supplemental Educational Opportunity Grant Program
- Higher Education Act: Perkins Loans
- Institutional Animal Care and Use Report
- Social Security Number Verification Report
- Controlled Substances Act Annual Report
- NCAA Membership Financial Report
- Quarterly Financial Status Reports [Office of Management and Budget (OMB) Circular A-110 Report]
- University President Agreed-Upon Procedures Report
- NCAA IPP Health and Safety Survey
- Office of Federal Affairs Federal Lobbying Disclosure Reports
- Federal Tax and FICA Tax Remittance
- Section 117 - Foreign Source Reporting
- Animal Welfare Act Report (by Licensees)
- Florida Commission on Ethics Financial Disclosure
- Fringe Benefits Reporting (Form 941)
- Internal Revenue Code (IRC) – 403(b) Universal Availability Notice
- Program Participation Agreements and IPEDS
- Reporting of Payments of Royalties

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- Student Loan Interest Reporting (Form 1098-E)
- Tuition Payment Credit Reporting Requirements (Form 1098-T)
- W-2, W-3 and 1098-T (IRS Forms)

ENFORCE AND PROMOTE STANDARDS THROUGH APPROPRIATE INCENTIVES AND DISCIPLINARY MEASURES

Align Completion of Compliance Tasks with the Performance Excellence Process (PEP)

- ➢ Worked with Human Resources to ensure consequences for employees who fail to complete required compliance tasks following an Escalation Protocol.
- ➢ Involved Human Resources Liaisons in the Escalation Protocol to communicate consequences of failure to complete required compliance tasks.
- ➢ Worked to build a system to inform supervisors of employees who have not completed compliance tasks for inclusion in the Performance Excellence Process (PEP).

Compliance Liaison, Policy Committee and Executive Scorecards

- ➢ Enhanced Scorecard system to serve as an incentive for completing compliance tasks and contributing to a culture of compliance and as a method for communicating non-compliance through the reporting chain for discipline, if appropriate.
- ➢ Added all required compliance tasks to the Executive Scorecard to be presented to both DAC and OPS during the monthly meetings and forwarded to the University President.
- ➢ Added detail to the Policy Workgroup scorecard illustrating participation in the three-year policy review process to be forwarded to each member's supervisor.

RESPOND PROMPTLY TO DETECTED PROBLEMS AND UNDERTAKE CORRECTIVE ACTION

Administer, Support and Promote the Florida International University Ethical Panther Hotline

- ➢ Continued administration of the FIU Ethical Panther Hotline to include review and tracking of all 11 reports (during the review period), data compilation, trend review, and reporting.

- ➢ Coordinated the triage of reports by the Hotline Reports Review Committee ("Committee") consisting of the CCO, the Vice President for Human Resources and the Chief Audit Executive tasked with reviewing all reports to determine the University's immediate and initial response, whistleblower status, and what other University personnel, if any, must be involved in the investigation and the ultimate resolution of each report.
- ➢ Responded to each identified reporter to confirm that the report had been received, was being reviewed, and to point the reporter to additional support and resources at Florida International University that may be relevant given the specific nature of the report.
- ➢ Continued regular monitoring of the status of hotline reports and follow up with assigned investigators to ensure reports are assessed and addressed.
- ➢ Continued to promote the FIU Ethical Panther Hotline on the Compliance Website, the new Export Control Website, the Policy Library and in various communications.

New and Integrated FIU Ethical Panther Hotline and Case Management System

- ➢ Partnered with Employee and Labor Relations and Inclusion, Diversity, Equity and Access to complete wireframing and test new hotline and case management system, including developing supporting documents, hotline scripts and webforms.
- ➢ Worked with Employee and Labor Relations and Inclusion, Diversity, Equity and Access and platform vendor to implement system improvements identified as part of the hotline testing process.
- ➢ Integrated Hotline and Case Management system to align with FIU's community standards and to enable more sophisticated, in-depth reporting, the alignment of case types across several areas and the ability to better track and respond to trends in reporting and misconduct.
- ➢ Updated communication materials regarding the Hotline to prepare for launch and rollout in Spring 2021

Provide Recommendations for Corrective Actions and Improvement of Ethical Conduct

- ➢ Continued providing recommendations for corrective actions and improvements of ethical conduct to the appropriate authorities following investigations or requests for guidance.
- ➢ Worked with Human Resources to develop appropriate corrective actions for failure to complete required compliance tasks.

> ➢ Supported FIU College of Business by developing Ethical Decision-Making Training presentation for leadership to fulfill audit recommendation

RISK ASSESSMENT

Educate Risk Owners Regarding Risk Management Principles

> ➢ Continued to meet with Chief Audit Executive to further develop a process for mitigating identified risk across the enterprise by educating risk owners and risk managers and developing a system of accountability.
> ➢ Continued to meet with Internal Audit to discuss development and management of the Panther Enterprise Risk Management Platform.
> ➢ Continued to Review and address emerging risks in partnership with the OGC and other key stakeholders as they occur through new legislative requirements and institutional initiatives and obligations.