



**Audit and Compliance Committee**  
**February 23, 2023**  
**FIU, Modesto A. Maidique Campus, Graham Center Ballrooms**

**MINUTES**

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**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 Carlos A. Duarte at 9:01 AM on Thursday, February 23, 2023.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Carlos A. Duarte, *Chair*; Deanne Butchey; Natasha Lowell; and Cristhofer E. Lugo.

Board Chair Dean C. Colson, Board Vice Chair Roger Tovar, and Trustees Cesar L. Alvarez, Chanel T. Rowe (*via Zoom*), and Marc D. Sarnoff and University President Kenneth A. Jessell also were in attendance.

Committee Chair Duarte welcomed all Trustees and members of the University administration. He also welcomed the University community and general public accessing the meeting via the University's webcast.

**2. Approval of Minutes**

Committee Chair Duarte asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on December 6, 2022. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on December 6, 2022.

**3. Action Item**

**AC1. Performance Based Funding and Emerging Preeminence Metrics**

**A. Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity**

**B. Performance Based Funding and Emerging Preeminence Status – Data Integrity Certification**

Chief Audit Executive Mr. Trevor L. Williams presented the results of the audit of the Performance Based Funding and Emerging Preeminent Metrics Data Integrity and Data Integrity Certification for Committee review. Mr. Williams explained that as required by Florida statutes and the State University System of Florida Board of Governors (BOG), the FIU Office of Internal Audit performed an audit of the University's processes that ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the Performance Based Funding and Emerging Preeminent Metrics. Mr. Williams pointed out that the Board Chair and University

President rely on the outcome of the Performance Based Funding and Emerging Preeminence Metrics audit as a basis for signing said certification. Mr. Williams indicated that the audit and certification are due to the BOG by March 1. He noted that the audit concluded that the University continues to have good process controls for maintaining and reporting performance metrics data and, overall, the system, in all material respects, continues to function in a reliable manner. Mr. Williams stated that the Office of Internal Audit offered several suggestions for enhancing controls, including verifying course and fee waiver exemption codes to ensure that they are accurately reported, implementing steps to ensure that all fee waivers granted for the applicable calculation period are reported to the BOG, developing an effective protocol for reviewing user account access to identify conflicting access, and developing procedures to ensure that audit logs for all identified auditable fields are enabled and monitored. He stated that the Office of Internal Audit believes that the Board Chair and University President have an objective basis to sign the Data Integrity Certification for submission to the BOG.

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

1. Approve the Audit Report - Audit of the Performance Based Funding and Emerging Preeminent Metrics Data Integrity; and
2. 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.

#### **4. Discussion Items**

##### **4.1 Office of Internal Audit Status Report**

Mr. Williams presented the Office of Internal Audit Status Report, noting that since the Committee last met, the Office of Internal Audit completed the Audit of the Performance Based Funding and Emerging Preeminent Metrics Data Integrity. He indicated that there are currently eight (8) audits in various stages of completion and provided an overview of said audits. He reported that of the 48 recommendations that were due for implementation during the five (5) months ended December 31, 2022, 30 or 62% were completed, 10 or 21% were partially implemented, and 8 or 17% were pending. He provided an update on the implementation of said recommendations, noting that, presently, 75% have been completed, 17% are partially implemented, and 8% are pending. He explained that recommendations which are complex and involve significant collaboration may require longer time to implement.

Mr. Williams mentioned that the Office of Internal Audit expends a meaningful amount of time and effort as it relates to evaluating and investigating complaints of alleged fraud, waste, abuse, and mismanagement. He added that, if throughout the investigation process, there are any matters that are deemed significant or credible or otherwise deserving of the attention of the Board of Trustees, that information is shared with the University President, Audit and Compliance Committee, and Chair of the Board of Trustees. Mr. Williams explained that the National Collegiate Athletic Association (NCAA) Division I Council approved a waiver to the requirement of an audit certifying football home game attendance for the 2022-23 academic year. He noted that, as such, FIU is not required to undergo a certified audit of home football game attendance and therefore, said audit will be removed from the approved audit plan for fiscal year 2023. He commented on the proposed

BOG Regulation 10.003 Post-Tenure Faculty Review and its possible audit implications, noting that said regulation, as is currently drafted, provides that “Beginning January 1, 2024 and continuing every three years thereafter, each university must conduct an audit of the comprehensive post-tenure review process for the prior fiscal year and submit a final report to the university’s board of trustees by July 1. The audit shall be performed by the university’s chief audit executive or by an independent, third-party auditor, as determined by the chair of the university’s board of trustees.”

In response to Committee Chair Duarte, Mr. Williams stated that through a competitive process, two (2) internal candidates were selected to fill the two (2) vacant positions within the Office of Internal Audit. He added that the number of vacancies within the Office remain at two (2). In response to Trustee Deanne Butchey, Mr. Williams commented on growing concerns among chief audit executives regarding the necessary resources in meeting the audit component for proposed BOG Regulation 10.003. He added that similarly other new and proposed regulations have or are expected to have an audit component. In response to Trustee Natasha Lowell, Mr. Williams remarked on the competitive job market, noting that applicants are seeking higher compensation levels, work-life balance, and hybrid/remote employment. He added that the quantity and quality of applicants has declined. In response to Board Vice Chair Roger Tovar, Mr. Williams indicated that the implementation of prior audit recommendations related to cybersecurity are of the utmost priority. University President Kenneth A. Jessell commented on centralizing key cybersecurity functions. President Jessell remarked on the turnover analysis and workforce impact report and noted that turnover rates have increased over the three-year period beginning in 2020 and compensation was the main factor for employees leaving FIU. He added that State University System employees were not included as part of the State of Florida’s employee wage increase in the prior year. In response to Board Vice Chair Tovar, President Jessell mentioned that vacancies are utilized as opportunities to evaluate processes, make improvements, and retain key employees.

#### **4.2 Office of University Compliance and Integrity Quarterly Report**

Chief Compliance and Privacy Officer Jennifer LaPorta presented the University Compliance and Integrity Quarterly Report. She indicated that developing foreign influence controls and work flows throughout the University continues to be a priority. She commented on the January 2023 meeting of the Foreign Influence and Global Risk Taskforce and added that additional federal regulations pertaining to foreign influence and China, state legislation containing new restrictions on relationships with foreign countries of concern, and additional reporting requirements are expected this year. Ms. LaPorta stated that the Office of Compliance launched the data gathering effort for the state and federal gift and agreement reporting in December. She added that the Office of the General Counsel evaluated the data and subsequently filed the report with the Office of the Inspector General in January. She pointed out that the results were positive and generalized with regard to the fulfillment of the foreign influence reporting requirement and noted that FIU’s reporting system is working well, although staffing needs to be revisited. She remarked on the forthcoming launch of a foreign agreement intake platform that will centralize the gathering of the required information for the University’s reporting obligations.

Ms. LaPorta mentioned that the Office of Compliance accomplishes a centralized approach to oversight and tracking of over one hundred state and federal mandated filings and actions required throughout the University. She noted that, in December, the 2022 matrix year was closed out with a

100% completion rate. She commented that the Office of Compliance developed a risk-based system, template, and structure for compliance-related assessments and added that the Office anticipates using said structure for further internal compliance assessments as well as to conduct assessments of risk areas identified from audit recommendations and trend analysis of hotline reports. Ms. LaPorta indicated that, in the second quarter, the Office of Athletics Compliance responded to preliminary questions and produced documents in preparation for the rules education assessment to assist in analyzing how well FIU's athletic rules-compliance efforts are organized, communicated, documented, and evaluated. She noted that the assessment was conducted by Conference USA and a report and recommendations are expected in the coming weeks.

Ms. LaPorta commented on the creation of a policy development platform that will automate and centralize the approval and endorsement process for new University policies. She stated that the 2022-23 Compliance workplan includes the development of a new Privacy Governance Taskforce for the University and added that the Office of Compliance has begun the development of a charter and expects to convene key University stakeholders to create a more comprehensive governance structure dedicated to privacy considerations throughout the University in late Spring. Ms. LaPorta remarked on updating the University's Identity Theft Program. She mentioned that the Office of Compliance also worked to develop and curate the various compliance training programs that will be launched in the Spring, including more in depth and targeted training on the five distinct sections of the code of conduct.

## **5. New Business**

### **5.1 Senior Management Discussion of Audit Processes**

Committee Chair Duart noted that, as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Office of Internal Audit and senior management, separately, to discuss the audit process. He further noted that because this meeting is conducted in the Sunshine, no one present or accessing the meeting via the webcast was required to exit during the discussion with senior management. He added that this was strictly voluntary. President Jessell commented on the positive working relationship with the Office of Internal Audit and added that senior management is able to engage with the auditors throughout the audit process. President Jessell remarked that resources for the Office of Internal Audit are a concern as they are University-wide. Interim Chief Financial Officer and Senior Vice President for Finance and Administration Aime Martinez also commented on the positive and collaborative relationship and noted that, in addition to the audit process, consultations with the Office of Internal Audit are of great benefit to senior management.

## **6. Concluding Remarks and Adjournment**

With no other business, Committee Chair Carlos A. Duart adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Thursday, February 23, 2023 at 9:59 AM.