



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

Livestream: <http://webcast.fiu.edu/>

Thursday, March 3, 2022
8:30 AM

Chair: Carlos A. Duarte

Vice Chair: Carlos Trujillo

Members: Natasha Lowell, Joerg Reinhold, Alexander Rubido

AGENDA

1. **Call to Order and Chair's Remarks** **Carlos A. Duarte**
2. **Approval of Minutes** **Carlos A. Duarte**
3. **Action Items**
 - AC1. **Performance Based Funding and Emerging Preeminence Metrics** **Trevor L. Williams**
 - A. Performance Based Funding and Emerging Preeminence Status – Data Integrity Certification
 - B. Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity
 - AC2. **Proposed Regulation FIU-117 Fraud Prevention and Detection** **Trevor L. Williams**
 - AC3. **Proposed Revisions to Audit and Compliance Committee Charter** **Trevor L. Williams**
4. **Discussion Items** *(No Action Required)*
 - 4.1 **Office of Internal Audit Status Report** **Trevor L. Williams**
 - 4.2 **Office of University Compliance and Integrity Quarterly Report** **Jennifer LaPorta**
 - *Florida International University Design and Effectiveness Review*
 - *Compliance and Ethics Program Survey Assessment Based Results*

5. New Business

Carlos A. Duarte

5.1 Senior Management Discussion of Audit Processes

6. Concluding Remarks and Adjournment

Carlos A. Duarte

FIU Board of Trustees Audit and Compliance Committee Meeting

Time: March 03, 2022 8:30 AM - 9:30 AM EST

Location: FIU, Modesto A. Maidique Campus, Graham Center Ballrooms | Livestream: <http://webcast.fiu.edu/>

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Audit and Compliance Committee

March 3, 2022

Subject: Approval of Minutes of Meeting held December 8, 2021

Proposed Committee Action:

Approval of Minutes of the Audit and Compliance Committee meeting held on December 8, 2021, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom.

Background Information:

Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on December 8, 2021, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom.

Supporting Documentation: Minutes: Audit and Compliance Committee meeting, December 8, 2021

Facilitator/Presenter: Carlos A. Duarte, *Chair, Audit and Compliance Committee*



**Audit and Compliance Committee
December 8, 2021**

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom

MINUTES

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 8:32 a.m. on Wednesday, December 8, 2021.

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*; Carlos Trujillo, *Vice Chair (arrived after roll call)*; Natasha Lowell; Joerg Reinhold; and Alexander Rubido.

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

Committee Chair Duarte welcomed all Trustees and members of the University administration.

Committee Chair Duarte explained that the Committee's Charter was created in compliance with Florida Board of Governors (BOG) Regulation and in alignment with best practices, adding that at the Committee's September meeting, the Charter was reviewed as a discussion item. He indicated that minor revisions were identified but any potential substantive change to the Charter is dependent on the adoption of a proposed new fraud regulation, which addresses BOG Regulations 3.003, Fraud Protection and Detection and 4.001, University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement. He remarked that all identified revisions to the Charter will be made, and the revised Charter and new fraud regulation should be presented for Board of Trustees' approval at the next regularly scheduled meeting.

2. Approval of Minutes

Committee Chair Duarte asked that the Committee approve the minutes of the meeting held on September 14, 2021. A motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on September 14, 2021.

3. Action Item

AC1. External Program Review of the Florida International University Compliance Program, 2021

Chief Compliance and Privacy Officer Jennifer LaPorta presented the 2021 external program review of the Florida International University Compliance Program for Committee review. She explained that the scope and methodology of the review included interviews with members of the Compliance

team, senior leadership, compliance liaisons, and a member of the Audit and Compliance Committee. Ms. LaPorta thanked Trustee Natasha Lowell for meeting with the assessment team from Ethisphere. Ms. LaPorta pointed out that the review also included evaluation of the compliance team's responses to an Ethics Quotient Survey, program documentation, and several risk and compliance related processes. She added that Ethisphere compared said data against the BOG Regulation using its own assessment process. Ms. LaPorta indicated that the Compliance team also requested Ethisphere to conduct a deeper evaluation beyond the required BOG report to inform workplan initiatives, adding that Ethisphere provided a detailed memorandum that includes benchmarking against the programs and practices of leading companies around the world. She remarked that said memorandum will be provided to the Committee at the next regularly scheduled meeting as a discussion item.

Ms. LaPorta explained that it is Ethisphere's overall opinion that the Compliance program "Generally Conforms" with BOG Regulation 4.003 with respect to the relevant structures, policies, procedures and processes by which they are applied. She added that "Generally Conforms" was the highest possible rating, commenting that the assessors pointed out that the compliance program environment is well structured and progressive and that BOG regulations are understood and management is endeavoring to provide useful tools and implement appropriate practices. She described successful Compliance program practices as noted by the assessors. Ms. LaPorta mentioned that there were two matters for consideration by management and the Committee. She indicated that the assessors referenced significant new regulation and the need to address resource allocation for compliance with new mandates. She added that FIU has internal mechanisms in place for addressing the need for additional resources through the budgeting and strategic initiative process. She pointed out that the assessors also recommended that the Committee provide written performance review input for the Chief Compliance Officer, adding that she will be discussing the recommendation with the University President and at the next State University System Compliance Consortium committee meeting. She mentioned that the recommendations for the Chief Compliance Officer's consideration are all initiatives that are currently underway.

A motion was made and unanimously passed that the Audit and Compliance Committee recommend that the Florida International University Board of Trustees approve the External Program Review of the Florida International University Compliance Program (the "External Program Review") and authorize the submission of the External Program Review to the Florida Board of Governors.

4. Discussion Items

4.1 Office of Internal Audit Status Report

Chief Audit Executive Mr. Trevor L. Williams presented the Internal Audit Status Report, commenting on recently completed audits. In terms of the Audit of Laboratory Safety, he indicated that the Office of Internal Audit concluded that the University has established robust policies and procedures and effective governance and oversight practices to enforce regulatory compliance over lab safety. He added that the audit identified gaps in the operations of laboratories, indicating that some of said gaps have a more direct impact on safety, while others are operational in nature. Mr. Williams explained that the process for managing lab safety inspections could be more efficient, notification and correction of lab deficiencies could be timelier, lab personnel need to ensure all

required refresher safety training are current, and controls are needed to ensure controlled substances and other hazardous materials are not improperly purchased with departmental credit cards. He remarked that improvements are needed for managing access to labs, including timely removal of such access for terminated lab employees. He commented that the audit resulted in 11 recommendations, noting that management has agreed to implement the necessary corrective actions.

Relating to the Audit of Healthcare Affiliated Agreements for Student Placement/Rotation, Mr. Williams explained that the period covered during the audit was between July 2018 and June 2021. He pointed out that the audit reviewed the Herbert Wertheim College of Medicine (HWCOM) and the Nicole Wertheim College of Nursing and Health Sciences (NWCNHS) and that both utilize affiliated agreements to afford students the education, training, and clinical experience required by their curricula. He remarked that the audit concluded that HWCOM and NWCNHS have appropriate internal controls for some areas of their operations for managing affiliated agreements. Mr. Williams mentioned that the Colleges have established processes in place for the execution of affiliated agreements and student placement in the facilities covered by said agreements. He described the contract utilization rates as 80% for HWCOM and 49% for NWCNHS. He commented that HWCOM appeared to have good controls over the timely and accurate payment for the services provided through the affiliated agreements, stating that NWCNHS agreements are not fee-for-service agreements, as prohibited by Florida Statutes. He noted that HWCOM students who participated in the voluntary end of program survey, issued by the Association of American Medical Colleges, found that nearly 90% of those students were satisfied with their program experience.

Mr. Williams indicated that the Office of Internal Audit offered the following recommendations to improve the management of executed affiliated healthcare agreements and general operations: (1) review all contracts that are auto renewed and transition them to contracts with set terms; (2) update the affiliated agreements to include insurance coverage and an indemnification clause and ensure that the General Counsel reviews all contracts for legal sufficiency; (3) consider implementing a universal contract management system; (4) improve controls over use of the Volunteer and Employee Criminal History System by removing access of a former employee and another employee whose duties no longer require access and prohibit employees from sharing user credentials; (5) consider developing an effective quality control review process for validating the background screening results; and (6) ensure appropriate supporting documentation of students' completion of prerequisite requirements are maintained and that all employees complete the Outside Activity/Conflict of Interest Form.

Mr. Williams pointed out that there are six (6) audits in various stages of completion. He explained that the Office of Internal Audit receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse, adding that six (6) complaints have been received since the Committee's September meeting. He stated that the Office of Internal Audit has evaluated the complaints received and are currently investigating those deemed appropriate for their office to investigate and have referred the others to the appropriate units within the University for investigations. Mr. Williams remarked that the Office of Internal Audit continues to provide support with regard to the

development of University's Fraud Protection and Detection Regulation, noting that the Regulation has been posted to the University's Regulation website.

4.2 Office of University Compliance and Integrity Quarterly Report

Ms. LaPorta provided work plan updates and highlighted key initiatives. She explained that she serves as the Chair of the Foreign Influence and Global Risk Taskforce, and as such, oversees the four distinct subcommittees formed to address the requirements of new Florida Statutes regarding foreign influence and research integrity. She added that several of the provisions focus on seven "countries of concern", stating that the required screening, foreign travel controls and reporting mandates extend far beyond those countries of concern and affect all of the University's international touchpoints. She described the subcommittees, pointing out that most workflows will require a multidisciplinary approach.

Ms. LaPorta commented on the fall newsletter and indicated that the Code of Conduct is under final review by key stakeholders and that over 2,700 University employees responded to the Compliance and Ethics Program Survey. She remarked on the policy development process, which the Compliance team has managed, including ushering 12 new policies through the appropriate review process prior to posting. Ms. LaPorta mentioned that nine (9) training/attestation campaigns were designed, developed, and launched and are in various stages of escalation. With respect to investigation, discipline, incentive, and corrective action, she indicated that 23 open reports are in various stages of the assignment, review, and tracking process. She mentioned that the Office of Compliance continues to work on the development of the enterprise risk management platform.

5. New Business

Trustee Lowell commended the Compliance team on the results of the external review.

5.1 Office of Internal Audit Discussion of Audit Processes

Committee Chair Duarte 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 participating via Zoom or accessing the meeting via the webcast was required to exit those platforms during the discussion with the Office of Internal Audit, adding that this was strictly voluntary. The Committee met with Mr. Williams. Mr. Williams confirmed that the administration has provided the Office of Internal Audit with the support, resources, and independence needed to perform the audit function in an objective manner. He added that he is able to perform his work without hinderance, influence, or pressure. In terms of managing and accepting risks, he stated that management has been and continues to be responsive regarding the recommendations from the Office of Internal Audit. Mr. Williams commented on the challenges that the Office of Internal Audit is facing as it relates to appropriately sourcing open positions, noting that while recruitment efforts continue for the two (2) open positions, qualified candidates are seeking hybrid work environments and competitive compensation levels.

In response to Trustee Lowell, Mr. Williams indicated that the Office of Internal Audit is working on-site with two (2) Office of Internal Audit team members working remotely. Further responding to Trustee Lowell, he remarked that current Office of Internal Audit team members have also

discussed their desire for a hybrid work environment. In response to Committee Chair Duarte, Mr. Williams commented that the Division of Human Resources has provided a market analysis and that the open positions could potentially impact the programmed audits for 2022. Board Vice Chair Roger Tovar mentioned that while reports can be drafted from an off-campus location, the audit function does require on-site work and asked that Mr. Williams inform the Committee of any budgetary issues and/or concerns that may arise. Board Vice Chair Tovar mentioned that as the University continues to expand its footprint, it is critical to remain focused on the various campuses and locations.

6. Concluding Remarks and Adjournment

With no other business, Committee Chair Carlos A. Duarte adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Wednesday, December 8, 2021, at 9:22 a.m.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Audit and Compliance Committee

March 3, 2022

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 14, 2021. 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 will be submitted to the Office of Inspector General and Director of Compliance no later than March 3, 2022.

Supporting Documentation: March 2022 Data Integrity Certification
Audit of the Performance Based Funding and
Emerging Preeminent Metrics Data Integrity

Facilitator/Presenter: Trevor L. Williams



Data Integrity Certification

March 2022

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 **material or significant** audit findings.

Data Integrity Certification Representations			
Representations		Yes	No
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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."	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Data Integrity Certification

Data Integrity Certification Representations			
Representations		Yes	No
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>

Data Integrity Certification Representations, Signatures	
<p>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.</p>	<p>Certification: _____ Date _____</p> <p>President</p>
<p>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.</p>	<p>Certification: _____ Date _____</p> <p>Board of Trustees Chair</p>



**Audit of Performance Based Funding and
Emerging Preeminent Metrics Data Integrity
Report No. 21/22-03
February 10, 2022**

Date: February 10, 2022

To: Elizabeth Bejar, Senior Vice President of Academic & Student Affairs
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. 21/22-03**

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 ranked number one and received \$67.5 million. Furthermore, in 2020, 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 3, 2022.

Our audit confirmed that FIU continues to have good process controls for maintaining and reporting performance metrics data. Overall, the system continues to function in a reliable manner, in all material respects. However, although having no adverse impact on the calculation of the metrics tested, we identified gaps that if appropriately addressed by management, will enhance the process. We offered four recommendations to address the issues identified during the audit. Management has agreed to implement all recommendations offered.

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

Kenneth A. Jessell, Interim University President

Aime Martinez, Interim Chief Financial Officer and Vice President for Finance and Administration

Javier I. Marques, Vice President and Chief of Staff, Office of the President

Carlos B. Castillo, General Counsel

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EXECUTIVE SUMMARY

Introduction

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 2021-2022, FIU ranked number one and received \$67.5 million of the \$560 million distributed by the Florida Legislature and Governor. Furthermore, in 2020, the University achieved sufficient preeminent metrics to receive the designation of an emerging preeminent state research university.

What We Did

As required by the BOG, we performed this audit 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.

What We Concluded

In summary, we concluded that the University 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 identified opportunities for process improvements. Specifically, information technology and general controls could be strengthened by the following actions:

- A review of access controls is done based on a specific list of employees instead of based on critical roles. Perform a review of access controls based on critical roles in PantherSoft.
- The BOG mapping document had not been reviewed since 2014 and several auditable fields were not enabled. Review the *PantherSoft to BOG Mapping of Elements* document to determine completeness and ensure all auditable fields are enabled.
- Upon termination or transfer, some former employees' access was not disabled or deactivated in the PAWS system. Create a formal process for disabling accounts once no longer required and routinely verify access.
- The *AIM-BOG Business Process Manual* does not contain guidance to staff related to preeminent metrics. Update the *Manual* to include policies and procedures related to preeminent metrics.

The reportable conditions found and the background giving rise to the foregoing recommendations are detailed in the Observations and Recommendations section beginning on page 10 of this report. We have also included the mitigation plans management has proposed in response to our observations and recommendations, along with their implementation dates and complexity ratings.

OBJECTIVES, SCOPE, AND METHODOLOGY

As directed by the State University System (SUS) of Florida Board of Governors 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 data files submitted to the BOG between September 1, 2020, and August 31, 2021. 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 BOG-approved extended due date of March 3, 2022.

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:

- Updated our understanding of the data flow process for all the relevant data files from the transactional level to their submission to the BOG;
- 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 the State University Database System (SUDS);
- Confirmed change management controls for redefining and/or correcting data to meet the BOG's data definition standards during the submission and resubmission process;
- Interviewed key personnel, including AIM employees, functional unit leads, and those responsible for developing and maintaining the information systems;
- Reviewed BOG data definitions and methodology and meeting notes from the relevant groups within the BOG and FIU to identify changes to the BOG Funding Metrics;
- Observed current practices and processing techniques;
- Tested the latest data files for four of the 10 performance based funding metrics and three of the nine emerging preeminent metrics achieved and submitted to the BOG as of August 31, 2021.

Sample sizes and elements selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit planning and fieldwork was conducted from August 2021 to January 2022. In fiscal year 2020-2021, we issued the report *Audit of Performance Based Funding and Emerging Preeminence Metrics Data Integrity*, (Report No. 20/21-06), and a separate management letter dated February 1, 2021. That audit management letter offered two recommendations requiring follow-up which management implemented, and our office verified during our 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 selected by the BOG and one selected by each university's Board of Trustees. These metrics were chosen after reviewing over 40 metrics identified in the Universities' Work Plans but are subject to change yearly. The 10 metrics pertaining to Florida International University are depicted in the following table.

FIU's Performance Based Funding Metrics			
1.	Percent of Bachelor's Graduates Enrolled or Employed (Earning \$25,000+) 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.	Cost to the Student Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours	8.	Graduate Degrees Awarded in Areas of Strategic Emphasis
4.	Four-Year FTIC (Full-time, First-Time-In-College) Graduation Rate	9a.	Two-Year Graduation Rate for Florida College System Associate in Arts Transfer Students
		9b.	Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year
5.	Academic Progress Rate (2 nd 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 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 2021-2022 using the results of the performance metrics from fiscal year 2020-2021, wherein FIU ranked first and earned 97 points.

Florida Board of Governors Performance Funding Allocation, 2021-2022¹				
	Points*	Allocation of State Investment	Allocation of Institutional Investment	Total Performance Funding Allocation
FAMU	79	\$ 12,651,647	\$ 14,083,909	\$ 26,735,556
FAU	89	20,392,761	22,701,375	43,094,136
FGCU	82	11,469,477	12,767,908	24,237,385
FIU	97	31,947,249	35,563,918	67,511,167
FL Poly	83	4,295,463	4,781,742	9,077,205
FSU	88	41,028,117	45,672,810	86,700,927
NCF	64	3,643,257	4,055,701	7,698,958
UCF	87	32,898,338	36,622,678	69,521,016
UF	87	50,191,372	55,873,414	106,064,786
UNF	77	12,903,434	14,364,201	27,267,635
USF	94	34,549,019	38,460,229	73,009,248
UWF	83	9,029,866	10,052,115	19,081,981
Totals		\$ 265,000,000	\$ 295,000,000	\$ 560,000,000

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

Source: BOG

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).

Pursuant to section 1001.706(5)(e), Florida Statutes:

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.

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 following table lists the 12 preeminent metrics and highlights in **bold type** the nine metrics the University met, specifically metrics 1, 3, 5, 6, 7, 8, 9, 10, and 11.

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.	Four-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:

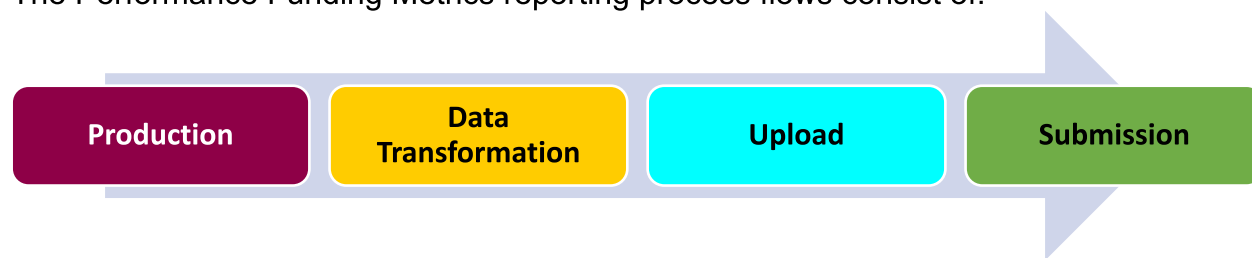
- Faculty Perception of Administrators, formerly Faculty Assessment of Administrator System
- Assisting with the online system used to credential faculty
- Academic Program Inventory
- Assignment of Classification of Instructional Program codes to courses and certificate programs

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.

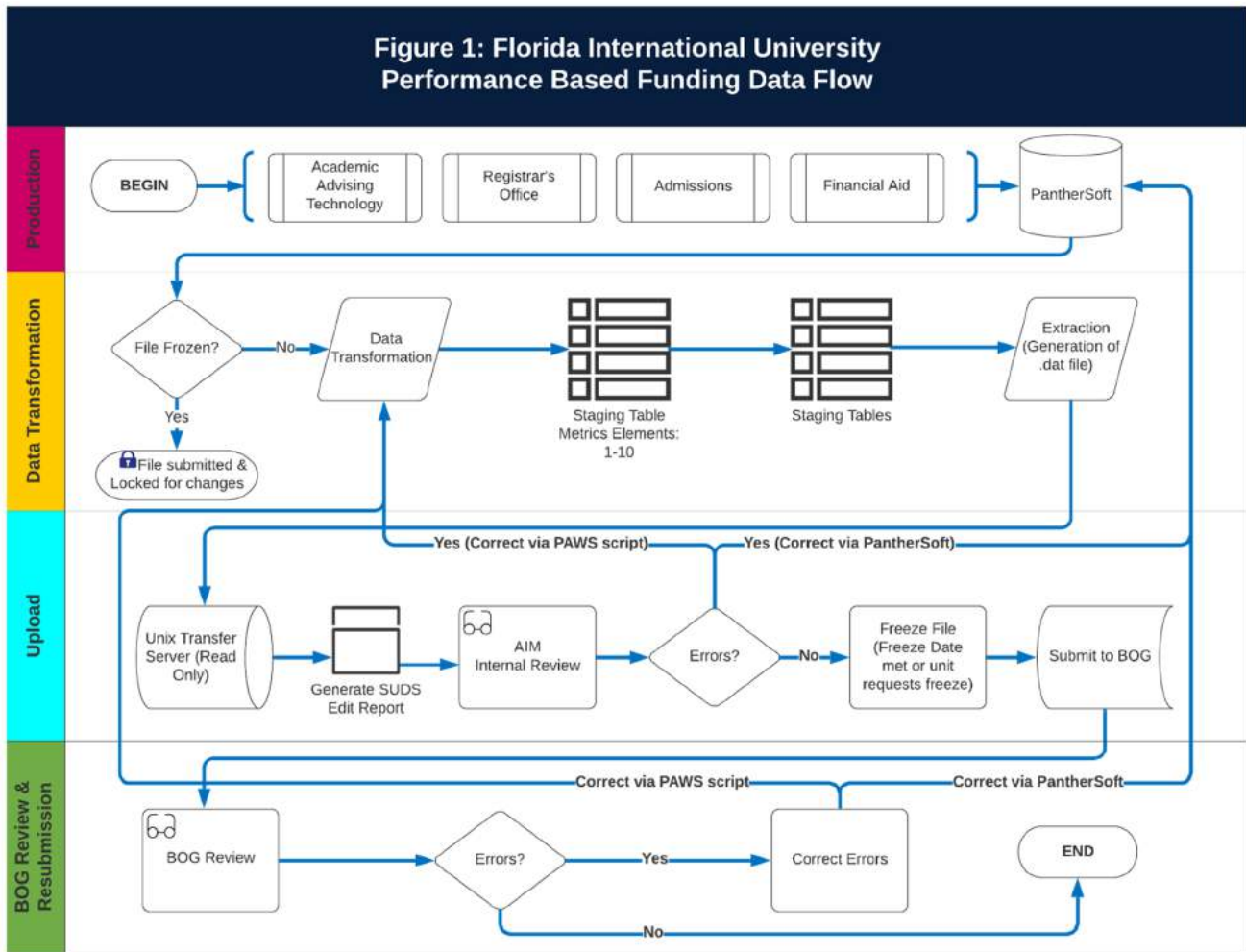
The Associate Vice President of AIM, who is also the University's Data Administrator, reports directly to the Provost and is responsible for gathering data from all applicable units, preparing the data to meet BOG data definitions and requirements, and submitting the data.

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.

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



OVERALL ASSESSMENT OF INTERNAL CONTROLS

Our overall assessment of internal controls is presented in the table below.

INTERNAL CONTROLS ASSESSMENT			
CRITERIA	SATISFACTORY	OPPORTUNITIES TO IMPROVE	INADEQUATE
Process Controls	X		
Policy & Procedures Compliance	X		
Effect	X		
Information Risk	X		
External Risk	X		
INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	OPPORTUNITIES 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, etc.	None or low	Potential for damage	Severe risk of damage

OBSERVATIONS AND RECOMMENDATIONS

The areas tested during the audit and our observations and recommendations are detailed below.

Areas Within the Scope of the Audit Tested Without Exception:

Data Accuracy Testing - Performance Based Funding Metrics

This is our eighth 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. Prior to this audit, we have audited each of the 10 metrics at least twice, with metrics 4 through 10 three or more 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	
8.	2021-22	4, 5, 9, & 10	First year of the revised Metrics 9 and 10

While there were no prior year audit findings stemming from our data accuracy testing, for this year's audit, we determined to test Metrics 4, 5, 9, and 10. Metrics 4 and 5 were last audited in 2018-19 and had increases in the improvement scores from the prior year, and Metrics 9 and 10 were newly implemented during the audit period.

The four PBF metrics tested were as follows:

- Metric 4 – Four-Year FTIC Graduation Rate
- Metric 5 – Academic Progress Rate (2nd Year Retention with GPA Above 2.0)
- Metric 9a – Two-Year Graduation Rate for Florida College System Associate in Arts Transfer Students
- Metric 9b – Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year
- Metric 10 – Board of Trustees' Choice – Number of Post-Doctoral Appointees

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

- Student Instruction File (SIF), Enrollments Table
- Degrees Awarded File (SIFD), Degrees Awarded Table
- Retention File (RET), Retention Cohort Changes Table
- Student Financial Aid File (SFA), Financial Aid Awards Table

Management 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 on page 24).

We tested the accuracy of the data used for the four 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.

Metrics 4, 5, 9a, and 9b

The data for Metrics 4, 5 and 9 is generated by the BOG from the SIF, SIFD, RET, and SFA files submitted by the University. Additionally, the BOG also generates data from the SFA file for Metric 9.

Metric 4, Four-Year FTIC Graduation Rate, is based on the percentage of first-time-in-college (FTIC) students who started in the fall (or summer continuing to fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes 'early admit' students who were admitted as a degree-seeking student prior to high school graduation. Students who were enrolled in advanced graduate programs during their 4th year were excluded.

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

In November 2020, Metric 9 was changed from BOG Choice - Percent of Bachelor's Degrees without Excess Hours, into a two-part metric to the performance based funding model: 9a) Two-Year Graduation Rate for FCS Associate in Arts Transfer Students and 9b) Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year.

Metric 9a, Two-Year Graduation Rate for Florida College System (FCS) Associate in Arts Transfer Students, The transfer cohort is defined as undergraduates entering in fall term (or summer continuing to fall) from the Florida College System with an Associate in Arts (AA) degree. The rate is the percentage of the initial cohort that has either graduated from the same institution by the summer term of their second academic year. Full-time students are used in the calculation. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor's degree were not excluded.

Metric 9b, Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year, This metric is based on the percentage of students who started in the fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and who received a Pell Grant during their first year and who graduated from the same institution by the summer term of their sixth year. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor's degree were excluded.

To verify that the data in the SIF file submitted to the BOG was accurate, we judgmentally selected a sample of 40 students from the summer 2020 Enrollment Table (20 of the students were selected based on the students' FTIC status and the remainder were selected at random) and verified that the data submitted to the BOG agrees to the data found in the students' records in the PantherSoft System. We verified the nine elements relevant to Metrics 4, 5, and 9 and found no exceptions.

Likewise, to verify the data submitted in the SIFD file, we judgmentally selected a sample of 30 students for testing from the summer 2020 Degrees Awarded Table. We verified without exception the information related to the one element related to Metrics 4, 5, and 9. As evidenced by the supporting documentation, all students had received their degree in summer 2020, as reported in the summer 2020 SIFD file.

To verify the data submitted in the RET file, we judgmentally selected a sample of 30 students from the Annual 2020-2021 Retention Cohort Changes Table. We reviewed the supporting documentation related to the four relevant elements and verified that the data provided to the BOG agreed to the data in PantherSoft. No exceptions were found.

In addition to the files noted above, Metric 9 uses the SFA file in the metric's methodology. To verify that the data submitted in the SFA file is accurate, we selected a sample of 30 students from the 2019-2020 Financial Aid Award Table and verified that the data provided to the BOG was the same as the data contained in PantherSoft. We verified the data in the relevant three elements and agreed it to the information in PantherSoft and found no exceptions.

Conclusion

Our testing of the SIF, SIFD, RET, and SFA files found no differences between the information submitted to the BOG and the data contained in the PantherSoft system as it relates to the elements that are relevant to Metrics 4, 5, and 9.

Metric 10 – Board of Trustees’ Choice - Number of Post-Doctoral Appointees

The data for Metric 10 is the number of post-doctoral appointees awarded annually.

Metric 10, Number of Post-Doctoral Appointees, this data is based on National Science Foundation/National Institutes of Health Survey of Graduate Students and Post-doctorates in Science and Engineering.

We performed a review of the list of post-doctoral appointees for fall 2019 during our review of emerging preeminent metrics on page 15 and found no exceptions.

Conclusion

Our testing of the post-doctoral appointees found the data reported to be accurate and consistent between the information submitted to the BOG and the data in PantherSoft.

Data Accuracy Testing - Emerging Preeminent Metrics

In 2021, the University achieved nine of the 12 Preeminence metrics, earning it Emerging Preeminent designation. We selected three of the nine metrics met for testing as follows:

- Metric 3 – Freshman Retention Rate
- Metric 6 – Total Annual Research Expenditures
- Metric 11 – Number of Post-Doctoral Appointees

In October 2020, the BOG issued the *Preeminent Metrics Methodology Document*, which we used in our testing.

We tested the accuracy of the data used for the three 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 3 – Freshman Retention Rate

Freshman Retention Rate (full-time, FTIC) cohorts are based on first-year undergraduate students who enter the institution in the fall term (or summer term and continue into the fall term). Percent retained is based on those who are enrolled during the second fall term.

The BOG calculated the University had a retention rate of 91%. To test the accuracy of the rate, we identified the six SUDS elements related to the preeminent metric. Our testing found no exceptions.

Metric 6 – Total Annual Research Expenditures

Total annual Science & Engineering research expenditures, including federal research expenditures, of \$200 million or more.

Once a year, the Office of Data & Analytics (ODA) staff analyzes each institution's response to the National Science Foundation's annual Higher Education Research and Development survey that is submitted to the BOG office via the Data Request System. ODA staff calculate the total expenditures for science and engineering disciplines by summing the total federal and non-federal expenditures and then subtracting all federal and non-federal expenditures for non-science and engineering disciplines. The results of ODA's research are reviewed and approved by Institutional Data Administrators before being included in the Accountability Plans.

To test the accuracy of the data related to research expenditures for science and engineering, we reconciled the research expenditures data received from ODA to the data reported by the NSF, without exception. The NSF website reported research expenditures totaling \$210 million. We further grouped the data by cost center and tested all expenditures, totaling \$16,339,075, from 25 cost centers selected, to ensure the expenditure were: (1) related to research, (2) related to the science or engineering

disciplines, and (3) in agreement with the amount reported in PantherSoft Financials. The results of our testing found no exceptions.

Metric 11 - Number of Post-Doctoral Appointees

Two hundred or more post-doctoral appointees annually.

Once a year, the Office of Data & Analytics staff reviews the NSF summary reports for each institution's response to the National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Post-Doctorates in Science and Engineering. The NSF summary reports rank institutions by the total number of post-doctoral appointees in science, engineering, and health fields. For this preeminent metric, rank does not matter, only the total post-doctoral count is relevant. The results of the ODA's research are reviewed and approved by Institutional Data Administrators before being included in the Accountability Plans.

To test the accuracy of the data related to post-doctoral appointees, we obtained the listing of post-doctoral appointees for fall 2019, totaling 260. From the listing, we selected 20 appointees to determine if the post-doctoral appointee worked in the science, engineering, or health fields; had received their doctorate degree within the last five to seven years; had only a limited appointment, generally no more than five to seven years; and the data agreed with the information obtained from the PantherSoft Human Resources database for fall 2019. We found no exceptions.

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*.

Data File Submissions and Resubmissions

Data File Submissions

To ensure the timely submission of data, AIM used the due date schedule provided by the BOG in SUDS 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 reflects the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during the audit period. All files were submitted by the BOG due date:

File		Period	Original Due Date	Original Submission Date
ADM	Admissions	Summer 2020	09/11/20	09/11/20
SIF	Student Instruction	Summer 2020	09/25/20	09/25/20
SIFD	Degrees Awarded	Summer 2020	10/02/20	10/01/20
ADM	Admissions	Fall 2020	10/12/20	10/12/20
SFA	Student Financial Aid	Annual 2020	10/16/20	10/14/20
SIFP	Student Instruction Preliminary	Fall 2020	10/19/20	10/19/20
EA	Expenditure Analysis	Annual 2020	11/02/20	10/30/20
HTD	Hours to Degree	Annual 2020	11/13/20	11/13/20
SIF	Student Instruction	Fall 2020	01/15/21	01/15/21
SIFD	Degrees Awarded	Fall 2020	01/25/21	01/25/21
RET	Retention*	Annual 2020	01/29/21	01/28/21
ADM	Admissions	Spring 2021	03/01/21	03/01/21
SIF	Student Instruction	Spring 2021	06/11/21	06/11/21
SIFD	Degrees Awarded	Spring 2021	06/25/21	06/25/21

* The indicated file was subsequently resubmitted and is reviewed below.

Data File Resubmissions

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, 2020, and August 31, 2021, of which one file required resubmission.

In the one instance observed, the BOG staff requested the resubmission of the RET File by reopening the SUDS system for resubmission. Furthermore, resubmissions decreased from five to one since the last audit issued in fiscal year 2020/2021.

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, which can only be accomplished by the BOG.

Conclusion

Our review disclosed that the process used by the Data Administrator provides reasonable assurance that complete, accurate, and timely submissions occurred. The only resubmission required was due to an error on the BOG's part. We noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions.

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 to determine if any initiatives were made to purposely inflate performance goals.

- Implemented Educational and General 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

Our review disclosed that none of the initiatives provided appear to have been made for the purposes of artificially inflating performance goals.

Areas Within the Scope of the Audit Tested With Exception:

1. Data Systems Design and Controls

Selected Access Controls Review

AIM performed an annual review, in collaboration with the functional areas and the PantherSoft Security Team to assess functional unit personnel access to critical data. The annual review included examination of user privileges within the SUDS and PantherSoft applications and examination of audit log files and production data. The objectives of the annual review are to:

- evaluate user accounts to ensure onboarded and offboarded SUDS users have an associated PAWS² ticket and the existing users' access match their current job description;
- reduce access privileges to the PantherSoft production environment to appropriately mitigate least privilege and segregation of duties risks; and
- examine log reporting for all metric data files, where appropriate, to ensure the integrity of the data submitted 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

A user's supervisor or functional unit lead is responsible for notifying the security manager when an employee no longer requires SUDS access. 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 AIM Data Analyst initiates PAWS tickets to add, change, or remove users with access to SUDS.

b) PantherSoft Access Control

AIM performs a review of PantherSoft least privilege and segregation of duties on an annual basis. AIM uses a list of users with write access to PantherSoft and checks on write access to fields that are subsequently used for data submitted to the BOG. The list of users was gathered in 2017 and has been carried over for all annual reviews. The list currently consists of 71 users and is updated periodically, though the methodology used to update the list is ineffective. As a result, if a user account with existing access was omitted from the list, that user access would not be included in the annual review. AIM mentioned that as a compensating control, a PantherSoft query runs daily to notify AIM of any changes to the Human

² Ticketing system used to submit access requests.

Resources (HR) status of an employee with access to the PantherSoft fields. However, the query is configured to search for changes in HR status of the same 71 users and would fail to identify any other users. The failure to obtain a full population of users with write access to the PantherSoft fields used for data for BOG submission could lead to an ineffective review process allowing users to have access to data which could impact the integrity of data submitted to the BOG. To ensure all relevant employees are captured, the PantherSoft Security Team recommends that AIM identifies the most critical fields in PantherSoft Campus Solutions related to the data submitted to BOG. The Security Team would then be able to identify all relevant roles and a query could be performed to gather those users at any given point in time.

c) PantherSoft Audit Logs

Audit log capabilities in the PantherSoft production environment, 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 included in the *PantherSoft to BOG Mapping of Elements* document. 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.

A review of the *PantherSoft to BOG Mapping of Elements* document for metrics 4, 5, and 9 was performed and 27 unique PantherSoft fields were identified. Of the 27 fields, nine fields are currently being audited, while five additional fields that could potentially be audited were not. The remaining 13 fields cannot be audited due to performance issues.

In addition, we found the document containing the *PantherSoft to BOG Mapping of Elements* was last updated in 2014. It is important to keep the mapping updated to ensure that if any new PantherSoft fields are added, they are accounted for in AIM's review and all auditable fields are enabled.

Change Management Controls

To understand the process for ensuring complete and accurate submissions, we reviewed controls in place for changes to the code used to generate BOG files. We observed that PantherSoft has change management controls in place for the modification of code used to generate files submitted to the BOG. A BOG module within a PantherSoft owned system called PAWS allows PantherSoft Developers, Acceptance Testers, and PantherSoft Database Administrators to collaborate to

conduct development, testing, and approval functions in the TESTING and STAGING environments prior to the migration of code to the PRODUCTION environment.

We obtained all three PAWS Change Requests for changes to the code for any fields related to metrics 4, 5, and 9 during the audit period. We reviewed the supporting documentation for the changes made and found management has an effective change management process in place to manage the modification of code used to generate BOG metric files.

In addition, we reviewed PAWS Access Controls. Of the list of 43 users with access to the PAWS BOG module, 34 employees had access to perform acceptance testing, which allows them to validate the changes made by the programmers. Of those 34 employees, 10 were no longer employed by the University and an additional 15 were found to no longer need access. The accounts were subsequently removed by the PantherSoft Database Administration Team. Management informed us that the departments must contact the PantherSoft Database Administration Team to notify them when user account must be terminated. We also learned that PAWS leverages FIU's single sign-on user authentication scheme, which allows employees to use their FIU credentials to login to the system. Even if PantherSoft is not contacted regarding a terminated employee, the user accounts could not access PAWS as most functions of the FIU accounts are disabled by the University upon employee termination. However, this may not apply to employees that transfer across departments as their FIU accounts would remain active, allowing them to retain access to PAWS.

The remaining 9 of the 43 users had technical roles including approver, developer, and database administrator privileges. Those employees were confirmed to be active employees with appropriate access.

Recommendations

The Office of Analysis and Information Management should:	
1.1	Perform a review of access controls based on critical roles in PantherSoft Campus Solutions.
1.2	Update the <i>PantherSoft to BOG Mapping of Elements</i> document to determine completeness, collaborate with the PantherSoft Security Team to reevaluate which of the identified fields can be audited, and ensure all auditable fields are enabled.
The PantherSoft Database Administration Team should:	
1.3	Create a formal process for disabling accounts no longer requiring access to the PAWS BOG module and routinely verify access.

Management Response/Action Plan

- 1.1 AIM has agreed to perform the following steps:
1. Review PS fields required for BOG elements.
 2. Update list of elements to be tracked.
 3. Generate list of users with edit access to those elements.
 4. Run query from above list of users to determine their PS role.
 5. Cross reference the list with PS HR to determine whether their job function requires them to access these fields.
 6. Review access privileges and remove or reduce privileges as needed.

Implementation date: 3

Complexity rating: August 1, 2022

- 1.2 AIM has agreed to perform the following steps:
1. Review PS fields required for BOG elements.
 2. Update list of elements to track in PS.
 3. Determine which of the fields have audit capabilities.
 4. Enable audit for all fields that can be audited without causing performance issues.
 5. Review access privileges and remove or reduce as needed.

Implementation date: 3

Complexity rating: September 1, 2022

- 1.3 The PantherSoft Team (PS Team) will:
1. Automate the removal of access from PAWS for any employee/user that is terminated and/or transfers to a different department (requires integration from with HR system)
 2. Attempt to secure the PAWS BOG module by only those users that need it (may require development)
 3. Generate a yearly report with all users associated with PAWS BOG module and provide to PS development lead and AIM functional lead (will require development of process and report)

Implementation date: 3

Complexity rating: September 1, 2022

2. Preeminent Metrics Methodology

During the review of Preeminent Metric 11, Number of Post-doctoral Appointees, we noted that the criteria used to define post-doctorates were not defined. The BOG's guidelines state that universities should use their definition of post-doctorate as this varies by institution. Although there is a process in place, it has not been formally documented.

AIM maintains the *AIM-BOG Business Process Manual*, which details the department's internal policies and procedures, including the processes for generating the files submitted to the BOG to be used in the calculation of the performance-based metrics. Our review disclosed that the Manual does not include policies and procedures pertaining to preeminent metrics and those responsible for gathering the information used in calculating these metrics.

A manual provides direction to new personnel, is a ready reference source for all employees, clarifies roles and responsibilities, and helps assure consistent application of management's expectations. Updating the manual would serve as a valuable guide in cases of employee substitution and/or turnover.

Recommendation

The Office of Analysis and Information Management should:	
2.1	Update the <i>AIM-BOG Business Process Manual</i> to include policies and procedures related to preeminent metrics.

Management Response/Action Plan

- 2.1 AIM has agreed to perform the following steps:
1. Review the documentation for all 12 Preeminence metrics.
 2. Update the process manual with relevant best practices for these metrics.

Implementation date: 3

Complexity rating: August 1, 2022



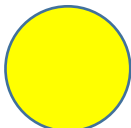



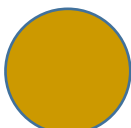
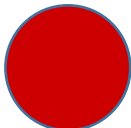

APPENDIX I – IN-SCOPE BOG DATA ELEMENTS

No.	Metric	Definition	Submission/Table/Element Information	Relevant Submission
4	Four-Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the fall (or summer continuing to fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes 'early admit' students who were admitted as a degree-seeking student prior to high school graduation. Students who were enrolled in advanced graduate programs during their 4th year were excluded.	Submission: SIFD Table: Degrees Awarded Elements: 02001 – Reporting Time Frame	Summer 2020 Fall 2020 Spring 2021
			Submission: SIF Table: Enrollments Elements: 01063 – Current Term Course Load 01060 – Student Classification Level 01112 – Degree Highest Held 01107 – Fee Classification Kind 01420 – Date of Most Recent Admission 01413 – Type of Student at Time of Most Recent Admission 01411 – Institution Granting Highest Degree	Summer 2020 Fall 2020 Spring 2021
			Submission: RET Table: Retention Cohort Changes Elements: 01429 – Cohort Type 01433 – Full-Time/Part-Time Indicator 01437 – Student Right to Know (SRK) Flag 01442 – Cohort Adjustment Flag	Annual 2020-2021
5	Academic Progress Rate 2nd Year Retention with GPA Above 2.0	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the fall (or summer continuing to fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the next fall term with a grade point average (GPA) of at least 2.0 at the end of their first year (fall, spring, summer).	Same as No. 4 above. Additionally includes the following: Submission: SIF Table: Enrollments Elements: 01085 – Institutional Hours for GPA 01086 – Total Institutional Grade Points	Summer 2020 Fall 2020 Spring 2021 Annual 2020-2021
9a.	Two-Year Graduation Rate for FCS Associate in Arts Transfer Students	This transfer cohort is defined as undergraduates entering in fall term (or summer continuing to fall) from the Florida College System with an Associate in Arts (AA) degree. The rate is the percentage of the initial cohort that has either graduated from the same institution by the summer term of their second academic year. Full-time students are used in the calculation. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor's degree were not excluded.	Same as No. 4 above. Beginning Fiscal Year 2021-2022	Summer 2020 Fall 2020 Spring 2021 Annual 2020-2021

No.	Metric	Definition	Submission/Table/Element Information	Relevant Submission
9b.	Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year	This metric is based on the percentage of students who started in the fall (or summer continuing to fall) term and were enrolled full-time in their first semester and who received a Pell Grant during their first year and who graduated from the same institution by the summer term of their sixth year. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor's degree were excluded.	Same as No. 4 above. Additionally includes the following: Submission: SFA Table: Financial Aid Awards Elements: 01045 – Reporting Institution 02040 – Award Payment Term 01253 – Financial Aid Award Program Identifier Beginning Fiscal Year 2021-2022	Summer 2019 Fall 2019 Spring 2020 Annual 2020-2021 Annual 2019-2020 Annual 2020- 2021
10	Number of Post-Doctoral Appointees	The number of post-doctoral appointees awarded annually. This data is based on National Science Foundation/National Institutes of Health Survey of Graduate Students and post-doctorates in Science and Engineering.	Survey of Graduate Students and post-doctorates in Science and Engineering (Not a BOG file Submission)	Fall 2020

Definition Source: State University Database System (SUDS).

APPENDIX II – COMPLEXITY RATINGS LEGEND

Legend: Estimated Time of Completion		Legend: Complexity of Corrective Action	
	Estimated completion date of less than 30 days.		Routine: Corrective action is believed to be uncomplicated, requiring modest adjustment to a process or practice.
	Estimated completion date between 30 to 90 days.		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.
	Estimated completion date between 91 to 180 days.		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.
	Estimated completion date between 181 to 360 days.		
	Estimated completion date of more than 360 days.		Exceptional: Corrective action is believed to be complex, as well as having extraordinary budgetary and operational challenges.

*The first rating symbol reflects the initial assessment based on the implementation date reported by Management, while the second rating symbol reflects the current assessment based on existing conditions and auditor's judgment.

APPENDIX III – OIA CONTACT AND STAFF ACKNOWLEDGMENT:

OIA contact:

Joan Lieuw 305-348-2107 or jlieuw@fiu.edu

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);
Vivian Gonzalez (supervisor and reviewer); and
Manuel Sanchez (independent 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.

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 3, 2022

Subject: Proposed Regulation FIU-117 Fraud Prevention and Detection

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve the proposed Regulation FIU-117 Fraud Prevention and Detection and delegate authority to the University President to approve any subsequent non-material amendments based on comments to the Regulation received from the Florida Board of Governors and as a result of the regulation-making process.

Background Information:

The proposed regulation establishes University criteria related to appropriate institutional controls and risk management framework to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported, and investigated. The proposed regulation is in alignment with Board of Governors Regulations 3.003 and 4.001.

Florida Board of Governors' Regulation 3.003(3), Fraud Prevention and Detection, states, in relevant part, that each university board of trustees shall adopt a regulation establishing criteria related to appropriate institutional controls and risk management framework that provide reasonable assurance that fraudulent activities within the university's areas of responsibility are prevented, detected, reported, and investigated.

Florida Board of Governors' Regulation 4.001(2), University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement, states, in relevant part, that each board of trustees shall have a process for university staff, faculty, students, and board of trustees members to report allegations of waste, fraud, or financial mismanagement to the university chief audit executive.

Supporting Documentation: Proposed Regulation FIU-117 Fraud Prevention and Detection

Facilitator/Presenter: Trevor L. Williams

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
FLORIDA BOARD OF GOVERNORS**

NOTICE OF CHANGE TO PROPOSED REGULATION

REGULATION NO.: FIU-117

REGULATION TITLE: Fraud Prevention and Detection

SUMMARY: The proposed regulation establishes University criteria related to appropriate institutional controls and risk management framework to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported, and investigated. The proposed regulation is in alignment with Board of Governors Regulations 3.003 and 4.001.

The change is to clarify that all members of the University community who become aware of or suspect fraudulent or related wrongful activity are responsible for reporting it to the Office of Internal Audit.

TEXT OF REGULATION: The full text of the proposed Regulation can be viewed below and on the website of The Florida International University Board of Trustees, <http://regulations.fiu.edu>. If you would like a copy of the proposed Regulation, please contact Eli Deville, Departmental Administrator, Office of the General Counsel, Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199. Email: devillee@fiu.edu Phone: 305-348-2103, Fax: 305-348-3272.

AUTHORITY: Article IX, Section 7, Florida Constitution, Board of Governors Regulations 1.001, 3.003, and 4.001.

NAME OF PERSON INITIATING PROPOSED REGULATION: Trevor Williams, Chief Audit Executive.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

CONTACT PERSON REGARDING THE PROPOSED REGULATION:

Eli Deville, Departmental Administrator, Office of the General Counsel,
Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199.
Email: devillee@fiu.edu Phone: 305-348-2103, Fax: 305-348-3272.

DATE OF PUBLICATION: February 2, 2022

THE FULL TEXT OF THE PROPOSED REGULATION IS PROVIDED BELOW WITH THE CHANGES HIGHLIGHTED IN YELLOW:

FIU-117 Fraud Prevention and Detection

Objective and Purpose

Florida International University, under the governance of its Board of Trustees, is committed to the highest standards of moral, professional and ethical behavior. The Code of Ethics for Public Officers and Employees, Part III, Chapter 112, Florida Statutes, and University regulations and policies, articulate standards of behavior and requirements for the disclosure of fraudulent and other improper activities. Breaches of these standards, especially acts involving fraudulent behavior, are costly financially and erode the public trust and confidence in the University. Such breaches also impair the University's reputation for operating with efficiency as a good custodian of public and private funds. This Regulation establishes University criteria related to appropriate institutional controls and risk management framework to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported, and investigated.

Scope of Regulation

This Regulation applies to any fraud, suspected fraud, or related wrongful acts involving any member of the University community, including Board of Trustees members, University employees, vendors, volunteers, consultants, students, and entities or individuals contracting, affiliating or doing business with the University. This Regulation is in alignment with Board of Governors Regulation 3.003 Fraud Prevention and Detection and Board of Governors Regulation 4.001 University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement. Allegations or matters of conduct deemed outside the scope of this Regulation (e.g., within the purview of FIU-2501 Student Conduct and Honor Code; Research Misconduct Policy #2370.070), such as academic or research misconduct, must be referred to the appropriate management area for review and action.

Statement of Regulation

The University has zero tolerance for fraudulent activity. For purposes of this Regulation, fraud is defined as an intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or the inducement of another to act upon the intentional misrepresentation or concealment to their detriment. Examples of wrongful acts that may constitute fraud include, but are not limited to, the following:

1. Dishonest or fraudulent acts in the course of performing University functions;
2. Forgery or alteration of any document, check, bank draft or account of the University or any other University-related document;
3. Destruction, alteration, mutilation, concealment, covering up, falsification or making of a false entry in any record, document or tangible object with the intent to impede, obstruct, or influence any investigation by the University or by any state, federal, or administrative agency;
4. Willful and/or intentional destruction, alteration, or concealment of any records to be used and/or used in the conduct of an audit, bid/vendor selection, contract execution, or pursuit of debt financing;
5. Misappropriation or theft of funds, securities, supplies, equipment, or other assets of the University;

6. Impropriety in the handling or reporting of University or University-related money or financial transactions;
7. Improperly influencing or attempting to influence the conduct of any audit of University finances, operations or accounts;
8. Improperly taking information, using it or providing information that would lead to identity theft and/or participation in any activity that is intended to initiate an identity theft scheme; and
9. Authorizing or receiving payment for goods not received or services not performed.

Fraud Control Framework

The University will develop and maintain an anti-fraud framework which shall be based on:

1. Commitment to creating an organizational culture and structure conducive to fraud risk management through awareness, training, and top-down leadership;
2. Thorough, on-going assessment of risks relevant to the University's operating environment;
3. Development and implementation of processes and systems to effectively prevent, detect, and investigate fraud;
4. Application of appropriate criminal, civil, administrative, or disciplinary action to remedy the harm from fraud;
5. Training of staff in fraud awareness; and
6. Assessing and evaluating the success of the adopted framework based on actual fraud losses and changes in known fraud scenarios using a risk-based/cost-benefit approach and adapting current activities to improve future fraud risk management.

Key Roles and Responsibilities

1. **University President** is responsible, by and through the University's Vice Presidents and Deans, for adopting an Anti-Fraud Framework ("Framework") for the prevention, detection, reporting, investigation, and remediation of fraud and for combating fraud by creating an organizational culture conducive to fraud risk management through awareness, training, and top-down leadership.
2. **Vice Presidents and Deans** are responsible for fostering a culture and environment to prevent improper behavior and make fraud control the responsibility of all employees under their direction. As fraud risk owners within their respective units, Vice Presidents and Deans are responsible for developing and maintaining effective institutional controls and mitigating measures as part of the University's Enterprise Risk Management and Anti-Fraud Framework to provide reasonable assurance that fraudulent activities within their areas of responsibility are prevented, detected, reported, and investigated. In those instances where internal controls may need strengthening, the Office of Internal Audit should be consulted for assistance on how to enhance those controls.
3. **Supervisors and Managers** are responsible for fostering a culture and environment to prevent improper behavior and make fraud control the responsibility of all staff under their supervision. This occurs when Supervisors and Managers consistently display, through words and actions, an unwavering commitment toward complying with applicable laws, University regulations and policies and when Supervisors and Managers develop and maintain proper internal controls that provide for accountability and safeguarding of resources. Supervisors and Managers should be cognizant of the risks

and exposures inherent in their area of responsibility and signs of fraudulent or other wrongful conduct. They must ensure that staff participate in fraud awareness education and training and that audit recommendations are implemented promptly.

4. **University Employees** are responsible for acting responsibly and ethically, adhering to all applicable laws, University regulations and policies and actively participating in the implementation of fraud control strategies. Employees should be familiar with the types of fraudulent activities that might occur within their areas of responsibility, be alert for any indications of irregularity, and report any suspicions of, or information relating to any instance of fraudulent conduct.
5. **Office of Internal Audit** is responsible for the investigation of all suspected acts of fraud as defined by this Regulation and consistent with Board of Governors Regulation 4.001. As necessary, the Office of Internal Audit will work with the Office of General Counsel to obtain external parties with subject matter expertise and/or professional independence to perform or assist with fraud investigations and inform the Board of Trustees when contracting for such assistance.

Reporting

1. **Responsibility to Report.** All members of the University community including Board of Trustees members, University employees, vendors, volunteers, consultants, students, and entities or individuals contracting, affiliating or doing business with the University who become aware of or suspect fraudulent or related wrongful activity are responsible for reporting the suspected activity to the Office of Internal Audit. An employee's failure to report suspected fraudulent or wrongful activity may be subject to appropriate institutional disciplinary action in accordance with University policies and regulations and any applicable collective bargaining agreement(s).
2. **Requirement to Act with a Reasonable Good Faith Belief.** Any individual reporting detected or suspected fraudulent activity must be acting in good faith and have reasonable grounds for believing the information provided.
3. **Complainant Notification Procedure.** Detected or suspected fraudulent activity or related conduct should be reported to one of the following:
 - a. **Office of Internal Audit.** The Office of Internal Audit may be emailed at Auditors@fiu.edu and/or contacted at Phone: 305-348-2107. Reporters seeking whistle-blower protection should file reports of fraud directly with the Office of Internal Audit.
 - b. **Ethical Panther Reporting Hotline.** Reporters may access the Ethical Panther Hotline at <https://fiu.i-sight.com/portal> or by calling 1-888-520-0570 (reporters can choose to remain anonymous)

Rights and Protections of the Reporting Individual

1. **Confidentiality.** The University will treat all information received confidentially to the extent permitted under applicable law. To the extent permitted under law, investigation results will not be disclosed or discussed with anyone other than those individuals who have a legitimate need to know.
2. **Whistle-blower Protection.** The Chief Audit Executive shall assess each reported allegation to determine if it meets the criteria delineated under the Florida Whistle-blower's Act (Sections 112.3187 – 112.31895, Florida Statutes). If the complaint is

determined to fall under the Whistle-Blower's Act, the reporter shall be notified of their protections under said Act, including confidentiality and non-retaliation for filing such a report.

3. **Retaliation.** The University prohibits any form of retaliation against individuals who make a reasonable good faith report of potential misconduct including fraud or suspected fraud or for their participation in an investigation into misconduct. An employee or other person who acts in good faith and has reasonable grounds for reporting suspected fraud or other improper activity may not be discharged, demoted, suspended, threatened, harassed, or suffer adverse personnel action of any kind because of such individual's reporting or assistance to an investigation into fraudulent or other inappropriate activity.

Actions to Be Taken When Fraud or Related Misconduct Is Identified and Substantiated

1. **General.** Employees determined to have participated in fraudulent acts will be subject to disciplinary action (i.e., demotion, suspension, termination, etc.) in accordance with University policies and regulations and any applicable collective bargaining agreement(s).
2. **Criminal, Civil, or Administrative.** Without limiting any other right or remedy of the University, whether civil or otherwise, the University may refer and coordinate with any appropriate law enforcement agency about any criminal and/or administrative actions that may also be taken against any person or entity who is found to have participated in unlawful acts.
3. **Non-employee.** Without limiting any other right or remedy of the University, whether civil or otherwise, if a vendor, volunteer, consultant, student, entity or individual contracting, affiliating or doing business with the University is determined to have participated in fraudulent acts this will result in termination of the business or other relationship with the University and other actions as appropriate.
4. **Remediation.** Designated University personnel will promptly review and remediate internal control deficiencies identified in the final investigative report, including, but not limited to, recovery of University resources or losses.

Alert/Reporting Process

1. **General.** The results/status of ongoing investigations will not be disclosed or discussed with anyone without a need to know consistent with a thorough investigation, unless required by law, regulation, or University policy.
2. **Reporting to University Personnel and Board of Trustees.** If the investigation substantiates that any fraudulent activities have occurred, the Chief Audit Executive will issue reports to appropriate designated University personnel and the Board of Trustees as required to provide details and support for this conclusion.
3. **Reporting to OIGC.** Significant and credible allegations are those that, in the judgment of the chief audit executive, require the attention of those charged with governance and have indicia of reliability. For significant and credible allegations of waste, fraud, or financial mismanagement within the University and the Board of Trustees' operational authority, the Chief Audit Executive shall timely provide the Board of Governors Office of Inspector General and Director of Compliance (OIGC) sufficient information to demonstrate that the Board of Trustees is both willing and able to address the allegation(s). Following disposition of the investigation, the Chief Audit Executive shall

provide the OIGC with University action and final case disposition information sufficient to demonstrate that the Board of Trustees was both willing and able to address such allegations.

- 4. Significant and Credible Allegations Against Chief Audit Executive or Chief Compliance Officer.** If the University receives a significant and credible allegation of fraud, waste, mismanagement, misconduct, or other abuse against the Chief Audit Executive or the Chief Compliance Officer, the President and the Chair of the Audit and Compliance Committee of the Board of Trustees will consult with the Office of the General Counsel to review the matter and timely provide the OIGC with sufficient information to demonstrate that the Board of Trustees is both willing and able to address the allegations. If, after review, an investigation is warranted, the Chair of the Audit and Compliance Committee may either hire an independent outside firm to conduct the investigation with the Chair and General Counsel's guidance and monitoring, or refer the matter to the OIGC to conduct the investigation if appropriate.
- 5. Notification to Board of Governors.** The Chief Audit Executive shall timely notify the OIGC of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against a member of the Board of Trustees or the President and shall provide copies of all final investigative reports to the Board of Governors, if the allegations are determined to be significant and credible.

Periodic Review and Notification

This Regulation shall be reviewed at least every five years for currency and consistency with applicable Board of Governors and University regulations. The Board of Trustees shall be notified, at least annually, of the efficacy of the University's antifraud framework and any necessary revisions to improve the framework.

Authority: Article IX, Section 7, Florida Constitution, Board of Governors Regulations 1.001, 3.003, and 4.001. History – New.

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
March 3, 2022

Subject: Proposed Revisions to Audit and Compliance Committee Charter

Proposed Committee Action:

Recommend to the Florida International University Board of Trustees approval of the proposed revisions to the Audit and Compliance Committee Charter.

Background Information:

The Florida International University Board of Trustees (the BOT) Audit and Compliance Committee Charter states, in relevant part, that the Committee will: Review the Committee charter, at least every two (2) years, and discuss any required changes with the board; and Ensure that the charter is approved or reapproved by the Board, after each update.

The BOT Bylaws provide that each Committee shall have a written statement of purpose and primary responsibilities, or charter, as approved by the Board.

Board of Governors' Regulation 1.001(3)(b), University Board of Trustees Powers and Duties, states, in relevant part, that each board of trustees may establish committees of the board to address matters, including, but not limited to, academic and student affairs, strategic planning, finance, audit, property acquisition and construction, personnel, and budgets.

Board of Governors' Regulation 4.002(2), State University System Chief Audit Executives, states, in relevant part, that each board of trustees shall establish a committee responsible for addressing audit, financial- and fraud-related compliance, controls, and investigative matters. For purposes of this regulation, this committee will be referred to as the audit and compliance committee. This committee shall have a charter approved by the board of trustees and reviewed at least every three (3) years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

Supporting Documentation: Audit and Compliance Committee Charter, proposed revisions, *redline*

Facilitator/Presenter: Trevor L. Williams

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

AUDIT AND COMPLIANCE COMMITTEE CHARTER

1. Overall Purpose/Objectives

The Audit and Compliance Committee (“Committee”) is appointed by the Florida International University Board of Trustees (“Board”) to assist it in discharging its oversight responsibilities, including but not limited to, reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process.

The Committee will oversee the financial operations and reporting process for both the University and its direct support organizations (“DSO”). The committee will review: 1) the University’s internal financial controls and processes; 2) the internal audit function; 3) the independent audit process, including the appointment and assessment of the external auditors for the University; and 4) the DSO and University processes for monitoring compliance with applicable laws and regulations, meeting regulatory requirements and promoting ethical conduct.

2. Authority

The Board authorizes the Committee to:

2.1 Perform activities within the capacity of its charter.

2.2 Evaluate the Office of Internal Audit's role and scope of activities.

2.3 Participate, through the Chair, in the process of the appointment and dismissal of the Chief Audit Executive.

2.4 Engage independent counsel and other advisers as it deems necessary to carry out its duties.

2.5 Have unrestricted access to management, faculty and employees of the University and its DSOs, as well as to all books, records, and facilities thereof.

2.6 Develop and review procedures for the receipt, retention and treatment of complaints received from employees regarding financial or operational matters.

2.7 Review and approve the Office of Internal Audit’s annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General's Office for an effective, efficient, non-redundant use of audit resources.

- 2.8 Review and discuss with management and the Office of Internal Audit (1) significant findings and recommendations, including management's response and timeframe for corrective action; (2) the degree of implementation of past audit recommendations; and (3) any difficulties encountered in the course of the audit activities such as restrictions on the scope of work or access to information.
- 2.9 Assess the staffing of the Office of Internal Audit, including the annual budget.
- 2.10 Review and approve modifications to the Office of Internal Audit.
- 2.11 Review the organizational reporting lines related to the Office of Internal Audit, particularly related to confirming and assuring the continued independence of the Office of Internal Audit and its staff.
- 2.12 Review the work of the external auditors for the University and DSOs.
- 2.13 Evaluate the effectiveness of the University's compliance program by (1) reviewing the results of the program effectiveness evaluation; (2) assessing the staffing of the Office of Compliance & Integrity, including the annual budget; (3) reviewing major modifications to the University's compliance program; and (4) reviewing compliance-related training topics for the Board.
- 2.14 Participate, through the Chair, in the process of the appointment and dismissal of the ~~Assistant Vice President,~~ Chief Compliance and Privacy Officer.
- 2.15 Review and approve the Office of Compliance & Integrity's annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.
- 2.16 Review and approve modifications to the Office of Compliance & Integrity.
- 2.17 Review the organizational reporting lines related to the Office of Compliance & Integrity, particularly related to confirming and assuring the continued independence of the Office of Compliance & Integrity and its staff.

3. Organization

Membership

- 3.1 The Chair of the Board of Trustees will appoint the chair and members of the Committee.
- 3.2 The Committee consists of at least five (5) members, all of whom are voting Trustees of the University.
- 3.3 A majority of Committee members, if not all, shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements.

3.3.1 If possible the Committee will include at least one member who is a "accounting or financial expert"; a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; an understanding of committee functions; experience preparing, auditing, analyzing or evaluating financial statements, or experience actively supervising persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing, auditing or evaluating financial statements; or other relevant experience.

3.4 Members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants

3.5 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

Meetings

3.6 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

3.7 Meetings shall be held not less than four (4) times per year and shall correspond with the University's financial reporting cycle.

3.8 The Committee shall maintain written minutes of its meetings, and for the Committee Chair to approve each meeting's agenda.

3.9 The Committee shall meet with the General Counsel, Chief Audit Executive, and ~~Assistant Vice President,~~ Chief Compliance and Privacy Officer on a regular basis.

3.10 The Committee may request special reports from University or DSO management on topics that may enhance their understanding of their activities and operations.

4. Roles and Responsibilities

The Committee shall:

4.1 Provide the Board with regular updates of Committee activities and make recommendations to the Board for matters within the Committee's area of responsibility.

- 4.2 Meet separately with the Office of Internal Audit and Senior Management, separately, in order to discuss any matters the Committee or these individuals believe should be discussed privately. This should be performed at least two (2) times annually, at the conclusion of a regularly scheduled Committee meeting.
- 4.3 Affirm that the Chief Audit Executive and ~~Assistant Vice President,~~ Chief Compliance and Privacy Officer are ultimately responsible to the Committee and the Board and they should communicate directly with the Committee Chair when deemed prudent and necessary. Said Chief Audit Executive and ~~Assistant Vice President,~~ Chief Compliance and Privacy Officer, in consultation with the General Counsel, will regularly meet and correspond with the Chair of the Committee, advise and keep informed, as needed, both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee, and in further consultation with the Chair, prepare the agenda for meetings of the Committee.
- 4.4 Have the authority to conduct investigations into any matters within the Committee's scope of responsibilities as set forth herein. The Committee shall have unrestricted access to the University's independent auditors and anyone employed by the University, and to all relevant information in order to conduct such investigations. The Committee may retain, at the University's expense, independent counsel, accountants and other professional consultants to assist with such investigations. The results of any such investigations must be reported to the Board by the Committee Chair.

With regard to each topic listed below, the Committee shall:

Internal Controls

- 4.5 Consider and review the effectiveness of the University's process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management's plans and efforts to monitor and control such risks.
- 4.6 Evaluate the overall effectiveness of the internal control framework and consider whether recommendations made by the internal and external auditors have been implemented by management, including but not limited to the status and adequacy of information systems and security, for purposes of meeting expectations of the U.S. Sentencing Guidelines, personnel systems internal controls, and other relevant matters.
- 4.7 Understand the internal control systems implemented by management of the University and each DSO for the approval of transactions and the recording and processing of financial data.

Risk Management

- 4.8 Evaluate the overall effectiveness of the risk management process.
- 4.9 Evaluate the University's oversight and monitoring of its affiliated organizations, and the University's insurance coverage and the process used to manage any uninsured

risks.

Fraud Prevention and Detection

- 4.10 Evaluate the overall effectiveness of the University's institutional controls and risk management framework designed to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported and investigated.
- 4.11 Review Reports by the Chief Audit Executive of substantiated fraudulent activities.
- 4.12 Review and address reports by the Chief Audit Executive of significant and credible allegations of fraud, waste, abuse, or financial mismanagement within the University.
- 4.13 By and through the Chair of the Audit and Compliance Committee in consultation with the President and General Counsel, review and address significant and credible allegations of fraud, waste, mismanagement, misconduct or other abuse against the Chief Audit Executive or the Chief Compliance Officer.

Financial Reporting and Disclosures

- 4.104.14 Review the adequacy of accounting, management, and financial processes of the University and its DSOs.
- 4.144.15 Review the financial reporting process implemented by management of the University and its DSOs.
- 4.124.16 Review as applicable for the University and its DSOs: 1) interim financial statements, 2) annual financial statements, 3) the annual report, and 4) the audit report on federal awards that is required under Office of Management and Budget (OMB) Circular A-133 Uniform Guidance.
- 4.134.17 Review University and DSO management processes for ensuring the transparency of the financial statements and the completeness and clarity of the disclosures.
- 4.144.18 Meet with University management and the external auditors to review the financial statements, the key accounting policies, the reasonableness of significant judgments, and the results of the audit.

Compliance with Laws, Regulations, Policies and Standards

- 4.154.19 Review the independence, qualifications, activities, resources, and structure of the compliance function and ensure no unjustified restrictions or limitations are made.

4.164.20 Review and discuss any significant results of compliance audits; any significant matters of litigation or contingencies that may materially affect the University's financial statements; and any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.

4.174.21 Ensure that significant findings and recommendations made by the university compliance officer are received, discussed, and appropriately acted on.

4.184.22 Review the effectiveness of the system for monitoring compliance with laws and regulations and management's investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.

4.194.23 Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.

4.204.24 Receive information and training regarding specific elements of the University's compliance program.

4.214.25 Obtain reports concerning financial fraud resulting in losses in excess of \$10,000 or involving a member of senior management.

4.224.26 Obtain regular updates from the University Compliance Officer regarding compliance matters that may have a material impact on the organization's financial statements or compliance policies.

4.234.27 Review the University's monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research, including the results of the University's monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.

4.244.28 Review the findings of any examinations or investigations by regulatory bodies.

Working with Auditors

Independent External Audit

4.254.29 Review the professional qualifications of all external auditors, and when determined by the committee, require such auditor to be hired by and report directly to the Committee.

4.264.30 Review on an annual basis the performance of all external auditors and make recommendations to the appropriate Board for their appointment, reappointment or termination.

4.274.31 Ensure that significant findings and recommendations made by the

independent auditors for both the University and any DSO, and management's proposed response thereto, are received, discussed and appropriately acted upon.

Internal Audit

~~4.28~~4.32 Review the independence, qualifications, activities, resources and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.

~~4.29~~4.33 Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the University.

~~4.30~~4.34 Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed and appropriately acted on.

~~4.31~~4.35 Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.

Complaints and Ethics

~~4.32~~4.36 Ensure procedures for the receipt, retention and treatment of complaints concerning financial, internal accounting controls or auditing matters.

~~4.33~~4.37 Review the University and DSO conflicts of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

Reporting Responsibilities

~~4.34~~4.38 Regularly update the Board about Committee activities and make appropriate recommendations.

~~4.35~~4.39 Ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the University or its DSOs.

~~4.36~~4.40 Receive prior to each meeting a summary of findings from completed internal audits and the status of implementing related recommendations.

Evaluating Performance

~~4.37~~4.41 Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.

~~4.38~~4.42 Assess the achievement of duties specified in the charter and report findings to the board.

4.394.43 Review the Committee charter, at least every ~~two-three~~ (32) years, and discuss any required changes with the board.

4.44 Ensure that the charter is approved or reapproved by the Board, after each update.

Adoption of Charter: The Florida International University Board of Trustees adopted the Audit and Compliance Committee Charter on December 1, 2016.
Reviewed and approved without change on September 18, 2019;
Reviewed and discussed on September 14, 2021 and December 8, 2021;
Reviewed and changes approved on _____;



**Office of
Internal Audit**

FLORIDA INTERNATIONAL UNIVERSITY

Office of Internal Audit Status Report



BOARD OF TRUSTEES

March 3, 2022



Office of Internal Audit

Date: March 3, 2022

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 8, 2021.

Projects Completed

Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity

This is an annual audit that we performed to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the State University System of Florida Board of Governors (BOG) that support the Performance Based Funding and Emerging Preeminent Metrics. For fiscal year 2021-2022, FIU ranked number one and received \$67.5 million in performance-based funding. The Office of Analysis and Information Management (AIM) is responsible for data collection and submission for Performance Based Funding and Emerging Preeminent Metrics purposes.

The audit concluded that the University 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 identified opportunities for process improvement in the areas of information technology and

general controls. Specifically, a review of access controls based on critical roles in PantherSoft should be implemented; the *PantherSoft to BOG Mapping of Elements* document should be reviewed to determine completeness and all auditable fields enabled; former employees' access in the SUDS system should be disabled or deactivated upon termination or transfer; and update the *AIM-BOG Business Process Manual* to include guidance on preeminent metrics.

Audit of Information Technology Controls Over Procurement Services

We performed this audit to determine if information security controls over systems that support procurement activities were adequate and effective during the period July 1, 2020, through November 30, 2021. The audit focused on certain areas of controls. Procurement Services assists the University community with the purchase of goods and services made by FIU faculty and staff using various integrated systems.

Our audit concluded that the systems utilized during the procurement process had adequate controls for least privilege access, audit logging, and change management. Our audit also identified opportunities for strengthening controls and improving processes, as follows: disabling or deactivating terminated employees' access to the Jaggaer procurement system; refraining from creating generic accounts in the system and training accounts in the production environment of the Jaggaer procurement system; improving least privileged and segregation of duties risks by removing incompatible roles wherein the requester, approver of the requisition, and the receiver of goods and services is the same individual; and documenting and maintaining a Business Continuity Plan and a Disaster Recovery Plan.

Work in Progress

The following ongoing audits are in various stages of completion:

<u>Ongoing Audits</u>	
Audits	Status
Conflict of Interest and Related Party Transactions	Draft Report Issued
Admissions Policy Compliance	Fieldwork in Progress
Cybersecurity Prevention and Detection Controls - Ransomware	Fieldwork in Progress
FERPA Compliance	Fieldwork in Progress
Export and Import Controls	Planning

Prior Audit Recommendations Follow-Up Status Report

Since June 1, 2020, University management has been able to utilize the OIA Panther Audit Platform to update and report the status of prior audit recommendations. Upon receiving the submission from management on the Platform, OIA staff performed a substantive examination of the accompanying documentation or revised process to validate the status of the recommendation as reported by management. The outcome from our auditing efforts leads to either acceptance or re-characterization of the reported status.

Since our last report to the Committee on management's progress towards completing past audit recommendations, there were 33 recommendations due for implementation through January 31, 2022. Based on the work performed, we have concluded that 27 of said 33 recommendations (82 percent) were completed and 6 (18 percent) were partially implemented. 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 an aging of outstanding audit recommendations as of January 31, 2022, as reflected in the Platform, indicating the number of days remaining before due for implementation and the number of days delayed for those recommendations past due.



Aging of University Audit Recommendations



Outstanding Recommendations Statistics by Original Due Date

Days Past Due	Number of Recommendations	Average Complexity
Current	8	3
1 - 30	2	3
31 - 90	2	2.5
91 - 180	2	2.5
181 - 365	0	0
More than 365	2	3

Aging Graph



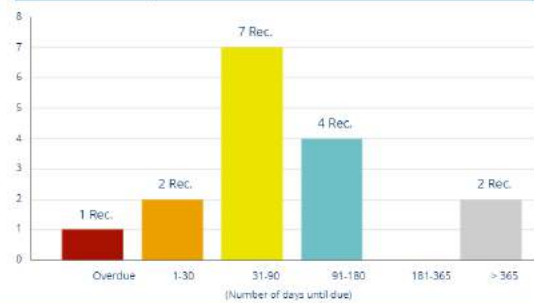
Pending University Audit Recommendations



Outstanding Recommendations Statistics by Revised Due Date

Days Remaining	Number of Recommendations	Average Complexity
Overdue	1	3
1 - 30	2	2
31 - 90	7	2.71
91 - 180	4	3
181 - 365	0	0
More than 365	2	4

Graph - Recommendations Due Within



AUDIT RECOMMENDATIONS FOLLOW-UP

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Athletics Health Service Billing and Collections Process and Contract Performance	1	1	
Grant Accounting – Foundation Funded	1	1	
Healthcare Affiliated Agreements for Student Placement/Rotation	11	11	
Laboratory Safety	9	9	
Nicole Wertheim College of Nursing and Health Sciences	1	1	
University Fleet Management	1	1	
Financial Aid	1		1
Media Sanitization Guidelines and Controls	3		3
Procurement and Competitive Bidding Procedures	4	3	1
Review of Bank Account Reconciliations	1		1
Totals	33	27	6
Percentages	100%	82%	18%

MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS WITH REVISED TARGET DATES

Financial Aid (February 10, 2017)

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

Recommendation:

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

Action Plan to Complete:

We will go back to the prototype and bring in the Academic Tech Team to begin testing the prototype. This Phase should be complete by end of April 2022.

Original Target Date: July 31, 2017

New Target Date: April 29, 2022

Media Sanitization Guidelines and Controls (June 30, 2021)

1. Audit Issue: **Sanitization Governance – Data Classification** (Recommendation #1.3)

Recommendation:

Finalize and communicate an organization-wide data classification policy, while aligning Media Sanitation Guidelines with current practices.

Action Plan to Complete:

The Data Stewardship policy (<https://policies.fiu.edu/files/560.pdf>) was updated to add more information regarding the storage and protection of confidential data. The Data classification draft has been shared with some key stake holders in Division of IT, HIPAA Committee, and some IT Admins for feedback on the draft policy. We presented on the different levels of data classification and storage locations for these data types with the ITAC and HIPAA committee. Making some updates/changes to the draft policy based on suggestions or feedback from those that reviewed it. Once changes are finalized the policy will be submitted to compliance to go through the policy process. We have also developed a list of approved storage locations for each of the data classifications. This information has been shared with the ITAC and HIPAA Committee.

Original Target Date: September 30, 2021

New Target Date: February 15, 2022

2. Audit Issue: Sanitization Governance – Tracking and Documenting
(Recommendation #2.2)

Recommendation:

Collaborate with Surplus to develop a tool to electronically document the details required by NIST upon sanitization. Continue to promote the use of the Enterprise Asset Management system.

Action Plan to Complete:

We updated the surplus form with the following fields: Method Used, Verification Method, Media Type, Media Destination, and Verified by. Please see the attachment.

We are still working on the forms and process to digitize them. At first when we reached out to controllers, they were already working on project to digitize the form in PeopleSoft, but since then have discontinued that project. We have had a few meetings with Surplus and Controllers to talk about the project and the workflow. The process is a more complex than what we originally thought. There are multiple forms that need to be approved, we are looking at the flow and the forms to determine the best way to do this. Service Now is used to for the media sanitation requests and we will be using ServiceNow to digitize the surplus form with some workflow so that the right approvers get notified and can approve the forms being submitted. We hope to have this process completed in Spring 2022.

Original Target Date: September 30, 2021

New Target Date: April 1, 2022

3. Audit Issue: Continuous Training of Technology Key Contacts (Recommendation #8.1)

Recommendation:

Collaborate with Surplus to develop an FIU-specific training on the surplus process that includes media sanitization.

Action Plan to Complete:

This recommendation is in progress. We have reached out to the FIU Develop team to get the training posted on FIU Develop as a training open for all users. Payment to host the training on FIU Develop has been made. The presentation used at an ITAC meeting which was used to talk about the surplus process and media sanitation process is being tweaked to be used as the training materials for the training on FIU Develop. Our goal is to have this training available by the end of the Spring Semester.

Original Target Date: December 30, 2021

New Target Date: March 31, 2022

Procurement and Competitive Bidding Procedures (June 23, 2021)

1. Audit Issue: **Spend Analyses** (Recommendation #1.1)

Recommendation:

Develop more advanced spend analyses to better understand spending trends and identify savings opportunities. At minimum, this should include analyses frequency, assignment of responsibility, and monitoring/follow-up of results.

Action Plan to Complete:

Procurement Services has created a report in Spend Radar to capture spend monthly. Part A reports contains total PO, encumbrance, and Pcard spend by Parent supplier except for myFIUmarket POs spend. Part B contains Supplier Name and Supplier ID so that we can see the Pcard and PO and unencumbered spend separately except for myFIUmarket POs spend. Part C contains buyer name and PO number as well except for myFIUmarket POs spend.

We are still working with Jaggaer to update our data in Spend Radar. They are running behind schedule. Jaggaer has informed us that they should have it done by the end of this week for August and September data. We will update the remaining months once we receive the data from Jaggaer. Once the August and September data is received we will upload the completed report as noted above, meet with the PA3 to review the data, and take necessary action, if required.

Original Target Date: December 31, 2021

New Target Date: February 28, 2022

Review of Bank Account Reconciliations (October 27, 2016)

1. Audit Issue: **Reconciliation Process** (Recommendation #1.1)

Recommendation:

Continue exploring ways to automate the reconciliation process, where possible.

Action Plan to Complete:

While our transition to JPMorgan chase is relatively completed, there have been delays in resolving issues with JPM Chase to align the BAI2 file structure to mirror our current matching of data from the Bank vs. the general ledger. Additionally, staff turnover and challenges in filling open positions in our General Ledger bank reconciliation team as well as our FSSS team have greatly impacted the progress in this implementation as well. Our current plan is for the Accounting and Reporting Team along with the FSSS team to commence the planning meetings during March and April 2022 with an expectation of getting the process automated as much as possible within 12 months of completing the project plans. This is all dependent on

the continued support from the current staff. Moreover, if we continue to experience high employee turnover, then this timeline will need to be adjusted accordingly.

Original Target Date: June 20, 2017

New Target Date: April 30, 2022

Investigation and Consulting Activities

The Office of Internal Audit receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse. We have evaluated the complaints received and are currently investigating those deemed appropriate for our office to investigate and have referred the others to other appropriate units within the University for investigations. Substantiated allegations that are deemed to be significant and credible will be reported to the University President and Board of Trustees. We have no such results to report currently.

Our office continues to provide support, in collaboration with the Office of the General Counsel and the Office of Compliance and Integrity, with the development of University's Fraud Protection and Detection Regulation.

Quality Assurance and Improvement Program Review - Internal Assessment 2021

The Institute of Internal Auditors' International Professional Practice Framework (IPPF) requires the Chief Audit Executive to implement and maintain a Quality Assurance Improvement Program (QAIP) for the audit activity. The Office of Internal Audit (OIA) has implemented a QAIP, which includes the completion of an independent, external quality assessment review (QAR) every five years and ongoing monitoring of the audit activity, as required by the IPPF. An independent, external quality assurance review of the OIA audit activity was last completed in December 2019, wherein the Office received a rating of "generally conforms," the highest rating that can be achieved. The Office's quality assurance monitoring activity includes a detailed review of the working papers and report for each engagement completed. This review is completed by multiple levels of OIA's staff. The Office's monitoring activity also include a periodic internal assessment of the Office's compliance with its standards for engagement quality and operating procedures.

In December 2021, a senior staff member of the OIA completed an internal quality assessment of the Office's internal audit activity and concluded that the OIA generally conforms with the selected Standards reviewed. The reviewer also offered several recommendations, which she believed could enhance certain operational matters. The Chief Audit Executive has developed a plan of actions to address all recommendations offered in addition to certain other matters he believed may warrant his attention.

As recommended by the IPPF, the Chief Audit Executive is providing the complete internal self-assessment report along with the Corrective Action Plan to the Audit and Compliance Committee and senior management for their review.

Professional Development

The audit staff continue to take advantage of available professional development opportunities. In December, five members of the staff attended the 11th Annual Institute of Internal Auditors and Association of Certified Fraud Examiners Joint Fraud Conference. Additionally, the office's two Assistant Directors of Audit attended the Association of Inspectors General's Grant Fraud Red Flags, Lessons Learned & Best Practices event in January.

Other Matters

In collaboration with the Office of the General Counsel and the Chief Compliance and Privacy Officer, the Chief Audit Executive presented and discussed FIU proposed new anti-fraud Regulation FIU-117 to the University's Operations Committee, Deans Advisory Committee, and Executive Committee. Being properly posted and vetted, the regulation is being presented to the Audit and Compliance Committee for its review and consideration and subsequently to the full Board of Trustees for approval and adoption at their March 3, 2022, meeting.

At the Audit and Compliance Committee meeting of September 14, 2021, the Chief Audit Executive informed the Committee that substantive revisions to the Audit and Compliance Charter are anticipated once the University's anti-fraud regulation is adopted. The above-mentioned collaboration team along with the University's Office of the Board of Trustees have reviewed and made substantive changes to the required changes to the Charter, which is being presented to the Committee for its review and approval at its March 3, 2022, meeting.

Mr. Dayan Borges, who has been a professional staff member with the OIA for a year and a half as a Senior Auditor, was selected to fill the previously vacant Audit Project Manager position, through a competitive process. Also, the OIA has added a new senior auditor on staff to fill one of two previously vacant positions. Ms. Leslie-Anne Triana joins the OIA with combined auditing and accounting experience of 14 years acquired both within FIU and externally. Regrettably, effective February 11, 2022, the office's Audit Manager – Information Technology position became vacant with the resignation of Ms. Maria Lopez. This leaves the number of vacancies in the office at two – a Senior Auditor and Audit Manager – Information Technology. The competitive job market along with the accommodations and perks being offered to candidates continue to present a challenge for recruiting and retaining qualified audit talent.



University Compliance and Integrity

FLORIDA INTERNATIONAL UNIVERSITY

Office of University Compliance and Integrity Quarterly Report

Second Quarter 2021-2022

March 3, 2022





BOARD OF TRUSTEES
Audit and Compliance Committee
March 3, 2022

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 2021 – 2022 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the second quarter of fiscal year 2021 - 2022 (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 offices responsible for 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 a System of Investigations, Discipline, Incentives and Corrective Actions

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

6. 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	
The 2021-2022 Annual Work Plan includes continuation of the multitude of Program activities conducted, coordinated, and facilitated by the Compliance Office that promote an organizational culture and that encourage ethical conduct.	
Compliance Internal Operating Procedures	
<ul style="list-style-type: none"> ➤ Continue to develop internal operating procedures to document and streamline the various processes, programs, and functions undertaken to effectuate the Program. ➤ Completed Process Improvement Assessment and development of Internal Operating Procedure for FIU Compliance Training Reporting. Engaged in testing and evaluation of FIU Compliance Training Reporting process to optimize Internal Operating Procedure. ➤ Completed Process Improvement Assessment and development of Internal Operating Procedure for Visual Compliance Restricted Party Screening. Engaged in testing and evaluation of Visual Compliance Restricted Party Screening process to optimize Internal Operating Procedure. ➤ Completed Process Improvement Assessment and development of Internal Operating Procedure for Payment Card Industry Data Security Standard (PCI DSS) Training Approval Workflow. Engaged in testing and evaluation of Data Security Standard (PCI DSS) Training Approval Workflow to optimize Internal Operating Procedure. ➤ Completed Process Improvement Assessment and development of Internal Operating Procedure for International Mailing Export Control Approval. Engaged in testing and evaluation of International Mailing Export Control Approval process to optimize Internal Operating Procedure. ➤ Completed Process Improvement Assessment and continued development of Internal Operating Procedure for Ethical Panther Hotline Case Management System. ➤ Completed Process Improvement Assessment and continued development of Internal Operating Procedure for Travel Authorization Foreign Influence/Export Controls Questionnaire Review. ➤ Completed Process Improvement Assessment and continued development of Internal Operating Procedure for the Compliance Requirements Matrix reminder and monitoring platform (tracking University-wide federal and state filings). Finalized wireframing of IT platform to automate current workflow before finalizing Internal Operating Procedure. 	

<ul style="list-style-type: none"> ➤ Engaged in Process Improvement Assessment of Development of Compliance Course Campaign process to begin development of Internal Operating Procedure. ➤ Completed Process Improvement Assessment to begin development of Internal Operating Procedure for Technology Control Plan (TCP) participant signature processes. ➤ Engaged in testing and evaluation for required Compliance Training and Policy Attestation Escalation Process to optimize Internal Operating Procedure.
Foreign Influence and Global Risk Governance Activities
<ul style="list-style-type: none"> ➤ Continued process improvements and addition of new substantive material 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. ➤ Led the HB7017 Compliance Task Force and Sub-committee meetings: <ul style="list-style-type: none"> • 286.101 - Foreign Gifts and Contracts • 288.860 - International Cultural Agreements • 1010.25 - Foreign Gift Reporting • 1010.35 - Screening foreign researchers • 1010.36 - Foreign travel; research institutions ➤ In cooperation with the Office of Research and Economic Development, the Division of Human Resources, the Office of the General Counsel, and the Office of the Provost, continued development of workflows, job postings and screening processes to incorporate mandates of the Florida State Statute regarding foreign influence. ➤ In cooperation with Global Affairs, the Office of the Controller, the Office of Research and Economic Development, the Division of Information Technology, and the Office of General Counsel, completed redesign of the Travel Authorized Request (TAR) process to incorporate the mandates of the Florida State Statute regarding foreign influence. Finalized workflows, screening questionnaire, and post travel information form to effectuate the statutory requirements across all foreign travel destinations. Began drafting of resulting updates to International Travel Policy, International Travel Video, Quick Guide, and Travel Authorization auto-notification message. ➤ In cooperation with Global Affairs, the Office of the General Counsel, and Academic Affairs, continued to develop workflows to assess existing agreements with foreign institutions and establish new agreement process flows to incorporate the mandates of the Florida State Statute regarding foreign influence. Developed template language for International Agreements to address foreign influence concerns.

- In cooperation with the Office of General Counsel, finalized development of new reporting guidelines for gifts and contracts with foreign parties to incorporate the mandates of the Florida State Statute regarding foreign influence. Sent notification message to key University stakeholders requesting responsive information for January 31 reporting deadline.
- Coordinated FIU's response to foreign source reporting requirement pursuant to Section 117 Higher Education Act and State Statute regarding Foreign Gifts and Contracts. Worked with the Office of the General Counsel to communicate requirements, respond to questions, make process improvements to the reporting system, and develop guidelines for responsive data for required January 31, 2022, submission.
- Met with representatives from the Board of Governors (BOG) to assist with development of the new platform to submit foreign influence information and documentation to the BOG.
- 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 FIU's international academic and research mission including:
 - Foreign Nationals on Campus: Visa-holders and Visitors – assess preventative measures to selectively detect and avoid undue foreign influence where it could potentially arise in the context of foreign nationals on campus
 - Conflicts of Interest and Commitment – assess conflicts of interest and conflicts of commitment policies and processes pertaining to global engagement scenarios
 - Compliance with Export Controls - assess the alignment of export control processes to account for and support foreign influence prevention strategies
- Participated in regular Travel Committee meetings to review and issue recommendations regarding employee and student petitions for international travel and student mobility programs. Reassessed recommendations to the Provost regarding foreign travel guidelines for University community.
- Worked with export control consultant to finalize three export control training modules.
- Worked with export control consultant to review and approve international shipments through a centralized international shipping review process that is designed to systematically and timely address export licensing requirements while ensuring that routine (non-controlled) shipping transactions occur without delay.
- Continued to work with Office of Research and Economic Development and the Division of Human Resources to implement an Intellectual Property (IP) protection agreement to ensure that FIU's IP is fully protected with respect to exposure by individuals who (unlike employees) are not otherwise subject to FIU's standard IP ownership policy pursuant to an employment agreement.
- Finalized concise "Foreign Influence and Research Security Guidance" to define foreign influence and provide clear direction concerning engagement with U.S. government-restricted entities as well as those which fall under a "watch-listed" category. Worked with the Office of Research and Economic Development and the Office of General Counsel to develop PowerPoint presentation for a Researchers Town Hall to take place in January 2022.

- Conducted 158 visual compliance research reviews during the reporting period as part of the Visa Applicant Questionnaire Screening, International Agreement Screening, International Shipping Review, and Travel Authorization review processes.
- Chaired Foreign Influence and Global Risk Task Force Meeting held on December 9, 2021. After a brief recap of the previous meeting and a summary of the current meeting's agenda, the Office of Government and Community Affairs presented a Foreign Influence Legislative Update to the group.

Following the Legislative Update, each of the four subcommittees reported back to the full Task Force regarding progress made. The four subcommittees are as follows:

- Screening Foreign Researchers
- International Cultural Agreements
- Foreign Travel; Research Institutions
- Foreign Gifts and Contract Reporting

The subcommittees are tasked with the following objectives:

- Create short-term solutions for compliance with the statutes using current available resources
- Create more automated, auditable processes and workflows to address the requirements of the statute moving forward while leveraging and building upon existing FIU platforms
- Develop the basis for any recommended short term and longer-term additional resources
- Report back at regular full Task Force meetings regarding the status of the work of each subcommittee

Each subcommittee report contained a brief overview of the statutory requirements and a summary of FIU's institutional response thus far, with some discussion of additional necessary resources. The subcommittees reported on the workflows that have been established while longer term, more automated processes are put in place. The meeting included feedback from the Task Force members on the existing and proposed workflows and specific ideas regarding a communications campaign.

FIU's export controls consultant reported on the status of three Global Risk Initiatives. First, he reported on adjustments made to the International Shipping process resulting from feedback received since we first launched that process. He went on to report that the three Export Control training modules have been completed and the Compliance office is working with the Office of Research and Economic Development to define the audiences for those trainings. Finally, he reported that the Office of Compliance has been working with the Office of Research and Economic Development to develop a presentation for a Research Town Hall to be held on January 19, 2022 to discuss the FIU's institutional response to Foreign Influence and Research Integrity requirements. The next full

Task Force meeting will take place in March 2022 with significant sub-committee work and ad-hoc meetings, training, and communication with the full Task Force (as necessary and appropriate) occurring in the interim.
Participation in Task Forces, Committees and Other Compliance-Related Initiatives
<p>The Compliance Office continues to lead and/or participate in several task forces, committees and initiatives including, but not limited to:</p> <ul style="list-style-type: none"> ➤ Chair of the State University System Compliance Consortium ➤ Chair of the Global Risk and Foreign Influence Task Force ➤ Chair of the Institutional Conflict of Interest Committee ➤ 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 (Family Educational Rights and Privacy Act) Committee ➤ Co-Chair of the Enterprise Risk Management Group ➤ Member of the Dean’s 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 Drug and Alcohol Task Force ➤ Member of the Digital Accessibility 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 ➤ Participant in Emergency Operations Committee COVID-19 Response Planning Briefings ➤ Participant in the Office of Civil Rights (OCR) Resolution Action Plan Workgroup ➤ Participant in Information Technology Administrators Committee (ITAC) ➤ Member of Ethics Policies Working Group

<ul style="list-style-type: none"> ➤ Compliance Manager is a member of the Presidential Leadership Program ➤ Compliance Assistant Director is a member of the Leadership Education Advancement Program (LEAP) 	
Athletics Compliance Oversight and Initiatives	
<ul style="list-style-type: none"> ➤ Worked with consultant to submit Academic Progress Rate (APR) for the institution. ➤ Partnered with Senior Associate Athletic Director/Chief Operating Officer to spearhead campus visit for consultant and conduct meetings with each Head Coach. ➤ Partnered with INFLCR to release the ROAR NIL program. ➤ Completed recruiting process, hired, and onboarded new Compliance Coordinator. ➤ Conducted NCAA (National Collegiate Athletic Association) Rules Education training for all staff and coaches in partnership with the Office of General Counsel and a representative from External Relations. ➤ Met with executive staff to review all new and pending legislation and to determine the potential impact on the Athletics department coaches and teams. ➤ Met with staff of Student Athlete Academic Center to review new legislation, rules, APR, and other emerging issues. ➤ Met with Admissions and Student Affairs to discuss special admissions processes. ➤ Met with the Office of Financial Aid to discuss applicable financial aid legislation and the process of dispersing aid and refunds to student-athletes. ➤ Drafted Rules Education communication and disseminated to student-athletes and coaches. ➤ Heightened monitoring efforts through on-site visits to practices. ➤ Submitted mandated Attestation of Compliance, completed by Athletics Director and President. ➤ Recertified ALL student-athletes. ➤ Completed admissions process for spring student-athletes. ➤ Obtained final verification form for spring graduates. ➤ Assessed and identified potential eligibility issues. ➤ Audited team calendars and playing and practice season forms for spring sports. ➤ Participated in the fall National Collegiate Athletic Association Oversight Committee meeting. 	

Health Affairs Compliance Oversight and Initiatives	
<ul style="list-style-type: none"> ➤ Led HIPAA (Health Insurance Portability and Accountability) Privacy discussion as part of the monthly HIPAA committee meeting. ➤ Participated in HIPAA committee planning meeting with the Office of the General Counsel, Office of University Compliance, and Information Technology. ➤ Developed and presented a training module for the Herbert Wertheim College of Medicine (HWCOC) Group Faculty Practice regarding minors and their rights to consent to certain testing and treatment. The training is part of a larger training module regarding minors and their representatives currently under final development. ➤ Presented to the FIU-HCN Finance and Audit Committee and the Board of Directors (HWCOC) regarding FIU's HIPAA Privacy compliance efforts and accomplishments to date. ➤ Worked with the Alcohol and Drug Committee (AOD) to finalize review and approval of the Biennial Report. ➤ Completed development of 12 advanced HIPAA privacy rule presentations. Began finalizing the modules into an electronic format. ➤ Secured a one-year contract with vendor for an electronic medical records auditing tool. 	
Oversight and Accountability	
<ul style="list-style-type: none"> ➤ Compliance Liaison Dashboard – Met with key liaisons to address compliance related issues and initiatives within their division. ➤ Executive Dashboard – Presented the Vice President/Dean Executive Scorecard each month at the Operations Committee and Deans Advisory Board Meetings indicating the status of required compliance tasks for University leadership (trainings and policy attestations). ➤ Policy Working Group Scorecard – Continued assessment of policy development framework with planned updates to be reviewed and considered by the Policy Workgroup. 	
Operationalize FIU's Core Values	
<ul style="list-style-type: none"> ➤ Launched Fall 2021 Compliance Newsletter with an emphasis on ethical decision making. ➤ Completed FIU University Compliance Office Effectiveness Survey with added questions regarding ethical leadership and behavior. ➤ Met with consultant to assist in interpreting and reporting results of the University Compliance Office Effectiveness Survey. ➤ Conducted an ethical leadership and decision-making presentation to the FIU Foundation leadership team at their request. 	

Five Year Review of Compliance Program

- Reviewed the External Program Report of the Florida International University Compliance Program, prepared by an external assessor, to determine appropriate priorities and resources to address the report's recommendations.
- Reviewed the Florida International University Design and Effectiveness Memorandum, a deeper operational evaluation prepared by an external assessor, which includes benchmarking against the programs and practices of leading companies around the world. Began to assess appropriate priorities and resources to address the report's recommendations.
- External Program Review of the Florida International University Compliance Program has since been completed and submitted to the Audit and Compliance Committee for approval and submitted to the BOG.

STANDARDS OF CONDUCT & POLICIES

The 2021-2022 Annual Work Plan includes continuation of the support and resources the Compliance Office provides to Policy Owners in enforcing University policies and procedures, launch of the updated Code of Conduct, oversight of the Policy Working Group and updates to the University Policy Framework and the University's ethics policies related to State Employee responsibilities and obligations.

2021-2022 Policy Development Process

- Managed the Policy Development Process, including ushering new or significantly revised policies through the appropriate review process by the Deans Advisory Council and the Operations Committee prior to posting.
- Consulted with policy owners during various stages of the policy development process.
- Continued to work with the Chief Audit Executive, the General Counsel, and the Senior Vice President for Finance and Administration and Chief Financial Officer to finalize FIU - 117 Regulation - Fraud Prevention and Detection.
- Continued to work with the Office of General Counsel and the Office Research and Economic Development to finalize the Institutional Conflict of Interest Policy.
- Worked with Policy owners to update existing policies and develop procedures and communication campaigns.
- Participated in the development of the FAA Conflict of Interest policy and aligned the University COI, integrating it into the updated policy template.
- Served as resource for development of the Construction Accounting Policy.
- Met with third party consultant regarding updating FIU's Policy Framework and Inventory Controls.
- Met with finance administration to update Identity Theft Prevention Program, policy and training.

➤ Worked with the Office of General Counsel and the Office of Research and Economic Development to finalize Inventions and Patents policy.
FIU Code of Conduct
<ul style="list-style-type: none"> ➤ Incorporated feedback and suggested revisions by key stakeholders into the Code of Conduct. ➤ Continued development of a comprehensive communications campaign for Code of Conduct launch and rollout, including coordination with Strategic Communications, Government and External Affairs.
Risk Management approach to University Policies
<ul style="list-style-type: none"> ➤ Continued design of the wireframing of the New FIU Risk Platform to include University policies as a control and mitigation measure. ➤ Incorporated data analysis from the 2020-2021 University-wide policy review to determine breadth and frequency of individual policy communication campaigns and whether associated training is necessary. ➤ Identified and coordinated policy campaigns with policy owners using a risk profile lens as new policies are created or substantively updated.
Increase University Policy Awareness
<ul style="list-style-type: none"> ➤ Continued to work with policy owners to determine the frequency and appropriate audience for policy campaigns. ➤ Continued to work with policy owners to identify various new methods of communicating policy. ➤ Continued to work with the Division of Human Resources to utilize its newsletter as a policy communication tool. ➤ Launched Fall Compliance Newsletter which includes a section highlighting new University policies.

New University Policies Reviewed and Endorsed by the Operations Committee and Deans Advisory Counsel
<p>The Office of University Compliance ushered four new policies through the New Policy Framework endorsement process:</p> <ul style="list-style-type: none"> ➤ 1110.035 – Construction Accounting Capitalization Policy ➤ 2390.001 – Inventions and Patents Policy and Procedure ➤ 1740.141 – Flexible Work Arrangement Policy and Procedure ➤ 150.200 – Institutional Conflict of Interest Policy
TRAINING, EDUCATION & COMMUNICATIONS
<p>The 2021-2022 Annual Work Plan includes continuation of robust training, education and communication activities conducted, coordinated, and facilitated by the Compliance Office to increase employee awareness. Efforts include information communicated through mandatory compliance training campaigns, self-enrollment educational opportunities, FIU's Compliance Newsletter, the Compliance and Integrity and Export Control Websites, time-sensitive communications, presentations and compliance updates, and participation in New Employee Orientation.</p>
2021– 2022 Annual and Scheduled Training, Education, and Communication
<p>Designed, developed, and issued five compliance Policy Acknowledgement/Training Campaigns to University faculty and staff including:</p> <ul style="list-style-type: none"> ➤ Digital Accessibility Policy Acknowledgement <ul style="list-style-type: none"> • 100% completion rate ➤ Student-Athlete Name, Image, and Likeness Policy Acknowledgement <ul style="list-style-type: none"> • 100% completion rate ➤ Travel at FIU Policy Acknowledgement <ul style="list-style-type: none"> • 99.2% completion rate ➤ FIU Clery Act Basics Training <ul style="list-style-type: none"> • 99.7% completion

➤ Alcoholic Beverages Regulation Acknowledgement

- Currently in escalation

Designed, developed, and issued seven Training Campaigns that are ongoing and open for self-enrollment:

- HIPPA Basics (enrollment required for access to protected health information)
 - Rolling enrollment
 - Employees and students trained: 1,350
- Payment Card Industry Data Security Standard Training for Merchants (enrollment required for access to certain privacy-controlled data)
 - Rolling enrollment
 - Employees trained: 138
- Payment Card Industry Data Security Standard Training (PCI-DSS) for IT (enrollment required for access to certain privacy-controlled data)
 - Rolling enrollment
 - Employees trained: 32
- FERPA Basics (enrollment required for Campus Solutions Access)
 - Rolling enrollment
 - Employees trained: 705
- The FIU Chosen First Name and Pronoun Use Training
 - Open for self-enrollment
- Records Management Compliance Training
 - Open for self-enrollment
- New Employee Experience Compliance and Ethics training
 - Conduct live bi-weekly trainings for new employees as they are onboarded

Launching in Spring 2022 - designed and developed compliance Policy Acknowledgement/Training Campaigns for University faculty and staff including:

- Institutional Conflict of Interest
- FERPA Basics
- Incident Response Plan
- Fraud Prevention and Detection Regulation
- Export Control

Communications Campaigns and Coordination with Key Stakeholders

- Red Flags – Preventing ID Theft with Data Security
 - Coordinating with the Division of Information Technology to leverage Data/Cyber Security Course.
- Conflict of Interest Policy
 - Coordinated with the Office of General Counsel, the Office of Research and Economic Development, the Division of Human Resources, and the Office of the Provost, to create University-wide communications campaign to align with the Annual Outside Activity/Conflict of Interest Disclosure cycle. Memorandum issued jointly to faculty and staff from the Office of Research and Economic Development and the Division of Human Resources in Fall 2021 communicating the new requirements, announcing educational webinars, and linking to relevant policy and resources.
- Drug-Free Campus/Workplace Drug and Alcohol Abuse Prevention
 - Coordinated with Academic Affairs, Human Resources, and the Office of the General Counsel for University-wide Memorandum to be issued jointly from the Division of Human Resources and Academic Affairs in Fall 2021 communicating policy, information, and resources. Coordinated with Academic Affairs to present the requirements of the Alcoholic Beverages Regulation to the Deans Advisory Council, Human Resource Liaisons, Operations Committee, and Chairs Advisory Council.
- Mandatory Reporting of Child Abuse, Abandonment and Neglect
 - Coordinating with the Office of General Counsel, the Division of Human Resources and the FIU Police Department to update educational campaign.
- Background and Criminal History Check Requirements Policy Attestation

<ul style="list-style-type: none"> Coordinated with the Division of Human Resources to publish updated Background Check Policy and Procedures. The Division of Human Resources coordinated a communication and attestation campaign which launched in December 2021. <p>➤ Ethics Policies/Gift Policy</p> <ul style="list-style-type: none"> Highlighted State of Florida Code of Ethics for Public Officers and Employees” in the November 2021 Compliance Matters Newsletter through a series of Frequently Asked Questions with links to relevant University Policy. 	<p>Training and Education Program Activities</p> <p>➤ Continued to work with the Division of Human Resources to utilize the HR Newsletter as a new /updated policy communication tool.</p> <p>➤ Developed on-line FERPA training to deliver through automated process tied to initial and continued <i>Campus Solutions</i> access.</p> <p>➤ Launched fall edition of Compliance Matters Newsletter.</p> <p>➤ Tracked and disseminated weekly training completion report for all health affairs units.</p> <p>➤ Conducted health affairs compliance meetings with affected units to determine role-based trainings. Continued development of advanced HIPAA training modules.</p> <p>➤ Finalized three Export Control trainings (basic training, health science professionals, research and operations personnel).</p> <p>➤ Leveraged the improved Escalation Protocol to maximize completion rates for four campaigns.</p> <p>➤ For campaigns currently in the escalation process:</p> <ul style="list-style-type: none"> 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. Sent final escalation notices for all remaining 2020-2021 campaigns and placed non-compliance memorandum in the individual personnel files of those who failed to complete following full escalation. Provided notice to supervisors of affected employees. <p>➤ Met with Student affairs, the FIU Foundation, and Alcohol and Other Drugs "AOD" Taskforce members to design communications campaign related to the Alcoholic Beverages Regulation.</p> <p>➤ Met with the FIU Police Department to design Communications Campaign for CLERY reporting</p>
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<ul style="list-style-type: none"> ➤ Met with the Division of IT to begin the design of automated processes to disseminate communications and notifications of compliance campaigns. ➤ Continued to train new hires bi-weekly through participation in the New Employee Experience orientation session. 	<p style="text-align: center;">MEASUREMENT & MONITORING</p> <p>The 2021-2022 Annual Work Plan includes continuation of regular measurement and monitoring program elements in addition to conducting several identified assessments informed by evolving risks, new laws, and regulations, as well as trends identified by the Compliance Office in partnership with other units.</p>
<p style="text-align: center;">Scheduled Compliance Reviews and Assessments</p> <ul style="list-style-type: none"> ➤ <u>Outside Activities/Conflict of Interest Program Assessment</u> - Met weekly with the Outside Activities/Conflict of Interest Workgroup including participation from the Office of General Counsel, the Office of Research and Economic Development, the Division of Human Resources, and the Office of the Provost to assess and make process improvements to conflict-of-interest workflows, communications, and portal questions. ➤ <u>Full Program Compliance Program Assessment</u> - As required by BOG Regulation 4.003, the University completed an external review of the Program's design and effectiveness. External Program Review of the University Compliance Program was included in the December Audit and Compliance Committee Meeting materials. Florida International University Design and Effectiveness Review Finding and Recommendation Memorandum will be included in the March 3, 2022 Audit and Compliance Committee Meeting materials. ➤ <u>Employee Excellence Program Assessment Tool</u> - Continued collaboration with the Division of Human Resources to integrate employee appraisal measurements against compliance requirements to allow supervisors to assess compliance and ethics more accurately as a performance metric. ➤ <u>Compliance and Ethics Program Survey-Based Assessment</u> - Completed voluntary, anonymous annual assessment to University employees with additional questions regarding ethical leadership to gather data to assist with determining compliance and ethics priorities and initiatives. Over 3,000 employees participated in the assessment. Survey results included in the March 3, 2022 Audit and Compliance Committee Meeting materials. 	

Ongoing Measurement and Monitoring Program Elements

- Outside Activities/Conflict of Interest Disclosure Process – Continued to work with University partners through this review process to assess risk exposures posed by certain disclosures and take proactive steps to address those risks.
- Ethical Panther Hotline Case Review – Continued to provide administration and oversight of the Ethical Panther Hotline to include review and tracking of all reports submitted. Worked with Employee and Labor Relations to identify additional methods for improving the populating of information in the case management system.
- Travel Authorization Monitoring – In cooperation with Global Affairs, the Compliance Office monitors and assesses export control and other risks associated with international travel as a member of the International Travel Committee and as an approver for an export control questionnaire for all international travel authorizations. The Compliance Office reviewed and responded to 26 travel authorization export control approvals.
- External Compliance Requests or Investigations – Continued to provide support, coordination, or oversight of external inquiries into compliance with federal and state laws or NCAA requirements.
- Participation in Task Forces, Committees and Other Compliance Initiatives – Continued participation in a wide variety of groups to both contribute compliance guidance into University operations and to monitor operational activities for risk mitigation purposes.
- Partnership and Coordination with Internal Audit – Continued to provide guidance to the Office of Internal Audit regarding compliance-related audits and matters. Based on audit findings, (which are communicated as a matter of course to the CCO), the Compliance Office provides guidance, training, and/or assists departments with policy and procedure development and other mitigation strategies.
- Compliance Calendar Monitoring – Administered the Compliance monitoring calendar which includes deadlines for items requested of business partners throughout the campus by regulators and a verification process for required submissions.
- Risk Assessment – The enterprise risk assessment conducted by the Office of Internal Audit continued to serve as a guide for the Compliance Office’s risk-based approach to prioritizing and addressing University policy and other Compliance requirements.
- Payment Card Industry Training and Approval – Trained and approved 68 individuals to work as merchants accepting credit cards for payment and for Information Technology personnel to gain access to sensitive information.
- Export Control Visual Compliance Screenings – Conducted 158 visual compliance research reviews during the reporting period as part of the Visa Applicant Questionnaire Screening, International Agreement Screening, International Shipping Review, and Travel Authorization review processes.
- International Travel Committee – Reviewed and provided recommendations for 113 international travel petitions.

Compliance Calendar Monitoring	
➤ Administered the Compliance monitoring calendar which includes deadlines for items requested of business partners throughout the campus by regulators and a verification process for required submissions.	
➤ Continued to work with Information Technology to finalize improvements to an automated Compliance Requirements Matrix Platform to support this Compliance monitoring function.	
➤ Tested and approved Compliance Requirements Matrix Platform.	
➤ Developed and disseminated tutorials to guide Compliance requirements owners through the new platform to verify their completion of compliance tasks.	
➤ Scheduled demo (for January) to guide Compliance requirements owners through the new platform and to answer questions and gather process improvement feedback.	
➤ Communicated with business partners to remind them of deadlines and to seek verification of submissions for the following compliance items within this reporting period:	
	<ul style="list-style-type: none"> • Campus Security Act Report • Students, Employees, and the US Department of Education Annual Fire Safety Report • Increases to Fees and New Fees Under Consideration • Annual Textbook and Instructional Materials Affordability Report • Office of Federal Affairs Federal Lobbying Disclosure Reports • Above-ground Storage Tank (AST) Report of Financial Responsibility Certification • Florida Corporate Income/Franchise and Emergency Excise Tax Return (Form F-1120) • SUS (State University System) GAAP (Generally Accepted Accounting Principles) Financials (for State of Florida Auditor General) • Higher Education Act: Perkins Loans • Institutional Animal Care and Use Report • Employees Tuition Payment Credit Report • Federal Student Aid Audit • NCAA - EADA Report - The Report on Athletic Program Participation Rates and Financial Support Data • NCAA - Attestation of Compliance

ENFORCE AND PROMOTE STANDARDS THROUGH A SYSTEM OF INVESTIGATIONS, DISCIPLINE, INCENTIVES AND CORRECTIVE ACTIONS

The 2021-2022 Annual Work Plan includes continuation of the Compliance Office assisting in investigations and reviews, overseeing the Ethical Panther Hotline, making effective use of “Scorecards” to highlight accountability, awarding professional development credits for completion of compliance tasks, and providing oversight and guidance to compliance partners regarding corrective actions.

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

- Continued work with the Division of Human Resources to ensure consequences for employees who fail to complete required compliance tasks following the Escalation Protocol.
- Incorporated direct line supervisors into Escalation Protocol to encourage completion and communicate consequences of failure to complete required compliance tasks.
- Continued work with the Division of Human Resources to implement a system to inform supervisors of employees who have not completed compliance tasks for inclusion in the Performance Excellence Process (PEP).

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

- Continued administration of the FIU Ethical Panther Hotline to include assignment, review and tracking of 21 open reports, data compilation, trend review, and reporting.
- Continued to partner with the Division of Human Resources to develop case management workflow.
- Coordinated the triage of reports by the Hotline Reports Review Committee, consisting of the Chief Compliance Officer, the Senior 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 FIU 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, and the Policy Library in various communications.

<ul style="list-style-type: none"> ➤ Implemented form to facilitate the investigation and documentation of resolution by external units who do not have access to the case management system for Ethical Panther Hotline report submissions. ➤ Reviewed automated weekly reports to monitor progress on investigations stemming from Ethical Panther Hotline cases. 	
Provide Recommendations for Corrective Actions and Improvement of Ethical Conduct	
<ul style="list-style-type: none"> ➤ 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. ➤ Drafted template memos for personnel files of employees who fail to complete required compliance tasks following escalation. ➤ Collaborated with the Office of the Provost and the Office of General Counsel to ensure faculty escalation process was in alignment with Collective Bargaining Agreement. ➤ Met with FERPA Workgroup to investigate and recommend corrective action (if appropriate) for all reported FERPA violations. ➤ Continued work to integrate FERPA complaint management into the new case management system. ➤ Worked with Associate Athletic Director of University Compliance to ensure compliance with all NCAA regulatory obligations. 	

RISK MANAGEMENT

The 2021-2022 Annual Work Plan includes continuation of the Compliance Office making effective use of the Enterprise Risk Management Framework, including assisting risk owners in making risk informed decisions and responding to key identified risks by implementing proper controls and mitigating measures and facilitating continuous learning.

Educate Risk Owners Regarding Risk Management Principles

- Continued to meet with the 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 Office of the General Counsel and other key stakeholders as they occur through new legislative requirements and institutional initiatives and obligations.

Florida International University Design and Effectiveness Review

Finding and Recommendation Memorandum

PRESENTED BY:

Neal Thurston, Director Data and Services

DATE:

November 18, 2021

Contents

- Preamble
 - Methodology, Scorecard, and Benchmark
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 - Program Resources and Structure
 - Measuring Perceptions of Ethical Culture
 - Written Standards
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 - Monitoring and Auditing
 - Enforcement, Discipline, and Incentives
 - Appendix A: Interview List
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Preamble

- Florida International University (“FIU”) retained Ethisphere, LLC (“Ethisphere”) to evaluate the university’s ethics and compliance program. The following Finding and Recommendation Memorandum (“Memorandum”) was prepared by Ethisphere at the request of FIU. The findings, benchmarking data, and recommendations were derived from Ethisphere’s review of the FIU program, using a methodology developed by Ethisphere.
 - The information in this Report is owned by FIU except that: (a) Ethisphere retains exclusive proprietary ownership rights to the methodologies (“Proprietary Rights”), and FIU agrees that it will not take action to interfere with such Proprietary Rights; and (b) Ethisphere retains the right to use the numerical information and supporting data from which the Memorandum was derived for future benchmarking and other analyses done for other Ethisphere clients, so far as Ethisphere ONLY uses this supporting data in a form whereby such information and data is aggregated with similar information of other Ethisphere clients and cannot be identified as data and information derived from work with FIU.
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Methodology, Scorecard, and Benchmark

Assessment Methodology

From July 2021 through November 2021, Ethisphere conducted its review of the FIU compliance program at FIU’s request.

Ethisphere’s assessment processes looked at the following aspects of FIU’s programs and practices:

Program Structure and Resources	Written Standards	Measuring Ethical Culture
Training and Communications	Monitoring and Detection	Enforcement and Discipline

We based our findings and recommendations in this Memorandum on FIU’s answers to Ethisphere’s 2021 Ethics Quotient® (EQ) survey, documentation submitted, and interviews with senior and operational leaders from various functions across the university.

Assessment Methodology

The scorecard provides a summary maturity classification for each element assessed. Below are the five maturity tiers used to describe each element of the program, its color classification for visual reference, and a description of how to interpret each tier.

Maturity Scale	Maturity Scale Description
5 Highest Maturity	Very Strong ; Best-in-class program/components. Leading or mature practice that organizations should aspire to implement.
4	Solid; Trending Very Strong ; Components are trending very strong in many facets with some opportunities for enhancement.
3	Solid ; Generally consistent with industry practices, yet several opportunities exist to improve or enhance this area.
2	Needs Attention, Trending Solid ; A component may be consistent with industry practices, but other components lack efficiency, efficacy or are undeveloped.
1 Lowest Maturity	Needs Attention ; A component is nascent or does not exist, requiring significant and immediate updating.

Assessment Summary Scorecard

Assessment Category	Maturity Scale	Key Drivers
Program Structure and Resources	5	<ul style="list-style-type: none"> • Monitor and evaluate resource needs – update BoT as appropriate • Formalize performance review input from Audit and Compliance Committee • Solid access with BoT and functions • Excellent use of committees and resources to improve program
Written Standards	4	<ul style="list-style-type: none"> • Publish and publicize new Code of Conduct when finalized • Policy construction, review, publication process is strong – evaluate tone • Consider adopting supplier guidance – supplemental to existing state guidance
Measuring Ethical Culture	5	<ul style="list-style-type: none"> • Consider targeted pulse surveys, focus groups, and interviews with staff • Encourage people managers to have regular conversations with their direct reports on compliance/ethics topics throughout the year
Training and Communications	3	<ul style="list-style-type: none"> • Create a multi-year communications plan to better coordinate and target communications • Create targeted communications in collaboration with other functions to discuss ethics concepts, increase resource awareness. • Make supervisor training mandatory • Training efforts appear strong – continue to monitor and innovate
Monitoring and Detection	4	<ul style="list-style-type: none"> • Implement gift and entertainment tracking tool to replace manual tracking • Consider asking for more targeted risk evaluation section based on trends from evaluations, hotline, staff interviews/focus groups • Good use of information from comparison to other university programs
Enforcement and Discipline	4	<ul style="list-style-type: none"> • Encourage root cause analysis on all investigations which pass through the tracking tool • Monitor case resolution times to see where additional investigative resourcing needed • Ask targeted post-investigation questions of reporters and significant witnesses to evaluate trust in system, effectiveness of process
Overall	4	<ul style="list-style-type: none"> • Excellent operational documentation of program elements • Staff competencies strategically employed given limited resources • Continue to monitor program elements; improve training and communications

PROJECT CONTEXT

About the FIU Benchmark

This Report contains data points from Ethisphere's 2021 Ethics Quotient (EQ) data set. This data set provides insights into the programs and practices of leading companies from around the world.

From this data, Ethisphere identified two datasets to benchmark against FIU. These two benchmark data sets are presented alongside Oceaneering's EQ survey results to provide a comparative view into the practices of organizations with similar risk profiles.

Benchmark Segment #1: 2021 Honorees

136 companies representing Ethisphere's 2021 class of the *World's Most Ethical Companies*

Benchmark Segment #2: Size Peers

12 companies with between 10,000 and 25,000 employees, between \$1bn and \$5bn revenue, and come from the following industries: Engineering/Design, Medical Services, Medical Products, Software, Business Services, Consultants, Financial Tech, and Government Contracting

The participating number of benchmarked companies varies by question depending upon survey skip logic and whether the company chose to answer that question.

The full list of the 2021 World's Most Ethical Companies is available at <https://www.worldsmostethicalcompanies.com>





Assessment Findings

SECTION 1

Program Structure and Resources

KEY CONSIDERATIONS

- In reviewing FIU’s overall program structure and resource levels, Ethisphere first evaluates program structure and the manner in which overall responsibility for compliance oversight is assigned to high-level personnel. Guidance issued over the last decade from a variety of regulators (US DOJ, SEC, HHS-OIG, USSC, UK SFO, OECD, etc.), and we agree, that the organizational chart of a given organization sends a message about organizational priorities. Do those running the compliance program have a “seat at the table”?
- Examination is also conducted on how resources and authority have been allocated to those individuals. In short, is the program appropriately staffed for the size and complexity of the business?
- Finally, we review if members of FIU’s governing authority are actively engaged in the compliance program, whether they are knowledgeable about its content and operations, and whether they exercise reasonable oversight of that program.

Finding and Recommendations: Program Structure

Monitor and evaluate resource needs – update BoT as appropriate

The compliance group demonstrated a superior use of time, staffing, and available resources to take on a variety of compliance tasks and address new laws and regulations on top of everyday responsibilities. In interviews and review of tasks and responsibilities, Ethisphere found that the team is somewhat stretched to achieve goals given current resources, but is not deficient in achieving them.

Ethisphere recommends adding a self-evaluation aspect around priority task turnaround and resource availability for upcoming and recently-implemented laws, rules, and regulations which will require attention from the compliance team.

Ethisphere recommends continued monitoring and evaluation of resources and availability of other strategic partners to assist with upcoming necessary tasks, along with regular updates to the Board of Trustees around resource availability and needs to meet requirements from new laws and regulations.

Formalize performance review input from Audit and Compliance Committee

Receiving input from the governing authority is a hallmark of compliance program independence. Gathering performance review feedback for the head of the compliance program can give additional direction for how the program head can best inform and respond to the needs of the governing

authority. Seventy-five percent of the Benchmark Group organizations provide their head of compliance with performance review feedback. See slide 4A.⁹

Solid access and involvement with leadership, BoT, and functions

The Compliance staff has demonstrated, and interviews reveal, that interactions and involvement with university leadership, the Board of Trustees, and other functions involve a solid level of trust and excellent exchange. This is a crucial component to effective program function.

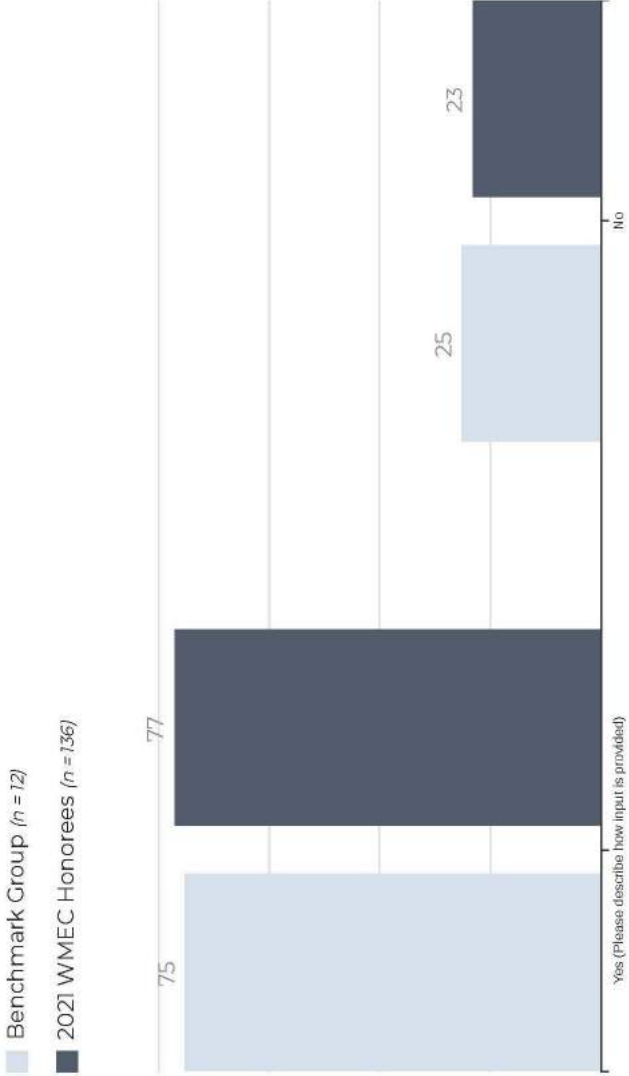
Excellent use of committees and resources to improve program

The Compliance program demonstrated through documentation and interviews an exceptional ability to positively utilize limited resources in a challenging environment (pandemic, new regulations). The compliance program may benefit from identifying places where budget and risk appetite could be more closely aligned; this will allow the University to fully unlock the power of available resources and leverage coordinated activities more easily.

Program Structure and Resources

Formalize performance review input from Audit and Compliance Committee

4A.9 Does the Board, the committee of the Board with oversight of the ethics and compliance function, or the other governing authority with oversight of the ethics and compliance function provide input as to the performance review for the person assigned overall responsibility for the ethics and compliance program?



Florida International University Response: No

SECTION 2

Written Standards

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KEY CONSIDERATIONS

- Ethisphere evaluates the organization's written code of conduct, key standalone policies, and other relevant standards. Well-written, comprehensive, and well-communicated policies, procedures, and controls play a critical role in preventing and detecting misconduct, reducing the likelihood of violations, and ensuring a satisfactory state of compliance for an organization.
- Written standards must be literally available, meaning that an employee can find the documents, as well as linguistically available, meaning the employee could understand the behavior expected of them after reading the policy.

Finding and Recommendations: Written Standards

Publish and publicize updated Code of Conduct when finalized

The compliance group provided Ethisphere with a draft version of the Code of Conduct. This document appears to be intended to replace the current link on FIU's website to the Code of Conduct for Public Officers and Employees and to supplement and reference other FIU policies.

The draft Code of Conduct provided to Ethisphere summarizes the responsibilities and requirements and provides guidance to staff in a way that is more friendly to readers than how these requirements are presented in legislation.

The new Code includes graphics, an introduction from the President, utilizes inclusive "we" language, links to other policies and relevant documentation, provides clear paths of action to assist in reporting and decision-making, and clearly lists the reporting portal hotline number and URL. The target audience is reminded of their obligations, such as with outside affiliations and conflicts of interest, and given succinct direction on how to address these responsibilities.

While Ethisphere's review of the draft Code is not comprehensive in nature, as such a review would fall largely outside the scope of this engagement, Ethisphere nonetheless recommends that the Compliance group make all relevant updates to the draft with an eye on finalizing, publishing, and publicizing this new Code of Conduct. Publication of a standalone Code of Conduct represents a practice found at other universities and organizations with mature compliance programs.

Policy construction, review, publication process is strong – evaluate tone

Ethisphere's evaluation of written standards at FIU revealed a consistent process of review and functional involvement in the creation, review, and maintenance of necessary policies. Guidance around ownership was clear. Process for creation and update was clearly outlined. Links to other relevant policy was clear and easy to find. Policy tone was generally observed to be overly formal and legalistic.

Some interviewees reported the sense that policies are written "by attorneys" – this may give the sense that written guidance is less approachable and requires additional interpretation to get useful information and understand required actions.

Ethisphere recommends evaluating where clear instruction points and simplified language could aid readers in connecting more easily with policy guidance.

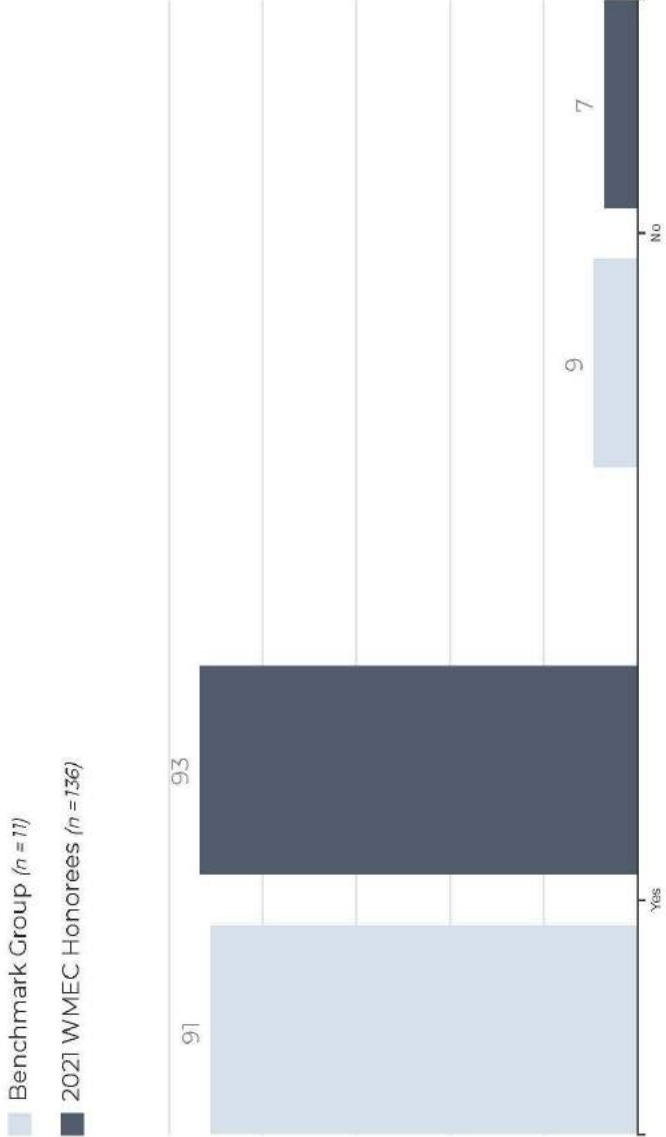
Consider adopting supplier guidance – supplemental to existing state guidance

Ethisphere recommends that FIU create a true Supplier Code of Conduct to outline the ethical commitments that suppliers must meet. Such documents typically address many of the same risk areas as employee codes of conduct, such as bribery, conflicts of interest, harassment and discrimination, and gifts and entertainment. They generally also state the organization's right to audit suppliers and the expectation that suppliers will train their employees on ethics and compliance-related topics. Supplier codes are briefer than employee codes – generally about 3,000 words in length. See slide 5.1

Written Standards

Consider adopting supplier guidance – supplemental to existing state guidance

5.1 Does your company maintain a third-party Code of Conduct ("Third-Party Code")?



Florida International University Response: No

SECTION 3

Measuring Ethical Culture

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KEY CONSIDERATIONS

- In order to have an effective ethics and compliance program, an organization must understand the culture of its workforce and continually measure the organization's overall ethical health and compliance environment. One of the most effective ways to gauge this environment is through an organizational health and culture assessment.

Finding and Recommendations: Measuring Ethical Culture

Consider targeted pulse surveys, focus groups, and interviews with staff

The compliance group appears to be making good use of regular surveys to understand the ethical culture at FIU. Ethisphere notes the group could add to its understanding with some additional avenues for gathering feedback. Use the opportunities found in focus groups and targeted staff interviews to better understand how messaging, training, and awareness of the compliance function can be better targeted and supported. See slide 4G.1






Encourage people managers to have regular conversations with their direct reports on compliance/ethics topics throughout the year

The compliance group indicated that people managers currently have a standalone item on their performance evaluation for direct reports which relates to compliance. While this presents a limited opportunity to discuss ethics and compliance with direct reports, Ethisphere's data and research shows that when people managers discuss compliance issues with their direct reports on a regular basis – often during team meetings and ideally quarterly – those direct reports indicate a higher level of trust in the organization, in their manager, and in participating in speak-up culture. Ethisphere recommends the compliance team use methods like “meetings-in-a-box”, a schedule of topics, cascade-able communications, and videos or other media with compliance messages, along with an encouragement for people managers to speak regularly with their direct reports around compliance issues. See slides 4D.20 and 4D.21

Measuring Ethical Culture

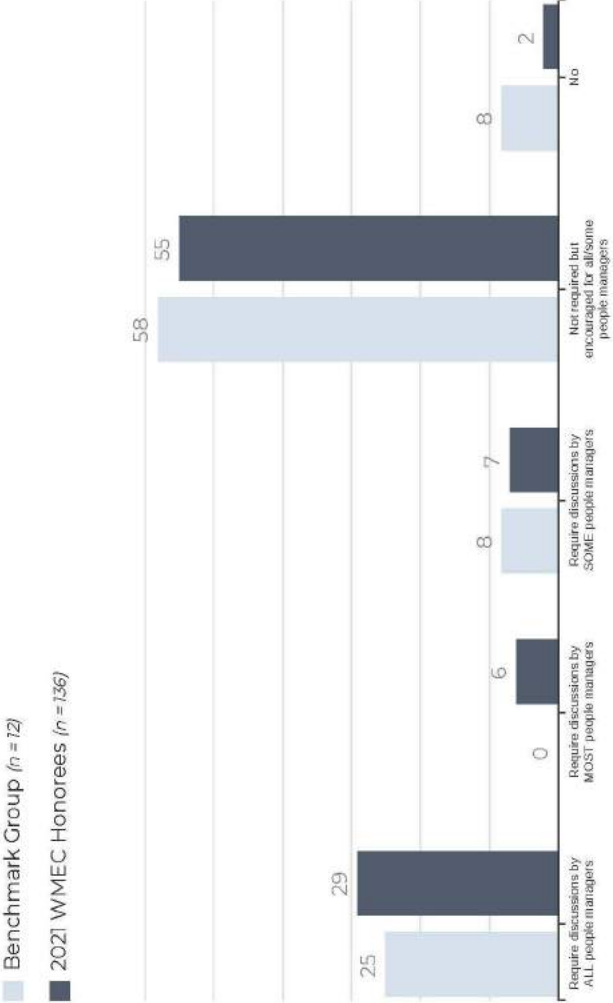
Consider targeted pulse surveys, focus groups, and interviews with staff

4G.1 Which of the following methods, if any, are part of your company’s approach to measure employee perceptions of ethical culture and/or the ethics and compliance program?

	BENCHMARK GROUP (n = 12)	2021 WMEC HONOREES (n = 136)	FLORIDA INTERNATIONAL UNIVERSITY
Focus groups	67%	65%	
Non-manager employee interviews	42%	57%	
Manager interviews	58%	72%	
Ethical culture employee survey(s)	100%	99%	
External stakeholder ethical culture survey(s)	42%	38%	
Visits by E&C personnel to non-HQ sites	75%	92%	
Review of social media for comments about company	67%	88%	
Monitor real-time direct feedback system	58%	68%	
Other unique culture measurement approach	17%	26%	

Encourage people managers to have regular conversations with their direct reports on compliance/ethics topics throughout the year

4D.20 Does your company require people managers to have discussions with their direct reports regarding specific ethics and compliance topics at least once throughout the year?

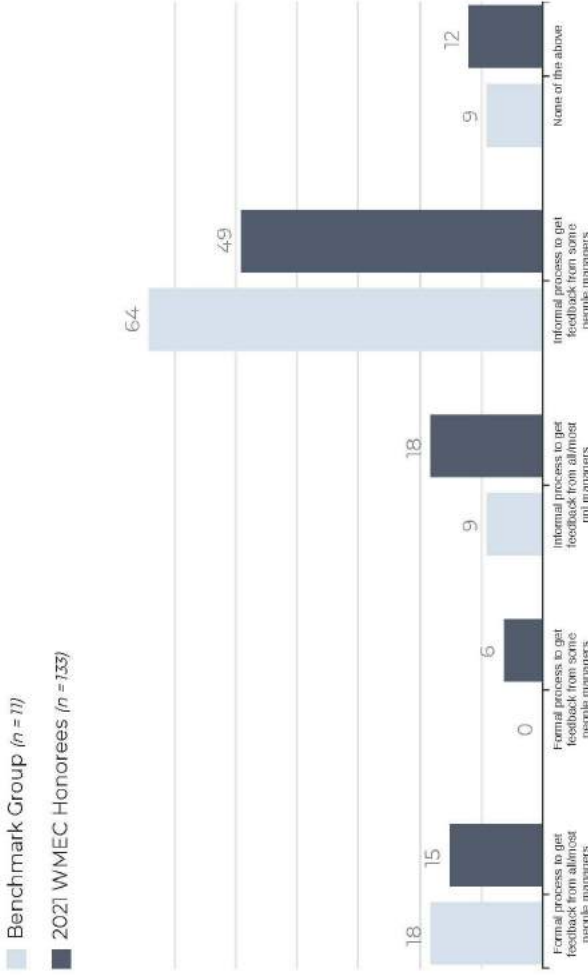


Florida International University Response: Yes, we require such discussions by all of our people managers

Measuring Ethical Culture

Encourage people managers to have regular conversations with their direct reports on compliance/ethics topics throughout the year

4D.2.1 Select the following that best describes how the Ethics and Compliance function follows up with people managers for feedback regarding their ethics and compliance conversations with their direct reports.



Florida International University Response: The ethics and compliance function has a formal process of collecting feedback from all or most people managers

SECTION 4

Training and Communications

KEY CONSIDERATIONS

- Ethisphere examines information regarding the organization's current compliance training and communications programs to determine their quality and effectiveness.
- Ethisphere seeks to ascertain whether initiatives are adequately planned and periodically evaluated for effectiveness, and whether the training is mandated for all employees, including senior management. Ethisphere also reviews whether this training obligation is ongoing and effective, including how the organization enforces its training requirements.
- Lastly, Ethisphere reviews the extent to which the organization is providing information to managers on their special role in supporting the ethics and compliance program. Research continues to provide us with data indicating that immediate supervisors are not only the most likely source for information regarding an employee concern, but they are also the most looked-to role model for appropriate behavior. As a result, training these individuals to provide the right example of "how we do things here" is critically important to the success of the program and support of the culture.

Finding and Recommendations: Training and Communications

Create a multi-year communications plan to better coordinate and target communications

Ethisphere's review of communications efforts and the Compliance and Ethics Workplan shows good use of modalities to reach employees. The compliance group provided evidence that communications planning is very general in nature, typically follows on from training efforts, and is largely not well-targeted as standalone efforts to parts of the employee base. Ethisphere recommends creating a dedicated multi-year communications plan separate from the Compliance and Ethics Workplan, and to ensure that decisions around messaging and modality are targeted at staff based on function, job level, misconduct trends, or other risk-based audience identification.

Create targeted communications in collaboration with other functions to discuss ethics concepts, increase resource awareness.

Ethisphere notes the compliance group recently started a newsletter to broadly discuss ethics and compliance with staff. Ethisphere encourages the compliance function to evaluate communications efforts with strategic communications partners (e.g. a university-wide communications group) and to take feedback to partner functions (HR, Audit, Athletics, Research, etc.) to help determine where succinct, targeted messaging to smaller audiences would have impact.

Make supervisor training mandatory

The compliance group indicated that people managers are provided with access to leadership training upon joining the university and may take the training voluntarily at any time. Ethisphere notes important issues around compliance culture are presented in such training, and encourages the compliance group to continue to review this training to see where improvements may be needed in the future.

Ethisphere recommends making supervisor training which contains key compliance items (e.g. encouraging speak-up culture, manager's role in supporting ethical culture, how to handle employee concerns) mandatory and recurring. Ethisphere also recommends looking at a separate mandatory module around ethical culture and reporting. See slide 4D.8

Training efforts appear strong – continue to monitor and innovate

Ethisphere's review of training materials and interviews with staff revealed a generally engaging training routine that is well planned and risk-focused. Interviewees found the training, and associated improvements in the modality and messaging, to be welcome and on-target. Ethisphere recommends continuing to monitor staff feedback around compliance issue knowledge, training improvements, and evolving risk areas.

Training and Communications

Make supervisor training mandatory

4D.8 You indicated that your organization has developed online training for people managers. Select the following that applies to this manager training.

	BENCHMARK GROUP (n = 6)	2021 WMEC HONOREES (n = 86)	FLORIDA INTERNATIONAL UNIVERSITY
Part of new manager orientation	67%	74%	✓
Periodic basis - at least every 2 years	67%	73%	
Content refresh/review periodically - at least every 2 years	83%	81%	✓
Tracked for completion rates	83%	87%	✓
Completion part of manager performance eval	50%	26%	✓
Completion is mandatory for all managers	83%	67%	
Completion mandatory for >50%, but not all managers	17%	5%	
Completion mandatory for <50% of managers	17%	6%	
Made available to managers, not required	17%	19%	
Use single online course to educate managers on topics	17%	21%	✓
Multiple online courses to educate managers on topics	100%	73%	✓
None of the above	0%	0%	

SECTION 5

Monitoring and Detection

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KEY CONSIDERATIONS

- Section 5 focuses on how the organization identifies its key risks and accordingly determines how to allocate related resources (both inside the compliance function and outside of it). This includes determining whether the organization conducts periodic evaluations of the effectiveness of its ethics and compliance program, as well as whether it uses a risk assessment system to evaluate the organization's high-risk areas. Supply chain oversight systems and anti-corruption compliance efforts are taken into account, as applicable.
- Ethisphere also evaluates whether the organization employs auditing and monitoring systems designed to prevent and detect misconduct. Among other things, it looks into whether the organization operates a whistleblower system, providing employees mechanisms by which they can anonymously report misconduct and seek guidance on issues or questions. In addition, organizations have made tremendous progress over the last decade in consolidating their case management systems into an integrated tracking platform, and we review the extent to which efforts are being made to utilize such an approach.
- Finally, Ethisphere reviews whether the organization is using reasonable efforts to exclude from positions of high authority any individuals who have engaged in illegal activities or other improper conduct.

Finding and Recommendations: Monitoring and Detection

Implement gift and entertainment tracking tool to replace manual tracking

Ethisphere's review of the process for handling gift and entertainment tracking revealed a largely manual process. Mature compliance programs, and especially the Benchmark group (at 64%) have moved to computerized workflow and tracking tools for gift and entertainment registries. Ethisphere recommends evaluating where existing tools, such as Qualtrics surveys and especially those which might reside with the HR function, may be able to host gift and entertainment tracking for easy retrieval and analysis by your team and other functions, as necessary, throughout the organization. See slide 4E.16

Ethisphere recommends consulting with the risk management process leaders to see where a deeper dive on opportunities, especially as highlighted in this Memorandum, hotline trends, and ethical culture data gathered from staff, could benefit from closer focus.

Good use of information from comparison to other university programs



The compliance group reported self-evaluating their program with other Florida universities. Doing program comparisons is a strongly encouraged practice by Ethisphere, and we additionally recommend that you continue this practice as you modify your program. Ethisphere additionally recommends continuing to share insights from program comparison with the Board of Trustees, the President, and other functions which regularly interact with compliance.

Consider asking for more targeted risk evaluation section based on trends from evaluations, hotline, staff interviews/focus groups

The existing risk evaluation process is a university-wide exercise which is incredibly broad in scope. Review of the associated documentation and interviews revealed this process may leave some areas that the compliance program touches underserved.

Implement gift and entertainment tracking tool to replace manual tracking

4E.16 What technology does your company use to track gifts and/or entertainment given to or provided by your employees?

	BENCHMARK GROUP (n = 11)	2021 WMEC HONOREES (n = 132)	FLORIDA INTERNATIONAL UNIVERSITY
Use software tool to track disclosures	64%	71%	
Manual tracking - spreadsheets, emails, text docs	73%	47%	
Accounting codes	55%	54%	
Other (Please specify)	9%	24%	

SECTION 6

Enforcement and Discipline

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KEY CONSIDERATIONS

- The program components that comprise enforcement, discipline, and incentives have undergone tremendous growth over the last few years and remain an area of considerable focus for regulatory authorities. This reflects a growing understanding that the systems that incentivize and promote employees across an organization are the best culture markers, and culture creators, available to a organization.
- Ethisphere reviews whether the organization enforces and encourages compliance through disciplinary measures and incentives, and whether the promotion system and performance evaluation systems allow for ethics and compliance input. Ethisphere also verifies whether the organization is taking reasonable steps to respond to and prevent instances of similar misconduct, including making any necessary changes to its policies and procedures.
- Lastly, we consider the extent to which organizations are taking advantage of available data to monitor the wellbeing of those who have raised concerns.

Finding and Recommendations: Enforcement and Discipline

Encourage root cause analysis on all investigations which pass through the tracking tool

The compliance group noted they perform root cause analysis on investigations only in situations where they have identified a trend in reporting or when a serious misconduct issue is reported. Ethisphere recommends implementing root cause analysis on all investigations which reside in the tracking tool. Doing so will help identify “under-the-radar” trends which may otherwise escape notice due to lower incidence rates. Ethisphere notes most of the Benchmark group (73%) tend to implement root cause more broadly than what is used at FIU. See slide 4F.4

Monitor case resolution times to see where additional investigative resourcing needed

A consistent theme encountered during Ethisphere’s review of the compliance program was around time and resources available to complete investigations in a timely way. University resources are perennially thinly spread and competing priorities often absorb staff time. Ethisphere’s review did not find that the compliance investigation timeframes are seriously deficient in any way. Nonetheless, Ethisphere recommends the compliance department follow up with key partners to see where responsiveness to requests can be improved. The compliance team can use this opportunity to work with these key partners that handle investigations to formalize

the use of root cause analysis across investigations and address investigation resolution timeframes, as these groups have the main responsibilities of conducting the investigation procedures.

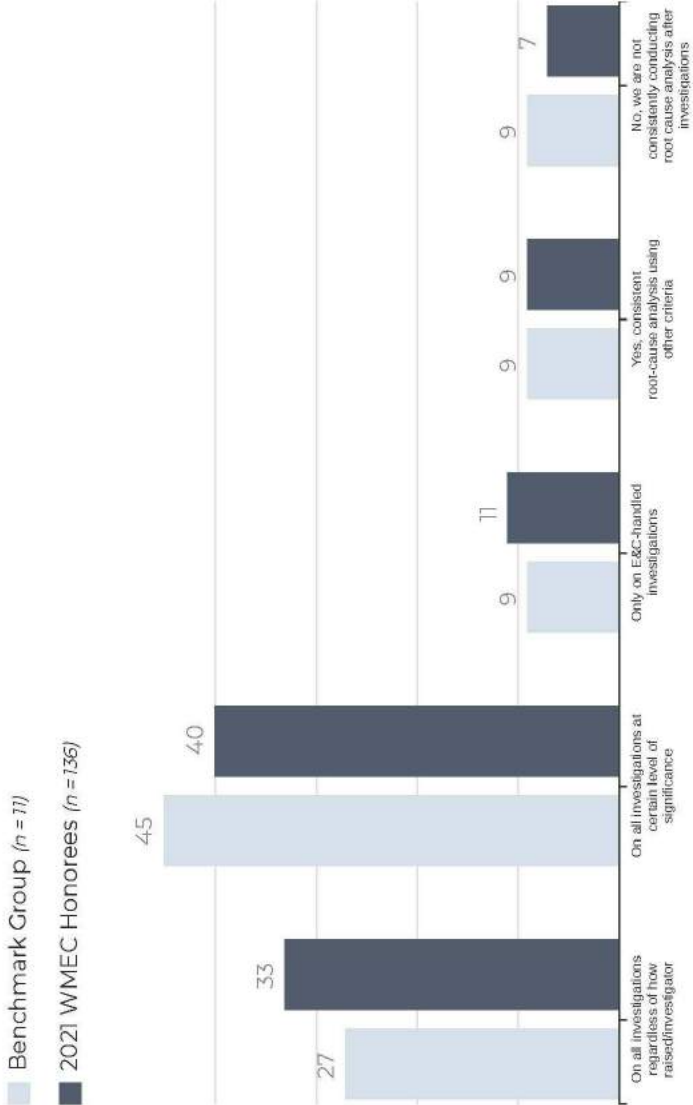
Ask targeted post-investigation questions of reporters and significant witnesses to evaluate trust in system, effectiveness of process

Post-investigation follow-up with reporters is brief and understandable given the limited staff and resources available for investigation matters. The compliance group is not conducting post-investigation interviews with reporters or significant witnesses, and is leaving valuable information around levels of trust in the investigation process, organizational justice, and ethical culture untapped. Ethisphere recommends that the compliance group enlist the help of HR and/or Audit to follow up with select reporters (usually those from randomly selected investigations and those who provide contact information) after the investigation concludes to ask targeted questions to solicit this data, which it can share with other functional partners (e.g. HR, Title IX, Audit). See slide 4F.3

Enforcement and Discipline

Encourage root cause analysis on all investigations which pass through the tracking tool

4F.4 Is your company currently conducting root cause analysis to assign root cause(s) to incidence of misconduct?

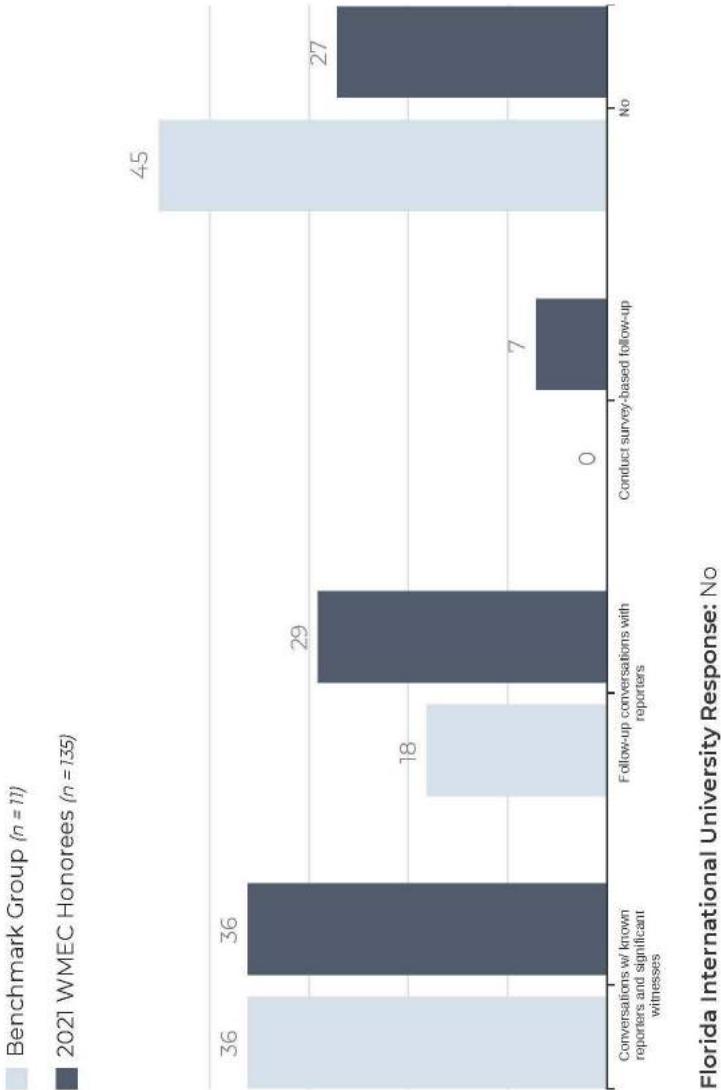


Florida International University Response: Yes, we are consistently conducting root cause analysis after investigations, but it is based on the following criteria, which are different from the criteria in the options above (Please specify): - If there is a trend in reporting or a significant misconduct issue that leads to serious loss or disciplinary action.

Enforcement and Discipline

Ask targeted post-investigation questions of reporters and significant witnesses to evaluate trust in system, effectiveness of process

4F.3 Does your organization have a process for gathering feedback from individuals who participated in an investigation after the investigation is closed?



Appendix A

Interview List

The following individuals were interviewed by Ethisphere as part of FIU's design and effectiveness review:

Interviewee	Title
Jennifer LaPorta	Chief Compliance and Privacy Officer
Luz Cabrera-Frias	Assistant Director, Compliance
Mark Rosenberg	University President
Natasha Lowell	Trustee, FIU Board of Trustees
Carlos Castillo	General Counsel
Robert Gutierrez	AVP, Research
Elizabeth Marston	Deputy General Counsel
Trevor Williams	Chief Audit Executive
Kenneth Jessell	Senior VP and Chief Financial Officer
Helvetiella Longoria	Chief Information Security Officer
Don Fischer	Export Controls Consultant
El Pagnier Hudson	SVP Human Resources, Vice-Provost Diversity and Inclusion
Kevin Kendrick	Associate Director Compliance, Athletics
Joann Cuesta-Gomez	Director, Employee Labor Relations
Steven Patterson	Director Compliance, Health Affairs



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Compliance and Ethics Program Survey Assessment Based Results

Total Respondents: 2711

NOTE: Certain question numbers are skipped as they were utilized if respondents chose to submit additional comments in free text.

Question/Response Option	RESULTS	
	Total #	Percentage
Q1 - I am aware that FIU has an Office of University Compliance and Integrity.		
Yes	2413	89%
No	298	11%
Q2 - I am familiar with the purpose and function of the FIU Compliance and Integrity program.		
Strongly/Somewhat Agree	1964	72%
Neither Agree nor Disagree	400	15%
Strongly/Somewhat Disagree	347	13%
Q3 - I am aware that FIU has a Chief Compliance and Privacy Officer.		
Yes	1977	74%
No	704	26%
Q4 - I know how to contact the Chief Compliance and Privacy Officer?		
Yes	1299	48%
No	1382	52%
Q5 - Have you read Compliance Matters, FIU's Compliance & Ethics Newsletter?		
Yes	788	30%
No	1855	70%
Q6 - I am aware of FIU's Export Controls website?		
Yes	889	34%
No	1754	66%
Q7 - I know where to view University policies and procedures.		
Yes	2242	90%
No	259	10%
Q8 - I am aware of those University policies and procedures that impact my job.		
Yes	2309	92%
No	192	8%
Q9 - I am satisfied with the University policy and procedure communication and training efforts I receive from the Office of Compliance and Integrity.		
Strongly/Somewhat Agree	1699	68%
Neither Agree nor Disagree	608	24%
Strongly/Somewhat Disagree	194	8%
Q10 - I understand the content and expectations of existing policies and procedures.		
Yes	2153	86%
No	348	14%
Q11 - I prefer to receive University policy and procedure training in the following format.		
Live with a presenter	534	15%
Online training	1819	51%
Email Communication	153	32%
Other	62	2%
Q12 - My senior leadership team member (Vice President or Dean) supports the goals and objectives of the University Compliance and Integrity Program.		
Strongly/Somewhat Agree	1939	80%
Neither Agree nor Disagree	434	18%
Strongly/Somewhat Disagree	51	2%
Q13 - My senior leadership team member (Vice President or Dean) sets a good example and models ethical behavior.		
Strongly/Somewhat Agree	1964	81%
Neither Agree nor Disagree	380	16%
Strongly/Somewhat Disagree	80	3%
Q14 - My senior leadership team member (Vice President or Dean) encourages ethical behavior.		
Strongly/Somewhat Agree	2045	85%
Neither Agree nor Disagree	318	13%
Strongly/Somewhat Disagree	61	2%
Q15 - My direct supervisor supports the goals and objectives of the University Compliance and Integrity Program.		
Strongly/Somewhat Agree	2112	89%
Neither Agree nor Disagree	231	10%

Question/Response Option	RESULTS	
	Total #	Percentage
Strongly/Somewhat Disagree	43	2%
<i>Q16 - My direct supervisor sets a good example and models ethical behavior.</i>		
Strongly/Somewhat Agree	2145	90%
Neither Agree nor Disagree	168	7%
Strongly/Somewhat Disagree	73	3%
<i>Q17 - My direct supervisor encourages ethical behavior.</i>		
Strongly/Somewhat Agree	2178	91%
Neither Agree nor Disagree	155	6%
Strongly/Somewhat Disagree	53	2%
<i>Q18 - My peers at work exhibit ethical behavior.</i>		
Strongly/Somewhat Agree	2140	91%
Neither Agree nor Disagree	163	7%
Strongly/Somewhat Disagree	66	2%
<i>Q19 - I am aware of the FIU Ethical Panther Hotline (with an option to report anonymously).</i>		
Strongly/Somewhat Agree	1624	69%
Neither Agree nor Disagree	324	14%
Strongly/Somewhat Disagree	421	18%
<i>Q21 - I believe University compliance training has improved my ability to inquire about or report misconduct and violations of policy.</i>		
Yes	1905	80%
No	464	20%
<i>Q22 - Would you report a violation of FIU policy or procedure?</i>		
Yes	2210	93%
No	154	7%
<i>Q24 - Would you report a suspected violation of law involving FIU?</i>		
Yes	2251	95%
No	107	5%
<i>Q26 - Would you report a potentially unethical situation involving FIU?</i>		
Yes	2218	95%
No	128	5%
<i>Q28 - Concerns about retaliation would prevent me from reporting a compliance issue.</i>		
Yes	565	24%
No	1775	76%
<i>Q30 - Do you supervise others?</i>		
Yes	873	38%
No	1446	62%
<i>Q31 - Are you a Faculty member?</i>		
Yes	855	37%
No	1464	63%
<i>Q33 - Years employed by FIU:</i>		
Less than 1 year	277	12%
1-2 years	309	13%
3-5 years	444	19%
6-10 years	487	21%
More than 10 years	802	35%