



Audit and Compliance Committee
September 22, 2022
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. Duart at 8:38 a.m. on Thursday, September 22, 2022.

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

Board Chair Dean C. Colson, Board Vice Chair Roger Tovar, and Trustees Cesar L. Alvarez and Jose J. Armas and Interim University President Kenneth A. Jessell also were in attendance.

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

Committee Chair Duart also welcomed Faculty Senate Chair and faculty Trustee, Deanne Butchey as a member of the Committee.

2. Approval of Minutes

Committee Chair Duart asked if there were any additions or corrections to the minutes of the Audit and Compliance Committee meeting held on June 16, 2022. Hearing none, a motion was made and unanimously passed to approve the minutes of the Audit and Compliance Committee meeting held on June 16, 2022.

3. Discussion Items

3.1 Office of Internal Audit Status Report

Chief Audit Executive Mr. Trevor L. Williams presented the Office of Internal Audit Status Report and commented on recently completed audits pertaining to admissions policy compliance, personal data security controls related to the Department of Motor Vehicle-provided data, and export control and foreign influence compliance. He remarked that the audit of admissions policy compliance reviewed first-time-in-college students admitted during the Summer 2020 and Spring 2021 terms. He indicated that controls were generally adequate and no instances of circumvention or breach of controls were found. Mr. Williams pointed out that the audit resulted in nine (9) recommendations where opportunities for improvement were identified, including: formalizing the process for

establishing the effective implementation date for Admit Grids to ensure a seamless and consistent application; inclusion of all relevant notes and documentation in PantherSoft and ImageNow to support the decision to admit a student who does not meet the University's minimum requirements via a permissible alternate admission protocol; ensuring that each admitted student has submitted his/her final transcript and meets Florida Board of Governors requirements; developing a quality control process to review manual entries and override changes to data for accuracy and/or proper documentation of rationale and support changes made; and designing a student role within the Admissions pages of Campus Solutions that would limit student-employee access.

Mr. Williams commented on the audit of admissions operations' internal controls over personal data related to a signed memorandum of understanding with the Florida Department of Highway Safety and Motor Vehicles. He stated that the audit covered the period from January 1, 2021, to March 31, 2022. He noted that Enrollment Services uses the Florida Department of Highway Safety and Motor Vehicles' Driver and Vehicle Information Database (DAVID) to lookup information for the purposes of verifying residency. Mr. Williams pointed out that the University's continued use of the system is dependent upon there being adequate controls in place to safeguard data and information retrieved from the system. He indicated that the audit concluded that the internal controls over personal data obtained by Admissions Operations through DAVID are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure and is in compliance with the governing memorandum of understanding. He stated that no deficiencies or issues were found.

Mr. Williams remarked on the audit related to export controls and selected foreign influence compliance. He explained that export control laws prohibit the export of certain items and information, or the export of items and information to certain destinations, without a license. He added that, recently, the Legislature passed House Bill CS/HB 7017, Foreign Influence, which placed additional emphasis over export controls, as well as the University's relationships with foreign entities or persons. He mentioned that with the passing of the bill, the University created the Foreign Influence Task Force. Mr. Williams described areas that were found to be adequately designed and functioning, including a robust export control program, international travel and approval program, export control training, restricted party screening, sponsored research pre-award expense control, FIU Foundation foreign gift reporting, aggregate analysis of foreign gifts and contracts, and review of potential foreign influence disclosure. He stated that the audit offered eight (8) recommendations: adding language to competitively solicited contracts of \$100,000 or more that asks suppliers if they have received any foreign gifts, grants, or contracts from foreign countries of concern within the previous five (5) years; developing a mechanism to assess whether sponsored research projects are timely and correctly input into PantherSoft; establishing a timeframe by which foreign travelers should create their Travel Authorization (TA) requests in advance of their trip to ensure that the Office of Export Controls can approve the TA prior to travel; updating the University's Office of the Controller Travel and Other Expenses Manual to require foreign travelers to complete expense reports; and evaluating and developing mechanisms to assess whether the current process for international shipping is effective and provides reasonable assurance that employees are complying with University policies.

Mr. Williams indicated that there are currently seven (7) audits in various stages of completion. He reported that of the 39 recommendations that were due for implementation during the six (6) months ended July 31, 2022, 29 or 74% were completed and 10 or 26% were partially implemented. He mentioned that any complaints of alleged fraud, waste, abuse, and mismanagement that the Office of Internal Audit has received have been evaluated, investigated, and/or referred to the appropriate University department. Mr. Williams pointed out that there are two vacant positions within the Office of Internal Audit.

In response to Trustee Natasha Lowell, Mr. Williams indicated that certain recommendations have a high level of complexity and will require a longer implementation period. Committee Chair Duarte urged that high-impact/priority recommendations be implemented within a reasonable period of time. In response to Board Vice Chair Roger Tovar, Mr. Williams commented on high priority audit recommendations that are pending implementation, including the implementation of a universal contract management system to facilitate management of all healthcare affiliated agreements for student placement/rotation and the automation of the bank reconciliation process.

Mr. Williams explained that the Florida Board of Governors requires that the Chief Audit Executive complete and file an annual report with the Florida Board of Governors Office of Inspector General by September 30 of each year. He noted that the annual report is part of the agenda materials and satisfies said reporting requirement. He commented that the Florida Board of Governors engaged Crowe LLP to assess the financial internal controls for university direct support organizations (DSO) across the State University System's 12 universities. Mr. Williams stated that five (5) FIU DSOs were reviewed. He added that the findings related to responsiveness, lack of documented review and approvals, and supporting documentation. Interim University President Kenneth A. Jessell pointed out that FIU was among the first universities to undergo the review process and as such, once the preliminary report was issued, Crowe provided the University with the opportunity to provide additional documentation related to the recommendations.

3.2 Office of University Compliance and Integrity Quarterly Report

Chief Compliance and Privacy Officer Jennifer LaPorta presented the University Compliance and Integrity Quarterly Report. She explained that new foreign influence statutes required that FIU establish an approval and monitoring program for international travel by January 1, 2022. She added that, as part of said requirement, FIU must also provide an annual report of any foreign travel to countries of concern, including Russia, China, Cuba, North Korea, Iran, Syria, and Venezuela. Ms. LaPorta stated that the Florida Board of Governors issued guidance indicating that said report must be submitted to each institution's board of trustees. She pointed out that, as required by the Florida Board of Governors, FIU's report was submitted to the Board of Trustees in July. She added that FIU had no information to report.

Ms. LaPorta commented on the Office of Compliance supporting the Office of General Counsel by coordinating FIU's response to the foreign source reporting requirements. She pointed out that the 2020-2021 training campaigns achieved a 99.9% completion rate across the University. She remarked on the enhanced design for the fall training campaigns and on the development of a comprehensive foreign influence webpage that would more effectively facilitate access to FIU's resources and programmatic solutions in said area.

Ms. LaPorta remarked on the annual report. She noted that said report provides metrics, benchmarking, and details the Compliance Program activities throughout the 2021-2022 fiscal year. She commented on the positive results of the five-year review of the Compliance Program, including being ranked as a best-in-class program for two of the seven compliance program elements, program structure and resources and measuring ethical culture. Ms. LaPorta pointed out that the recommendations resulting from said review informed 2022-2023 workplan activities. She commented on the launch of the first FIU Employee Code of Conduct. She noted that the Code is a resource designed to reinforce the University's values.

Ms. LaPorta commented on foreign influence and global risk activities. She remarked on a collaborative approach to implement workflows to address the Florida State Foreign Influence Statutes, including launching a comprehensive foreign travel system for all University employees, creation of a screening process for all foreign research related roles and foreign graduate students, and creation of an information gathering and data analysis process for reporting foreign gifts and agreements. She stated that the Compliance Requirements Matrix was launched in January 2022 and creates an auditable record of required state, federal, and Florida Board of Governors submissions and allows for compliance oversight and escalation to leadership if a required submission is overdue. Ms. LaPorta added that in 2021-2022, Compliance issued reminders and verified completion of 115 submissions required by regulators. She reported that executive leadership, comprised of deans and vice presidents, achieved a 100% training completion rate.

4. Reports

There were no questions from the Committee members in terms of the 2021-22 University Compliance Program Annual Report, 2021-22 Office of Internal Audit Annual Report, and the State University System of Florida Board of Governors | Review of Financial Internal Controls for University Support Organizations.

5. New Business

5.1 Senior Management Discussion of Audit Processes

Committee Chair Duart noted that, as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Office of Internal Audit and senior management, separately, to discuss the audit process. He further noted that because this meeting is conducted in the Sunshine, no one present or participating via Zoom or accessing the meeting via the webcast was required to exit during the discussion with senior management. He added that this was strictly voluntary. Interim University President Jessell commented on the positive working relationship with the Office of Internal Audit and noted that Mr. Williams was invited to participate in the panel discussion of university chief audit executives at the September Florida Board of Governors Audit and Compliance Committee meeting.

6. Concluding Remarks and Adjournment

With no other business, Committee Chair Carlos A. Duart adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Thursday, September 22, 2022, at 9:29 a.m.