1. Call to Order and Chair's Remarks
The Florida International University Board of Trustees’ Audit and Compliance Committee meeting was called to order by Committee Chair Gerald C. Grant, Jr. at 8:18 am on Friday, June 2, 2017, at the Modesto A. Maidique Campus, College of Business Complex, Special Events Center, Room 233.

The following attendance was recorded:

Present
Gerald C. Grant, Jr., Chair
Natasha Lowell, Vice Chair
Leonard Boord
Krista M. Schmidt
Kathleen L. Wilson

Excused
Michael G. Joseph

Board Chair Claudia Puig, Trustee Dean C. Colson, and University President Mark B. Rosenberg were also in attendance.

Committee Chair Grant welcomed all Trustees, faculty, and staff to the meeting. On behalf of the Committee, he welcomed Krista M. Schmidt, Student Trustee and Student Government President for the Modesto A. Maidique Campus, and thanked for her service on the Audit and Compliance Committee.

2. Approval of Minutes
Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on March 2, 2017. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Thursday, March 2, 2017.

3. Action Items
AC1. Office of Internal Audit Policy and Charter
Chief Audit Executive Allen Vann presented the Office of Internal Audit Policy and Charter for Committee review, explaining that the Charter was revised to include the requirements of the new Board of Governors (BOG) Regulation 4.002, State University System Chief Audit Executives. He indicated that the Charter also aligns with professional standards and best practices. He stated that
the Charter sets forth the standards of independence and objectivity for auditing, reporting, follow-up and quality control.

In response to Trustee Leonard Boord’s inquiry relating to the substantive Charter revisions, Mr. Vann noted that the Charter now incorporates pertinent sections of BOG Regulation 4.002. Mr. Vann added that in addition to the quarterly Office of Internal Audit reports submitted to the Board of Trustees, annual reports that comply with BOG Regulation also will be provided.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Board of Trustees approve the Office of Internal Audit Policy and Charter.

AC2. Internal Audit Plan, 2017-18
Mr. Vann presented the Internal Audit Plan for fiscal year 2017-18 for Committee review and approval, noting that the plan was developed using a systematic approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. He provided an overview of key audit risk areas and on the collaborative and inclusive process used in performing University-wide risk assessments and determining whether audit work should be considered in a particular area.

Mr. Vann presented an overview of audits that were completed during the 2016-17 fiscal year, carryover audits from the 2016-17 fiscal year, and the proposed audits for the 2017-18 fiscal year. Trustee Boord requested that for future Internal Audit Plans, the Board of Trustees receive the Office of Internal Audit’s Risk Assessment/Five Year Plan. Mr. Vann stated that with the exception of the audit of the Steven J. Green School of International and Public Affairs, the proposed audits for the 2017-18 fiscal year are revisited audits that are classified as high-to-medium risk.

President Mark B. Rosenberg noted that the University has taken a proactive approach as it relates to auditing new programs, adding that there is a systematic and routinized audit process. In response to Trustee Kathleen Wilson’s inquiry regarding minors on campus, Mr. Vann noted that an audit of camps and programs offered to minors was previously completed and that an audit of the University’s Center for Children and Families is in process. Assistant Vice President and Chief Compliance and Privacy Officer Karyn Boston stated that the University has implemented a registration process because it recognizes its obligation to ensure the safety and wellbeing of minor children that are on campus.

Committee Chair Grant requested a report, for the next regularly scheduled Committee meeting, that details the audit areas that have been visited in the past, the top 10 areas that should be considered, and areas that have not been audited in over five years.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the University Internal Audit Plan for Fiscal Year 2017-18.

AC3. University Compliance and Ethics Program Plan
Ms. Boston presented the University Compliance and Ethics Program Plan for Committee review. She provided an overview of the BOG Checklist and reported on the University’s progress, noting
that upon approval by the FIU Board of Trustees of the University Compliance and Ethics Program Plan, 17 of the 19 elements in the BOG checklist will have been implemented.

Ms. Boston presented an overview of the five Compliance governance documents and noted that BOG Regulation requires that at least every two years Board of Trustees members, given their role as public officers, receive training on Florida’s Code of Ethics, Public Records, Public Meetings, Title IX updates and fiduciary responsibilities. She stated that the University’s Compliance and Ethics Program Plan aligned with that of the University of Central Florida and also with best practices among the private sector and large non-for-profit entities as confirmed by the consulting work performed by the Corporate Executive Board.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee recommend that the Florida International University Board of Trustees approve the University Compliance and Ethics Program Plan.

AC4. University Compliance and Ethics Work Plan, 2017-18
Ms. Boston presented the Compliance Work Plan for fiscal year 2017-18 for Committee review and approval, providing an overview of the key action items in relation to compliance program guidance recently released by the U.S. Department of Justice. She noted that in addition to the Compliance Liaison Scorecard that is used to track the level of involvement with the Program for each Compliance Liaison, an Executive Scorecard for University leadership also will be implemented.

In response to Trustee Wilson’s inquiries, Ms. Boston stated that the Compliance office will expand its University’s Ethical Panther Hotline awareness efforts and explained that Enterprise Risk Management includes the methods and processes used by organizations to manage, prioritize, and assess risks to then determine a response strategy and monitor progress. In response to Trustee Krista M. Schmidt’s inquiry, Ms. Boston noted that student government leaders will be engaged in the process of assessing risk areas relating to students.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the Compliance Work Plan for Fiscal Year 2017-18.

4. Discussion Items
4.1 Office of Internal Audit Status Report
Mr. Vann presented the Internal Audit Report, providing updates on the recently completed audits. He reported that the audit of pharmacy operations disclosed that controls are adequate and effective, stating that University management will implement five recommendations that will move the pharmacy operations closer to self-sustainability. He explained that the audit of the Construction of the Student Academic Success Center resulted in four recommendations. He reported that the audit of the adequacy of internal controls over personal data maintained by the University’s Department of Parking and Transportation concluded that system controls are adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure.
4.2 University Compliance Report
Ms. Boston presented a quarterly status update on the 2016-17 Compliance Work Plan. She noted that nine of the 11 key action items have been completed, adding that the implementation of the Escalation Guidelines and Investigation Guidelines were included as separate action items for the 2017-18 Compliance Work Plan.

5. Reports
Committee Chair Grant requested that the Compliance Reports pertaining to Athletics and Health Sciences be accepted as written. There were no objections.

6. New Business
Mr. Vann recognized Audit Project Manager Ms. Tenaye Francois Arneson, stating that she will be relocating with her family after ten years of dedicated service to the University.

6.1 Office of Internal Audit Discussion of Audit Processes
Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with the Chief Audit Executive without the presence of Senior Management. He also noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with the Chief Audit Executive, adding that this was strictly voluntary. The Committee met with the Chief Audit Executive and confirmed that management was cooperating fully with the staff of the Office of Internal Audit.

7. Concluding Remarks and Adjournment
With no other business, Committee Chair Gerald C. Grant, Jr. adjourned the meeting of the Florida International University Board of Trustees Audit and Compliance Committee on Friday, June 2, 2017 at 9:27 am.