AGENDA

1. Call to Order and Chair’s Remarks  
   Gerald C. Grant, Jr.

2. Approval of Minutes  
   Gerald C. Grant, Jr.

3. Action Items  
   Gerald C. Grant, Jr.
   - AC1. Internal Audit Plan, 2018-19  
     Allen Vann
   - AC2. University Compliance and Ethics Work Plan, 2018-19  
     Karyn Boston

4. Discussion Items (No Action Required)  
   Allen Vann
   - 4.1 Office of Internal Audit Status Report
   - 4.2 University Compliance and Ethics Quarterly Report  
     Karyn Boston
   - 4.3 Enterprise Risk Management Status Update  
     Karyn Boston

5. Reports (For Information Only)  
   Karyn Boston
   - 5.1 State University System of Florida Compliance Program Status Checklist
   - 5.2 Athletics Compliance Report  
     Jessica L. Reo

6. New Business  
   Gerald C. Grant, Jr.
   - 6.1 Senior Management Discussion of Audit Processes

7. Concluding Remarks and Adjournment  
   Gerald C. Grant, Jr.

The next Audit and Compliance Committee Meeting is scheduled for Wednesday, September 5, 2018.
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Approval of Minutes

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee
May 23, 2018

Subject: Approval of Minutes of Meeting held February 27, 2018

Proposed Committee Action:
Approval of Minutes of the Audit and Compliance Committee meeting held on Tuesday, February 27, 2018 at the FIU, Modesto A. Maidique Campus, Student Academic Success Center, room 100.

Background Information:
Committee members will review and approve the Minutes of the Audit and Compliance Committee meeting held on Tuesday, February 27, 2018 at the FIU, Modesto A. Maidique Campus, Student Academic Success Center, room 100.

Supporting Documentation: Minutes: Audit and Compliance Committee Meeting, February 27, 2018

Facilitator/Presenter: Gerald C. Grant, Jr., Audit and Compliance Committee Chair
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1. Call to Order and Chair’s Remarks
The Florida International University Board of Trustees’ Audit and Compliance Committee meeting was called to order by Committee Chair Gerald C. Grant, Jr. at 8:08 am on Tuesday, February 27, 2018 at the FIU, Modesto A. Maidique Campus, Student Academic Success Center, room 100.

Committee Chair Grant welcomed all Trustees and University faculty and staff to the meeting.

General Counsel Carlos B. Castillo conducted roll call of the Audit and Compliance Committee members and verified a quorum. Present were Trustees Gerald C. Grant, Jr., Chair; Natasha Lowell, Vice Chair; Krista M. Schmidt; and Kathleen L. Wilson.

Trustees Leonard Boord and Michael G. Joseph were excused.

Board Chair Claudia Puig, Trustees Cesar L. Alvarez and Rogelio Tovar, and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant noted that at the Board’s October Full Board meeting, Trustees engaged in a substantive discussion on the honorary degree review and approval process. He added that the University’s Faculty Senate conducts thorough reviews of honorary degree candidates and that among the State University System institutions, only half require Board of Trustees approval for honorary degrees. He noted that the Board’s Academic Policy and Student Affairs Committee would review the honorary degree review and approval process at their meeting later in the day.

2. Approval of Minutes
Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on December 8, 2017. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Friday, December 8, 2017.

3. Action Item
AC1. Performance Based Funding Metrics
   A. Performance Based Funding – Data Integrity Certification
   B. Audit of Performance Based Funding Metrics Data Integrity
Chief Audit Executive Allen Vann presented the Data Integrity Certification and the results of the third Audit of Performance Based Funding Metrics for Committee review. He added that the State
University System of Florida Board of Governors (BOG) requires the Chief Audit Executive to audit Performance Based Funding-related controls, processes, and data submissions. He stated that the current audit did not result in any recommendations and confirmed that the University has good process controls for maintaining and reporting performance metrics data. He reported that during the current audit, all recommendations previously reported were implemented. Mr. Vann further indicated that the results of the current audit provide assurances to the President and Board of Trustees that data submitted to the BOG is accurate and reliable.

A motion was made and passed that the Florida International University Board of Trustees Audit and Compliance Committee recommend that the Florida International University Board of Trustees:

1. Approve the Performance Based Funding – 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 Metrics Data Integrity

4. Discussion Items
4.1 Office of Internal Audit Status Report
Mr. Vann presented the Internal Audit Report, providing updates on recently completed audits. He reported that the audit of the Robert Stempel College of Public Health and Social Work disclosed that the College’s established controls relating to revenues and expenditures were good, and adequate processes were in place to monitor its fiscal activities. He explained that internal controls relating to the payroll approval process, asset management, and information security controls over research data need strengthening and that the audit resulted in 12 recommendations.

Mr. Vann noted that the Controller’s Office will obtain reimbursements from overpaid travelers and institute better system controls as a result of the review of University travel expense reports. He stated that football attendance data reported to the National Collegiate Athletic Association (NCAA) on the 2017 Football Paid Attendance summary sheets are supported by sufficient, relevant, and competent records.

Mr. Vann also reported on work in progress and presented a follow-up status report on past audit recommendations, noting that 13 of the 24 recommendations were completed and that the remaining recommendations are in progress.

Committee Chair Grant noted that audit results are being shared with University Vice Presidents and Deans as a best practice aimed at ensuring organizational integrity.

4.2 University Compliance Report
Assistant Vice President and Chief Compliance Officer Karyn Boston noted that three of the 11 key action items on the 2017-18 Compliance Work Plan have been completed, adding that the remaining eight action items are on track for completion by July 1, 2018. She reported that a search and screen committee is in the process of identifying a qualified candidate for the Health Sciences Compliance Officer position.
Ms. Boston reported that the Committee could expect, at its next regularly scheduled meeting, to receive an update on the audit of billing and coding. She stated that a review on the University’s policies and procedures on sexual harassment was being conducted in terms of the effectiveness and reach of communications, the escalation and notification process, and the management and resolution of investigations.

Ms. Boston explained that the General Data Protection Regulation sets forth protections of personal data for all individuals within the European Union (EU), noting that enforcement begins May 25, 2018. She mentioned that the University will comply with the requirements by appointing a data privacy officer to monitor internal compliance, conducting privacy impact assessments for high risk data processing activities, informing national regulators within 72 hours after discovering a breach, ensuring that EU citizens consent to the type of data that is collected, and developing a structure that allows EU citizens to transfer his/her data from one electronic processing system to another.

In response to Trustee Natasha Lowell’s inquiry, Ms. Boston stated that the University is in the process of identifying FIU students, faculty, and staff that are EU citizens.

4.3 University Enterprise Risk Management Status Report

Ms. Boston explained that in September, BOG Chair Thomas G. Kuntz forwarded a survey to each State University System institution to collect information regarding the status of the Enterprise Risk Management (ERM) or ERM-like programs at the state universities. She noted that during the January meeting of the BOG’s Audit and Compliance Committee, Inspector General Maleszewski provided the results of the 2017 SUS ERM Practices Survey regarding each SUS institution’s current efforts to identify and manage risks.

Ms. Boston indicated that the University started scoring approximately 350 risks in the fall with 75 risks undergoing a second round of more extensive scoring, adding that the process was completed in December. She stated that the ERM Committee met in January to determine the University’s most significant risks. She added that at its next regularly scheduled meeting, the Audit and Compliance Committee, could expect to receive a report on the top 10 risks as identified by the ERM Committee.

Committee Chair Grant requested a moment of silence to honor the lives lost in the Marjory Stoneman Douglas High School shooting. Trustee Kathleen L. Wilson mentioned that she will be discussing with the University’s Faculty Senate a recommendation from a Senator pertaining to mandatory active shooter training for faculty and staff.

5. Report

Committee Chair Grant requested that the Athletics Compliance Report be accepted as written. There were no objections.

6. New Business

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. With regard to inquiries made by Committee members about succession management planning, the Chief Audit Executive assured the Committee and the Board Chair that he would remain in place throughout the transition process, until such time that a replacement was in place.

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 Tuesday, February 27, 2018 at 8:40 a.m.

*There were no Trustee requests.*
The Florida International University
Board of Trustees
Audit and Compliance Committee
May 23, 2018

Subject: Internal Audit Plan, 2018-19

Proposed Committee Action:
Approve the University Internal Audit Plan for Fiscal Year 2018-19.

Background Information:
The Florida International University Board of Trustees Audit and Compliance Committee Charter mandates approval of the audit plan for the upcoming fiscal year.

The Audit and Compliance Committee Charter, Roles and Responsibilities, section 4.31, states, in relevant part, that:

- The Audit and Compliance Committee shall… 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.

Florida Board of Governors Regulation 4.002 State University System Chief Audit Executives (3)(g) states, in relevant part, that the chief audit executive shall communicate to the president and the board of trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations.

Supporting Documentation: Office of Internal Audit Plan, 2018-19

Facilitator/Presenter: Allen Vann
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MEMORANDUM

Date: May 23, 2018

To: Chairman and Members of the Audit and Compliance Committee

From: Allen Vann, Chief Audit Executive

Subject: Internal Audit Plan for Fiscal Year 2019

I am pleased to present our proposed audit plan for fiscal year 2019 for your review and approval. The development of the plan was shaped using a systematic approach to help us determine which audits to perform. The planning process helps us develop the theme for our audits and identify an appropriate mix of various types of audits. The audit plan considers how we can best allocate our resources.

Risk Assessment:

Previous risk assessments were reviewed and updated. The five most significant risk factors considered were: 1) materiality; 2) past audit coverage; 3) internal risks; 4) external risks; and 5) information risks. We also spent time meeting with FIU’s senior leadership team to ensure that each proposed audit will provide the best value added to the University. Attached to this memo is a combined Risk Assessment/Five Year Plan.

Internal Audit Resources:

One of the responsibilities of the Audit and Compliance Committee is to review the resources of the Office of Internal Audit. The composition of our Office currently includes ten professional auditors, an administrative coordinator, and three student interns. Based on previous discussions with the Committee, we increased our professional staff by an additional IT auditor in fiscal year 2018.

1 FIU Board of Trustees Audit and Compliance Committee Charter, §4.28 on page 6.
The following graph reflects how the Office of Internal Audit’s direct staff time was spent during the past five fiscal years:

As depicted, our workload is often difficult to predict as investigations and other unplanned work affect our progress towards completion of all of the planned audit projects. Nevertheless, we have continued to ensure that an appropriate balance was maintained between audit, investigative, and other accountability activities such as following up on the implementation status of past recommendations.
Audit Plan:

The following table outlines our proposed audit plan for FY 2018:

<table>
<thead>
<tr>
<th>Carryover Audits</th>
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<tbody>
<tr>
<td>College of Engineering and Computing</td>
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<tr>
<td>Robert Stempel School of International and Public Affairs</td>
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<tr>
<td>HealthCare Network</td>
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<tr>
<td>South Beach Wine &amp; Food Festival</td>
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<tr>
<td>Student technology fees</td>
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<th>Proposed New Audits:</th>
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<tbody>
<tr>
<td>Performance Based Funding Metrics Data Integrity</td>
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<tr>
<td>College of Business</td>
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<tr>
<td>Herbert Wertheim College of Medicine</td>
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<tr>
<td>Nicole Wertheim College of Nursing and Health Sciences</td>
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<tr>
<td>Chaplin School of Hospitality and Tourism Management - Tianjin China Program</td>
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<tr>
<td>Student Affairs - Student Activity and Service Fee</td>
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<td>Student Affairs - Children’s Creative Learning Center</td>
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<tr>
<td>Frost Museum</td>
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<tr>
<td>Applied Research Center</td>
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<tr>
<td>Grants (subrecipient monitoring)</td>
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<tr>
<td>Athletics Department - football attendance certification</td>
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<tr>
<td>Treasury management</td>
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<tr>
<td>Accounts receivable</td>
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<tr>
<td>Construction - Recreation Center expansion</td>
</tr>
<tr>
<td>Information Technology - cloud services</td>
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<tr>
<td>Information Technology - mobile computing</td>
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</table>

Conclusion:

By arraying the pattern of past audit coverage of University activities/programs and assessing respective risks with senior management, we were able to combine our collective knowledge of potential audit areas to develop a list of proposed new audits for FY 2019 that will optimize our resources and capitalize on our audit staff’s individual strengths.

Attachment
<table>
<thead>
<tr>
<th>Organizational Units</th>
<th>Risk</th>
<th>Where we’ve been …</th>
<th>Where we need to go …</th>
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<td>Payroll, Benefits, Recruitment, etc.</td>
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THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
Audit and Compliance Committee  
May 23, 2018

Subject: University Compliance and Ethics Work Plan, 2018-19

Proposed Committee Action:
Approve the University Compliance and Ethics Work Plan for Fiscal Year 2018-19.

Background Information:
The Florida International University Board of Trustees Audit and Compliance Committee Charter mandates approval of the compliance and ethics work plan for the upcoming fiscal year.

The Audit and Compliance Committee Charter, Authority, section 2.15, states, in relevant part, that:

The Audit and Compliance Committee shall… Review and approve the Office of Compliance & Integrity’s annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.

Florida Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs (7)(g) states, in relevant part, that the chief compliance officer shall: 1. Have the independence and objectivity to perform the responsibilities of the chief compliance officer function; 2. Have adequate resources and appropriate authority; 3. Communicate routinely to the president and board of trustees regarding Program activities.

Supporting Documentation: University Compliance and Ethics Work Plan, 2018-19

Facilitator/Presenter: Karyn Boston
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<th>TABLE OF CONTENTS</th>
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<td>PROGRAM STRUCTURE AND OVERSIGHT</td>
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<td>POLICIES AND PROCEDURES</td>
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<td>TRAINING AND EDUCATION</td>
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<td>ALLEGATION REPORTING AND INVESTIGATIONS</td>
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<td>DISCIPLINE AND INCENTIVES</td>
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<td>ENTERPRISE RISK MANAGEMENT</td>
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PURPOSE AND SCOPE
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 applies to all University campuses, facilities, and operations, and to the senior leaders, management, faculty, administrative and support staff and staff (“Employees”), and where appropriate, the Board of Trustees members, vendors, volunteers, donors and contractors (collectively, “Community Members”). The Program includes structural components, systems, and practices designed to nurture and preserve a culture of truth, freedom, respect, responsibility, and excellence while building ethics and compliance into the daily activities of Community Members.

2018 Goals and Key Action Items
This document outlines the 2018-2019 goals and objectives of the Program (“Annual Work Plan”). Goals and objectives include key action items that support the achievement of each goal.

PROGRAM DESIGN
The Program is designed and administered, recognizing that building and maintaining a culture of ethics and compliance are shared responsibilities and requires a commitment from all Community Members. The Program is also designed to prevent, detect, and correct misconduct within the University in reasonable satisfaction of the requirements of Chapter 8 of the U.S. Federal Sentencing Guidelines and Florida Board of Governors Regulation 4.003. The guidelines and regulation set forth the requirements of an “effective ethics and compliance program.”
Elements of an effective compliance program
(based on Chapter 8 of the U.S. Federal Sentencing Guidelines)

- Documented compliance and ethics standards of conduct and policies
- Effective oversight by the governing body
- Exercise of due diligence in hiring and assignment of authority and responsibility
- Effective training, education, and communication to the governing body and employees
- Due diligence and screening on employees placed in positions of substantial authority
- Monitoring to ensure that the compliance and ethics program is followed
- Promotion of the program and consistent enforcement and discipline
- Corrective action is taken in response to identified weakness or compliance failures
- Development of an effective compliance risk assessment and management review and response process
PROGRAM STRUCTURE AND OVERSIGHT

Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program. Programs may designate compliance officers for various program areas throughout the university based on an assessment of risk in any program or area. If so designated, the individual shall coordinate and communicate with the chief compliance officer on matters relating to the program.

The Office of University Compliance and Integrity (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.

2018 – 2019 Work Plan – Program Structure and Oversight

The 2018-2019 Annual Work Plan includes enhancements to the Compliance Liaison structure. Enhancements will include the implementation of the following:

- **Compliance Liaison Scorecard** - The Compliance Liaison Scorecard will continue be used to track key responsibilities that are included in the job responsibilities for each Compliance Liaison. The scorecard is updated and will continue to be included in the monthly compliance report. The monthly compliance report is distributed to the senior leadership team every month.

- **Enterprise Risk Management Advisory Committee** – Compliance Liaisons will continue to serve as the Enterprise Risk Management (“ERM”) Advisory Committee. The ERM Advisory Committee work includes:
  - Providing ERM support and communicating relevant information to the Operation Committee (“ERM Committee”).
  - Identifying risks and opportunities, using a variety of appropriate techniques (e.g., interviews of senior management; strengths, weaknesses, opportunities, and threats (SWOT) analysis; brainstorming, etc.).
  - Reviewing, validating and revising selected risk assessments prepared by Risk Owners.
o Updating the University risk register and facilitating discussions regarding the risks’ and opportunities’ impact and likelihood with the ERM Committee.

o Preparing and submitting to the ERM Committee a draft of the ERM annual report.

o Facilitating discussions to assess and develop recommendations for newly identified risks, opportunities, or initiatives as requested by the ERM Committee.

o Assisting Risk Owners with tracking and monitoring risk responses.

o Serving as subject matter experts and supporting education, training, communication, and awareness initiatives.

o Supporting the process for continuous improvement of risk management.

o Assisting the ERM Committee with identifying cultural and departmental barriers to managing risks.

Policies and Procedures

Standard

Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.


The Compliance Office will continue to provide support to the division/department responsible for developing and enforcing University policies and procedures. During the 2017-2018 Annual Work Plan year, the University’s Principles and Standards (“Principles”) were finalized. During the 2018-2019 Annual Work Plan year, the Principles will be distributed University-wide. Also, the following policies and procedures are projected to be distributed:

Annual Policy Campaigns

• Annual security report (Clery Act training)
• Ethics in purchasing and gift policy
• Health Insurance Portability and Accountability Act (HIPAA)
• International admissions
• Official transcripts and credentials
- Official Transcript and Credentials
- Admissions Application
- Payment Card Industry Data Security Standards (PCI-DSS compliance)
- Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags)
- Family Education Rights and Privacy Act (FERPA)

2018-2019 Policy Campaigns
- Disposal of surplus, damaged, and unserviceable University property
- Ethics in purchasing and gift policy
- Gramm-Leach-Bliley Act (GLBA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Petty cash

TRAINING AND EDUCATION

Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.

The FIU Board of Trustees and University employees will receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures.

2018 - 2019 Work Plan - Training and Communication

The Compliance Office will continue to collaborate with the department/division responsible for the administrative oversight of compliance education and training by supporting in-person compliance training efforts and leveraging technology to enhance awareness of important laws, regulation, and policies, and to document training completions. Infographics, short videos, compliance checklists and other tools will be developed by the Compliance Office and used to reinforce ethics and compliance messaging. During the 2018-2019 Annual Work Plan year, the list of policies projected for distribution will include training or a communication reinforcement plan. In addition to the policies listed, it is projected that the Compliance Office will provide training and communication support for the following compliance topics:
2018 – 2019 Trainings and Communication

- Adding and dropping of Courses
- Animals in the Workplace Policy
- Career and Talent Development
- Clery Act training
- Conflict of interest
- Ethics in purchasing and gift policy
- Employment of foreign national in visa categories
- Family Education Rights and Privacy Act (FERPA)
- Fraud Prevention and Mitigation Policy
- Health Insurance Portability and Accountability Act (HIPAA)
- Mandatory Reporting of Child Abuse
- Military Leave
- Observance of Religious Holy Days
- Payment Card Industry Data Security Standards (PCI-DSS compliance)
- Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags)

MEASUREMENT AND MONITORING

Standard

Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.

2018 – 2019 Work Plan – Measurement and Monitoring

The compliance monitoring plan is typically determined by the evolving risks, new laws and regulations as well as trends identified by the Compliance Office. In addition to monitoring, compliance risk reviews are also conducted at the department/division level to assess subject-specific risks. During the 2018-2019 Annual Work Plan year, compliance reviews and assessments are scheduled to be conducted for the following areas:

- Health Insurance Portability and Accountability Act ("HIPAA") – University-wide HIPAA Assessment
- Health Care Billing and Coding Audit
- General Data Protection Regulation ("GDPR")
- Incident Response Plan Reporting
ALLEGATION REPORTING AND INVESTIGATIONS

Standard

Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization’s employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.

The Compliance Office will continue to initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies, submit final reports to appropriate action officials; work with senior leaders to take reasonable steps to prevent further similar behavior when non-compliance, unethical behavior, or criminal conduct has been detected, and make necessary modifications to prevent further behavior.

2018 – 2019 Work Plan – Allegation Reporting and Investigations

The 2016-2017 Annual Plan included the development of a guideline for handling and reporting significant compliance matters (“Escalation Guideline”). The Escalation Guideline is now the Significant Matter Policy. During the 2018-2019 Annual Work Plan year, the Significant Matter Policy will be finalized and presented to the FIU Board of Trustees.

DISCIPLINE AND INCENTIVES

Standard

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.

The Compliance Office, in consultation with the University President and FIU Board of Trustees, will promote and enforce the Program, consistently through appropriate incentives and disciplinary measures. Failures in compliance or ethics will be addressed through appropriate measures, including education or disciplinary action.


During the 2017-2018 Annual Work Plan year, the Compliance Office developed an executive scorecard that highlights policy review and training requirements
completed by the leadership team. The executive scorecard will continue to be forwarded to the President and members of the leadership team every month.

**ENTERPRISE RISK MANAGEMENT**

Organizations are expected to periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement.

**2018 – 2019 Work Plan – Compliance Risk Management**

During the 2018-2019 Annual Work Plan year, the Compliance Office will continue to work with internal and external stakeholders to execute the ERM framework by:

- Updating the risk registry
- Provide resources for reporting updates
- Reviewing emerging risks
Office of Internal Audit
Status Report

BOARD OF TRUSTEES

May 23, 2018
I am pleased to provide you with our quarterly update on the status of our office’s work activities. Since our last update to the Board of Trustees Audit and Compliance Committee on February 27, 2018, the following projects were completed:

**Residency Classification for Tuition Purposes**

For fiscal year 2016-17, tuition and fees assessed to students totaled $365.8 million, 18% of which represent revenues derived from non-resident students. Of the 55,112 students enrolled for the fall of 2016, 90% were classified as Florida residents for tuition purposes.

For this audit, we evaluated whether the residency classification and reclassification process was being performed properly, specifically as it relates to non-resident tuition waiver and/or exemptions. We found that the process including information security controls needs to be improved. The classification to in-state student residency status was not always adequately documented or supported resulting in unsubstantiated tuition charges at lower in-state rates. University management agreed to implement our recommendations.

**College of Arts and Sciences & Education - Center for Children and Families**

The Center for Children and Families (CCF/Center) is an FIU Preeminent Program clinical research center for children and families struggling with mental health problems. CCF provides services to approximately 3,500 families each year through clinical services and research programs. During our audit period from July 1, 2015 through January 31, 2017, the Center generated total revenues of $14 million and incurred total expenses of $16.4 million.

Our audit disclosed that the Center’s controls and procedures need improvement. We found that internal controls should be strengthened in the following areas: revenue controls, employee background checks, gift card controls, and access controls over medication storage. We also identified information technology areas that need strengthening particularly in performing vulnerability scans, reconciliation of endpoint devices sent to surplus, and
business continuity plan testing. The Center’s Management agreed to implement our recommendations.

**Wolfsonian-FIU**

The Museum oversees the Mitchell Wolfson, Jr. collection of over 180,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. During FY 2017 expenditures of $6.7 million were financed through a combination of $3.7 million in revenue, $2 million from FIU’s General Fund, and by borrowing $1 million from Academic Affairs.

Our last audit of the Museum was in early 2013. As previously reported, the objects collection is partially stored in the Museum’s annex, which has not been adequately maintained, thus placing the collection at risk. Otherwise, process controls and compliance with policy and procedures were generally followed. Nevertheless, opportunities for improvement exist over operational controls related to collections inventory and access, Museum gift shop operations, payroll and personnel administration, and controls over expenditures. We also identified information technology areas that need attention particularly in identifying high-risk devices, patch management, performing risk assessments, enabling and reviewing audit logs, reducing user access privileges, firewall rule reviews, and business continuity plan. The Museum’s management team agreed to implement our recommendations.

**Work in Progress**

The following ongoing audits are in various stages of completion:

<table>
<thead>
<tr>
<th>Audits</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Engineering and Computing</td>
<td>Fieldwork in Progress</td>
</tr>
<tr>
<td>Steven J. Green School of International and Public Affairs</td>
<td>Fieldwork in Progress</td>
</tr>
<tr>
<td>HealthCare Network’s Billing, Collections and Electronic Medical Records</td>
<td>Fieldwork in Progress</td>
</tr>
<tr>
<td>South Beach Wine &amp; Food Festival</td>
<td>Fieldwork in Progress</td>
</tr>
<tr>
<td>Student Technology Fees</td>
<td>Fieldwork in Progress</td>
</tr>
</tbody>
</table>

**University Implementation of Prior Years’ Recommendations**

On a semiannual basis, we report to you the status of the implementation of prior audit recommendations based on self-reported information provided from cognizant officials. About every three years, our Office will test, on a sample basis, management’s assertions that they in-deed have implemented the recommendations.

Between October 1, 2012 and April 30, 2017 there were 620 implemented recommendations self-reported by management. Of these, 207 were determined to have already been followed-
up in recent audits or scheduled to be followed-up in planned audits. From the remaining 413, we judgmentally selected 41 recommendations, representing 10% of the population.

Based on our testing, we have concluded that the most current implementation rate has slightly improved from the results of the previous last three follow-up audits conducted in 2008, 2010 and 2013, as depicted in the following chart:

Most of the tested recommendations were overwhelmingly acted upon (73%), with 22% still being worked on and only 2 recommendations pending. According to management, these remaining recommendations will be completed shortly. We commend management for the progress made towards implementing the prior audit recommendations.

**Professional Development**

Audit staff continue to take advantage of professional development opportunities. For example, five staff members attended the Annual Fraud Conference sponsored by the Institute of Internal Auditors at the FIU Biscayne Bay Campus.
The Office of University Compliance and Integrity is pleased to present the quarterly status update for the 2017 – 2018 Compliance Work Plan. The information reflects progress on the key action items and other compliance activities for the reporting period beginning January 1, 2018 – April 1, 2018.

<table>
<thead>
<tr>
<th>Completed</th>
<th>In Process</th>
<th>Not Begun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully Implemented</td>
<td>Good Progress</td>
<td>Slow Progress</td>
</tr>
<tr>
<td>✓</td>
<td>●</td>
<td>○</td>
</tr>
</tbody>
</table>

**Program Structure and Oversight**

Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.

<table>
<thead>
<tr>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>Develop the Compliance Liaison scorecard to track Compliance Liaison participation and engagement.</td>
<td>This compliance program objective (“Program Objective”) has been fully executed.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Leverage existing infrastructure by integrating Enterprise Risk Management (“ERM”) Advisory Committee responsibilities into the responsibilities of the Compliance Liaisons.</td>
<td>This Program Objective has been fully executed.</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Policies and Procedures

Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.

<table>
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</thead>
<tbody>
<tr>
<td>Provide support for the development and enforcement of University policies and procedures.</td>
<td>Distribute the Principles and Standards (University Code of Conduct).</td>
<td>The Principles and Standards have been finalized. Distribution is scheduled for June, 2018.</td>
<td>✓</td>
</tr>
<tr>
<td>Conduct an audit to verify that the Office of University Compliance and Integrity website is Americans with Disabilities Act (“ADA”) compliant.</td>
<td></td>
<td>This Program Objective has been fully executed.</td>
<td>✓</td>
</tr>
</tbody>
</table>
| Conduct the following annual trainings:  
  • Annual security report  
  • Ethics in purchasing and gift policy  
  • Health Insurance Portability and Accountability Act (HIPAA)  
  • International admissions  
  • Official transcripts and credentials  
  • Payment Card Industry Data Security Standard (PCI-DSS) compliance  
  • Preventing identity theft on covered accounts offered or maintained by FIU (Red Flags)  
  • Family Education Rights and Privacy Act (FERPA) | | This Program Objective has been fully executed. | ✓ |
Training and Education

Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.

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<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
</table>
| Support compliance education and training efforts and leverage technology to enhance awareness of important laws, regulation, and policies, and to document training completions. | Provide training and communication support for the following compliance topics:  
• The Gramm-Leach-Bliley Act  
• Incident response plan  
• Export Controls  
• Conflict of Interest  
• Employment of foreign national in visa categories  
• Pre-employment requirements  
• Licensed Vendors Policy  
• Social Media Policy | This Program Objective has been fully executed. | ✓                  |

Measurement and Monitoring

Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.

<table>
<thead>
<tr>
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</thead>
</table>
| Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred. | Conduct compliance reviews for the following areas:  
• Athletics Department Review – National Collegiate Athletic Association compliance review  
• Time and Leave Reporting – Policies and processes | This Program Objective has been fully executed. | ✓                  |
- Laboratory Safety – Key lab safety requirements and regulations
- Cyber Security – Storage of classified information and controlled unclassified information
- Access Controls – Access to FIU laboratories by foreign nationals
- Nepotism Policy – Review of controls once system enhancements are complete
- Privacy Data Security – FIU datacenter

### Allegation Reporting and Investigations

Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.

<table>
<thead>
<tr>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies.</td>
<td>Development of guidelines for handling and reporting significant compliance matters (&quot;Escalation Guidelines&quot;)</td>
<td>The Escalation Guidelines have been re-defined as the Significant Matters Policy. The policy is being reviewed internally.</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Discipline and Incentives

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.
<table>
<thead>
<tr>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action.</td>
<td>Develop an executive scorecard that highlights policy review and training requirements completed by the University President’s Leadership Team.</td>
<td>This Program Objective has been fully executed.</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Enterprise Risk Management**

Organizations are expected to periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement.

<table>
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<tr>
<th>Compliance Program Objective</th>
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<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
</table>
| Support the University-wide effort to develop an ERM program | Execute the ERM framework by:  
  - Drafting the ERM policy statement, process, and framework  
  - Conduct ERM plan discussions with internal stakeholders  
  - Complete the ERM risk assessment  
  - Populate the risk registry  
  - Work with the ERM Executive Committee to assign Risk Owners | This Program Objective has been fully executed. | ✓ |

**Organization Culture**

Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

<table>
<thead>
<tr>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consult with the Board of Trustees and the President to encourage a culture of compliance and ethics.</td>
<td>Communicate the results of the culture survey and develop metrics on how to assess progress.</td>
<td>The deliverable for this Program Objective changed. The implementation plan is being finalized.</td>
<td>n/a</td>
</tr>
</tbody>
</table>
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1. ERM Framework Objective

This Enterprise Risk Management Framework (“ERM Framework”) sets out the general mandate and commitment, overview and guiding principles, roles and accountabilities, for managing, monitoring and improving risk management practice within Florida International University (“University”).


2. Mandate and Commitment

The University’s President, Provost, Board of Trustees, and senior leadership are committed to fostering an environment of support that will encourage risk-informed decision-making. This will be balanced with innovation as we explore and develop opportunities, resolve issues, and improve the way we work to achieve our institutional objectives.

All University faculty, staff and administrators (“employees”) should incorporate risk management into governance, decision making, and key business and operational processes as set out in this ERM Framework. All existing and new risk management activities at the University should align to this ERM Framework.

3. Overview, Risk Appetite, and Guiding Principles

Overview

The University’s ERM Framework requires that we understand uncertainties that may impact our objectives. Doing so ensures that we are continuously focused on the most important risks and opportunities as we allocate our resources and adjust work priorities.

Navigating uncertainty effectively will help to strengthen our institutional performance, creating and preserving value for our stakeholders by ensuring that the way we facilitate program and service delivery is innovative, effective and responsible. Managing risk well ensures that we are both proactive and resilient as we sense and respond to uncertainty internally and externally as well as reduce unwanted or unexpected outcomes and engender the trust and confidence of our many stakeholders as captured in the University’s Statement of Risk Appetite below and detailed in the supporting Risk Rating Guide:
Statement of Risk Appetite

The University will continuously seek out innovation in the way we deliver upon our mission:

Vision and Mission Statement

Vision

Florida International University will be a leading urban public research university focused on student learning, innovation, and collaboration.

Mission

Florida International University is an urban, multi-campus, public research university serving its students and the diverse population of South Florida. We are committed to high-quality teaching, state-of-the-art research and creative activity, and collaborative engagement with our local and global communities.

We will ensure that all decisions we take are informed by an understanding of the uncertainties we face as a University and all applicable laws, regulations, industry codes, and institutional standards. We will not tolerate any risks that may impact our ability to be regarded by our community as trustworthy and credible. We will continuously seek out those opportunities that can best strengthen our core values.

Guiding Principles

Employees are expected to apply the following principles in their work:

- Risk management is part of key decision-making. Risk-informed decisions help us to distinguish among alternative courses of action, applying values and ethics while using the University’s common risk process to help us identify, assess, treat and communicate risk. This includes documenting our rationale in support of accountability as we consider the interests of our students, faculty, staff, donors, alumni, community, business and research partners, creditors, rating agencies, accrediting bodies, and other stakeholders.

- Understanding that risk management adds value to our work by helping us be dynamic and responsive to change. Risk management also adds value by facilitating continuous learning and improving the way we work with each other and
our partners as we serve our “students” and safeguard stakeholder interests in the continuous application of the common risk process.

- Risk is managed using the University’s common risk process that is focused on our objectives to help us sense and respond proactively, appropriately and effectively to the negative and positive aspects of risk and uncertainty.
- Risk management is tailored and responsive to the University’s external and internal context (including interests, priorities, public service ethics and values, our risk culture, stakeholders, and risk management capacity).

4. Roles and Accountabilities

Board of Trustees

- Providing oversight to ensure that management has implemented an effective system to identify, assess, manage, respond to, and monitor risks to the University and its strategic objectives.
- Understanding and assessing the risks inherent in the University’s strategy, and encouraging management to pursue prudent risk to generate sustainable performance and value.
- Understanding the key drivers of success for the University, and be knowledgeable about business management, governance, and emerging risks that may affect the University.
- Working with management to establish and annually review the University’s risk philosophy.
- Reviewing risk information provided by management and the Audit and Compliance Committee, including the ERM annual report, and reports on the status of risk response.
- Collaborating and actively engaging with management in discussions of risk, especially regarding philosophy, interaction and aggregation of risks, and underlying assumptions.
- Defining the role of the full Board vs. the Audit and Compliance Committee with regard to risk oversight.
- Understanding and assess risks associated with Board of Trustees decisions and key strategies identified by the Board.
- Providing for an appropriate culture of risk awareness across the University; monitoring critical alignment of people, strategy, risk, controls, compliance, and incentives.
Audit and Compliance Committee of the Board of Trustees

- Representing the Board of Trustees in providing oversight of the University’s ERM practices.
- Working with management to understand and agree on the types, frequency, and format of risk information that the Board will review.
- Reviewing risk information prior to its presentation to the full Board, including the ERM annual report, and ERM status updates.
- Receiving quarterly reports on enterprise risks and the status of risk response.
- On behalf of the full Board, periodically assessing the Board of Trustees’ risk oversight process.

The President and the Executive Vice President- Chief Operating Officer/Provost

- Ensuring that risks associated with achieving the University’s strategic goals and performance based funding metrics are considered.
- Advising on risk and opportunities related to the University’s administrative goals and academic mission.
- Leading the effort for setting the strategic objectives for the University.
- Inspiring and fostering a cultural change in support of ERM as a value and best practice for the University.
- Leading management discussions with the Board of Trustees regarding institutional strategy and risk philosophy.
- Facilitating discussions with the University’s Operations Committee (“OPS Committee”) regarding the development and implementation of the ERM program; ERM policy; institutional risk philosophy; institutional risks or opportunities with sufficient impact on the University’s strategic objectives to warrant development of risk response plans; and proposed response plans for these risks.
- Reviewing and approving risk information and the ERM quarterly and annual progress reports prior to their submittal to the Audit and Compliance Committee and the full Board of Trustees.
- Periodically reviewing the University’s institutional risk portfolio with the academic affairs staff, Deans Advisory Counsel (“DAC”), and other senior officials (when needed).
**ERM Sponsor** (Javier I. Marques)

- Supporting and advising the ERM Advisory Committee by publically supporting ERM and advocating for resources.
- Reviewing the techniques and methodologies used for the ERM program.
- Reviewing and providing input on the selected risks and the selection of Mitigation Strategy Leaders.
- Reviewing the University’s risk register and help facilitate a discussion regarding the risks’ and opportunities’ impact and likelihood with the Operations Committee.
- Reviewing and providing feedback on the ERM annual report prior to finalizing.
- Reviewing the University’s ERM procedures and protocols (“ERM Program Guide”) prior to finalizing.
- Supporting the process for continuous improvement of risk management.
- Assisting with addressing functional, cultural, and departmental barriers to managing risks.

**The Operations Committee**

Providing broad management perspective on institutional risk and opportunity and ensuring engagement in the ERM across the University.

- Recommending institutional risk philosophy to the President and the Provost for discussion with the Board of Trustees.
- Reviewing, validating, and/or revising the institutional risk inventory and portfolio prepared by the ERM Advisory Committee.
- Referring newly identified risk issues or new initiatives that may pose risk to (“Mitigation Strategy Leaders”) for further assessment and development of recommendations as necessary.
- Developing an ERM Framework for filtering risks, and making recommendations to the President and the Provost regarding which risks or opportunities sufficiently impact the University’s strategic objectives to warrant development of enterprise-level response plans to manage those risks or opportunities and/or reporting to the Board of Trustees.
- Assigning key institutional risks to Mitigation Strategy Leaders for development of a written plan for risk response and execution of the risk strategy.
• Reviewing proposed risk response plans for highest-level risks and aligning such plans with the University’s risk philosophy, strategic objectives, and budgetary resources.

• Reviewing quarterly and annual draft ERM progress reports to the Audit and Compliance Committee and/or full Board of Trustees before final approval.

• Supporting the removal of cultural and departmental barriers to managing risks.

**Mitigation Strategy Leaders**

• The Mitigation Strategy Leaders are appointed by the OPS Committee. Appointments will be made as necessary.

• Developing the risk mitigation process and strategy for the assigned risk.

• Tracking and monitoring changes to the assigned risk and provide quarterly updates to the OPS Committee.

**ERM Advisory Committee**

• The Compliance Liaison Committee serves as the ERM Advisory Committee.

• Providing support and advice to the OPS Committee.

• Identifying risks and opportunities, using a variety of appropriate techniques (e.g., interviews of senior management, SWOT analysis, brainstorming, etc.).

• Reviewing and validating or revising selected risk assessments prepared by the Mitigation Strategy Leaders.

• Preparing the University risk register and facilitating discussions regarding the risks’ and opportunities’ impact and likelihood with the OPS Committee.

• Preparing and submitting to the OPS Committee a draft of the ERM annual report.

• Facilitating discussions to assess and develop recommendations for newly identified risks, opportunities, or initiatives as requested by the OPS Comm.

• Assisting Mitigation Strategy Leaders with tracking and monitoring risk responses.
• Acting as a resource of subject matter experts, participating in education, training, communication, and awareness building of ERM.
• Assisting in the development and maintenance of the University’s ERM procedures and protocols (“ERM Program Guide”).
• Supporting the process for continuous improvement of risk management.
• Assisting in addressing functional, cultural, and departmental barriers to managing risks.
• Developing draft ERM policy for review and approval by the President and the Provost.

**Department Chairs and Administrative Unit Managers**

• Ensuring that all risks in their areas of operations are identified and managed appropriately.
• Conducting local-level assessment of risks or opportunities at least annually (concurrent with the annual strategic risk assessment) and incidentally as issues arise.
• Developing and implementing risk response plans.
• Ensuring that faculty and staff understand how they will be accountable for particular risks, and providing guidance on how they can manage them.

**Faculty, Staff and Administrators**

Understanding the following:

• How certain risks relate to their roles and their activities.
• How the management of risk relates to the success of the University.
• How the management of risk helps them to achieve their own goals and objectives.
• Their accountability for particular risks and how they can manage them.
• How to contribute to continuous improvement of risk management
• How to report in a systematic and timely way to senior management any perceived new or emerging risks and any near misses or failures of existing control measures within the parameters agreed.

Vice Presidents, Deans, and Specified Directors

• Demonstrating full commitment to ERM as a value and best practice.
• Supporting the creation of the appropriate internal environment and institutional culture for ERM.
• Through the risk identification process, annually identify risks and opportunities that may affect the achievement of University objectives.
• Assessing and managing institutional risks under the oversight of the President, Provost and the Board of Trustees.
• Assessing and managing unit-level risks within unit-level plans, budgets, and resources.
• Include a discussion of risks and opportunities relevant to the mission of their unit or the University, as well as the status of any response to such risks or opportunities, in their annual work plan and budget submission.

Senior Vice President for Finance and Administration

• Ensuring that risks associated with achieving the University’s strategic goals are captured in the annual budget planning process.

General Counsel

• Providing the Board of Trustees, President, Provost and OPS Comm with independent legal assessments of ERM reports/recommendations from the legal perspective.
• Advising on risks and opportunities related to governance, legal, and compliance risk.

Chief Compliance and Privacy Officer

• Providing the Board of Trustees, President, Provost and OPS Comm with assessments of reports/recommendations from the compliance and privacy perspectives, as needed.
• Evaluating and participating in the risk identification process.
• Serving as a member of the ERM advisory committee.

Chief Internal Auditor

• Providing assurance to the Board of Trustees, President, Provost and OPS Comm on the effectiveness of the risk management process, including the evaluation, reporting, and management of key risks.
• Consulting and advise on identifying and responding to risks and on the effectiveness of the risk assessment process.
• Serving as a member of the ERM advisory committee for the first cycle.

5. Applying the Enterprise Risk Management Framework

The University applies the ERM Framework to key decisions and business processes as we think, plan, execute, measure, monitor, and report on our work as shown below.

Strategic risks will be explicitly identified through planning systems, through periodic strategic assessment studies, and/or as new initiatives and issues arise and are appropriately managed. Operational and project risks are managed as an ongoing and integral part at all levels of the University including program management, service delivery levels, review and reporting activities.

<table>
<thead>
<tr>
<th>What We Do</th>
<th>Our Key Business Processes</th>
<th>Risk Management Expectations</th>
<th>Guidance and Tools to Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thinking about our work</td>
<td>Program and University strategy/design</td>
<td>• Consider how our key institutional and departmental risks obligations could be impacted</td>
<td>• ERM Framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Common risk process and risk criteria</td>
</tr>
</tbody>
</table>
| Planning our work | Strategic, business, operational and project plans | • Consider how our key institutional and departmental risks could be impacted as part of option analysis  
• Identify new or changed risks in relation to our key risks  
• Identify legal and compliance risks | • ERM Framework  
• Common risk process and risk criteria  
• Legal and compliance risk management |
| --- | --- | --- |
| Executing our work | Key decisions that affect resource allocation and work priorities at any level | • Consider how our key institutional and departmental risks could be impacted by the decision  
• Apply the common risk and management process | • ERM Framework  
• Common risk process, risk criteria and IRP |
| Measuring, monitoring and reporting on our work | Measuring and tracking performance | • Track, measure and report on progress made in addressing institutional and departmental-level risks and compliance obligations | • ERM Framework  
• Common risk process, risk criteria and IRP  
• Risk Report |
| Improving the way we work | Independent assessments, guidance and training | • Communicate our key risks and to our internal and external partners
• Capture, share and apply better practices and lessons learned in managing risk
• Identify new or changed risks and in relation to our key risks | ERM Framework |

6. Performance Monitoring and Reporting on Risk

The intent of the University’s enterprise risk management approach is to closely align to the University’s performance management approach in an effort to:

• Establish and track performance expectations for this ERM Framework.
• Track improved performance in the University’s risk management practices.
• Monitor and track performance in key risk obligations being managed by the University.

The University will report on each area above within existing reporting processes and structures.

At a minimum, the specific measures that will be used to track the effectiveness of implementing this ERM Framework are:

• Institutional Risk Profile (IRP) identified, analyzed, evaluated, communicated, and updated at least annually and as new risks emerge.
• Development of actionable treatment plans on risk assurance plans on each obligation identified in the IRP.
• Downward movement on the risk rating scale, as established by the OPS Comm, based on the ongoing implementation of risk treatment assurance plans.
• Documentation of the review of risk considerations in a Common Risk Management Process within the management functions of the University.

• Risk management training established and conducted for all levels of the University.

• Formal Risk Report presented to the Audit and Compliance Committee of the Board of Trustees on an annual basis with interim updates at each quarterly meeting.

7. Quality Assurance and Continuous Improvement

Quality Assurance and Control

Quality risk information helps to build confidence in the ERM Framework and stakeholder interactions. Quality assurance occurs at two levels in the University:

• All faculty, staff and administrators making decisions are responsible for ensuring quality control in generating risk information results from the application of this ERM Framework.

• The ERM Advisory Committee and the OPS Committee supports the President and the Provost by serving as the University’s quality assurance function on risk information that results from the application of this ERM Framework.

Continuous Improvement

The ERM Framework, risk governance structure, tools and training, and guidance will be continuously improved through feedback from external and internal sources in an effort to ensure that the University’s risk management approach is helpful, valuable, and effective.

Continuous learning and improvement is a key means of attaining service excellence and renewal as our mandate, University, and workforce continue to change and as risk management capacity advances along a risk management maturity continuum.

Both formal and informal mechanisms will be used to identify, capture, and share better practices in managing risk across our departments, from our partners as well as other external sources.
Appendix A: Key Terms

The following key terms apply to this ERM Framework:

**Enterprise Risk Management (ERM)** is a continuous, proactive and systematic process to understand, manage and communicate risk from a University-wide perspective. It is about making strategic decisions that contribute to the achievement of an institution’s overall institutional objectives.

**Innovation** is the creative generation and application of new ideas that achieve a significant improvement in a product, program, process, service, structure, or ERM Framework.

**Opportunity** is a time, condition, or set of circumstances permitting or favorable to a particular action or purpose.

**Institutional Risk Profile** is a summary of the top level priority risks of the institution that could challenge the achievement of objectives developed through use of an explicit, documented, and rigorous process.

**Risk** refers to the effect of uncertainty on objectives. It is the expression of the likelihood and impact of an event with the potential to affect the achievement of an institution’s objectives.

**Risk appetite** is the amount of risk, on a broad level, that the University is willing to take on in pursuit of its strategic objectives.

**Risk management process** is a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, and communicating risk issues.

**Risk tolerance** is the willingness of an institution to accept or reject a given level of residual risk after risk treatments are deployed. Risk tolerance may differ across the institution, but should be clearly understood by the individuals making risk-related decisions on a given issue. Clarity on risk tolerance at all levels of the institution is necessary to support informed risk taking and foster risk-smart approaches.

**Risk treatment** refers to the risk mitigation measures or controls that are developed and implemented to address an identified risk.
Appendix B: Risk Management Process

From ISO 31000:2009
Risk Management Principles and Guidelines
Appendix C:

Operations Committee on ERM

Governance

The Operations Committee ("OPS Comm") supports the President and the Provost with executing ERM at the University.

Mandate

The function of the OPS Comm is to assist the President and the Provost with execution of and effective enterprise risk management program at the University. More specifically, the OPS Comm helps guide the design and implementation of risk management activity and the risk management action plan as follows:

<table>
<thead>
<tr>
<th>President/Provost Mandate</th>
<th>The OPS Comm’s Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provides oversight, leadership and direction on the University’s legal, strategic,</td>
<td>• Monitors risk and compliance activities and the effectiveness of mitigation</td>
</tr>
<tr>
<td>program, and operational risks by monitoring risk and compliance activities and</td>
<td>strategies for key risks within business areas including participation in the</td>
</tr>
<tr>
<td>evaluating risk treatment strategies and compliance assurance plans to support</td>
<td>University’s Risk Profile within their business area</td>
</tr>
<tr>
<td>decision making</td>
<td>• Champions the application of the University’s ERM Framework within business areas</td>
</tr>
<tr>
<td>• Develop and implements an ERM Framework including the development of a training and</td>
<td>• Provides input into the University’s ERM Framework including policy, training,</td>
</tr>
<tr>
<td>communications strategy</td>
<td>and communication needs</td>
</tr>
<tr>
<td>• Integrates risk management into existing decision- making structures</td>
<td>• Provides input to guidance and tools for risk in decision-making, reporting, and</td>
</tr>
<tr>
<td>• Communicates the University’s direction for risk management</td>
<td>planning</td>
</tr>
<tr>
<td></td>
<td>• Communicates key messages regarding risk within their business areas</td>
</tr>
</tbody>
</table>
- Establishes a University-wide focus for risk management
- Promotes the application of the University’s ERM Framework within business areas
- Expects and provides accountability for departmental leadership on integrated risk management
- Promotes the application of the University’s ERM Framework within business areas

Appendix D: The University’s Risk Rating Guide

Risks obligations identified as part of the University’s Risk Profile (IRD) will be ranked on several dimensions. The risk likelihood, impact, opportunity, assurance and velocity are considered. This rating scale is included as an example. The rating criteria used by the University may differ.

Implementation Road Map:

Discuss key strategic objectives with the Provost, CFO, General Counsel, Internal Audit, University Compliance and the Project Sponsor

- Provide high level overview of ERM Framework
- Discuss challenges and potential barriers
- Discuss timelines and expectations

Interview subject matter experts

- Conduct subject matter expert interviews with each Vice President/Dean and designated team members to identify key risks
- Challenge key assumptions
Consolidate interview results and draft scenarios
- Consolidate information from subject matter expert interviews
- Work with OPS to select top risks for assessment
- Draft risk Scenarios
- Distribute pre-read materials

Conduct Risk Assessment
- Conduct facilitated sessions with high risk teams using voting software if helpful
- Use Logicmanager to assess and rank risk based on impact, likelihood and velocity
- Present results to OPS
- Prioritize risks with OPS by evaluating capabilities/urgency to address risks
- Develop Risk Appetite Statement for each Risk
- Assign Mitigation Strategy Leaders
- Create risk map
- Confirm the risk assessment results
- Report key risks to the BoT
- Develop risk filter for use with emerging and risks
- Develop ERM templates
- Determine opportunities to integrate ERM with existing management tools and processes
- Begin managing risks, reporting progress updates and preparing for next cycle
Scoring Criteria

Assess each key identified risk according to the scoring criteria below. Next to each scoring criteria is a “Reasoning” section for you to add comments. This section is optional. You may use this section if you would like to provide details regarding why you selected a particular score. The information will be shared with the ERM Committee during the risk calibration session.

Risk Impact

Do not grant credit for existing controls or mitigating strategies. Do not consider how often the impact may occur. Below each risk is a credible worst-case scenario that will help you better understand what the subject matter expert believed to be a credible worst-case scenario when drafting the risk. Only one criteria for an impact level need apply to assess at that level. Your score should be based on what you believe is the credible worst-case scenario based on the criteria listed.

5 Business Critical

Impact on Human Capital
• Affects >75% of employees
• Collective bargaining required
• >25% employee turnover

Hazard/safety/legal Liability
• Business critical injury or death
• Critical legal liability exposure
• Major, irreparable environmental damage

Financial
• Annual loss of $100>million in current fiscal year
• Five-year cumulative liability/obligation $250 million
• Insolvency

Operational
• FIU shutdown >3 months
• Insolvency
• Leadership failure results in long-term damage to institution

Compliance
• Threatens viability of FIU or its education mission
• Loss of all federal research or Title IV funds

Strategic
Threatens FIU’s ability to stay out of the bottom three ranking
**Reputational**
- Negative publicity could permanently impair FIU’s image/reputation
- Significant decrease in enrollment or research funding

**4 Severe**

**Impact on Human Capital**
- Affects 51-75% of employees
- Collective bargaining required
- 16-24% employee turnover

**Hazard/safety/legal Liability**
- Severe injury or death
- Self-insured workers’ compensation injury/exposure possible
- Severe legal liability exposure
- Severe environmental damage requiring mitigation

**Financial**
- Annual loss of $25>$100 million in current fiscal year
- Five-year cumulative liability/obligation $150 <$250 million

**Operational**
- 14 day to three-month disruption of two or more Colleges, Schools, or Divisions or most critical services
- Severe impact on efficiency, student programs and services, environmental sustainability, or infrastructure
- Severe effect on leadership effectiveness

**Compliance**
- Imposed settlement or corporate integrity agreement
- Organizational criminal prosecution
- Record financial judgment

**Strategic**
- Reverses progress on one or more performance based indicator goal

**Reputational**
- National negative publicity
- FIU cannot control the message
- Severe, long-term damage to FIU’s reputation/Image
3 Serious

Impact on Human Capital
• Affects 26-50% of employees
• Collective bargaining required
• 10-15% employee turnover
Hazard/safety/legal Liability
• Serious injury
• Self-insured workers’ compensation injury/exposure possible
• Serious legal liability exposure
• Environmental damage eligible for EPA National Priorities List
Financial
• Annual loss of $10>$25 million in current fiscal year
• Five-year cumulative liability/obligation $100 <$150 million
Operational
• 10-14 day disruption of two or more Colleges, Schools, or Divisions or three or more critical services
• Serious impact on efficiency, student programs and services, environmental sustainability, or infrastructure
• Serious effect on leadership effectiveness
Compliance
• Principal investigator debarred
• Program funds rescinded
• Long-term agency scrutiny
• Enforcement action likely
Strategic
Stops progress on more than one performance based indicator goal
Reputational
• National negative publicity
• Intense pressure for FIU to control the message
• Significant damage to FIU’s reputation/Image

2 Moderate

Impact on Human Capital
• Affects 5-25% of employees
• Collective bargaining required
• <1-9% employee turnover
Hazard/safety/legal Liability
• Moderate injury
• Self-insured workers’ compensation injury/exposure possible
• Moderate legal liability exposure
• Moderate, reparable environmental damage

Financial
• Annual loss of $1>$10 million in current fiscal year
• Five-year cumulative liability/obligation $11< $50 million

Operational
• One-10 day disruption of several departments or one critical service
• Moderate impact on efficiency, student programs and services, environmental sustainability, or infrastructure
• Moderate effect on leadership effectiveness

Compliance
• Audit findings requiring programmatic change
• Moderate fines
• Short-term agency scrutiny

Strategic
Slows progress on more than one performance- based funding indicator goal

Reputational
• Local/regional negative publicity
• Pressure for FIU to control the message
• Moderate damage to FIU’s reputation/image

1 Minor

Impact on Human Capital
• Affects < 5% of employees
• No collective bargaining impact
• No impact on recruitment/retention

Hazard/safety/legal Liability
• Minor injury
• Minor legal liability exposure
• Minor, reparable environmental damage

Financial
• Annual loss of <$1 million in current fiscal year
• Five-year cumulative liability/obligation < $10 million

Operational
• No disruption of critical operations and services
• One-two-day disruption of a department
• Minor impact on efficiency, student programs, services, environmental sustainability or infrastructure
• No effect on leadership effectiveness
Compliance
• Minor audit findings
• Minor fines

Strategic
Slows progress on one FIU performance based funding indicator goal

Reputational
• Limited negative publicity
• No effect on FIU reputation/image

Risk Likelihood

Assess the likelihood that the impact of the risk factor occurs. Do not consider the mitigation effect of existing controls.

1 Rarely, if ever
Less than 10% probability
Within the past 12 months, the following conditions or indicators have existed within the process:
• Task errors within approved limits
• Appropriate staffing levels
• Highly experienced and skilled staff
• No change in volume and nature of transactions
• No change in key personnel or faculty/staff/administrators who perform or monitor controls

2 Unlikely
At least 10% but less than 33% probability
Within the past 12 months, the following conditions or indicators have existed within the process:
• Task errors within approved limits
• Reasonable staffing levels
• Adequately experienced and skilled faculty/staff/administrators
• Minimal transactional changes (e.g., volume, nature)
• Minimal changes in key personnel or staff

3 About as likely as not
At least 33% but less than 66% probability
Within the past 12 months, the following conditions or indicators have existed within the process:
• Task errors occasionally in excess of approved limits
• Shortages in staffing levels
• Thinly experienced and skilled faculty/staff/administrators
• Moderate transactional changes (e.g., volume, nature)
• Some changes in key personnel or staff
4 Likely
At least 66% but less than 90% probability
Within the past 12 months, the following conditions or indicators have existed within the process:
• Task errors often in excess of approved limits
• Activity bottlenecks, impact on upstream or downstream functions
• Faculty/staff/administrators have insufficient skills, training, and certifications
• Significant transactional changes (e.g., volume spikes, contractual changes)
• Changes in personnel or staff

5 Highly likely
At least 90% probability
Within the past 12 months, the following conditions have existed within the process:
• Task errors not predictable, limits not established
• Major activity bottlenecks, impact on upstream or downstream functions
• Faculty/staff/administrators have little or no experience, skills, training, and certifications
• Major transactional changes (e.g., major volume spikes, contractual changes)
• Changes in key personnel or staff

Risk Velocity
Assess the length of time that it would take between the occurrence of the risk and the point at which the impact is felt by the university.

5 Instantaneous
• Risk impact will be felt by the University within 24 hours after occurrence of the risk
• There will be no time for reaction and response planning before serious consequences of the risk impacts the University

4 Very Rapid
• Risk impact will be felt by the University within one week after occurrence of the risk
• There will be very little time for reaction and response planning before serious consequences of the

3 Rapid
• It will take over one week and possibly up to six months for the risk impact to be felt by the University after the occurrence of the risk

2 Slow
• It will take over six months and possibly up to a year for the risk impact to be felt by the University after the occurrence of the risk

1 Very Slow
• It will take more than one year for the risk impact to be felt by the University after the occurrence of the risk
Risk Assurance

Assess the effectiveness of existing procedures, mitigating strategies and overall entity-wide controls, regardless of which department or division performs the activities (i.e., activities do not have to be performed by areas or faculty/staff/administrators reporting to you). Mitigation or controls can be written policies and procedures, fraud risk assessments, control automation, control self-assessments, standard management reporting, etc. Assess controls that mitigate the selected risks based on criteria below.

Tip: You may conclude that you rely on activities performed by other areas to mitigate risks in your area. If this is the case, you may assess controls provided by other areas as you understand them, or you may request other areas to assess control assurance from their base of knowledge. If that is the case, it would be helpful if you document your reasoning.

1 Effective
- There is accountability at all levels
- Continuous discipline and sound ethical decision-making skills at all levels
- Effective, documented controls are in place
- Technically competent and experienced staff with minimal turnover
- Highly effective management review takes place
- No deficiencies observed in control environment (e.g., procedure manual, controls well documented, clear standards and trending for control exceptions)
- Self-assessment activity or controls have been reviewed by groups independent of management (e.g., internal audit) in the past two years
- Internal audit has reviewed controls within the past year or two years with satisfactory results
- Key controls that mitigate the risks are primarily automated and hybrid
- Self-assessments are conducted on a regular basis

2 Good
- Formalized processes exist to ensure that FIU’s values and policies remain the norm
- Controls are effective, documented and followed on most occasions
- Clear ownership of control responsibility and role accountability
- Controls are responsive to operational changes
- Technically competent and experienced staff with some turnover
- No significant deficiencies observed in internal monitoring
- Self-assessment activity or controls have been reviewed by groups independent of management (e.g., internal audit) in the past three years

3 Could be improved
- Expectations are clear and available to applicable stakeholders
- Compliance with written policies and procedures at all levels is the norm
- Controls documented and generally performed, but are not sufficiently responsive to operational changes
- Internal monitoring exists but there are deficiencies in effectiveness
- Some written procedures and standards exist, but may not be clear or comprehensive
- Accountability is not enforced
- Written guidance is available to auditors upon request
• A risk assessment has been performed although additional controls were required
• Key controls that mitigate the risks are a combination of automated, hybrid and manual
• Assessments and monitoring is conducted, but not consistently

4 Poor
• Organizational values and behavior expectations are not well defined or consistently understood
• Controls are documented but not performed consistently
• Controls are only partially effective, and employees implement as best they can
• No accountability for failures
• Clear evidence of ongoing internal conflicts in the area
• Ineffective or no internal monitoring of controls
• Some written task guidance in various forms (e.g., personal notes), but may not be immediately available
• Key controls that mitigate the risks are mostly manual and hybrid
• Limited self-assessments or gap analysis conducted

5 Ineffective
• Ineffective and fragmented controls
• Undocumented procedures, mitigating strategies, entity-wide controls
• Inappropriate or no guidance from "tone at the top" (control environment)
• General inability of key personnel or staff to design and execute effective, cohesive mitigating activities
• No written guidance for performing tasks
• Key controls that mitigate the risks are mostly manual
• No participation in a control self-assessment program
<table>
<thead>
<tr>
<th>Rank</th>
<th>Risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Velocity</th>
<th>Assurance</th>
<th>Inherent Index</th>
<th>Residual Index</th>
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<td>Impact</td>
<td>Likelihood</td>
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<tr>
<td>16</td>
<td>Academic</td>
<td>FIU fails to maintain standards and procedures to identify and address academic fraud.</td>
<td>3.188</td>
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<td>2.769</td>
<td>2.917</td>
<td>2.727</td>
<td>2.636</td>
<td>4.406</td>
</tr>
<tr>
<td>18</td>
<td>IT Security</td>
<td>FIU lacks sufficient monitoring systems to prevent a rogue action by supplier staff with access to supplier bank account information.</td>
<td>2.688</td>
<td>2.625</td>
<td>3.313</td>
<td>2.438</td>
<td>4.674</td>
</tr>
<tr>
<td>19</td>
<td>Academic</td>
<td>FIU does not effectively recruit and admit students with the academic standards that are likely to graduate from FIU within four (4) years.</td>
<td>3.593</td>
<td>2.6</td>
<td>2.708</td>
<td>2.25</td>
<td>5.06</td>
</tr>
<tr>
<td>20</td>
<td>Legal/Regulatory</td>
<td>FIU fails to prevent significant lawsuits and claims relating to professional liability, discrimination or equal opportunity and noncompliance.</td>
<td>3.167</td>
<td>2.818</td>
<td>2.9</td>
<td>2.182</td>
<td>5.176</td>
</tr>
<tr>
<td>21</td>
<td>Safety</td>
<td>FIU lacks adequate methods to support lab safety.</td>
<td>3.316</td>
<td>2.105</td>
<td>3.647</td>
<td>2.118</td>
<td>5.092</td>
</tr>
<tr>
<td>22</td>
<td>Financial</td>
<td>Financial is impacted negatively from outside forces such as healthcare costs, energy costs, government spending, foreign currency exchange.</td>
<td>3.125</td>
<td>2.75</td>
<td>2.625</td>
<td>2.375</td>
<td>4.512</td>
</tr>
<tr>
<td>23</td>
<td>IT Security</td>
<td>FIU hacked accounts are used to send malicious and offensive messages.</td>
<td>2.571</td>
<td>2.667</td>
<td>3.526</td>
<td>2.211</td>
<td>4.836</td>
</tr>
<tr>
<td>24</td>
<td>Operations</td>
<td>FIU lacks an adequate succession plan for administrative staff and faculty.</td>
<td>2.762</td>
<td>2.81</td>
<td>2.333</td>
<td>2.857</td>
<td>3.621</td>
</tr>
<tr>
<td>25</td>
<td>Operations</td>
<td>FIU is unable to expand the campus facilities footprint due to political constraints.</td>
<td>3.087</td>
<td>3.609</td>
<td>2.238</td>
<td>2.55</td>
<td>4.986</td>
</tr>
<tr>
<td>26</td>
<td>Legal/Regulatory</td>
<td>FIU is challenged with building internal capacity and implementing the policies and procedures required to keep up with regulatory changes.</td>
<td>3.19</td>
<td>2.45</td>
<td>3</td>
<td>2.105</td>
<td>4.69</td>
</tr>
<tr>
<td>27</td>
<td>Safety</td>
<td>FIU does not comply with applicable general safety laws and regulations.</td>
<td>3.545</td>
<td>2.136</td>
<td>3.55</td>
<td>1.8</td>
<td>5.378</td>
</tr>
<tr>
<td>28</td>
<td>Financial</td>
<td>FIU is financially impacted from outside forces such as healthcare costs, energy costs, government spending, foreign currency exchange.</td>
<td>3</td>
<td>2.8</td>
<td>2.4</td>
<td>2.4</td>
<td>4.032</td>
</tr>
<tr>
<td>29</td>
<td>Financial</td>
<td>FIU fails to engage university stakeholders in the fundraising process.</td>
<td>3.071</td>
<td>2.846</td>
<td>2.231</td>
<td>2.462</td>
<td>3.9</td>
</tr>
<tr>
<td>30</td>
<td>Legal/Regulatory</td>
<td>FIU fails to train and enforce policies against discrimination and harassment in the workplace.</td>
<td>3.053</td>
<td>2.421</td>
<td>2.647</td>
<td>2.412</td>
<td>3.913</td>
</tr>
<tr>
<td>31</td>
<td>Legal/Regulatory</td>
<td>FIU lacks adequate training for departments managing contracts under $75,000.00.</td>
<td>2.588</td>
<td>2.824</td>
<td>2.412</td>
<td>2.647</td>
<td>3.525</td>
</tr>
<tr>
<td>Rank</td>
<td>Risk</td>
<td>Description</td>
<td>Impact</td>
<td>Likelihood</td>
<td>Velocity</td>
<td>Assurance</td>
<td>Inherent Index</td>
</tr>
<tr>
<td>------</td>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>------------</td>
<td>----------</td>
<td>-----------</td>
<td>----------------</td>
</tr>
<tr>
<td>32</td>
<td>Financial</td>
<td>FIU fails to raise 150 million dollars in philanthropic revenues as a means of university funding.</td>
<td>3.462</td>
<td>2.833</td>
<td>2.167</td>
<td>2.167</td>
<td>4.25</td>
</tr>
<tr>
<td>33</td>
<td>Academic</td>
<td>Fabrication, falsification, plagiarism, or other misconduct is conducted by an FIU researcher.</td>
<td>3.133</td>
<td>2.267</td>
<td>2.786</td>
<td>2.308</td>
<td>3.957</td>
</tr>
<tr>
<td>34</td>
<td>Legal/Regulatory</td>
<td>FIU fails to follow federal and NCAA financial aid requirements for athletes.</td>
<td>2.933</td>
<td>2.357</td>
<td>2.923</td>
<td>2.231</td>
<td>4.042</td>
</tr>
<tr>
<td>35</td>
<td>Legal/Regulatory</td>
<td>FIU lacks adequate controls for tracking and disbursements around the use of purchase orders for gift cards as participant payments tied to research.</td>
<td>2.357</td>
<td>3.071</td>
<td>2.286</td>
<td>2.714</td>
<td>3.31</td>
</tr>
<tr>
<td>36</td>
<td>Safety</td>
<td>FIU fails to protect students, faculty, staff, visitors and surrounding neighbors from hazards in the physical environment of the university and surrounding areas.</td>
<td>3.111</td>
<td>2.115</td>
<td>3.522</td>
<td>1.913</td>
<td>4.635</td>
</tr>
<tr>
<td>37</td>
<td>Operations</td>
<td>Failure by internal systems results in disruption of essential services to buildings and facilities.</td>
<td>3.313</td>
<td>1.8</td>
<td>3.867</td>
<td>1.867</td>
<td>4.611</td>
</tr>
<tr>
<td>38</td>
<td>Legal/Regulatory</td>
<td>FIU receives multiple A-133 Audit findings.</td>
<td>3.083</td>
<td>2</td>
<td>3</td>
<td>2.3</td>
<td>3.7</td>
</tr>
<tr>
<td>39</td>
<td>Legal/Regulatory</td>
<td>An FIU staff member mishandles or misappropriates cash when accepting payments outside of the university's designated cashiering locations.</td>
<td>2</td>
<td>2.769</td>
<td>2.923</td>
<td>2.615</td>
<td>3.238</td>
</tr>
<tr>
<td>40</td>
<td>Reputation</td>
<td>FIU fails to establish and manage proper policies and procedures to vet and supervise external groups on campus; whether FIU sponsored or not.</td>
<td>2.857</td>
<td>2.154</td>
<td>3.385</td>
<td>2</td>
<td>4.166</td>
</tr>
<tr>
<td>41</td>
<td>Safety</td>
<td>FIU is unable to ensure staff and student safety due to deteriorating facilities.</td>
<td>3.462</td>
<td>2.04</td>
<td>2.609</td>
<td>2.261</td>
<td>3.684</td>
</tr>
<tr>
<td>42</td>
<td>Legal/Regulatory</td>
<td>An FIU athletics staff member is involved with activities to influence the outcome of sports activities or organized gambling. (Scores are based on whether or not legislation is passes making gambling legal).</td>
<td>3.188</td>
<td>1.867</td>
<td>3.333</td>
<td>2.067</td>
<td>3.967</td>
</tr>
<tr>
<td>43</td>
<td>Financial</td>
<td>FIU is not diversified in its income sources, and relies too heavily on student tuition.</td>
<td>3.3</td>
<td>2.111</td>
<td>2.5</td>
<td>2.333</td>
<td>3.483</td>
</tr>
<tr>
<td>44</td>
<td>Legal/Regulatory</td>
<td>FIU specialized accredited programs fail to maintain accrediting agency standards.</td>
<td>3.917</td>
<td>1.727</td>
<td>3.3</td>
<td>1.8</td>
<td>4.465</td>
</tr>
<tr>
<td>45</td>
<td>Legal/Regulatory</td>
<td>FIU does not comply with applicable environmental laws and regulations.</td>
<td>3.158</td>
<td>2</td>
<td>3.056</td>
<td>2</td>
<td>3.86</td>
</tr>
<tr>
<td>46</td>
<td>Financial</td>
<td>FIU lacks adequate controls to manage cash flow.</td>
<td>3.154</td>
<td>1.917</td>
<td>2.917</td>
<td>2.167</td>
<td>3.526</td>
</tr>
<tr>
<td>Rank</td>
<td>Risk</td>
<td>Description</td>
<td>Impact</td>
<td>Likelihood</td>
<td>Velocity</td>
<td>Assurance</td>
<td>Inherent Index</td>
</tr>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<td>-----------</td>
<td>----------------</td>
</tr>
<tr>
<td>47</td>
<td>Financial</td>
<td>FIU lacks the staff and resources to conduct data analysis and reporting based on supplier spending.</td>
<td>2.273</td>
<td>2.818</td>
<td>2.091</td>
<td>2.818</td>
<td>2.678</td>
</tr>
<tr>
<td>48</td>
<td>Legal/Regulatory</td>
<td>FIU's lack of centralization of procurement for orders under $75,000.00, which leads to departments doing business with the same pool of suppliers that they are accustomed to using without giving opportunities to new suppliers.</td>
<td>2</td>
<td>2.947</td>
<td>2.105</td>
<td>3</td>
<td>2.482</td>
</tr>
<tr>
<td>49</td>
<td>Strategic</td>
<td>FIU fails to use strategic aid awarding to complement recruitment and retention of incoming undergraduate students to meet profile, enrollment, and net revenue goals on a timely basis.</td>
<td>3.455</td>
<td>2.1</td>
<td>2.7</td>
<td>1.9</td>
<td>3.917</td>
</tr>
<tr>
<td>50</td>
<td>Strategic</td>
<td>FIU sustains a significant reduction in international fulltime undergraduate demand.</td>
<td>2.579</td>
<td>2.526</td>
<td>2.278</td>
<td>2.5</td>
<td>2.968</td>
</tr>
<tr>
<td>51</td>
<td>Strategic</td>
<td>FIU is challenged due to uncertainty surrounding political leadership on the national and state levels.</td>
<td>2.769</td>
<td>2.5</td>
<td>2.917</td>
<td>1.833</td>
<td>4.038</td>
</tr>
<tr>
<td>52</td>
<td>Academic</td>
<td>Online and regular courses are not properly rescheduled by professors after a natural disaster or other unexpected events.</td>
<td>2.308</td>
<td>2.333</td>
<td>3</td>
<td>2.273</td>
<td>3.231</td>
</tr>
<tr>
<td>53</td>
<td>Legal/Regulatory</td>
<td>FIU students are unable to access academic program technology resources.</td>
<td>2.538</td>
<td>1.833</td>
<td>3.545</td>
<td>2.182</td>
<td>3.3</td>
</tr>
<tr>
<td>54</td>
<td>Legal/Regulatory</td>
<td>FIU improperly charges the U.S. Department of Health and Human Services (HHS) for salary and administrative costs on federal grants.</td>
<td>3.4</td>
<td>2</td>
<td>2.615</td>
<td>2</td>
<td>3.557</td>
</tr>
<tr>
<td>55</td>
<td>Legal/Regulatory</td>
<td>Failure to safeguard university records.</td>
<td>2.9</td>
<td>2.053</td>
<td>2.647</td>
<td>2.235</td>
<td>3.151</td>
</tr>
<tr>
<td>56</td>
<td>Legal/Regulatory</td>
<td>FIU fails to monitor and address student conflict, bad acts and illegal behavior of FIU students participating in online group chats with faculty members or grad assistants.</td>
<td>2.167</td>
<td>2.588</td>
<td>2.688</td>
<td>2.333</td>
<td>3.014</td>
</tr>
<tr>
<td>57</td>
<td>Operations</td>
<td>FIU students, visitors and employees are unable to access facilities and buildings.</td>
<td>2.75</td>
<td>1.833</td>
<td>3.333</td>
<td>2.083</td>
<td>3.361</td>
</tr>
<tr>
<td>58</td>
<td>Strategic</td>
<td>FIU does not engage with the local and national community in a meaningful way.</td>
<td>2.778</td>
<td>2.176</td>
<td>2.471</td>
<td>2.313</td>
<td>2.987</td>
</tr>
<tr>
<td>59</td>
<td>Academic</td>
<td>FIU fails to maintain accreditation standards with regional accrediting agencies (SACSCOC).</td>
<td>4.154</td>
<td>1.75</td>
<td>3</td>
<td>1.545</td>
<td>4.362</td>
</tr>
<tr>
<td>60</td>
<td>Strategic</td>
<td>FIU fails to maintain the targeted student to faculty ratios.</td>
<td>2.571</td>
<td>2.643</td>
<td>2.308</td>
<td>2.077</td>
<td>3.137</td>
</tr>
<tr>
<td>Rank</td>
<td>Risk</td>
<td>Priority</td>
<td>Description</td>
<td>Impact</td>
<td>Likelihood</td>
<td>Velocity</td>
<td>Assurance</td>
</tr>
<tr>
<td>------</td>
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<td>-----------------------------------------------------------------------------</td>
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<td>-----------</td>
</tr>
<tr>
<td>61</td>
<td>Academic</td>
<td>FIU students are challenged in their learning environment due to not being able to fully understand instructors due to foreign accents.</td>
<td>2.167</td>
<td>2.636</td>
<td>2.455</td>
<td>2.273</td>
<td>2.804</td>
</tr>
<tr>
<td>62</td>
<td>Legal/Regulatory</td>
<td>FIU is required to return a significant amount of federal funding due to a compliance failure.</td>
<td>3.6</td>
<td>1.933</td>
<td>2.357</td>
<td>1.929</td>
<td>3.281</td>
</tr>
<tr>
<td>63</td>
<td>Legal/Regulatory</td>
<td>FIU websites are not compliant with ADA requirements for accessibility.</td>
<td>2.05</td>
<td>2.55</td>
<td>2.579</td>
<td>2.316</td>
<td>2.696</td>
</tr>
<tr>
<td>64</td>
<td>Strategic</td>
<td>FIU fails to recruit and retain diverse women and minority faculty.</td>
<td>2.684</td>
<td>2.316</td>
<td>2.235</td>
<td>2.176</td>
<td>2.779</td>
</tr>
<tr>
<td>65</td>
<td>Reputation</td>
<td>FIU fails to properly vet potential partners.</td>
<td>2.938</td>
<td>2.067</td>
<td>2.5</td>
<td>1.857</td>
<td>3.035</td>
</tr>
<tr>
<td>66</td>
<td>Strategic</td>
<td>FIU's student body does not reflect a diverse body of backgrounds, or students do not respect the differences of others.</td>
<td>2.556</td>
<td>1.941</td>
<td>2.688</td>
<td>1.875</td>
<td>2.666</td>
</tr>
<tr>
<td>67</td>
<td>Legal/Regulatory</td>
<td>FIU fails to train and enforce policies against discrimination and harassment in the workplace.</td>
<td>2.429</td>
<td>2.154</td>
<td>2.385</td>
<td>2</td>
<td>2.495</td>
</tr>
<tr>
<td>68</td>
<td>Academic</td>
<td>FIU lacks effective policies and procedures to adequately teach.</td>
<td>3</td>
<td>1.857</td>
<td>2.231</td>
<td>1.769</td>
<td>2.486</td>
</tr>
<tr>
<td>69</td>
<td>Legal/Regulatory</td>
<td>FIU does not effectively report time and labor hours for employees who are sick.</td>
<td>2.308</td>
<td>2.231</td>
<td>2.231</td>
<td>1.846</td>
<td>2.297</td>
</tr>
<tr>
<td>70</td>
<td>Legal/Regulatory</td>
<td>FIU's audit plan is inadequate or poorly devised.</td>
<td>3</td>
<td>1.909</td>
<td>1.909</td>
<td>1.818</td>
<td>2.187</td>
</tr>
</tbody>
</table>
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# SUS Compliance Program Status Checklist

**Instructions:** For the four area tables below, please complete the Description and Progress Indicator columns for each Regulation Component, which align with Board of Governors Regulation 4.003 (effective November 3, 2016). Then complete the Program Status Summary table immediately below.

Return completed checklists to [BOGInspectorGeneral@flbog.edu](mailto:BOGInspectorGeneral@flbog.edu).

For assistance, please contact the Board of Governors Office of Inspector General and Director of Compliance at [joseph.maleszewski@flbog.edu](mailto:joseph.maleszewski@flbog.edu) or 850-245-9247.

## Program Status Summary as of October 10, 2017

<table>
<thead>
<tr>
<th>Area</th>
<th>Regulation Components</th>
<th>Completed</th>
<th>Good Progress</th>
<th>Slow Progress</th>
<th>Poor Progress</th>
<th>N/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - University-wide Compliance Program</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>B - Program Plan</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C - BOT Committee</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D - Chief Compliance Officer</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19</strong></td>
<td><strong>18</strong></td>
<td><strong>1</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

**Legend:**
- ✓ Indicates that the university president and board chair assert that the regulation components making up this area are fully implemented in accordance with Board of Governors Regulation 4.003.
- • Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2017.
- • Indicates that the university president and board chair anticipate regulation components making up this area to be completed by November 3, 2018 (completion of items beyond this date constitute non-compliance with Board of Governors Regulation 4.003).
- • Indicates that the university president and board chair anticipate regulation components making up this area to be completed by May 3, 2019 (six months beyond the period established in Board of Governors Regulation 4.003).
- N/B Indicates that the university president and board chair acknowledge that the university has not begun implementing the regulation components making up this area. The “N/B” indicator should be used in...
conjunction with one of the green/amber/red light indicators to communicate anticipated completion periods for items not yet begun.

### Area A - University-wide Compliance Program

<table>
<thead>
<tr>
<th>Regulation Component</th>
<th>Description</th>
<th>Progress Indicator</th>
</tr>
</thead>
</table>
| A1 - University-wide Compliance Program implemented consistent with Code of Ethics for Public Officers and Employees (Part III, Chapter 112, F.S.) and the Federal Sentencing Guidelines Manual, Chapter 8, Part B [4.003(1) & (2)(b)] | - The University-wide compliance and ethics program ("Program") provides strategic guidance and support for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules and policies.  
  - The Program is designed and implemented consistent with the Code of Ethics for Public Officers and Employees ("Code of Ethics") and the Federal Sentencing Guidelines Manual, Chapter 8, Part B ("FSG") and BOG Regulation 4.003(1) and (2)(b).  
  - The Office of University Compliance and Integrity ("Compliance Office") manages the Program by supporting the dissemination and review of effective University-wide policies and procedures, education and training, monitoring, communication, risk assessment, and response to reported issues as required by the Code of Ethics, FSG and BOG Regulation 4.003. | ✓                  |
| A2 - CCO reports to the BOT at least annually on Program effectiveness (copy to BOG) [4.003(7)(g)(8)] | - The FIU Board of Trustees ("Board") assigned responsibility for providing governance oversight of the Program to the Audit and Compliance Committee ("Committee").  
  - The Chief Compliance Officer ("CCO") provides a written quarterly update to the Board through the Committee.  
  - Program effectiveness is reported to the Board annually. The 2016-2017 Annual Compliance Report was delivered to the Board in September 2017. | ✓                  |
| A3 - External Program design and effectiveness review every 5-years (copy to BOG) [4.003(7)(c)] | Ethisphere has been retained to conduct the external review of the design and effectiveness of the Program. The assessment is scheduled to begin in June, 2018 and will be completed prior to the end of the year. A copy of the assessment will be provided to the Board of Governors upon completion. | •                  |
| A4 - Process established for detecting and preventing non-compliance, unethical behavior, or criminal conduct [4.003(7)(h)] | - Non-compliance, unethical behavior, or criminal conduct may be reported directly to a manager, to the Ethical Panther reporting line or various other mechanisms.  
  - The CCO collaborates with Program partners to verify that reasonable steps have been taken to prevent further similar behavior. Depending on the nature of the incident(s), various corrective actions, including the creation of compliance monitoring plans are used to improve detection efforts and monitoring efforts. Efforts related to compliance monitoring are reported to the Board. | ✓                  |
| A5 - Due diligence steps for not including individuals who have | FIU has a background check policy and procedure that applies to the following faculty, staff, and administrators:  
  - New hires | ✓                  |
engaged in conduct not consistent with an effective Program [4.003(8)]

- Rehired after *a break in service*,
- Volunteers, and;
- Current *administrative* or *staff* employee promoted or transferred into a position with required background checks, unless the employee has successfully passed the position-related background checks within the past five (5) years.

At a minimum, new hires receive a level 1 criminal background investigation. Level II criminal background investigations and other due diligence steps may be conducted, depending on the position. Periodic re-screening may be conducted depending on whether the employee has access to minors, or has responsibility for a merchant account. The University also checks the “Excluded Individuals and Entities List” maintained by the Office of the Inspector General, and conducts motor vehicle record checks every two (2) years or when a report is made that an employee is not operating a University vehicle safely.

<table>
<thead>
<tr>
<th>Regulation Component</th>
<th>Description</th>
<th>Progress Indicator</th>
</tr>
</thead>
</table>
| **B1 - Compliance and Ethics Program Plan approved by BOT (copy to BOG) [4.003(7)(a)]** | - The President and the Board receive information about the Program and exercise oversight with respect to implementation and effectiveness.  
- The 2016-2017 Compliance Work Plan (“Program Plan”) was approved by the Board during the June 2016 Board meeting.  
- The 2017-2018 Program Plan was approved by the Board during the June 2017 Board meeting. | ✓ |
| **B2 - Plan provides for compliance training for university employees and BOT members [4.003(7)(b)]** | - Faculty, staff, and administrators receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules policies and procedures.  
- The 2016-2017 Program Plan addressed the number of policies and relevant information regarding the distribution of compliance trainings.  
- As part of the new Board orientation process, Board members receive materials regarding the Florida Sunshine Law and the Florida Code of Ethics for Public Officers and Employees. In addition, University policies, including gift acceptance, and conflict of interest are included. During new Board member orientation, the CCO meets with new Board members to provide information regarding the Program, and the General Counsel meets with new Board members to review legal responsibilities. The General Counsel conducts training every two years during meetings of the Board on the responsibilities set forth | ✓ |
B3 – Designated compliance officers (e.g., Title IX, Athletics, Research, etc.) as either direct reports or dotted-line reports (specify which) [4.003(7)(d)]

| Compliance Officers and Compliance Liaisons provide support to the CCO on University-wide compliance initiatives. The following is a list of designated Compliance Officers and Compliance Liaisons with a direct or dotted-line reporting relationship to the CCO. The job description for each of the individuals listed includes requirements regarding their role in supporting the Program.  

**Direct reporting relationships**

- Jessica L. Reo - Sr. Associate Athletics Director/Compliance Officer/Special Projects
- Nelson E. Perez - Compliance Specialist and Export Control Administrator
- Mark E. Green, Jr. - Compliance Manager
- *Open position* - Health Services Compliance and Privacy Officer

**Dotted line reporting relationships**

- Tonja Moore - Associate Vice President of Research and Economic Development
- Helvetiella Longoria, Interim Chief Information Security Officer
- Wilfredo J. Alvarez - Assistant Director of Environmental Health and Safety
- Alexis Fernandez - Standard Compliance Coordinator
- Shirlyon J. McWhorter - Director of Equal Opportunity Programs
- Yolande D. Flores - Director of Finance and Administration, Advancement |

B4 – Reporting mechanism (e.g., Hotline) for potential/actual violations and provides protection for reporting individuals from retaliation [4.003(7)(e) & (f)]

- The Program maintains, promotes visibility and publicizes the Ethical Panther reporting hotline. The hotline is available for the anonymous reporting of potential or actual misconduct and violations of policy, regulations or law.
- Hotline complaint data is reviewed with the Division of Human Resources to look for signs that the reporting party may have been retaliated against. |

B5 – Promoting and enforcing the Program through incentives and disciplinary measures [4.003(7)(g)]

- The Program completed the first University-wide ethics and compliance culture survey. The results of the survey are being used to enhance our culture of ethics and compliance.
- The CCO implemented an escalated notification process and an executive scorecard. The information is shared with the University President and the senior leadership monthly. Issues of non-compliance are escalated and addressed with the support of the Division of Human Resources. |
<table>
<thead>
<tr>
<th>Regulation Component</th>
<th>Description</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 - BOT Committee provides oversight to Compliance and Ethics Program [4.003(3)]</td>
<td>• The Board adopted an Audit and Compliance Committee Charter (&quot;A&amp;C Charter&quot;) in December 2016.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>• Responsibility for providing governance oversight of the Program was delegated by the Board to the Committee in the A&amp;C Charter.</td>
<td></td>
</tr>
<tr>
<td>C2 – BOT Audit and Compliance Committee Charter [4.003(3)]</td>
<td>• The A&amp;C Charter defines the role of the Committee to review the independence, qualifications, activities, resources and the Plan.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>• The A&amp;C Charter specifies that the CCO is to provide regular updates to the Committee regarding monitoring of compliance with University policies, significant compliance findings that may have a material impact on the University’s financial statements or compliance policies, recommendations implemented, program effectiveness, and training elements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• A copy of the approved A&amp;C Charter has been forwarded to the Board of Governors.</td>
<td></td>
</tr>
<tr>
<td>C3 – Routine CCO meetings with BOT Committee – please describe the nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) [4.003(7)(a) and 7(g)(3)]</td>
<td>• The CCO provides a written quarterly compliance report to the Board, and meets quarterly with the Committee.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>• The CCO participates in the new Board member orientation process.</td>
<td></td>
</tr>
<tr>
<td>C4 – Routine CCO meetings with President – please describe nature and frequency of meetings (e.g., semi-annually, quarterly, monthly, etc.) or whether the CCO participates in other regularly held direct reports or leadership meetings [4.003(7)(a) and 7(g)(3)]</td>
<td>• The University President and the CCO have a standing meeting scheduled to discuss compliance matters. The CCO has a weekly meeting with the Vice President of Operations and Safety-Chief of Staff.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>• The CCO attends the monthly Deans Advisory Council and Operations team meetings.</td>
<td></td>
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<tr>
<td></td>
<td>• The University President receives a compliance report from the CCO at the beginning of each month.</td>
<td></td>
</tr>
<tr>
<td>Regulation Component</td>
<td>Description</td>
<td>Progress Indicator</td>
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</tbody>
</table>
| **D1 – Appointed Chief Compliance Officer [4.003(4)]** | • The University has a senior-level administrator as the CCO. The appointment is expressed in the Compliance Office Charter.  
• The approved Compliance Office Charter has been forwarded to the Board of Governors. | ✓ |
| **D2 – CCO reports functionally to the Board and administratively to the President [4.003(5)]** | The CCO reports functionally to the Board and Administratively to the President of the University. | ✓ |
| **D3 – Compliance Office Charter [4.003(6)]** | The Compliance Office Charter was approved during the March 2017 Board meeting. The Compliance Charter will continue to be reviewed at least every (3) years for consistency with applicable regulations, professional standards, and best practices. The proposed Compliance Office Charter specifies that the CCO is expected to:  
• Collaborate with senior leadership and compliance liaisons.  
• Have a functional reporting relationship to the Board and an administrative reporting relationship to the President.  
• Maintain appropriate resources to support compliance activities.  
• Coordinate efforts to create or verify that compliance policies are distributed and compliance trainings are conducted.  
• Provide compliance status updates and assessments regarding Program effectiveness.  
• Publicize and promote an anonymous hotline.  
• Enforce the Program through appropriate incentives and disciplinary measure to encourage a culture of compliance and ethics.  
• Provide assurances regarding the effectiveness of internal processes for determining risk exposure from non-compliance with laws and regulations. | ✓ |
| **D4 – CCO independence, objectivity, and access, (provide details of resolution of barriers) [4.003(7)(g5 and (7)(g)(7)]** | • The CCO has the independence and objectivity to perform the responsibilities of the CCO function, conduct and report on compliance and ethics activities and inquires free of actual or perceived impairment to the independence of the CCO. | ✓ |
- The independence of the CCO role is expressed in the Compliance Office Charter. There are no barriers to access and reporting.

### D5- CCO authority and resources (provide details of both staffing and budget) [4.003(7)(g)(2)]

- The CCO manages direct reports and maintains dotted line reporting relationships as set forth in regulation component B3.
- Dotted line reporting relationship expectations are outlined in the job descriptions of each dotted line report. Responsibilities include:
  - Attending monthly compliance liaison meetings
  - Supporting Program communication and risk assessment efforts
  - Providing compliance data, and participating in Compliance Week activities.
- The 2017-2018 Compliance Office budget is approximately $145,000.00. A strategic investment request was authorized to support the Enterprise Risk Management program, distribution of a code of conduct, training and the external Program effectiveness review in accordance with 4.003(7)(c).

I certify that all information provided is true and correct to the best of my knowledge.

Certification: [Signature] Date 5/10/18

President

I certify that all information provided is true and correct to the best of my knowledge.

Certification: [Signature] Date 5/9/18

Board Chair
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The purpose of the athletics compliance program ("Program") at Florida International University ("FIU(257,442),(762,758)
 is to advance a culture of ethics, integrity, and compliance with National Collegiate Athletics Association ("NCAA") Bylaws, Conference USA policies, regulations and procedures, and institutional regulations and policies, which govern institutions who are members of the NCAA. The Program is designed to align with expectations for Athletics Compliance offices who work within the NCAA governance structure. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer is responsible for oversight of the department. The Senior Associate Athletics Director for Compliance/Special Projects is in charge of maintaining day-to-day oversight of the Athletics Compliance Office ("ACO").

The 2018-19 Goals and Objectives of the Athletics Compliance Program

- Administer and maintain FIU’s athletics compliance program.
- Implement compliance training and communication resources for coaches and administrative staff within the athletics department using current resources to ensure that coaches and staff retain learned information.
- Track completion of educational programming for multiple areas within the University that may have interaction with intercollegiate athletics.
- Formulate a corrective action plan to address issues of non-compliance for University staff; including the department of athletics.
- Conduct an annual review of all compliance educational and communication efforts to determine effectiveness.
- Conduct annual compliance review of documentation associated with student-athletes to ensure appropriate materials are kept on file for reference, education, and investigative purposes.
<table>
<thead>
<tr>
<th>Guidelines Provision</th>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policies and Procedures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations should have standards reasonably capable of preventing and detecting misconduct.</td>
<td>Enhance the effectiveness of the policy program.</td>
<td>Create an attestation procedure for documentation of distributed educational material.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administer the NCAA recruiting test each year to all coaches to ensure accountability to NCAA rules.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue to review and revise institutional policies and procedures for athletics on an as needed basis.</td>
</tr>
<tr>
<td><strong>Program Structure and Oversight</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations should have high-level oversight and adequate resources and authority given to those responsible for program.</td>
<td>Manage the implementation of the institutional compliance framework through the compliance liaison program.</td>
<td>Deliver monthly compliance reports to the President’s Chief of Staff, General Counsel, and Chief Compliance Officer. Provide written quarterly reports to the Board of Trustees.</td>
</tr>
<tr>
<td><strong>Training and Communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations should include periodic education, communication and awareness of its compliance and ethics program in its everyday organizational structure.</td>
<td>Oversee the compliance training and communication initiatives plan.</td>
<td>Execute the delivery of monthly rules education meetings with coaching staff.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Execute the delivery of education meetings with departments that work with student-athletes and/or have NCAA accountability.</td>
</tr>
</tbody>
</table>
### Measurement and Monitoring

<table>
<thead>
<tr>
<th>Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors.</th>
<th>Maintain a compliance monitoring schedule that includes self-monitoring tools and formal monitoring to address high risk areas.</th>
<th>Monitor phone calls pursuant to NCAA bylaws.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor recruiting contact between coaches and prospective student-athletes.</td>
<td>Monitor practice hours for current student-athletes. Create a “practice attendance” calendar to ensure that practice for all sports are attended multiple times per year by the ACO.</td>
<td></td>
</tr>
</tbody>
</table>

### Allegation Reporting and Investigations

<table>
<thead>
<tr>
<th>Organizations should take appropriate investigative actions in response to suspected ethics and compliance violations.</th>
<th>Provide intake support for the anonymous reporting line, provide follow up for timely resolution, and conduct investigations when appropriate.</th>
<th>Educate athletics staff and others on the process to report potential NCAA violations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide opportunities for the ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Discipline and Incentives

<table>
<thead>
<tr>
<th>Organizations should have policies and procedures to effectively enforce compliance and incentivize employees to perform in accordance with the compliance program.</th>
<th>Coordinate efforts to support consistent discipline and incentive practices.</th>
<th>Provide awareness communications to staff regarding NCAA enforcement activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through monthly rules education, integrate ethics and compliance incentive opportunities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create an annual audit calendar for various areas within the ACO.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance Risk Management</td>
<td>Organization Culture</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.</td>
<td>Organizations should encourage a speak up culture to support reporting instances of misconduct.</td>
<td></td>
</tr>
<tr>
<td>Support compliance risk identification and mitigation efforts to support FIU’s strategic objectives.</td>
<td>Maintain awareness of cultural challenges and support mitigation efforts that serve to enhance FIU’s speak up culture.</td>
<td></td>
</tr>
<tr>
<td>Execute a targeted compliance risk assessment for two high risk areas. The targeted areas will be selected based on internal audit findings and/or based on a reported NCAA bylaw violation or a violation committed by a particular sport.</td>
<td>Create and disseminate a culture survey to coaches and student-athletes, and develop a follow up plan to address outcomes through policies, education and future monitoring.</td>
<td></td>
</tr>
</tbody>
</table>
The Senior Associate Athletics Director of Compliance and Special Projects ("ACO") is pleased to present this Athletics Compliance Report to the Audit and Compliance Committee of the Florida International University Board of Trustees.

The purpose of the athletics compliance program ("Program") at Florida International University ("FIU") is to advance a culture of ethics, integrity, and compliance with National Collegiate Athletics Association ("NCAA") Bylaws, Conference USA ("CUSA") policies, regulations and procedures, and institutional regulations and policies, which govern institutions who are members of the NCAA. The FIU Board of Trustees maintains ultimate oversight responsibility of the Program while the Chief Compliance Officer ("CCO") is responsible for oversight of the department. The ACO is responsible for maintaining day-to-day oversight of NCAA athletics compliance.

### Progress Indicators

<table>
<thead>
<tr>
<th>Completed</th>
<th>In Process</th>
<th>Not Begun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully Implemented</td>
<td>Good Progress</td>
<td>Slow Progress</td>
</tr>
<tr>
<td>✓</td>
<td>•</td>
<td>•</td>
</tr>
</tbody>
</table>

### Program Structure and Oversight

Organizations are expected to have high-level oversight and adequate resources and authority given to those responsible for the program.

<table>
<thead>
<tr>
<th>Compliance Program Objective</th>
<th>Key Action Items</th>
<th>Summary</th>
<th>Progress Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serve 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.</td>
<td>Deliver monthly compliance reports to the University President’s Chief of Staff, General Counsel, and the CCO.</td>
<td>This compliance program objective (&quot;Program Objective&quot;) is in progress.</td>
<td>•</td>
</tr>
</tbody>
</table>
## Policies and Procedures

Organizations are expected to have standards reasonably capable of preventing and detecting misconduct.

<table>
<thead>
<tr>
<th>Provide support for the development and enforcement of University policies and procedures.</th>
<th>Finalize the NCAA Athletics Compliance Manual and distribute to all athletics staff.</th>
<th>This Program Objective has been fully executed.</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Administer the NCAA recruiting test each year to all coaches to ensure accountability to NCAA rules.</td>
<td>This Program Objective has been fully executed.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Ensure communication efforts are appropriate for reporting of NCAA violations and violations of institutional policies and procedures.</td>
<td>This is an on-going Program Objective that has been fully executed for 2017-2018.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Athletics Compliance Staff should regularly attend practice of teams to ensure that practice times being reported are accurately reflected in the practice reports.</td>
<td>This is an on-going Program Objective that has been fully executed for 2017-2018.</td>
<td>✓</td>
</tr>
</tbody>
</table>

## Training and Education

Organizations are expected to take reasonable steps to communicate periodically and in a practical manner, its standards and procedures, and other aspects of the compliance and ethics program to members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents. The organization should deliver effective training programs and otherwise disseminate information appropriate to such individuals' respective roles and responsibilities.
| Report matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred. | Execute monthly rules education meetings with all coaches. | This Program Objective is in progress and will consistently remain in process because it is an on-going effort within our program. | ✓ |
| Execute twice-per-year educational meetings with all departments that work with student-athletes and/or have responsibility over executing or monitoring certain areas of NCAA compliance. | | This Program Objective is in progress. Educational meetings with the following departments have been conducted: Financial Aid, Facilities, Business Services Office, Athletics Development, One Stop, major advisors, Panther Dining, sports medicine, strength and conditioning. | • |

The ACO conducted rules education meetings on the following topics: volunteer/manager duties, camps/clinics, JumpForward/complimentary admissions.

### Measurement and Monitoring

Organizations are expected to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.

<p>| Organizations should have in place a system and schedule for routine monitoring and auditing of organizational transactions, business risks, controls and behaviors. | Monitor phone calls pursuant to NCAA bylaws. | This Program Objective is in progress. Due to NCAA legislative changes, the ACO is re-evaluating how to monitor phone calls between the coaching staff and student-athletes. | • |
| Monitor recruiting contact between coaches and prospective student-athletes. | | This Program Objective is in progress. The ACO is continuing to work with the coaching staff to ensure that coaches are knowledgeable about recruiting rules. | • |</p>
<table>
<thead>
<tr>
<th>Monitor Time Management Plan Implementation and Documentation</th>
<th>This Program Objective is in progress. During the 2017-18 academic year, the NCAA implemented a new policy for coaches regarding the establishment of a Time Management Program. Coaches are required to provide their student-athletes a calendar of all activities related to participation and our institution has established that this calendar must be submitted no later than the first of each month for notification to the student-athletes. It will result in a yearly report to the President of the University. The ACO is in the process of completing the annual report for review and submission to the President, the Faculty Athletics Representative, and other officials as required by the legislation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations and policies.</td>
<td>Finalize and communicate the NCAA reporting process to all coaches and administrative staff within athletics.</td>
</tr>
<tr>
<td>Provide opportunities for ACO staff to engage in learning opportunities regarding escalation plans, investigation techniques, and reporting responsibilities.</td>
<td>This Program Objective has been fully executed.</td>
</tr>
<tr>
<td>Audit Review, Implementation</td>
<td>This Program Objective is in the planning stages. Athletics compliance rules education has been made available through NCAA newsletters, CUSA conference calls, and NCAA leadership conferences.</td>
</tr>
<tr>
<td></td>
<td>This Program Objective has been fully executed.</td>
</tr>
</tbody>
</table>
Appropriate compliance and ethics program improvements should be designed to reduce identified risks or compliance violations.

<table>
<thead>
<tr>
<th>Execute a targeted compliance risk assessment for two (2) high-risk areas. The assessments will be selected based on internal audit findings or based on assessments of reported NCAA violations in a particular bylaw and/or sport.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Program Objective is in the planning stages. Audits will begin in Summer, 2018.</td>
</tr>
</tbody>
</table>

### Allegation Reporting and Investigation

Organizations are expected to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.

| Initiate, conduct, supervise, coordinate, or refer to other appropriate offices, such inquiries, investigations, or reviews as deemed appropriate and in accordance with University regulations, policies, and NCAA rules. |
| Coordinate efforts to investigate allegations of NCAA guidelines and University policy violations. |
| This Program Objective is in progress. The ACO continues to monitor potential violations. |

| Through monthly rules education, integrate ethics and compliance incentive opportunities. |
| This Program Objective is in progress. During the reporting period, mandatory educational sessions have been conducted for staff and coaches. |

### Discipline and Incentives

Organizations are expected to promote and enforce consistency throughout the organization, appropriate incentives to perform in accordance with the compliance and ethics program, and appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.

| Support the process to address compliance failure in compliance or ethics through appropriate measures, including education or disciplinary action. |
| Coordinate efforts to respond to requests and inquiries from internal and external sources. |
| This Program Objective has been fully executed. |

| Coordinate efforts to investigate allegations of NCAA guidelines and University policy violations. |
| This Program Objective is in progress. The ACO continues to monitor potential violations. |

| Through monthly rules education, integrate ethics and compliance incentive opportunities. |
| This Program Objective is in progress. During the reporting period, mandatory educational sessions have been conducted for staff and coaches. |
## Ongoing Program Improvement

Organizations are expected to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

| Organizations should encourage a “speak up” culture to support reporting instances of misconduct. | Execute a culture survey to coaches and student-athletes and incorporate the findings into the Athletics Compliance strategy for education, information, and communication. | This Program Objective is in progress. The planning for the culture survey will be drafted and provided to coaches and selected student-athletes over the summer reporting period. |