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 8:38 am on Wednesday, May 23, 2018 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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; Leonard Boord; Michael G. Joseph; Jose L. Sirven, III; and Kathleen L. Wilson.

Board Chair Claudia Puig, Trustees Dean C. Colson, Marc D. Sarnoff, and Rogelio Tovar and University President Mark B. Rosenberg also were in attendance.

Committee Chair Grant welcomed Jose L. Sirven, III, Student Trustee and Student Government President for the Modesto A. Maidique Campus. On behalf of the Committee, Committee Chair Grant recognized and thanked Chief Audit Executive, Allen Vann, noting that he soon will be retiring, and Chief Compliance and Privacy Officer, Karyn Boston, explaining that she will be concluding her service with the University to pursue another opportunity.

2. Approval of Minutes
Committee Chair Grant asked that the Committee approve the Minutes of the meeting held on February 27, 2018. A motion was made and passed to approve the Minutes of the Audit and Compliance Committee Meeting held on Tuesday, February 27, 2018.

3. Action Items
AC1. Internal Audit Plan, 2018-19
Mr. Vann presented the Internal Audit Plan for fiscal year 2018-19 for Committee review and approval, noting that the plan was developed using a systematic approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. Mr. Vann described how direct time was utilized over the past five years and presented an overview of audits that were completed during the 2017-18 fiscal year, carryover audits from the 2017-18 fiscal year, and proposed audits for the 2018-19 fiscal year.
In response to Trustee Roger Tovar’s inquiry, Mr. Vann provided an overview of the audit process. In response to Trustee Tovar’s comment regarding the timeliness of the audit process, President Mark B. Rosenberg stated that there is room for improvement in terms of establishing clearer lines of responsibility post-audit relative to the audit findings.

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.

Ms. Boston noted that University Compliance works collaboratively with the Office of Internal Audit to escalate matters that have been identified as non-compliant with FIU policy.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the University Internal Audit Plan for Fiscal Year 2018-19.

AC2. University Compliance and Ethics Work Plan, 2018-19
Ms. Boston presented the Compliance Work Plan for fiscal year 2018-19 for Committee review and approval, explaining that the areas of focus are determined by the risk assessments, legal and regulatory trends, past complaints, and the internal risks specific to the University. She explained that the key action items align with Chapter 8 of the U.S. Federal Sentencing Guidelines and Florida Board of Governors Regulation 4.003. She then provided an overview of the Compliance Liaison structure and the anonymous reporting line and related investigations.

A motion was made and passed that the FIU Board of Trustees Audit and Compliance Committee approve the Compliance Work Plan for Fiscal Year 2018-19.

4. Discussion Items
4.1 Office of Internal Audit Status Report
Mr. Vann presented the Internal Audit Status Report, providing updates on recently completed audits. He reported on the findings pertaining to the audit of residency classification for tuition purposes, noting that information security controls need to be improved and that the classification to in-state student residency status was not always adequately documented or supported. Mr. Vann stated that the Center for Children and Families audit disclosed that controls and procedures need improvement, that internal controls should be strengthened, and that information technology areas need strengthening.

Mr. Vann explained that the last audit of the Wolfsonian-FIU was in 2013 and that as previously reported, the objects collection is partially stored in the Museum’s annex, which places the collection at risk due to inadequate maintenance. He indicated that 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. He stated that the audit 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.
Mr. Vann also reported on work in progress and presented a follow-up status report on the prior years’ audit recommendations, noting that the most current implementation rate has slightly improved from the results of the previous last three follow-up audits.

In response to the inquiries from Trustee Marc D. Sarnoff and Trustee Tovar on College/unit efficiencies, Mr. Vann explained that the scope of the audits focuses on internal controls. Trustee Tovar expressed concern over the Wolfsonian-FIU’s operations and urged the University’s management to review its operations.

4.2 University Compliance and Ethics Quarterly Report
Ms. Boston noted that 10 of the 11 key action items on the 2017-18 Compliance Work Plan have been completed, adding that the remaining action item relating to the Escalation Guidelines, which have been redefined as the Significant Matters Policy, is being reviewed internally and is on track for completion by the next quarterly report.

4.3 Enterprise Risk Management Status Update
Ms. Boston explained that the University engaged with an external consultant to assist in the development of the Enterprise Risk Management (ERM) Framework, pointing out that the Framework addresses the government structure, the methodology used, and how the University defines risk appetite and the related internal process. She noted that the external consultant also worked with the University to develop the ERM scoring criteria.

Ms. Boston indicated that the University started scoring approximately 400 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 continued to meet to determine the University’s most significant risks, explaining that the Committee rescored the risk relating to psychological services necessary to prevent a student from harming him/herself to 11 from 26. She noted that the rescored responds to the Board of Governors’ focus on mental health. She explained that the University will develop mitigation strategies for the top 10 risks and provide quarterly implementation updates.

President Rosenberg commented that while the risk relating to psychological services is not part of the top 10 internal risks, the University is in the process of hiring 10 additional mental health counselors. In response to Trustee Tovar’s inquiry, Provost and Executive Vice President Kenneth G. Furton noted that the increase in mental health counselors will help narrow the gap in the student to mental health counselor ratio and better align the University with other institutions within the State University System.

In response to Trustee Sarnoff’s inquiry, Vice President for Student Affairs Larry Lunsford provided an overview of University mental health services and resources. Trustee Sirven noted that student mentorship programs are available, but that student outreach is critical in terms of overall services.
5. Reports
There were no questions from the Committee members in terms of the reports included as part of the agenda materials: the State University System of Florida Program Status Checklist; the 2018-19 Athletics Compliance Work Plan; and the 2017-2018 Athletics Compliance Quarterly Report.

6. New Business
6.1 Senior Management Discussion of Audit Processes
Committee Chair Grant noted that as is stipulated in the Audit and Compliance Committee Charter, the Committee must meet with Senior Management without the presence of the Office of Internal Audit. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with Senior Management, adding that this was strictly voluntary. Vice President of Academic Affairs Elizabeth M. Bejar noted that she is serving as Chair of the Search and Screen Committee for the University’s next Chief Audit Executive, adding that the Committee has started the candidate interview process.

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 Wednesday, May 23, 2018 at 9:50 a.m.

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<th>Trustee Request</th>
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<td>Trustee Roger Tovar expressed concern over the Wolfsonian-FIU’s operations and urged the University’s management to review its operations.</td>
<td>Provost and Executive Vice President Kenneth G. Furton</td>
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