AUDIT & COMPLIANCE COMMITTEE AGENDA
Florida State University
Board of Trustees
Audit and Compliance Committee
Meeting Agenda
September 10, 2020

1. Welcome to Attendees

2. Approval of Minutes for June 3, 2020 Committee meeting

3. Office of Compliance and Ethics
   a. Updates since June 4, 2020, Board of Trustees meeting
   b. Presentation of 2019-2020 Annual Report and 2020-2021 Work Plan

4. Office of Inspector General Services
   a. Presentation of 2020-2021 Annual Work Plan
   b. OIGS staffing and retirement of Audit Director Kitty Aggelis
   c. Updates since June 4, 2020 Board of Trustees meeting
      i. DSO Audit Committee Meetings
      ii. Northwest Regional Data Center

5. Listing of Audits Issued, In Progress, and Status

6. Motion to Adjourn
Florida State University
Audit and Compliance Committee Zoom Meeting
June 3, 2020
Committee Report from 10:00 AM to 12:20 PM

Members Participating: Max Alvarez, Jim Henderson, Brent Sembler, and Jorge Gonzalez.

1. **Call to Order and Welcome**

   Mr. Jorge Gonzalez, Chairperson, called the meeting to order at 10:40AM.

2. **Approval of February 11, 2020 Audit & Compliance Meeting minutes & Chair Report to the Board of Trustees on April 17, 2020**

   Audit and Compliance Committee minutes were approved for the meeting held February 11, 2020. Chair report to the Board of Trustees on April 17, 2020 was also approved.

3. **Continued Approval of the BOT Audit and Compliance Committee Charter**

   Mr. Sam McCall explained that there are no changes to the Charter. Mr. McCall requested continued approval of the BOT Audit and Compliance Committee Charter. The motion was approved.

4. **Office of Compliance and Ethics (OCE)**

   a. **Updates since April 17, 2020, Board of Trustees meeting**

      Ms. Blank updated the Committee on the office’s activities since the April 17, 2020 Board of Trustees meeting. She explained that Cybersecurity training at the last meeting was at 64% completion for University employees. She further explained that at the end of May 2020, the University was at 93% completion rate. Ms. Blank also explained that Form 1 from the Commission on Ethics have been mailed out and are due by July 1, 2020. Ms. Blank also explained that there are changes being made to the Title IX regulatory atmosphere and the deadline for those changes is August 14, 2020. Ms. Blank explained the State University System Compliance and Ethics Officers Consortium has approved the instrument for the 5-year quality assurance review. She further explained that the review will begin in November 2021.

5. **Office of Inspector General Services**
a. **Request to enter into an Audit Contract for the FSU Department of Collegiate Athletics and FSU Athletics Association**

Mr. McCall had connectivity issues. Trustee Gonzalez spoke briefly regarding the approval of the audit contract with James Moore Certified Public Accountants and Consultants. The motion to enter into the contract was approved.

b. **Annual Approval of the Office of Inspector General Services Charter**

Mr. McCall requested annual approval of the Office of Inspector General Services Charter. The Committee formally moved and approved the charter.

c. **Updates since April 17, 2020, Board of Trustees Meeting**

Mr. McCall had connectivity issues and was not able to formally update the Committee. Trustee Sembler requested an update on the status of the Earth, Ocean and Atmospheric Sciences audit. Kyle Clark was able to explain that the audit was divided into two parts. While there were no findings on overspending on the first part of the audit, OIGS was asked to hold off on the second part of the audit until all the punch items and moveable furniture, fixtures and equipment were fully processed. Mr. Clark explained that holding off on the second part of the audit would allow the entire scope of the project to be reviewed collectively. Trustee Sembler requested a timeframe and would like to revisit the topic in August 2020.

Ms. Kitty Aggelis was able to join in and voiced agreement with Mr. Clark’s status of the OIGS Closeout Audit of EOAS.

6. **Listing of Audits Issued, In Progress, and Status**

Due to connectivity issues, Mr. McCall was not able to provide an explanation of OIGS’ audits issued, in progress, and the status. Ms. Aggelis discussed the status of the audits for her team. Ms. Heather Friend is currently working on the Admissions Compliance audit. Ms. Aggelis and Natalia Salnova are currently working on the MagLab audit, which has been separated into two parts: 1) a larger audit based on Ms. Salnova’s risk assessment of the MagLab’s operations, and 2) an Audit of Crime Prevention at the MagLab, which was originally subsumed under Ms. Salnova’s audit objective related to Safety. Ms. Aggelis also explained that her team’s Senior Auditor position is still frozen due to COVID-19.

President Thrasher explained that he receives regular status updates from Mr. Sam McCall. Trustee Gonzalez also explained that he receives regular project status updates.

7. **Motion to Adjourn**

Trustee Gonzalez adjourned the meeting at 11:05AM.
August 31, 2020

MEMORANDUM

TO: John Thrasher, President  
Ed Burr, Chairman, FSU Board of Trustees  
Jorge Gonzalez, Chairman, Audit and Compliance Committee

FROM: Robyn Blank  
Chief Compliance and Ethics Officer

RE: Office of Compliance and Ethics  
2019-2020 Annual Report and 2020-2021 Work Plan

Attached for your review are the 2019-2020 Annual Report and the 2020-2021 Work Plan for the Office of Compliance and Ethics. The materials will be presented to the Audit and Committee at the September 10-11 Board of Trustees meeting. Please let me know if you have any questions or concerns. Thank you.
A MESSAGE FROM THE CHIEF COMPLIANCE AND ETHICS OFFICER

Higher education is widely recognized as the most heavily regulated area of commerce in the country. As FSU continues to grow, innovate, and achieve amid stiff national and international competition, we must ensure that our foundational principles of honesty, integrity, and good faith remain uncompromised. Whether the question is one of conflict of interest, adherence to standards, risk assessment, or management of the ever-changing regulatory landscape, the Office of Compliance and Ethics serves an integral role in prevention of situations that lead to loss of reputation and resources, as well as remediation of risky conditions upon discovery.

This past year presented a unique set of challenges. Some of them were predictable, like certain regulatory changes that the federal government had been signaling for some time. Others, like the global pandemic, created unforeseeable circumstances that tested our creative limits. I am proud to work for a university that meets these challenges head-on, and emerges as a leader in innovative thinking and problem-solving when we encounter unprecedented conditions.

I hope you find the enclosed Annual Report informative on the achievements of the Office of Compliance and Ethics during the past twelve months, as well as on the goals we have set for the year and years ahead. The Office’s Work Plan for the 2020-2021 fiscal year is included in this document, similarly organized to reflect our roots in the Federal Sentencing Guidelines. Regarding the Work Plan, it is the intent of the Office to move from a reactive, project-driven model to an imbedded, fundamental part of the university’s operation at all levels. As always, feel free to contact me if you would like a more in-depth explanation of any particular element, or if you have any questions or concerns about the Office.

Sincerely,

Robyn Blank, Chief Compliance and Ethics Officer
Introduction: The Federal Sentencing Guidelines

Since 1991, the United States Department of Justice has utilized the Business Organizations section of the United States Sentencing Guidelines Manual to analyze the criminal liability of business organizations. If an entity can demonstrate it has a well-developed compliance and ethics program and that criminal conduct occurred in spite of that program, the entity can receive credit against a criminal sentence. But the guidelines have a much greater use than just sentencing bad-acting businesses. Known as Chapter 8, the guidelines have been used by hundreds of organizations to develop their compliance plans and determine the reach of their chief compliance officers. The Florida Board of Governors used Chapter 8 as the basis for BOG Regulation 4.003, and it provides the framework that will be used for the 5-year effectiveness reviews of each SUS institution’s compliance program. For those reasons, this Annual Report is organized to reflect FSU’s progress in each of the seven elements described by Chapter 8.1

Element One: Executive Oversight

Via the establishment of the Office of Compliance and Ethics and the designation of the Chief Compliance and Ethics Officer as a direct report to the University President and the Chair of the Board of Trustees, FSU has signaled strong support for the Office and its efforts. Edits to the Board of Trustees Audit and Compliance Committee Charter approved in June 2018 provide oversight for the Office, with the Chief Compliance and Ethics Officer reporting quarterly to the Committee and yearly to the full Board of Trustees, or upon request. Two staff committees established by the Charter—the Compliance Alliance and the Compliance Partners Committee—provide subject matter expertise and oversight on policy changes and university-wide projects. These staff committees both met during CY2019 to provide input on their missions and goals.

2020-2021 WORK PLAN ITEMS:

- Develop bylaws and charge documents for staff committees
- Schedule and hold regular meetings (twice a year or once a semester) of staff committees
- Improvement of the Compliance Matrix, demonstrating the compliance areas owned by each of the Compliance Partners

Element Two: Written Standards of Conduct and Policies and Procedures

Policy review and improvement is a continual process at FSU. This year, the Office of Compliance and Ethics contributed significantly to development of new policy for international travel, Title IX, academic programs designed to lead to professional licensure, improvement of

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1 These seven elements are also described in the Office’s Program Plan, approved September 2018.
accommodations for persons with disabilities, and research-related disclosure, spurred by changes to laws and regulations at the federal and state levels and, more recently, by the global pandemic.

4-OP-C-13, Policy Against Fraudulent, Unethical, and other Dishonest Acts and OP-C-7-G7, Standards for Employee Ethics, are under review to reflect the existence of the Office of Compliance and Ethics and best practices. A more comprehensive Code of Ethics for employees is also being considered, as the current Code of Ethics addresses a very narrow set of circumstances.

2020-2021 WORK PLAN ITEMS:

- Complete review, revision, and creation of ethics-centered policies
- Review university-wide policies for consistency and uniformity on compliance and ethical issues
- Continue policymaking and related tasks for Title IX, consistent with federal rules
- Complete policy review and revision for international travel (via International Travel Safety and Risk Advisory Council)(carry-forward from 2019-2020)

Element Three: Effective Lines of Communication

The Chief Compliance and Ethics Officer maintains regular meetings with the Inspector General and the Associate Vice President for Human Resources/Chief of Staff for the Vice President of Finance and Administration (monthly), the Senior Associate Athletics Director for Governance and Compliance (monthly), the Chief Information Officer and Information Privacy and Security Officer (monthly), and the Title IX Director (weekly). The Office of Compliance and Ethics regularly receives and responds to inquiries and requests for assistance on a variety of issues from departments and offices across the institution, indicating that awareness of the Office is growing. The Office benefits from open-door policies of the University President, Vice President for Research, General Counsel, and Athletics Director, among others.

2020-2021 WORK PLAN ITEMS:

- Establish regular meetings or circulate informational memos/newsletters to keep campus partners informed of activity of the Office of Compliance and Ethics, especially on the academic side (carry-forward from 2019-2020)

Element Four: Education and Training

The task of training a large group of diverse administrators, faculty, and staff is one of the heaviest lifts of a new compliance office. The Office of Compliance and Ethics has responded to requests for training in a variety of areas, most recently in Title IX compliance (inherent bias and
avoidance of conflicts when serving on hearing boards for disciplinary cases) and HIPAA (creating and implementing a training for crucial employees working on FSU’s COVID-19 response). The HIPAA training, created in partnership with the College of Medicine and ITS, was conceived, drafted, approved, and deployed in fewer than 48 hours. We are putting the final touches on an online training for researchers related to compliance with Florida’s new law on research conflict of interest and foreign influence. As we continue to work within the limits of the pandemic, efforts will be geared toward asynchronous, remote training opportunities, rather than live meetings.

2020-2021 WORK PLAN ITEMS:

- Create a database of trainings on common ethics issues that can be downloaded or completed online\(^2\) (carry-forward from 2019-2020)
- Create and implement a training and tracking schedule to ensure university-wide knowledge of compliance and ethics matters
- Create and implement programming around Compliance Week (November 2020)
- Improve and promote Office of Compliance and Ethics website (ongoing)

Element Five: Audits and Evaluation Techniques to Monitor Compliance; Establishment of Reporting Processes and Procedures for Complaints

Much of the Office of Compliance and Ethics’ work in this space has been in cooperation with the Office of Inspector General Services, working to implement recommendations and address follow-up concerns resulting from internal audits or investigations. The Office provides updates to OIGS and the Audit and Compliance Committee, as required and/or upon request. Over the next two years, the Office of Compliance and Ethics will work to develop methods to assess effectiveness of the Office’s efforts and whether compliance and ethics knowledge has increased across the university.

Prior to the establishment of the Office of Compliance and Ethics, the Offices of Inspector General Services and Human Resources had primary responsibility for monitoring and responding to complaints received through EthicsPoint, FSU’s anonymous reporting hotline. The Chief Compliance Officer has an EthicsPoint license and access to the EthicsPoint site to review complaints that arrive via the online portal. Regular meetings with the Inspector General and the Associate Vice President for Human Resources (see Element Three) assist with workload issues and identification of the correct office to conduct investigatory activities and respond to complaints. Consistent contact with the Title IX Director ensures that the Chief Compliance Officer has knowledge of any relevant information that comes in via the report.fsu.edu portal.

\(^2\) The SUS Consortium has devoted a committee to this project in an effort to create uniform trainings that will be shared across institutions.
2020-2021 WORK PLAN ITEMS:

- Create handbook/establish protocols for investigations and investigatory reports
- Create and implement assessment tool(s) to identify areas of risk and measure improvements when noncompliance is discovered and needs to be remedied

Element Six: Appropriate Disciplinary Mechanisms and Incentives for Good Conduct

Although the Office is not responsible for handing down discipline, best practices indicate that creating incentives for good conduct can be just as important as deterring poor conduct via discipline. Trainings have emphasized the importance of compliance and ethics at all levels of the institution. Individually tailored trainings identify the specific contributions of the participating group to the university’s mission and discuss the risks associated with noncompliance. When discipline is recommended as an outcome of an investigation, the Office of Compliance and Ethics works with the Office of Human Relations to ensure that discipline is consistent and proportional.

The Office is in the process of creating an incentive program that recognizes ethical conduct and exploring possibilities for individual acknowledgement, such as website publicity, entrance into a drawing, and challenge coins. Recognitions for outstanding departments are also in the works, budget permitting.

2020-2021 WORK PLAN ITEMS:

- Create and implement incentive program to recognize outstanding compliance and ethical conduct, both for individuals and business units (carry-forward from 2019-2020)

Element Seven: Investigation and Remediation of Systemic Problems

The Office conducted two investigations during the 2019-2020 year. In each instance, efforts were made to determine whether the allegation, substantiated or not, was indicative of a larger compliance issue within a department or office. In cases where a lack of training or education was identified as a potential risk factor, training and educational opportunities were offered, tailored to address the specific concerns that led to the investigation or which were uncovered by the investigation.

The Office is heading up a university-wide overhaul of the outside activity approval process for faculty and staff who engage in employment other than their jobs at FSU. The changes are both substantive and procedural. Substantively, we will be making improvements to the outside activity disclosure forms so that we get better information about proposed activities, allowing us to make informed decisions about conflicts of interest and conflicts of commitment.
Procedurally, we will be moving from a paper-based system to an online one, making tracking, approval, and analysis of information easier and more reliable. Our hope is to close a significant knowledge gap that will protect the University as well as individual staff and faculty members. This project is also an essential response to the Florida Legislature’s interest in identification and investigation of allegations of foreign influence on research and the passage of new laws governing same. The Office of Compliance and Ethics led FSU’s response to a series of wide-ranging requests for information from a House Select Committee during the legislative session, and we expect continuation of those inquiries when they convene this year.

In a similar project, the Office is working with Information Technology Services, International Programs, the College of Medicine, University Health Services, and others to implement the recommendations from gap analyses on the university’s compliance with the Health Insurance Portability and Accountability Act (HIPAA) and the General Data Protection Regulation (GDPR). Both analyses identified the decentralization of compliance functions in these areas as a significant risk and recommended the creation of a privacy office to address the issue.

2020-2021 WORK PLAN ITEMS:

- Complete, at minimum, piloting of online outside activity project (carry-forward from 2019-2020)
- Continue progress on responses to gap analyses, incorporating lessons learned from and new needs generated by FSU’s COVID-19 response
Florida State University
Office of Inspector General Services

Sam McCall
Chief Audit Officer

VACANT
Director of Audits

Candace Tibbetts
Office Administrator

Pamela Damitz
Investigations Manager

Janice Foley
Director of Audits

Heather Friend
Senior Auditor

Natalia Salnova
Senior Auditor

VACANT
Senior Auditor

VACANT
Senior Auditor

Sudeshna Aich
Senior IT Auditor

Jeffrey Caines
Senior Auditor/Investigator

*Due to budget reduction requests, this position’s funding has been reduced by half.
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<tr>
<th>Issued Reports</th>
<th>Status</th>
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<td><strong>CC 20-01</strong> FSUS Student Astronaut Challenge Accounting Issues and Incorporation</td>
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<td><strong>CC 20-02</strong> College of Law Hotel Rate Justification Form</td>
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<td><strong>CC 20-03</strong> Enhanced Guidelines for Recognized Student Organizations (RSOs) Related to Association / Agreements with Non-Profit Organizations, Financial Access and Faculty Advisors</td>
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<td><strong>AR 20-01</strong> FSU OIGS Six Month Follow Up Report 1.1.19-6.30.19</td>
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<td><strong>AR 20-02</strong> Jaggaer (SpearMart) Requisition Manager Electronic Procurement System</td>
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<td><strong>AR 20-03</strong> Office of the University Registrar Internal Controls over the Driver and Vehicle Information Database (DAVID)</td>
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<td><strong>AR 20-04</strong> Performance-Based Funding Metrics Data Integrity Certification</td>
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<td><strong>AR 20-05</strong> Preeminent Research University Metrics Data Integrity Certification</td>
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<td><strong>AR 20-06</strong> Core Network Device Management</td>
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<td><strong>AR 20-07</strong> NEST and PCI DSS Network Device Configuration Management</td>
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<td><strong>AR 20-08</strong> College of Law</td>
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<td><strong>AR 20-09</strong> FSU OIGS Six Month Follow Up Report 7.1.19-12.31.19</td>
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<td><strong>AR 20-10</strong> Graduate Student Tuition Waivers</td>
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<td><strong>AR 20-11</strong> College of Medicine Contract Management Software Agreements</td>
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<td><strong>AR 20-12</strong> Audit of 18-19 DSO Financial Statements</td>
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<td><strong>AR 20-13</strong> Review of Additional 18-19 Entity Financial Statements</td>
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### Status Report for OIGS

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<th>Reports in Progress</th>
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<td></td>
<td>Planning</td>
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<td>Seminole Boosters</td>
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<tr>
<td>Earth, Ocean &amp; Atmospheric Sciences Building - Capital Construction</td>
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<td>Federal Family Educational Rights and Privacy Act (FERPA)</td>
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<td>National High Magnetic Field Laboratory (Mag Lab)</td>
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<td>Audit of Crime Prevention at the MagLab with FSUPD's Assistance</td>
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<td>Admissions Compliance</td>
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<td>PBF Seventh Year (2020-2021)</td>
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<td>Preeminence Second Year (2020-2021)</td>
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<td>Cybersecurity – Continuous Vulnerability Management</td>
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<td>FAMU/FSU College of Engineering</td>
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