Trustee Members Present: Maximo Alvarez attended in-person and Jim Henderson attended via Zoom.

1. **Call to Order and Welcome**
   
   Trustee Alvarez called the meeting to order at 2:15 PM.

2. **Approval of Minutes for the September 1, 2022, Committee Meeting**
   
   Audit and Compliance Committee minutes were approved for the meeting held on September 1, 2022.

3. **Office of Compliance and Ethics**
   
   a. **Guest Presentations – University Risk Management**
      
      Ms. Blank explained that the Committee has expressed interest in how the University manages risk and the growth of the University’s enterprise risk management program topic wise, the Committee requested information about how FSU manages cyber security and public safety risk. Ms. Blank was very pleased to introduce Dr. Rick Burnette (Associate Provost for Strategy and Analytics and Interim Chief Information Officer) and Chief Rhonda Harris (Assistant Vice President for Public Safety and Chief of Police), two subject matter experts on these topics who provided short presentations to the Committee.

   i. **Dr. Rick Burnette, Associate Provost for Strategy and Analytics and Interim Chief Information Officer**
      
      Dr. Rick Burnette provided a presentation to the Committee about risk management. Trustee Alvarez and Trustee Henderson were very pleased with the presentation. Trustee Henderson asked Dr. Burnette, who assists the University in mitigating the risks. Dr. Burnette provided an example and explained that the first step would be to contact the University’s cyber insurance carrier and notify them that the University had a breach. The University would work very closely with the insurance carrier to ensure that all appropriate steps were followed so that all damages would be covered by the University’s existing insurance policies. Dr. Burnette further explained that the University would work closely with his IT department to make sure the University is
doing everything it could to shore up operations. Dr. Burnette explained that his office would work very closely with the President’s office, as well as Communications which has colleagues that are focused on triaging these attempts on a daily basis. Dr. Burnette explained that there is a plan in place on how these attempts would be handled.

ii. Rhonda Harris, Assistant Vice President for Public Safety and Chief of Police

Ms. Harris provided a presentation to the Committee on specific risks to law enforcement and the University community when someone wants to come on campus and cause harm. Ms. Harris explained that the goal is to be proactive by looking for early intervention. Ms. Harris explained that the way to look for early intervention is to take minor incidents and gather specific information but also look at the incident on a broadscale basis. Ms. Harris explained that specific information could include what’s going on in the person’s life and the type of stressors they have in the workplace or at home. Ms. Harris explained that FSU uses a multidisciplinary layered team approach, which is also a best practice. Ms. Harris explained that the approach includes law enforcement officers, where police databases and reports can be accessed and a way for the team to pull as much information as they can regarding the individual. Ms. Harris explained that the primary goal of intervention and prevention is to move the individual away the pathway of violence. She further explained that you would want to establish boundaries to manage behaviors, offer legitimate dispute resolution options, provide appropriate resources and referrals, and take necessary actions to mitigate a threat. Ms. Harris explained FSUPD has a role in mitigating an active threat and that officers use a proactive policing philosophy. Ms. Harris explained that FSUPD puts a strong emphasis on training and wants officers to be able to de-escalate a situation, if possible. Ms. Harris further explained that officers should be able to recognize when someone might be suicidal but is looking for help from the police. Ms. Harris explained that if all mitigation attempts have failed, the FSUPD wants officers to know what to do and be confident and competent. She explained that officers are sent into stress inducing situations during training to challenge them. And then, of course, the University wants police officer’s thinking about a response to an active threat. Ms. Harris presented to the Committee what the University community could do if there was an active shooter on campus. Ms. Harris explained that there is a 90-minute training course on Surviving an Active Shooter that trains FSUPD and the University community to Run. Hide. Fight.

b. Updates Since September 23, 2022, BOT Meeting

i. CAMS (Conflict Administration and Management System)

Ms. Blank explained that the Office of Compliance and Ethics (OCE) continues to work through updates on CAMS. Staff efforts with the conflict administration and management system (CAMS) disclosure continue. The University is upwards of 80% compliant with staff certifications and profile updates. The faculty launch went live with CAMS on October 10th. In keeping with the traditional annual fall updates for outside activity disclosures, the faculty category includes tenure track, specialized research and adjunct faculty disclosures totaling over 3,600 individuals. Ms. Blank was pleased to report that the OCE has received 2,580 updated profiles, which puts the University at 71% compliance after five weeks and more than 30% compliance after one (1) week.
The OCE continues to work with departments and individuals to move disclosures through the approval process. Ms. Blank explained that there are about 330 disclosures in the approval chain that are awaiting review and need finalization. For the board of trustee’s update, Ms. Blank was pleased to report that the University has 100% compliance at the trustee level. All trustees have completed their profiles.

ii. Five-Year Review

Ms. Blank explained that the OCE program is required to complete a 5-year review. Ms. Blank explained the OCE continues to collect documentation and will be conducting outreach to schedule short interviews with committee members. Once that initial document review is completed by the review partners, there will probably be an opportunity for the Committee to answer some questions from the peer reviewers; however, Ms. Blank does not anticipate the review to be completed before the first of the year (2023). Ms. Blank explained the peer reviewers are from the University of South Florida and the University of West Florida.

iii. HB 7017, Foreign Influence – Processes Update for Tenure Track Faculty Screening

Ms. Blank explained that the OCE rolled out the next phase of foreign researcher screening. To recap, Ms. Blank explained that the language in the statute that adopted HB 7017 refers to researchers but doesn't define that term. So, the initial screening included a list of about 78 job codes which were very clearly research oriented. Ms. Blank further explained that the OCE is now expanding screenings to include all tenure track faculty positions. The expansion will include positions that do not have a research title but have research opportunities and research assignments. That applies to any new hire in those groups with a start date on or after January 1, 2023. Academic Deans, department chairs, HR department reps, and other central HR staff have been essential partners in this process and Ms. Blank explained how grateful she is for their work.
4. Office of Inspector General Services
   a. OIGS Quality Assurance Review Results
      Mr. Baldwin explained the quality assurance review process and that there are 3 ratings that an audit department can receive. Mr. Baldwin explained that this is an external five-year review, and OIGS could receive a rating of generally conforms (the highest rating), partially conforms, and does not conform. Mr. Baldwin explained that OIGS completed its review in September 2022 and that OIGS received the generally conforms rating, which means that OIGS complies in all material aspects regarding its Charter, the way the OIGS conducts audits, and its positive procedures. Mr. Baldwin explained there were some items that were identified by the Quality Assurance review team that need to be improved and Mr. Baldwin has responded to those items and put in appropriate action players so OIGS can achieve those in the next several months.

   b. Status Report – OIGS Audits
      Mr. Baldwin explained that the OIGS has completed a total of 8 audits, which is also the same number of audits that we completed for all last fiscal year. Mr. Baldwin explained that the OIGS is on track to make great progress in completing several more audits before the end of this fiscal year. Mr. Baldwin also explained that the OIGS had to cancel 2 audits. He explained the audit for Mr. Clark’s area started in 2019 and that the OIGS had spent about 2,500 hours on this project. Mr. Baldwin explained that he was not seeing the return on value in providing the audit report. Mr. Baldwin also stated that the ERM audit was canceled as the audit was more focused on best practices or benchmarks. Mr. Baldwin explained that these audits will be re-evaluated and will potentially be added back into the audit plan in the future.

   c. Enterprise Risk Management Overview
      Mr. Baldwin provided a presentation on enterprise risk management (ERM). He explained that ERM is an integrated approach for managing risk, which helps an organization achieve its goals and objectives. Mr. Baldwin presented the Committee with some of the benefits of an ERM process. Mr. Baldwin explained that there are several benefits, including sharing the top strategic risks with the Board of Trustees and university leadership in a timelier manner. Mr. Baldwin further explained that it serves as the early warning system regarding critical risks. Also, an ERM program helps reduce or eliminate the uncertainties associated with risk events. An ERM program facilitates continual improvement and improves resource deployment and improves compliance with local regulatory and reporting requirements. Mr. Baldwin shared a slide illustrating a traditional risk management process versus an ERM process. Mr. Baldwin explained that a traditional risk management process is more focused on the past, whereas ERM is more future-focused. He further explained that a traditional risk management process is more reactive, whereas the ERM process is more proactive. He explained that a traditional risk management process is more narrow and more siloed, and ERM is more enterprise-wide and more systematic. He also explained that a traditional risk management program is more function driven whereas an ERM is more process driven. Mr. Baldwin explained how an ERM is started, and the argument is typically started by establishing board support in university leadership. He explained that the University would need to appoint a Chief Risk Officer or
Director of Risk Management and establish a steering committee. Mr. Baldwin further explained, once that's done, the University would develop a risk appetite to identify the top enterprise risk from the university. Also, once a steering committee has been developed, and the University has identified the risk appetite, then the University would identify the key assessment areas and the risk owners and then begin to develop those risks by putting them into a database or repository such as a risk register. Mr. Baldwin explained that a risk register encompasses all the risks and talks about the various current risks and residual risks, as well as how those risks are going to be addressed from prevention, mitigation, and terrorist perspectives. Mr. Baldwin provided examples of various enterprise risk categories including reputational risk, cyber risk, regulatory compliance risk, operational risk, financial risk, and hazard risk. Mr. Baldwin explained that information was gathered from North Carolina State University OIGS has attended a course or two and obtained information from their library. Mr. Baldwin explained that some of the highest risks in Higher Ed are student well-being, mental health, talent management, and the ERM program. Mr. Baldwin also explained the risks of cyber security, infrastructure, and the internet of things (IoT) and then from the regulatory and compliance perspective, there are research and federal, state, and local regulations. Mr. Baldwin also explained North Carolina State ERM Institute discusses how enterprise risk is often difficult but does not talk about increasing the likelihood of bad outcomes and the increase in time the organization must deal with the consequences. Mr. Baldwin explained that he has already spoken to the University President about ERM. He also explained the ERM process takes a couple of years to get started, but once it’s started, the program is easily managed.

5. **Open Forum for Trustees**

   Trustee Alvarez opened the floor for any items that needed to be discussed. There were no items presented for discussion.

6. **Scheduling of Next Meeting**

   Trustee Alvarez explained the next Committee meeting will be held around February 23, 2023, and the next Board of Trustees meeting will be held on February 24, 2023.

7. **Adjournment**

   Trustee Alvarez adjourned the meeting at 3:28PM.