



Office of Internal Audit Status Report

BOARD OF TRUSTEES

March 15, 2011



Date: March 15, 2011
To: Board of Trustees and Finance and Audit Committee
From: Allen Vann, Audit Director
Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

I am pleased to provide an update on the status of our office's work activities. Our last update to you was on December 2, 2010.

AUDITS

Audit of the Information Technology Controls Over the PeopleSoft Grants Module – The Grants Module, which was put into production in June 2009, accumulates cost and budgeting data and facilitates billing and financial management of each of FIU's approved awards. The total amount awarded to University researchers for the year ended December 31, 2010 was \$104 million.

Our audit, which concentrated on Information Technology controls, revealed security deficiencies related to the user account management process. The identity management monitoring process for temporary users also needed improvement. The profile process allowed privileged users to update their own profiles, violating key segregation of duties precepts. In addition, we found upper management had key navigation access, not typical for their positions. Finally, workstation security's monitoring capabilities were not operating as expected.

The audit resulted in 34 recommendations. Management agreed to implement all of our recommendations.

Audit of the Controls Over Athletics Ticket Revenue – Total revenue from ticket sales received by the Department for the year ended June 30, 2010 was \$553,660. Almost 90% of this amount was from football events and the balance was from all other sports, including: basketball, soccer, volleyball, baseball, and softball. We tested financial controls and procedures and the controls over the information systems used in the ticketing process.

While the Athletics Department's procedures for the sale of tickets are generally adequate, internal controls would benefit from additional strengthening. Processes that management agreed to improve include: prompter deposits, performing employee background checks, increasing segregation of duties, and performing more thorough ticket sales report reconciliations. Other improvements were needed due to security deficiencies in the ticket sales information system's user account management process. There were excessive super user access privileges and workstation security monitoring issues.

The audit resulted in 23 recommendations. Management agreed to implement all of our recommendations.

Audit of the Football Attendance Pursuant to NCAA Requirements – This audit was requested by the Athletics Director. The objectives of this audit were to certify to the accuracy of attendance at FIU home football games reported to the NCAA for the 2010 season. We found that the football attendance data reported on the NCAA *Football Paid Attendance Summary* sheets were adequately supported by sufficient, relevant and competent records. However, we also provided the Athletics Department with a separate *Management Letter*, which included our reportable observations of misstatements and/or deficiencies in internal controls that can materially impact future attendance reporting.

Audit Work In Progress

Audits	Status
Major Construction Projects (Facilities)	Fieldwork in Progress
Auxiliary Funds (College of Business Administration)	Fieldwork in Progress
Review of Fuel Inventory Controls	Fieldwork in Progress
Revenue Collections (Parking & Traffic)	Fieldwork in Progress
Grants (College of Engineering and Computer Sciences)	Fieldwork in Progress
PantherCard Services Financial Information Systems Control	Fieldwork in Progress
Cash and Investment Controls (Foundation)	Fieldwork in Progress
Cash and Investment Controls (University)	Fieldwork in Progress

INVESTIGATIONS

Whistle-Blower Complaint – We received a Whistle-Blower complaint referral from the Governor's Chief Inspector General. The complainant, a former administrative staff person, made allegations relating to a supervisor. Our preliminary investigation revealed that the information disclosed were personnel related matters, which was already being handled by appropriate Human Resource staff and further investigation was not merited.

Fraud Complaint – We received a complaint from a member of the public alleging job related fraudulent behavior on the part of an FIU employee. We are investigating the complaint.

OTHER

On January 18, 2011 the Audit Director provided fraud awareness training to University staff involved in managing grants as requested by the Office of Sponsored Research Administration.