



FLORIDA  
INTERNATIONAL  
UNIVERSITY

OFFICE OF INTERNAL AUDIT

**Date:** July 31, 2013  
**To:** Andres Gil, Vice President for Research  
**From:** Allen Vann, Audit Director   
**Subject:** **Review of Claimed Costs pursuant to an Agreement between the United Nations and Florida International University**  
**Report No. 13/14-02**

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In July 2012 an agreement was signed between the United Nations International Strategy for Disaster Reduction Secretariat and FIU ("Agreement") wherein FIU was awarded \$39,350 to "organize an international working meeting and conduct a study on the private sector's involvement in disaster reduction, analyzing existing governmental measures that deter, as well as identifying actions that encourage and support, private sector movements toward more sustainable business and thus, more disaster resilient societies." The proposed study would focus on six major cities: Vancouver, Canada; Miami, Florida, U.S.A.; San Jose, Costa Rica; Bogota, Colombia; Santiago, Chile; and Kingston, Jamaica.

The award document includes a requirement for an audit to be conducted. As requested by representatives from FIU's Department of Research and agreed to by United Nations' representatives, the Office of Internal Audit has conducted a review of the expenditures related to the Agreement between the two parties in lieu of the Agreement's Article XI, Audit Requirements. Our review procedures included interviews with various University employees; a review of pertinent supporting documentation and University policies and procedures; as well as other procedures we deemed necessary under the circumstances.

We reviewed all expenditures as of June 20, 2013, which were accounted for in two different activity numbers and totaled \$29,944. Our review disclosed that expenditures were generally allowable, allocable, and reasonable, with one exception: A charge for \$953 for a group dinner of 15 exceeded the U.S. General Services Administration per diem rates and University policy on tipping maximums by \$350.

In addition, our review of personnel charges by a University subcontractor (The Metropolitan Center) disclosed that their charges were adequately supported and appeared reasonable. However, in reviewing the University subcontractor's procedures we noted some areas in need of improvement, especially as they related to: (a) ensuring that actual hours worked were timely charged to the respective projects; and (b) ensuring that payroll hours are approved by someone with knowledge of the hours worked.

We did not evaluate the criteria used or the results obtained by subcontractors in their studies. In addition, we found that all the expenditures incurred under this Agreement related to studies performed for two of the six major cities called for by the Agreement. We were informed by the Principal Investigator (PI) that other funding sources were used to complete the study in the six cities.

We wish to express our appreciation for the cooperation and assistance extended to us by all personnel contacted during the review. If you have any questions or desire additional information, please let me know.

C: Mark B. Rosenberg, University President  
Douglas Wartzok, Provost and Executive Vice President  
Kenneth A. Jessell, Chief Financial Officer and Senior Vice President  
Javier I. Marques, Chief of Staff, Office of the President  
Joseph Barabino, Associate Vice President for Research  
Juan Sarmiento, Research Professor and Principal Investigator  
Howard Frank, Director, The Metropolitan Center  
Maria Ilcheva, Senior Research Associate, The Metropolitan Center