

# FLORIDA INTERNATIONAL UNIVERSITY

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## Operational Audit



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Dr. Mark B. Rosenberg, President

Notes: (1) Faculty senate chair.  
(2) Student body president.

The audit team leader was Michael K. Hollinger, and the audit was supervised by Ramon A. Gonzalez, CPA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at [jimstultz@aud.state.fl.us](mailto:jimstultz@aud.state.fl.us) or by telephone at (850) 412-2869.

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**FLORIDA INTERNATIONAL UNIVERSITY**

**EXECUTIVE SUMMARY**

Our operational audit disclosed the following:

**BOARD POLICIES**

**Finding No. 1:** The University’s investment policies needed to be enhanced to address the continuing education requirements of Section 218.415(14), Florida Statutes.

**PERSONNEL AND PAYROLL**

**Finding No. 2:** The University’s remuneration to some administrative employees exceeded the limitation contained in Section 1012.976(2), Florida Statutes.

**PURCHASES OF GOODS AND SERVICES**

**Finding No. 3:** The University needed to enhance its procedures to ensure the timely cancellation of credit card accounts.

**MOTOR VEHICLE UTILIZATION**

**Finding No. 4:** Vehicle usage logs were not always complete and did not always evidence supervisory review.

**INFORMATION TECHNOLOGY**

**Finding No. 5:** The University’s information technology security controls related to user authentication and logging and monitoring of system activity needed improvement.

**BACKGROUND**

The Florida International University (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The faculty senate chair and student body president also are members.

The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and Board of Governors’ Regulations. The University President is selected by the Trustees and confirmed by the Board of Governors. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

The results of our financial audit of the University for the fiscal year ended June 30, 2013, will be presented in a separate report. In addition, the Federal awards administered by the University are included within the scope of our Statewide audit of Federal awards administered by the State of Florida and the results of that audit, for the fiscal year ended June 30, 2013, will be presented in a separate report.

**FINDINGS AND RECOMMENDATIONS**

**Board Policies**

**Finding No. 1: Investment Policy**

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration, and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes.

As the University has opted to invest other than as prescribed by Section 218.415(17), Florida Statutes, it is required to adopt a written investment policy that includes the elements specified by Section 218.415, Florida Statutes. Pursuant to Section 218.415(14), Florida Statutes, the University’s investment policy must provide for the continuing education of officials responsible for making investment decisions or the chief financial officer. Such officials must annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.

Our review disclosed that University Policy No. 1160.010, *Investment Policy*, did not include the requirement for continuing education related to investments, contrary to Florida Statutes. In response to our inquiry, we were provided documentation to evidence that the University’s chief financial officer completed the continuing education required by Florida Statutes. However, the lack of a specific requirement for continuing education in the University’s investment policy increases the risk that such required continuing education may not be obtained by University officials responsible for making investment decisions.

Subsequent to our inquiry, the Board amended University Policy No. 1160.010 to include the requirement for continuing education.

**Recommendation: The University should continue its efforts to ensure that its investment policy complies with Section 218.415, Florida Statutes.**

**Personnel and Payroll**

**Finding No. 2: Remuneration of Administrative Employees**

Section 1012.976(2), Florida Statutes, stipulates that a State university administrative employee may not receive more than \$200,000 in annual remuneration<sup>1</sup> from appropriated State funds. This limitation does not apply to university teaching faculty, or medical school faculty or staff, pursuant to Section 1012.976(3), Florida Statutes. Section 1012.945(2), Florida Statutes, requires that each full-time equivalent teaching faculty member who is paid wholly from State funds teach a minimum of 12 classroom contact hours per week, and any faculty member who is assigned other responsibilities must teach a minimum number of classroom contact hours in proportion to 12 classroom hours per week as such especially assigned other duties and responsibilities bear to 12 classroom contact hours per week.

<sup>1</sup> Remuneration means salary, bonuses, and cash-equivalent compensation paid to a State administrative employee for work performed, excluding health insurance and retirement benefits.

Our review of the remuneration paid to 13 employees totaling \$4,133,893 (\$2,196,315 from appropriated State funds), disclosed 2 employees whose remuneration totaling \$405,022 was paid from appropriated State funds during the 2012-13 fiscal year. Collectively the amount paid exceeded the remuneration limitations by \$5,022, as follows:

- Vice President of External Relations – Responsible for University brand management, leadership of initiatives and events to create brand synergy among units as it relates to marketing, branding, media relations, public relations, and community events. Excess remuneration paid from appropriated State funds totaled \$929.
- Associate General Counsel – Responsible for the management of general legal matters, advisement to University officials on legal aspects of policy, assistance in the formulation of University policies, and interaction with members of the University Community. Excess remuneration paid from State funds totaled \$4,093.

Based on our review of these employees' actual responsibilities, none of the employees served as teaching faculty with classroom contact hours pursuant to the provisions of Section 1012.945(2), Florida Statutes, or medical school staff at any time during the 2012-13 fiscal year. The University agreed with our finding, and indicated that it would reimburse the \$5,022 to the appropriated State funds from other University resources.

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**Recommendation:** The University should review the salaries of all employees working in an administrative capacity to ensure that salaries are paid within the limitations provided in Section 1012.976(2), Florida Statutes. Also, the University should restore the amount of remunerations paid in excess of the amounts allowed by Statute to its appropriated State funds from other University resources.

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<b>Purchases of Goods and Services</b>
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**Finding No. 3: Credit Card Cancellation**

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The University's Departmental Card Guidelines and Procedures Manual (Manual) for departmental credit cards and Travel and Entertainment Manual for travel and entertainment credit cards require that cardholders terminating employment with the University stop using the credit card, immediately or at a minimum of two weeks prior to their last working date, and notify the University's Credit Card Solution Administrator. In addition, the employees must complete a Departmental Card Cancellation Form, cut the card in half and attach the pieces of the card to the form; obtain supervisor or business unit approver's signature; and mail the card to the Credit Card Solution Team. The cardholder's approver must also send an email to the Credit Card Solution Administrator when a cardholder leaves the University.

Our review of nine employees terminated during the 2012-13 fiscal year with a total of ten credit card accounts, including one employee that had a departmental card and a travel and entertainment card, disclosed that the University's controls over credit card cancellation needed improvement, as follows:

- For six of the former employees, the University did not notify the bank of the employee's termination of employment until 7 to 35 days after the cancellation forms were submitted by the former employees. For one of the former employees with two accounts, a departmental card and a travel and entertainment card, the cancellation forms were never received by the University's Credit Card Solution Department; therefore, the actual date of surrender and destruction of the cards was unknown.
- For two of the former employees, the University did not notify the bank of the termination date of the credit card accounts until 13 days after the employee's termination date.
- For the eight former employees noted above, the departmental cardholders' approvers did not send an email to the Credit Card Solution Administrator when the cardholders terminated employment with the University.

We subsequently examined the credit card activity for these ten accounts and our test disclosed that no charges were made with the cards after the employee terminated employment. However, the untimely cancellation of credit card accounts of former employees increases the risk of unauthorized credit card usage.

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**Recommendation:** The University should strengthen procedures to ensure that credit card accounts of former employees are timely cancelled.

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<b>Motor Vehicle Utilization</b>
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**Finding No. 4: Monitoring Vehicle Fuel Consumption**

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University records indicated during the 2012-13 fiscal year, fuel expenses totaled approximately \$459,000. The University has a computerized fuel system in place that is programmed to identify the University vehicle by wireless interface prior to fueling and automatically captures the vehicle's current odometer reading, date and time of transaction, fuel quantity, and fuel type. The system allows each vehicle to pump only up to its maximum capacity and prevents fueling of vehicles that are not equipped with the system. The system also provides for the input of an allotted number of gallons by month and fuel transaction limits for each vehicle. The system does not allow a vehicle to be fueled in excess of what is programmed for the vehicle by authorized personnel, unless this control is overridden. The automated process only takes place on those vehicles that had the fuel systems installed and programmed and the system generates several reports that provide management vehicle fuel usage information, such as transaction date, vehicle operator, odometer reading, and fuel quantity for each refueling. University procedures provide for the Vehicle Services Department (Department) to forward the fuel system reports with fuel bills to the appropriate department head for review. Any inconsistencies noted by the department heads are to be reported to the Department.

We selected 18 vehicles to determine the reasonableness of fuel consumption for the period January through March 2013. We reviewed the information shown on the fuel system reports for these vehicles such as, the odometer readings, miles per gallon computations, and quantity of fuel pumped. We also compared the odometer readings shown on the fuel system reports to the applicable vehicle trip logs. The following deficiencies were noted for 12 of the 18 vehicles tested:

- The odometer readings, as shown on the fuel system report on the dates of fueling the vehicles, were not within the range of miles driven for the same dates as shown on the vehicle's trip logs. The differences noted in odometer readings ranged from 340 to 38,809 miles. Procedures had not been implemented during the period tested to compare these records and document the reasons for these differences.
- The fuel system reports for these vehicles did not evidence supervisory review.

Under these circumstances, the University has limited assurance of the accuracy of the fuel system reports that are being used by management to monitor the reasonableness of fuel consumption and there is increased risk that unauthorized use of University fuel may occur. Similar findings were noted in our report Nos. 2010-096 and 2012-092. Subsequent to our inquiries, on June 17, 2013, University Policy 540.005, *Acquisition, Assignment, and Use of University Vehicles*, was revised to require the completion of vehicle trip logs, and the verification of the vehicle fuel consumption reports against the mileage recorded in the fuel management system.

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**Recommendation:** The University should continue its efforts to monitor the reasonableness of fuel consumption by comparing odometer readings on the fuel system reports to vehicle odometer readings and document such efforts.

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**Information Technology**

**Finding No. 5: Security Controls – User Authentication and Logging and Monitoring of System Activity**

Security controls are intended to protect the confidentiality, integrity, and availability of data and information technology (IT) resources. Our audit disclosed that certain University security controls related to user authentication and logging and monitoring of system activity needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising University data and IT resources. However, we have notified appropriate University management of the specific issues. Without adequate security controls related to user authentication and logging and monitoring of system activity, the risk is increased that the confidentiality, integrity, and availability of University data and IT resources may be compromised. A similar finding was communicated to University management in connection with our report No. 2012-092.

**Recommendation:** The University should improve IT security controls related to user authentication and logging and monitoring of system activity to ensure the continued confidentiality, integrity, and availability of University data and IT resources.

**PRIOR AUDIT FOLLOW-UP**

The following table provides information on recurring audit findings for the University:

Current Fiscal Year Finding Numbers	Preceding Fiscal Year Audit Report and Finding Numbers	Second Preceding Fiscal Year Audit Report and Finding Numbers
4	2012-092, Finding No. 4	2010-096, Finding No. 9
5	2012-092, Finding No. 9	NA

NA – Not Applicable

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida’s citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2013 to September 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management’s performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management’s control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, safeguarding of assets, and identifying weaknesses in those controls.

- Determine whether management had taken corrective actions for findings included in our report No. 2012-092.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management’s internal controls; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

For those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

The scope and methodology of this operational audit are described in Exhibit A. Our audit included the selection and examination of records and transactions occurring during the 2012-13 fiscal year. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

**AUTHORITY**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA  
Auditor General

**MANAGEMENT’S RESPONSE**

Management’s response is included as Exhibit B.

**EXHIBIT A**  
**AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Information technology (IT) access privileges and separation of duties.	Tested selected access privileges over the database and finance applications to determine the appropriateness and necessity based on employees' job duties and user account functions and adequacy with regard to preventing the performance of incompatible duties. Tested administrator account access privileges granted and procedures for oversight of administrator accounts for the network, operating system, database, and application to determine whether these accounts had been appropriately assigned and managed.
Deactivation of employee IT access.	Reviewed procedures to prohibit former employees' access to electronic data files. Tested access privileges for former employees to determine whether their access privileges had been timely deactivated.
IT data loss prevention.	Reviewed written security policies, procedures, and programs in effect governing the classification, management, and protection of sensitive and confidential information.
IT logical access controls and user authentication.	Reviewed selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
IT logging and monitoring.	Reviewed procedures and reports related to the capture, review, maintenance, and retention of selected system and security event logs.
Board and committee meetings.	Reviewed Board and committee minutes to determine whether Board approval was obtained for policies and procedures in effect during the audit period and for evidence of compliance with Sunshine law requirements (i.e., proper notice of meetings, ready access to public, and maintenance of minutes).
Internal audit function (inspector general).	Reviewed the internal audit function to determine whether the University followed professional requirements and provided for peer review of reports issued.
Textbook affordability.	Examined supporting documentation to determine whether the University's procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.
Investments.	Determined whether the Board established investment policies and procedures as required by Section 218.415, Florida Statutes, and whether investments during the fiscal year were in accordance with those policies and procedures.
Student receivables.	Determined whether student receivables were properly authorized, documented, and properly recorded. Determined adequacy of collection efforts and whether uncollectible accounts written-off were properly approved. Determined whether restrictions on student records and holds on transcripts and diplomas were adequate and enforced for delinquent accounts.

**EXHIBIT A (CONTINUED)**  
**AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Student fee deferments.	Examined supporting documentation to determine whether the University had authorized student fee deferments in accordance with statutory authority.
Parking citation receivables.	Tested parking citations to determine the effectiveness of collection procedures.
Tangible personal property.	Tested property items to determine whether tangible personal property inventory was complete, being used consistently with requirements of controlling laws, and recorded in the subsidiary ledgers.
Donation, acquisition, or construction of capital assets involving outside entities.	Reviewed documentation for donation, acquisition, or construction of capital assets involving an outside entity and determined whether such transactions and agreement were appropriate.
Florida residency determination and tuition.	Tested student registrations to determine whether the University documented Florida residency and correctly assessed tuition in compliance with Sections 1009.21, 1009.24, and 1009.286(2), Florida Statutes, and Board of Governors (BOG) Regulation 7.005.
Tuition differential fees.	Reviewed payments from tuition differential fees collected to determine whether the University assessed and used tuition differential fees in compliance with Section 1009.24(16)(a), Florida Statutes.
Tuition rates.	Reviewed tuition fees charged for select programs to determine compliance with the University Board policies and Florida BOG regulations.
Distance learning fees.	Determined whether distance learning fees were assessed and collected as provided by Section 1009.24(17), Florida Statutes.
Terminal pay.	Reviewed the University’s policies and procedures for terminal pay to ensure consistency with Florida law. Tested former employees to determine appropriateness of terminal pay.
Severance pay.	Reviewed severance pay provisions in selected contracts to determine whether the University was in compliance with Florida Statutes.
Administrative employees’ compensation.	Reviewed administrative employees’ compensation to determine whether compensation did not exceed limits provided in Florida law.
President’s compensation.	Determined whether the President’s compensation was in accordance with Florida law, BOG Regulations, and University policy.
Electronic funds transfers and payments.	Reviewed University policies and procedures related to electronic funds transfers and payments. Tested supporting documentation to determine whether selected electronic funds transfers and payments were properly authorized and supported.

**EXHIBIT A (CONTINUED)  
AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Rebate revenues.	Determined whether rebates revenues received from purchasing programs were allocated to the appropriate University funds.
Purchasing card transactions.	Tested transactions to determine whether purchasing cards were administered in accordance with University policies and procedures. Also, tested former employees to determine whether purchasing cards were timely cancelled upon termination of employment.
Travel expenses.	Tested executive foreign, and out-of-state travel expenses to determine whether the travel was reasonable, adequately supported, and for University purposes.
Contractual agreements.	Determined whether contractual services were supported by Board-approved contracts. Also, examined and tested the aforementioned contracts to determine whether they were properly awarded and executed, whether contract terms were adequately supported, and whether vendors carried adequate insurance.
Procurement of goods and services.	Reviewed University policies and procedures related to the procurement of goods and services to ensure the competitive vendor selection process. Tested purchases subject to competitive bids/proposals to determine compliance with bid requirements.
Construction administration.	For selected major construction projects, tested payments and supporting documentation to determine compliance with University policies and procedures and provisions of laws and rules. Also, for construction management contracts, determined whether the University monitored the selection process of architects and engineers, construction managers, and subcontractors by the construction manager.
Insuring architects and engineers.	Determined whether the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals, such as architects and engineers. Examined recent construction projects to determine whether architects and engineers provided evidence of the required insurance.
Direct material purchases.	Tested construction projects in process and reviewed supporting documentation evidencing procedures used by the University when considering direct material purchases.
Direct-support organizations – conflicts of interest.	Determined whether the University had established policies and procedures to avoid potential conflicts of interest with vendors who were doing business with the University and made donations to the University’s direct-support organizations.
Vehicle fuel usage.	Tested vehicle and related fuel management reports to determine whether reports were accurate and reviewed by supervisory personnel, and whether the vehicle’s reported miles per gallon appeared reasonable.

EXHIBIT B  
MANAGEMENT'S RESPONSE



OFFICE OF FINANCE & ADMINISTRATION

December 12, 2013.

Mr. David Martin, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Martin,

Enclosed is our response to the preliminary and tentative findings and recommendations for the Operational Audit of Florida International University for the fiscal year ended June 30, 2013. We will implement the recommendations identified during the audit in accordance with the enclosed schedule of responses.

We appreciate the thoroughness and professionalism of your staff in completing the audit. The resulting recommendations will assist us in improving our operations and safeguarding our resources.

If you have any questions or need additional information, please do not hesitate to contact me at [kjessell@fiu.edu](mailto:kjessell@fiu.edu)

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Jessell", is written over a light blue grid background.

Kenneth A. Jessell Ph.D.  
Senior Vice President for Finance & Administration and CFO

cc: Mark B. Rosenberg, President  
Douglas Wartzok, Provost and Executive Vice President

**EXHIBIT B (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

**FLORIDA INTERNATIONAL UNIVERSITY**  
**Responses to Preliminary and Tentative Findings**  
**Operational Audit – Fiscal Year Ended June 30, 2013**

**Finding No. 1: The University's investment policies needed to be enhanced to address the continuing education requirements of Section 218.415(14), Florida Statutes**

The University concurs with this finding and recommendation. As reflected in the finding, University Policy 1160.010 Investment Policy was amended by the Board of Trustees on September 10, 2013 to include the requirement for continuing education.

**Finding No. 2: The University's remuneration to some administrative employees exceeded the limitation contained in Section 1012.976(2), Florida Statutes**

The University concurs with this finding and recommendation. The University will periodically review salaries of all employees working in an administrative capacity to ensure that salaries are paid within the limitation of Florida Statute 1012.976 (2). The University restored the \$5,022 of remunerations paid in excess of the amounts allowed by Statute to its appropriated State funds from other University resources during October 2013.

**Finding No. 3: The University needed to enhance its procedures to ensure the timely cancellation of credit card accounts.**

The University concurs with this finding and recommendation. While the procedures for cardholders terminating employment are robust, the audit finding pointed out a gap in enforcement. Cancellation form compliance is quite high, and reconciling feeds from the Human Resources system of terminated employees provides a cross check for any missing forms. But there is also a requirement that the Credit Card Solutions Team (CCST) be notified by email as soon as notice is given that an employee will be terminating or transferring. This email allows CCST to cancel the credit card even before the cancellation form and the card pieces are received. This procedure has not been routinely followed. Indeed, frequently the department will retain the forms and not submit them to the CCST until the employee's final day of service. This leaves a period of time when the card information is at risk for electronic purchases even though the physical card has been destroyed.

The Credit Card Solutions Team (CCST) has strengthened its procedures to ensure the timely cancellation of university issued credit cards.

The Departmental Card Manual was updated to include additional guidance on departmental responsibilities and sanctions resulting from non-compliance, effective October 2013. Departments are now at risk for losing credit card privileges for their entire department if they fail to provide required email termination notices, or otherwise fail to comply with the correct and timely card cancellation protocols.

Additionally, the CCST has implemented measures to improve the card cancellation procedure awareness to the university community. A reminder has been published in the Panther Post Newsletter alerting units to the correct card cancellation procedure, a presentation was made to the University's Finance Managers and a reminder will be sent via the dedicated program listserv to alert cardholders as well.

The CCST has increased the cardholder reconciliation between the bank's system and the Human Resources PantherSoft System from monthly to weekly. This comparison is used to identify terminated cardholders with

**EXHIBIT B (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

active card profiles that may not have been previously captured by the daily term log, effective September 27, 2013.

**Finding No. 4: Vehicle usage logs were not always complete and did not always evidence supervisory review.**

The University concurs with this finding and recommendation. Policy 540.005 was revised effective July 1, 2013 to ensure that all university vehicle users complete a daily vehicle trip log for the vehicles assigned to them. The required items on the trip log include check-out and check-in dates and time, beginning and ending mileage and purpose of the trip and gas consumption. Supervisory review of the vehicle usage is required.

The verification of the gas consumption versus the mileage traveled per the mileage log is being conducted by Vehicle Services personnel against the fuel management system to determine if the amount used is reasonable fuel consumption for the vehicle. This analysis is reviewed by the Vehicle Services' supervisor and any discrepancies are communicated to the department.

The discrepancies in the odometer readings noted in the audit report are being addressed in cooperation with Fuelmaster, the fuel management system company, in order to identify the cause of the inaccurate odometer readings as reported by the fuel management system. Once the cause is identified, we will take corrective measures on the entire fleet, as necessary. In addition, the university is also researching alternative fuel and mileage tracking systems which may provide improved and more efficient tracking, fuel consumption and vehicle usage information.

**Finding No. 5: The University's information technology security controls related to user authentication and logging and monitoring of system activity needed improvement.**

The Federal Information Security Management Act (FISMA) requires all 'Federal' Agencies to implement the highest level of information technology security controls. These security controls standards have been created and are maintained by the National Institute of Standards and Technology (NIST). To ensure that the Florida University system maintains the highest level of computer security, each university has been working towards implementing the security standards recommended by NIST.

NIST findings concerning password expirations periods have determined that more frequent password expiration periods do not make computer systems more secure. In fact short password expiration periods have been shown to potentially adversely affect system security. NIST's draft publication 800-118 'Guide to Enterprise Password Management', identifies the following potential security problems associated with short password terms:

- End users create easy, simpler-to-remember passwords that are less secure;
- The more frequent the expiration cycle, the more likely end-users will create written password helps (i.e. Sticky notes, spreadsheet entries, etc.);
- Frequent expirations cycles increased password management workloads for IT helpdesk staff and can reduce end-user productivity.

In conclusion, the University will evaluate NIST's guidance for password length and complexity standards as a more viable alternative than short password expiration periods.

The University has implemented monitoring and logging capabilities for all our privileged data base users within applicable environments in our administrative application systems.