



# **Office of Internal Audit Status Report**

**BOARD OF TRUSTEES**

**December 9, 2015**



FLORIDA  
INTERNATIONAL  
UNIVERSITY

OFFICE OF INTERNAL AUDIT

**Date:** December 9, 2015  
**To:** Board of Trustees and Finance and Audit Committee  
**From:** Allen Vann, Chief Audit Executive  
**Subject:** OFFICE OF INTERNAL AUDIT STATUS REPORT

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I am pleased to provide you with the quarterly update on the status of our office's work activities. Since our last update to you on September 10, 2015, we completed the following audits:

#### **Audit of the Performance Based Funding Metrics Data Integrity**

Beginning in fiscal year 2013-14, the State University System of Florida - Board of Governors (BOG) instituted a performance funding program, which is based on 10 performance metrics used to evaluate Florida's 12 public universities. Pursuant to their request, we have completed an audit relating to the University's performance based funding metrics for the current period.

In December 2014, we issued our first audit on the reliability of FIU's metrics. Our current audit confirmed the results of our previous audit; that FIU continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system in all material respects continues to function in a reliable manner.

#### **Audit of the University's IT Network Security Controls**

The primary objective of this audit was to determine if the University's IT network security controls and procedures adequately protect the confidentiality, integrity, and availability of the University's sensitive and/or critical data.

Cybersecurity is a collaborative effort between the University's centralized IT services and the end users in the various departments. A Network Systems and Security group provides security tools to the local business units. One security tool, Data Loss Prevention (DLP), identifies which device is transmitting sensitive data. Additionally, local units Information Technology Administrators are alerted of threats identified through an Intrusion Protection

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System (IPS). Depending on the threat, the IPS either immediately stops the data transmission or alerts the Network System and Security Engineering of its existence. If further clarification is required, the business unit examines the device to determine whether there is a threat to sensitive data.

Our audit identified areas where FIU has opportunities to strengthen network security particularly in reducing access privileges, coordinating and formalizing threat identification and mitigation processes, and performing risk assessments. Maintaining a strong cybersecurity requires the cooperation of the end users in the various departments, particularly their Information Technology Administrators. Accordingly, well-designed centralized security system controls are only as effective as the prevailing governance structure permits. Management agreed to implement the 13 recommendations in this report.

### Audit of Laboratory Safety

An internal audit of the Laboratory Safety Process was last concluded in May 2014. The primary objective of the current audit was to determine whether prior audit recommendations have been effectively implemented and controls over tracking of chemical inventory and disposing of chemical waste, which were not tested during our last audit, are adequate and effective.

During the current audit, we observed that 9 of the previous recommendations were fully implemented and 5 were partially implemented. We tested the controls over the collection storage and disposal of hazardous waste and found them to be adequate. The University recently partnered with an outside vendor to provide hazardous chemical tracking management and support service for a FIU Research Lab Supply Store. This will provide better control over tracking hazardous chemicals and monitoring who has access to them.

### Work In Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Facilities Management - University Building Access Controls	Draft Report issued
Global Affairs - Study Abroad and Exchange Programs	Drafting Report
Division of Human Resources - Financial and Operating Controls	Fieldwork Completed
College of Law - Financial and Operating Controls	Fieldwork in Progress
College of Education - Financial and Operating Controls	Fieldwork in Progress
University Mobile Healthcare Clinics	Planning Stage
Payment Services/Cash Controls	Planning Stage
Major Construction Projects	Planning Stage

## **Investigations**

One of the responsibilities of the Office of Internal Audit is to investigate allegations of financial fraud, waste, abuse, wrongdoing, and any whistleblower complaints. Accordingly, from time to time our office receives and reviews complaints from various sources: the BOG Inspector General, the FIU hotline, Human Resources and sometimes directly from a complainant.

Since the beginning of this fiscal year, our office received and/or reviewed eight complaints. Several cases did not fall under our purview and were referred to other departments for appropriate action. Most of the complaints we investigated were found to be unsubstantiated. However, in one case the subject of the complaint was separated from employment. We are currently performing one active investigation. Further details will be provided upon request.

## **Other Matters**

As the Chief Audit Executive of FIU, I am a member of Florida's State University Audit Council. We meet semiannually to share experiences, understand the risks and challenges common to our Universities and develop plans to better serve our respective institutions. At our last meeting in October at Florida Gulf Coast University, I was elected Chairman of the Council.

Also in October, I performed a quality assurance review of Kennesaw State University's Internal Audit Department. These reviews are conducted at least every five years to ensure that an internal audit department is performing their audit work in accordance with the auditing standards promulgated by the Institute of Internal Auditors. As the evaluator, I gain relevant information about best practices, which in turn enhances the value added we provide to our own institution.

**Attachment:** Semi-Annual Follow-Up Status Report

## Semi-Annual Follow-Up Status Report

Twice a year, we survey management on their progress towards completing past recommendations. According to management, 42 of 55 recommendations due for implementation this quarter were satisfactorily completed. They are working to complete the remaining recommendations.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Southeast Environmental Research Center	4	3	1
Minor Construction Projects	5	5	
HCN's Billing, Collections, and Electronic Medical Record Systems	4	3	1
College of Architecture + The Arts (CARTA)	5	5	
Nicole Wertheim College of Nursing and Health Sciences	6	6	
Performance Based Funding Metrics Data Integrity	1	1	
Extreme Events Institute	5	4	1
Controller's Office - Purchasing Services for Commodities	1	1	
The Patricia and Phillip Frost Art Museum	2		2
Laboratory Safety Process	5	2	3
Camps and Programs Offered to Minors	6	3	3
University College - Student Activity and Service Fee	1	1	
Office of Research and Economic Development	1	1	
Parking and Transportation Department	4	2	2
Wolfsonian Museum - FIU	5	5	
<b>Totals</b>	<b>55</b>	<b>42</b>	<b>13</b>
<b>Percentages</b>	<b>100%</b>	<b>76%</b>	<b>24%</b>