



Office of Internal Audit Status Report

BOARD OF TRUSTEES

March 11, 2016



Date: March 11, 2016
To: Board of Trustees and Finance and Audit Committee
From: Allen Vann, Chief Audit Executive
Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

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 December 9, 2015, we completed the following audits:

Audit of Study Abroad and International Student Exchange Programs

The study abroad program provides FIU students with the opportunity to engage in an international learning experience during their time at the University. Each year, more than 800 students study, research, or intern abroad in over 25 countries. Our audit focused on general program administration, the collection and reconciliation of program fees, and the disbursement of program expenses relating to the study abroad programs.

Overall, our audit disclosed that the established controls are generally working well. The Office of Study Abroad also generally complied with established policies and procedures, applicable state laws, rules, and regulations. Nevertheless, there were some areas where opportunities to strengthen procedures. As a consequence, we made ten recommendations, which management agreed to implement.

Audit of University Building Access Controls

The Key Control Section of the Facilities Management Department is responsible for building access controls. They maintain all doors, exit devices, handicap openers, and all related hardware for the entire campus. This includes electronic locks and controlled access. There are 87 buildings containing 16,197 rooms at the Modesto Maidique Campus and 18 buildings that have 2,201 rooms at the Biscayne Bay Campus. At any given time, any of 54,000 students, 11,000 employees, and numerous others visit our facilities.

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In this comprehensive audit we found that established controls were inadequate and ineffective to prevent potential unauthorized access, safeguard assets, and promote public safety. We were assured that our fourteen recommended improvements, which will require a significant and timely effort throughout the University, will be implemented.

Audit of the Division of Human Resources

The primary objective of our audit was to determine whether established financial controls and procedures were: 1) adequate and effective; 2) being adhered to; and 3) in accordance with University policies and procedures, applicable laws, rules and regulations. Funded mainly from the Educational & General fund revenues, HR's fiscal year 2014-15 budget totaled \$7.4 million. Eighty percent of HR's total expenditures went towards salaries and benefits. The remaining 20% were for other operating expenditures such as professional services and advertising.

Overall, our audit disclosed that HR's established financial controls and procedures were adequate and effective. There were a few areas where internal controls need strengthening, for example, the payroll approval process was weak. Also, greater adherence to certain purchasing requirements, expenditure guidelines, and fund accounting requirements are needed. The audit resulted in five recommendations, which management agreed to implement.

Audit of FIU Football Attendance for the 2015 Season in Accordance with NCAA Bylaws

The objective of our audit was to certify the accuracy of the season's attendance at FIU home football games reported by the University to the NCAA for the 2015 season. Based on the methodology adopted by the Athletics Department, we found that the football attendance data reported to the NCAA on the 2015 Football Paid Attendance Summary sheets are supported by sufficient, relevant and competent records. The current year's average home attendance of 15,324 meet the minimum required NCAA requirements.

Work In Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
College of Law - Financial and Operating Controls	Draft Report Stage
College of Education - Financial and Operating Controls	Draft Report Stage
University Mobile Healthcare Clinics	Fieldwork in Progress
Payment Services - Office of the Controller	Fieldwork in Progress
Cash Controls - Office of the Controller	Fieldwork in Progress
Education Effect Program - Human Resources	Fieldwork in Progress
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 Governor's Office the BOG Inspector General, the FIU hotline, Human Resources and sometimes directly from a complainant.

Since our last report, our office received two complaints. One complaint did not fall under our purview and was referred to Human Resources for appropriate action. We are currently evaluating the other complaint. Further details will be provided upon request.