



Office of Internal Audit Status Report

BOARD OF TRUSTEES

September 10, 2015

Date: September 10, 2015
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 you with the quarterly update on the status of our office's work activities. Since our last update to you on June 3, 2015, we completed the following audits:

1. Audit of the Nicole Wertheim College of Nursing and Health Sciences

For the fiscal year 2013-14, the College generated tuition revenues totaling \$19.1 million and auxiliary revenues totaling \$630,000 and incurred expenses of approximately \$15.1 million in Education and General (E&G) funds and \$354,000 in Auxiliary funds. The objectives of this audit were to determine whether revenue and expenditure streams were properly accounted for and were applied towards their intended educational purposes in accordance with relevant laws, rules, regulations, and policies.

Overall, our audit disclosed that there were opportunities to improve established processes and procedures, particularly in the areas of: auxiliary revenue controls; payroll approvals; expenditure controls; monitoring of materials and supplies; and asset management. The audit resulted in eight recommendations, which management agreed to implement.

2. Audit of Extreme Events Institute

The Extreme Events Institute is the umbrella organization for several centers. Currently, the International Hurricane Research Center is the primary center, but the Institute also administers other grants. As of January 22, 2015, there were 15 active sponsored research accounts, with total awards of \$12.5 million and expenditures-to-date totaling \$11 million. The objectives of this audit were to determine whether the Institute's internal controls and operating procedures were adequate, effective, and ensure the proper administration of sponsored research grants and recharge centers.

Overall, our audit disclosed that there were opportunities for the Institute to improve established processes and procedures, particularly in the areas of: recharge service facility revenue collection; grant expenditure monitoring/reconciliation; credit card

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controls; travel expenses; time and effort certification; and asset management. Management agreed to implement the 14 recommendations in this report.

3. Audit of Restricted Gifts

With total net assets approximating \$312 million, the Foundation received contributions in excess of \$18 million during the 2013-14 fiscal year. The objectives of this audit were to ensure that funds received were properly classified as restricted, when applicable, and used as specified per the gift agreement stipulations and per FIU Foundation policies and procedures, and applicable statutes.

The Foundation’s established controls and procedures over recording and disbursement of revenue from restricted gifts were satisfactory. Some controls need to be strengthened as it pertained to the review of disbursement, the classification of donations, and depositing procedures. We also reviewed the Foundation’s compliance with Payment Card Industry (PCI) Data Security Standards and found no exceptions. Foundation Management agreed to implement the 3 recommendations in this report.

WORK IN PROGRESS

The following audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Division of Information Technology - IT Network Security Controls	Fieldwork Completed
FIU Law - Financial and Operating Controls	Fieldwork in Progress
College of Education - Financial and Operating Controls	Fieldwork in Progress
Division of Human Resources - Financial and Operating Controls	Fieldwork in Progress
FIU Global Affairs - Study Abroad and Exchange Programs	Fieldwork in Progress
Environmental Health and Safety - Lab Safety and Hazardous Materials	Fieldwork in Progress
Facilities Management - University Building Access Controls	Fieldwork in Progress
Office of Planning and Institutional Research - BOG Data Integrity	Planning Stage

We also conducted or assisted in investigating several complaints or allegations of impropriety that were largely immaterial in nature.

PROFESSIONAL DEVELOPMENT

Audit staff continue to take advantage of professional development opportunities. For example, one staff member attended the 26th Fraud Conference sponsored by the Association of Certified Fraud Examiners.