



Office of Internal Audit Status Report

BOARD OF TRUSTEES

March 26, 2015

Date: March 26, 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 January 14, 2015, we completed the following audits:

1. Audit of the College of Architecture + The Arts

With an enrollment of 1,698 undergraduate and 331 graduate students the College generated tuition revenues totaling \$26.5 million and auxiliary revenues totaling \$3.2 million in 2014. Also, approximately \$2.1 million in philanthropy contributions and almost \$1 million in research funds were established. The College incurred expenses of approximately \$13.8 million in Education & General (E&G) funds and approximately 1.7 million in Auxiliary funds.

Overall, our audit disclosed that while the financial controls and procedures were in place, there were many opportunities to improve internal controls, particularly in the areas of: revenue and accounting controls, payroll and personnel administration, expenditure controls and asset management. Also, the use of equipment use fees and material & supply fees collected can be more closely monitored. Management agreed to implement our twenty recommendations.

2. University-Wide Audit of Camps and Programs Offered to Minors

Our audit identified a total of 63 University sponsored and non-sponsored programs offered to minors. The University has not designated a department or personnel to oversee and centrally manage these activities for adherence to compliance with laws, rules, and regulations pertaining to camps and programs involving minors on campus. The limited scope of current guiding policies also contributed to controls, which if not strengthened expose the University to avoidable risks. Management agreed to enhance policies and procedures particularly in the area of background screenings of personnel and also agreed to make improvements relating to operational control issues.

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- 3. FIU Football Attendance for the 2014 Season in Accordance with the National Collegiate Athletic Association** – We performed an audit to certify the accuracy of attendance at FIU home football games reported to the NCAA for the 2014 season. Based on the methodology adopted by the Athletics Department, we found that the football attendance data reported to the NCAA were supported by sufficient, relevant and competent records. Although the current year’s average attendance of 12,176 did not meet the minimum required average, the University is in compliance as the required minimum average was met in the prior year (15,642).). If the requirement is not satisfied next year, NCAA *rules* ¶20.9.9.5.1 states that the University will receive a notice of noncompliance.

WORK IN PROGRESS

We issued a draft report on our audit of Parking and Transportation - The primary objectives of the audit were to determine whether: a) recommendations from our prior audit of the Department’s revenue collections have been effectively implemented; and b) financial controls and procedures relating to payroll administration, procurement of good and services, credit card use, and travel and property accounting were adequate and effective; being adhered to; and in accordance with University policies and procedures, applicable laws, rules and regulations.

Fieldwork continues on the following audits:

1. Restricted Gift Agreements (University Advancement/FIU Foundation)
2. University’s IT Network Security Controls (Division of Information Technology)
3. Nicole Wertheim College of Nursing and Health
4. International Hurricane Research Center (Division of Research)
5. University Building Access Security Control (Facilities)

PROFESSIONAL DEVELOPMENT

Audit staff continues to take advantage of professional development opportunities. Three staff members attended The Institute of Internal Auditors-Miami Chapter *Internal Audit Transformation Center Conference* at FIU’s Kovens Conference Center. Our Information Systems Audit Manager attended the *8th Annual ISACA South Florida Training Conference* at FIU’s Kovens Conference Center. All of the auditors attended a two-day training course from NAVEX Global, Inc. *7 Steps to Investigate Alleged Misconduct and Writing Comprehensive Investigative Reports Training* at the Modesto Maidique Campus.