



Office of Internal Audit Status Report

BOARD OF TRUSTEES

December 8, 2017



FLORIDA
INTERNATIONAL
UNIVERSITY

OFFICE OF INTERNAL AUDIT

Date: December 8, 2017
To: Board of Trustees Audit and Compliance Committee Members
From: Allen Vann, Chief Audit Executive
Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

Due to the cancellation of our last quarterly meeting, I am providing a cumulative update on the status of our office's work activities since June 2, 2017. The following projects were completed:

Audit of Athletics Department Operations

The Athletics Department has 110 employees and oversees 18 individual athletic programs. These include seven men's sports and 11 women's sports, with 205 and 173 participating student-athletes, respectively. Athletics' total revenues over expenses for the year ended June 30, 2016 was \$1.4 million, on revenues of \$28 million, 75 percent of which were generated from student athletic fees. Its fund balance deficit of \$3.6 million increased to \$5.7 million at June 30, 2017 resulting from capital expenditures.

Our audit disclosed that student athletic fees were properly assessed, collected, and accounted for. Nevertheless, long term funding for Athletics remains a challenge as it faces deficit fund balances and mounting obligations. In addition, expenditure and operational controls and procedures need strengthening, particularly in the areas of: leave management, travel and expenditure disbursements, background screening, and conflict of interest reporting. Our audit resulted in seven recommendations which management agreed to implement.

Audit of FIU Online

Our last audit of FIU Online was issued in April 2013. Our current audit focused on the financial transactions for distance learning courses covered under Florida Statutes section 1009.24(17) and the information technology controls. During our audit period from July 1, 2015 through January 31, 2017, distance learning fees totaled \$25 million and corresponding expenses totaled \$24.3 million.

FIU Online's procedures for administering the distance learning fee have improved since our last audit. However, only 14 of our prior audit recommendations were fully addressed while 12 require further attention. A large fund balance continues to be maintained, which will require management to monitor future fees with the goal of minimizing the fund balance. In addition, expenditures and operational controls and procedures need strengthening particularly in the proper use of the distance learning fee and the payroll approval process. We also identified information technology areas that need strengthening particularly in performing vulnerability scans, accounting for endpoint devices sent to surplus, and business continuity plan testing.

Our audit resulted in seven recommendations, which management agreed to implement.

Audit of the University's IT Network Security Controls

The primary objectives of our audit were to evaluate the effectiveness of the implementation of the prior audit recommendations from our last audit issued in September 2015. Since the prior audit, the Division of Information Technology (IT) has upgraded the University's cybersecurity controls. Security improvements to payment card devices, user access, and increased security awareness have all proved beneficial. Nevertheless, our examination revealed that five of our past recommendations still need attention.

While FIU cybersecurity related policies continue to evolve, further efforts are needed in the areas of formal system-wide security risk assessments and critical firewall reviews. In addition, there are areas where FIU credit card data transmissions and wildcard certificates still pose a risk. The Division of IT agreed to continue to work with other stakeholders to complete the implementation of the remaining recommendations with a view towards achieving a safer network infrastructure.

Audit of Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0910-16

We performed an audit of the adequacy of internal controls over personal data maintained by the department of Enrollment Processing Services. Based on our evaluation, we concluded that their system of controls is adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure. We provided a required attestation statement to that effect to the Florida Department of Highway Safety and Motor Vehicles.

Sub-recipient Monitoring (Division of Research)

We reviewed sub-recipients' annual financial report submissions pursuant to the Federal and the State of Florida's respective single audit acts. The purpose of these reviews is to ensure that sub-recipients are compliant with the financial reporting requirements under the respective acts, that their reports reflect that they are fiscally responsible and are free of, or

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have adequately addressed material findings reported by their independent auditors. We completed reviews of twenty-two institutions who are sub-recipients under FIU grants:

Yale University	Public Health Research Institute of India
Cal Poly Tech	World Concern Development Organization
Louisiana State University	Spectrum Programs, Inc.
UNESCO	People, Inc.
Inter American University of Puerto Rico	Shahidi wa Maji (Tanzania)
Brigham Young University	CENIC
Miami Children's Health Systems Inc.	Latinas Salud, Inc.
Virginia Commonwealth University	Madras Diabetes Research Foundation
University of California	Union Positiva
University of New Mexico	Columbia University
NYU Medical College	University of Michigan

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Residency classification for tuition and fees	Draft Report issued
Robert Stempel College of Public Health and Social Work	Drafting Report
College of Arts, Sciences and Education - Center for Children and Families	Fieldwork in Progress
University implementation of prior years' recommendations	Fieldwork in Progress
The Wolfsonian - Florida International University	Fieldwork in Progress
Performance Based Funding Metrics Data Integrity	Fieldwork in Progress
College of Engineering and Computing	Fieldwork in Progress
Herbert Wertheim College of Medicine Clinics	Planning

Professional Development

Audit staff continue to take advantage of professional development opportunities. For example, five staff members attended conferences sponsored by the Institute of Internal Auditors, the Association of College and University Auditors, the Association of Healthcare Internal Auditors, or the Association of Certified Fraud Examiners.

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Semi-Annual Follow-Up Status Report

For our last scheduled meeting, which was cancelled, we surveyed management on their progress towards completing past recommendations that were currently due for implementation. According to management, 33 of 47 recommendations that were due at that time, were completed. Management has reportedly partially implemented the remaining recommendations and provided updates on expected completion dates.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Mobile Health Center	12	8	4
Financial Aid	7	3	4
University building access controls	8	6	2
College of Law	1	1	-
Division of Human Resources	4	3	1
Education Effect Program	4	4	-
Laboratory safety process	3	2	1
Pharmacy	2	2	-
Office of the Controller	2	-	2
School of Education and Human Development	1	1	-
Study Abroad and International Exchange Programs	1	1	-
Chaplin School of Hospitality and Tourism Management	1	1	-
Performance Based Funding Metrics Data Integrity	1	1	-
Totals	47	33	14
Percentages	100%	70%	30%