



Office of Internal Audit Status Report

BOARD OF TRUSTEES

March 2, 2017



FLORIDA
INTERNATIONAL
UNIVERSITY

OFFICE OF INTERNAL AUDIT

Date: March 2, 2017
To: Board of Trustees Audit and Compliance Committee Members
From: Allen Vann, Chief Audit Executive
Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

I am pleased to provide you with our quarterly update on the status of our office's work activities. Since our last update to the Board of Trustees Finance and Audit Committee on December 1, 2016, the following projects were completed:

Audit of the Performance Based Funding Metrics Data Integrity

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

In December 2014, we issued our first audit on the reliability of FIU's data submissions as they pertained to performance 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 Financial Aid

Our review of financial aid eligibility focused on Federal Pell grants, Federal subsidized and unsubsidized direct loans, Tuition Differential aid, and various institutional grants and scholarships, as these were the major types of financial aid awarded in academic year 2014-15:

- Federal Pell Grants (\$85,687,497);
- Federal Direct subsidized and unsubsidized loans (\$236,018,006); and
- Various institutional scholarships and grants (\$49,484,404), including \$14,392,826 in Tuition Differential awards.

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Our audit disclosed that the Financial Aid Office's controls and procedures need improvement. We found that internal controls could be strengthened in the following areas: student financial aid need determination; cost of attendance and eligibility determination; administering the Tuition Differential aid program; adherence with federal direct loan regulations and development of written policies for Borrower Based Academic Year; and staff training.

Audit of FIU Football Attendance for the 2016 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 National Collegiate Athletic Association (NCAA) for the 2016 season. Based on the methodology adopted by the FIU Athletics Department, we found that the football attendance data reported to the NCAA on the 2016 Football Paid Attendance Summary sheets are supported by sufficient, relevant, and competent records. We are also pleased to report that the current year's average home attendance of 16,574 meets minimum NCAA requirements.

Consultant Report on Vendor Electronic Funds Transfer (EFT) Change Controls

Pursuant to a request from the Chairwoman of the FIU Board of Trustees, the Office of Internal Audit engaged a consultant to review and perform limited testing of the current procedures and processes of the Procurement Department for making changes to vendor electronic funds transfer information. Related controls were strengthened subsequent to an unsuccessful fraudulent attempt to divert a substantial vendor payment.

The purpose of the review was to validate that current internal controls are sound, and provide reasonable assurance that proper supplier validation and authentication is being performed prior to the Procurement Department staff making changes to the supplier's EFT data in PantherSoft. The consultant's report will be furnished to the FIU Board of Trustees under separate cover.

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Herbert Wertheim College of Medicine - Pharmacy Operations	Drafting Report
Construction - Facilities	Drafting Report
Athletic Department - Financial and Operational Controls	Fieldwork in Progress
University's IT Network Security Controls Follow-up	Fieldwork in Progress
Online Programs	Planning Stage
College of Arts, Sciences and Education - Center for Children and Families	Planning Stage
Registrar - Educational Fees/Tuition	Planning Stage

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Other Matters

We are pleased to welcome back to FIU Stephanie Price as a Senior Auditor. Ms. Price obtained her bachelor's and master's degrees in Accounting at FIU and during that time interned with our Office. After graduation, she worked for PricewaterhouseCoopers for a few years as an Audit and Risk Assurance Associate before returning to FIU.

Semi-Annual Follow-Up Status Report

We surveyed management on their progress towards completing past recommendations that were currently due for implementation. According to management, 25 of 50 recommendations 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
Housing and Residential Life	2	2	-
College of Law	4	3	1
University Building Access Controls	13	1	12
Mobile Health Center	2	1	1
School of Education and Human Development	2	1	1
University Network Security Controls	5	3	2
Division of Human Resources	4	1	3
Study Abroad and International Exchange Programs	7	6	1
Restricted Gifts - FIU Foundation	1	1	-
Chaplin School of Hospitality and Tourism Management	4	3	1
Laboratory Safety Process	3	-	3
Camps and Programs Offered to Minors	3	3	-
Totals	50	25	25
Percentages	100%	50%	50%