



Office of Internal Audit Status Report

BOARD OF TRUSTEES

February 27, 2018



FLORIDA
INTERNATIONAL
UNIVERSITY

OFFICE OF INTERNAL AUDIT

Date: February 27, 2018
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 Audit and Compliance Committee on December 8, 2017, 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 (BOG) instituted a performance-funding program based on 10 performance metrics used to evaluate Florida's public universities. Of the \$520 million dollars in performance-based awards made by the BOG for fiscal year 2017-2018, FIU received \$58.3 million.

Our annual audit confirmed the results of past audits 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 the Robert Stempel College of Public Health and Social Work

The College's interdisciplinary structure combines its departments of public health in partnership with the disciplines of dietetics and nutrition, social work and disaster preparedness. For fiscal year 2016-2017, the College spent \$13.7 million from Educational & General (E&G) funding and \$232,000 from auxiliary funding sources. Total enrollment for the fall of 2016 was 571 undergraduate and 536 graduate students.

Our audit disclosed that the College's established controls relating to revenues and expenditures were good, and adequate processes were in place to monitor its fiscal activities. We found some opportunities where internal controls could be strengthened, particularly pertaining to: the payroll approval process; asset management; and information security controls over research data. The audit resulted in 12 recommendations, which management agreed to implement.

Review of Travel Expense Reports

In November 2017, the Office on Internal Audit discovered a control weakness in the preparation of employee Expense Reports relating to reimbursements of travel expenses paid with the University’s Departmental credit card. The identified weakness resulted in \$13,339 being over-reimbursed to employees. The identified weakness involved Expense Report preparers neglecting to check-off the Non-Reimbursable box for any expense line item not to be reimbursed to the employee. The Controller’s Office indicated that, among other actions, they would obtain reimbursements from overpaid travelers and institute better system controls.

Audit of FIU Football Attendance for the 2017 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 2017 season. Based on the methodology adopted by the FIU Athletics Department, we found that the football attendance data reported to the NCAA on the 2017 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 15,920 meets minimum NCAA requirements.

Work in Progress

The following ongoing audits are in various stages of completion:

<i>Audits</i>	<i>Status</i>
Residency Classification for Tuition Purposes	Completed
The Wolfsonian - Florida International University	Drafting Report
College of Arts, Sciences and Education - Center for Children and Families	Drafting Report
University Implementation of Prior Years’ Recommendations	Fieldwork in Progress
College of Engineering and Computing	Fieldwork in Progress
HCN’s Billing, Collections and Electronic Medical Record Systems	Fieldwork in Progress

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, 13 of 24 recommendations were completed. Management has not fully implemented the remaining recommendations and provided updates on expected completion.

Audits	Total Due for Implementation	Implemented	Not Fully Implemented
Mobile Health Center	4	-	4
Financial Aid	5	2	3
University Building Access Controls	4	2	2
Construction of the Student Academic Success Center	3	3	-
Nepotism Policies and Procedures	3	1	2
Laboratory Safety Process	1	1	-
Pharmacy Operations	2	2	-
Bank Account Reconciliations	1	1	-
University IT Network Security Controls	1	1	-
Totals	24	13	11
Percentages	100%	54%	46%

**MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS
WITH REVISED TARGET DATES**

Audit of the Mobile Health Center (September 13, 2016)

1. Audit Issue: **Information Systems Security Controls** (Recommendation #1.4)

Recommendation:

Conduct more comprehensive risk assessment.

Action Plan to Complete:

According to the Herbert Wertheim College of Medicine (HWCOC), the Division of IT is in the process of engaging a third party to perform comprehensive risk assessments.

Original Target Date: March 1, 2017

New Target Date: Ongoing

2. Audit Issue: **Network Security Controls** (Recommendation #2.1)

Recommendation:

Work with the University's Technology Network Services Department to:

- a) conduct vulnerability scans on MHC devices and
- b) connect the mobile vans' routers system logs and the CPS and NHelp applications to the SIEM

Action Plan to Complete:

According to HWCOC, full completion is pending Division of IT systems upgrades.

Original Target Date: March 1, 2017

New Target Date: Ongoing

3. Audit Issue: **Identity Access Management Control** (Recommendation #3.3)

Recommendation:

Review application audit log files starting from June 2015.

Action Plan to Complete:

The former Health Affairs Compliance Officer was responsible for this. Management is in the process of recruiting for a replacement.

Original Target Date: March 1, 2017

New Target Date: April 30, 2018

4. Audit Issue: **Network Security Controls** (Recommendation #3.5)

Recommendation:

Work with the University's Network Services Department to ensure that Network Services employees access to DLP data is limited to the necessity of their assignments.

Action Plan to Complete:

According to HWCOM, the Division of IT is working on University-wide solution.

Original Target Date: March 1, 2017

New Target Date: Ongoing

Audit of Financial Aid (February 10, 2017)

1. Audit Issue: **Enrollment Status** (Recommendation #2.1)

Recommendation:

Ensure that courses that do not count towards a program of study are excluded when determining a student's enrollment status and cost of attendance for federal student aid.

Action Plan to Complete:

FIU has purchased EduNav. We will undergo implementation of this recommendation for Fall 2018.

Original Target Date: May 31, 2017

New Target Date: August 1, 2018

2. Audit Issue: **Tuition Differential Aid** (Recommendation #3.1)

Recommendation:

Work with the Provost to establish a Financial Aid Policy Committee and update policies and procedures for financial aid programs, as necessary.

Action Plan to Complete:

The nomination process for new members is ongoing. Meeting schedules are being established with the first meeting set for April 1, 2018.

Original Target Date: April 1, 2017

New Target Date: April 1, 2018

3. Audit Issue: **Financial Aid Staff Training** (Recommendation #6.1)

Recommendation:

Ensure that all Financial Aid staff receive sufficient on-going training opportunities specific to their duties.

Action Plan to Complete:

All staff members receive training every other month at our Monthly All Staff meeting. We are also working with the OneStop Training Officer on setting up the training schedule for the month where we do not have training.

Original Target Date: April 1, 2017

New Target Date: March 1, 2018

Audit of University Building Access Controls (January 20, 2016)
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1. Audit Issue: **Oversight/Management of Building Access Controls** (Recommendation #4.2)

Recommendation:

Develop procedures to perform periodic physical inventories of keys, especially master keys.

Action Plan to Complete:

Phase 1 – Completed.

Phase 2 - Consolidated Automated Key Inventory will be started in the Summer of 2018

Original Target Date: June 30, 2016

New Target Date: July 30, 2019

2. Audit Issue: **Oversight/Management of Building Access Controls** (Recommendation #4.4)

Recommendation:

Provide guidance and/or training to all individuals who have been delegated facilities access control responsibilities.

Action Plan to Complete:

Key Control conducted 22 training sessions last year on using the SMS software. Training will continue and will be further enhanced during phase 3 of the system upgrade.

Original Target Date: June 30, 2016

New Target Date: July 30, 2019

Review of Nepotism Policies and Procedures (July 19, 2016)

1. Audit Issue: **Nepotism** (Recommendation #1.2)

Recommendation:

Perform further analysis whenever related employees within or outside of the reporting lines have approval authority that may require additional mitigating controls.

Action Plan to Complete:

Our Team has been developing automation for implementation of this recommendation. We have made significant progress working with the developers to achieve optimum solutions in bringing a self-service disclosure and approval workflow.

Original Target Date: October 31, 2016

New Target Date: March 31, 2018

2. Audit Issue: **Nepotism** (Recommendation #1.3)

Recommendation:

Develop proactive procedures for identifying potential relationships at various points of an employee's career life beyond onboarding including, but not limited to, promotion, reclassification, and/or departmental restructuring, which are required to be disclosed.

Action Plan to Complete:

Consistent with the update noted above, the degree to which we are able to automate the nepotism process will assist in our identifying potential relationships at various points of an employee's career life beyond onboarding.

Original Target Date: October 31, 2016

New Target Date: March 31, 2018