



Office of Internal Audit Status Report

BOARD OF TRUSTEES

September 5, 2018



Date: September 5, 2018
To: Board of Trustees Audit and Compliance Committee Members
From: Trevor Williams, 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 activities. Since our last update to the Board of Trustees Audit and Compliance Committee on May 23, 2018, the following projects are in various stages of completion.

Audits

Table with 2 columns: Audits, Status. Rows include College of Engineering and Computing, South Beach Wine & Food Festival, Steven J. Green School of International and Public Affairs, HealthCare Network's Billing, Collections and Electronic Medical Records, Student Technology Fees, Information Technology - cloud services, Performance Based Funding Metrics Data Integrity, Nicole Wertheim College of Nursing and Health Sciences, College of Business, Patricia and Phillip Frost Art Museum, Chaplin School of Hospitality and Tourism Management - Tianjin China Program.

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, 31 of 50 recommendations were completed. Management has partially implemented the remaining recommendations and provided updates on expected completion dates.

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented
Athletics Department Operations	6	6	-
University IT Network Security Controls	2	2	-
Residency Classification for Tuition Purposes	4	4	-
Robert Stempel College of Public Health and Social Work	8	8	-
Center for Children and Families	3	3	-
University Building Access Controls	1	-	1
Nepotism Policies and Procedures	2	-	2
Mobile Health Center	4	1	3
Bank Account Reconciliations	1	-	1
Financial Aid	1	-	1
FIU Online	5	4	1
Review of Expense Reports	2	-	2
The Wolfsonian-FIU Museum	10	3	7
University Implementation of Prior Years' Recommendations	1	-	1
Totals	50	31	19
Percentages	100%	62%	38%

MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS WITH REVISED TARGET DATES

Audit of University Building Access Controls (January 20, 2016)
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1. Audit Issue: **Electronic Access Controls** (Recommendation #3.1)

Recommendation:

Ensure that Key Control strengthen its process for granting and revoking electronic access.

Action Plan to Complete:

- a) Facilities is developing an electronic process to document the access request and assigning a work order for each request.
- b) Enhancements continue to be made to ensure revoking electronic access is done in a timely manner.

Original Target Date: June 30, 2016

New Target Date: October 31, 2018

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:

Development projects, including but not limited to the nepotism automation, were placed on hold due to the PeopleSoft upgrade which was scheduled to (and did) go live on July 22, 2018 which was necessary for HRIS efficiency across the university with resulted in the delay of this launch for the technological platform. Due to the close proximity of the Fall Semester, the revised date for deployment is the Spring Semester, 2019.

Original Target Date: October 31, 2016

New Target Date: Spring 2019

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:

Procedures associated with the deployment development projects, including but not limited to the nepotism automation, were placed on hold due to the PeopleSoft upgrade which was scheduled to (and did) go live on July 22, 2018 which was necessary for HRIS efficiency across the university with resulted in the delay of this launch for the technological platform. Due to the close proximity of the Fall Semester, the revised date for deployment is the Spring Semester, 2019.

Original Target Date: October 31, 2016

New Target Date: Spring 2019

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:

Division of IT (DoIT) is currently engaged with CynergisTek on conducting the FIU Healthcare components HIPAA assessment and has involved Herbert Wertheim College of Medicine (HWCOC) in the project. Initial CynergisTek security assessment onsite visit has been conducted. The risk assessment report expected to be completed by March 2019, which will be shared by the DoIT with the Healthcare components.

Original Target Date: March 2017

New Target Date: March 2019

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 Mobile Health Center (MHC) devices; and
- b) connect the mobile vans' routers system logs and the CPS and NHelp applications to the SIEM.

Action Plan to Complete:

HWCOC IT and DoIT Technology Network Services team are currently engaged in the setup and testing of SIEM for the MHC devices. Mammogram van Peplink router has been joined to the SIEM. HWCOC IT currently has access to the Peplink router directly to view and monitor logs and conduct regular review.

Original Target Date: March 1, 2017

New Target Date: October 2018

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 and Privacy Officer was responsible for this. The FIU Compliance Management is in the process of recruiting for a replacement.

Original Target Date: March 1, 2017

New Target Date: Ongoing

Review of Bank Account Reconciliations (October 27, 2016)

1. Audit Issue: **Reconciliation** (Recommendation #1.1)

Recommendation:

Continue exploring ways to automate the reconciliation process, where possible.

Action Plan to Complete:

In FY2018, we were able to change the ACH settlement process with Bank of America from Batch to Single Settlement. This process change has significantly improved our efficiency in our reconciliation process. This is part of the implementation of the overall Cash Module Reconciliation project. We currently are still in the testing stages for the Accounts Payable and Student Financials Disbursement Bank Accounts since we have encountered the need for a solution for returned ACH payments. Once we resolve this issue, we foresee no less than a minimum three months of parallel testing between our current reconciliation process and the Cash Module Reconciliation process. The Payroll Disbursement Account is still in development as we need the Human Resources team to provide the proper file configuration for integration into the PeopleSoft Cash Module. The next phase will be to explore how to leverage the Cash Module during FY2019 for the deposits. We are also inquiring through our Banking Services ITN how a prospective banking partner's technology can facilitate a more automated reconciliation. We will begin in the Fall months to evaluate our process around deposits to understand our data capture needs in order to efficiently reconcile the deposit transactions once we receive the file back from the bank. It is my estimation that we will complete the automation of the disbursement bank accounts in fiscal year 2019, but it could take a significant portion of fiscal year 2020 to achieve automation on our deposit (Concentration) bank account because it could involve customization of the PeopleSoft system.

Original Target Date: May 1, 2018

New Target Date: June 30, 2019

Audit of Financial Aid (February 10, 2017)

1. 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:

Email requesting nomination for new members has been sent and the selection of Committee members is in process.

Original Target Date: April 1, 2017

New Target Date: September 1, 2018

FIU Online (November 14, 2017)

1. Audit Issue: **Information Technology Controls** (Recommendation #9.3)

Recommendation:

Formalize test scripts and results.

Action Plan to Complete:

Disaster Recovery test scripts for pfsa01a and pcd01a servers have been created. A yearly Disaster Recovery test for these servers will be performed in September 2018 and the results will be documented and reviewed.

Original Target Date: May 1, 2018

New Target Date: September 1, 2018

Review of Expense Reports (January 9, 2018)

1. Audit Issue: **Expense Reports** (Recommendation #1.2)

Recommendation:

Work with the Financial Systems and Support Services (FSSS) staff to mitigate the identified deficiency, including ensuring that the University Credit Card Payment Type option automatically triggers the Non-Reimbursable box to be checked-off and be greyed out.

Action Plan to Complete:

The enhancements have been tested and the business areas have signed off on the delivered functionality and ledger transactions. To minimize the impact to our user community, it will be implemented with the release of the new PeopleSoft Tools & PUM scheduled for the end of September 2018.

Original Target Date: March 1, 2018

New Target Date: September 30, 2018

2. Audit Issue: **Expense Reports** (Recommendation #1.4)

Recommendation:

Ensure that responsible departmental staff receive re-training on the Expense Report preparation and subsequent reconciliation of University credit card statements.

Action Plan to Complete:

Each employee that was over reimbursed was contacted individually along with Budget Managers, HR Supervisors, and Expense Managers. The email communication detailed their mistake, the necessary corrective action needed and a request for reimbursement. In some cases we sent out second notices and contacted the departments via telephone to ensure they understood the correct process.

Once the new system functionality is available in September, it will be communicated to all University staff via Panther Post and FSSS will conduct training on the new processes.

Original Target Date: March 1, 2018

New Target Date: September 30, 2018

The Wolfsonian-FIU Museum (April 23, 2018)

1. Audit Issue: **Collection Inventory** (Recommendation #1.1)

Recommendation:

Timely record the movement of all collection objects and library items within the corresponding information system.

Action Plan to Complete:

The audit action team for this recommendation has developed the outline for new inventory processes for movement tracking. New processes will include real time object collection movement, new processes to track movement of library items, a documentation and retention requirement, and department level review and audit processes. Policy development will be completed in August 2018 followed by implementation and revisions in September 2018.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

2. Audit Issue: **Collection Inventory** (Recommendation #1.3)

Recommendation:

Routinely perform a physical inventory of the Objects and Library Collections.

Action Plan to Complete:

The audit action team for this recommendation has developed the outline of new inventory processes for physical cycle counts and a formal method to segment the collections and library inventory for cycle counts. New processes will include dual count, secondary approval of counts, documentation of inventory errors and resolution of errors, a documentation and retention requirement, and department level audit and review processes. The outlined processes include a periodic review of inventory errors to identify any trends and opportunities for operational improvements to reduce errors. Policy development will be completed in August 2018 followed by implementation and revisions in September 2018.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

3. Audit Issue: **Property** (Recommendation #6.1)

Recommendation:

Ensure that all attractive property is properly recorded.

Action Plan to Complete:

The department IT Manager and Assistant Director, Facilities and Security are primary staff assigned to manage attractive property. A process for logging location and assignment of identified attractive property has been implemented. A review is under way to identify any other attractive property in the department to add to the attractive property inventory. A formal policy and procedure for all attractive property is being developed.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

4. Audit Issue: **Property** (Recommendation #6.2)

Recommendation:

Formalize procedures and designate specific employees for tracking all attractive property.

Action Plan to Complete:

The department IT Manager and Assistant Director, Facilities and Security are primary staff assigned to manage attractive property. A process for logging location and assignment of identified attractive property has been implemented. A review is under way to identify any other attractive property in the department to add to the attractive property inventory. A formal policy and procedure for all attractive property is being developed.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

5. Audit Issue: **Business Continuity** (Recommendation #10.1)

Recommendation:

Adopt procedures to ensure that the Business Continuity Plan's IT operations can meet the self-identified critical ratings.

Action Plan to Complete:

The department level disaster mitigation plan has been updated and review of draft recovery plan document is underway. The alignment of mitigation plan, recovery document and the FIUReady continuity plan is pending final approval of the recovery plan.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

6. Audit Issue: **Business Continuity** (Recommendation #10.2)

Recommendation:

Include formal test results, lessons learned, and corrective actions taken to ensure the success of the business continuity plan.

Action Plan to Complete:

All members of the emergency management team for the Wolfsonian attended the Regional Academic Locations tabletop exercise in May 2018. The Wolfsonian emergency management team set a plan to work with FIU OEM to develop a site-specific tabletop experience in September 2018. This site-specific tabletop exercise will incorporate testing of IT contingency plans.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

7. Audit Issue: **Formal Contingency Plan Testing** (Recommendation #11.1)

Recommendation:

Implement the cited prior audit recommendation.

Action Plan to Complete:

All members of the emergency management team for the Wolfsonian attended the Regional Academic Locations table top exercise in May 2018. The Wolfsonian emergency management team set a plan to work with FIU OEM to develop a site specific table top experience in September 2018. This site-specific tabletop exercise will incorporate testing of IT contingency plans.

Original Target Date: June 30, 2018

New Target Date: October 31, 2018

University Implementation of Prior Years' Recommendations (April 24, 2018)

1. Audit Issue: **Security Awareness Program** (Recommendation #1.12)

Recommendation:

Develop and implement a security awareness-training program. The program should be periodically evaluated to ensure it is up to date and effective.

Action Plan to Complete:

On April 13, 2018, the College of Medicine sent a communication to all employees that had not completed the Annual HIPAA and FERPA trainings during 2016 and there were still pending during 2017 to complete the trainings. Through July 3, 2018, a total of 9 follow up emails have been sent to the employees that did not complete the trainings yet. As of July 3, 2018, the completion rate is 40% for HIPAA and 42% for

FERPA. HWCOR HR runs weekly reports to follow up with the employees that are still pending completion of the trainings.

In addition, the 2018 Annual HIPAA and FERPA trainings have been launched on June 4, 2018 with a deadline of July 6, 2018. As of July 3, 2018, two reminder emails have been sent to all employees to complete the trainings. On July 11, 2018, an email will be sent to all 2018 non-compliant employees and separate emails will be sent to all 2017 and 2018 non-compliant employees. Follow up emails will be sent to all non-compliant employees to complete the trainings.

Original Target Date: June 30, 2018

New Target Date: November 2018