



Office of Internal Audit

FLORIDA INTERNATIONAL UNIVERSITY

MEMORANDUM

Date: May 27, 2020

To: Chairman and Members of the Audit and Compliance Committee

From: Trevor L. Williams, Chief Audit Executive

Subject: **Internal Audit Plan for Fiscal Year 2021**

I am pleased to present FIU's Office of Internal Audit (OIA) proposed audit plan for fiscal year 2021 for your review and approval. The plan was developed in collaboration with University administration using a systematic risk-based approach to help us determine which audits to perform. This approach fulfills our goal of allocating internal audit resources effectively and focused on the imminent risks to the University's operations. While our operations have been much impacted by the coronavirus pandemic, we have developed this year's plan with the anticipation that a measure of normal operations will resume during the first quarter of the 2020-2021 fiscal year.

Risk Assessment:

This year's audit plan was developed by using the results of the extensive University-wide risk assessment and Five-year Audit Plan we completed last year as baseline. We reviewed the documents and evaluated the risk ratings and areas of audit focus for relevance and timing. In addition, we considered the current and near-term conditions, especially those related to COVID-19, and their potential risks and impact on University operations. Our baseline risks assessment and heat map were adjusted for identified COVID-19-related risks. In evaluating the potential risks related to COVID-19, we considered the typical relevant risk factors, including operational, safety, financial, regulatory, and reputational risks, as well as materiality.

A compilation of the risks and their relative rating, based on the established rating criteria, is presented in the Risk Assessment Heat Map on the following page.

**FLORIDA INTERNATIONAL UNIVERSITY
 THE OFFICE OF INTERNAL AUDIT UNIVERSITY RISK ASSESSMENT HEAT MAP**

IMPACT	Lasting damage to reputation, operations & funding.	Severe	40	25	9	9
	Disrupts operations over months; up to \$1M at risk.	Significant	109	128	30	6
	Short-term negative effects/press; up to \$250K at risk.	Moderate	112	154	31	1
	Minor regulatory or reputational effects; < \$25K at risk.	Negligible	168	43	4	1
			Remote	Less than likely	Likely	Very likely
			Chance of occurrence < 10%	Chance of occurrence = 10% - 30%	Chance of occurrence = 30% to 75%	Chance of occurrence > 75%
LIKELIHOOD						

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To achieve the best use of audit resources, we continue to focus our audit coverage to areas of high risks (those falling within the red section on the heat map). We are collaborating with the Office of University Compliance and Integrity in developing a framework and strategy for addressing and mitigating the other identified risks. Attached to this memo is a combined Risk Assessment/Five-Year Audit Plan.

Internal Audit Resources:

Included in the responsibilities of the Audit and Compliance Committee is to review the resources of the Office of Internal Audit annually.¹ The last fiscal year presented a series of challenges for us in terms of executing the audit plan to the extent we would have liked to. Staff turnover, maternity leave for multiple staff members, and the coronavirus pandemic were all among these challenges. The composition of our Office currently includes ten professional auditor positions (seven of which are filled), an administrative services coordinator, and three student interns. The recruitment process has been ongoing but was paused due to the pandemic. The process was recently restarted and it is our aim to have a full complement of professional staff as soon as possible.

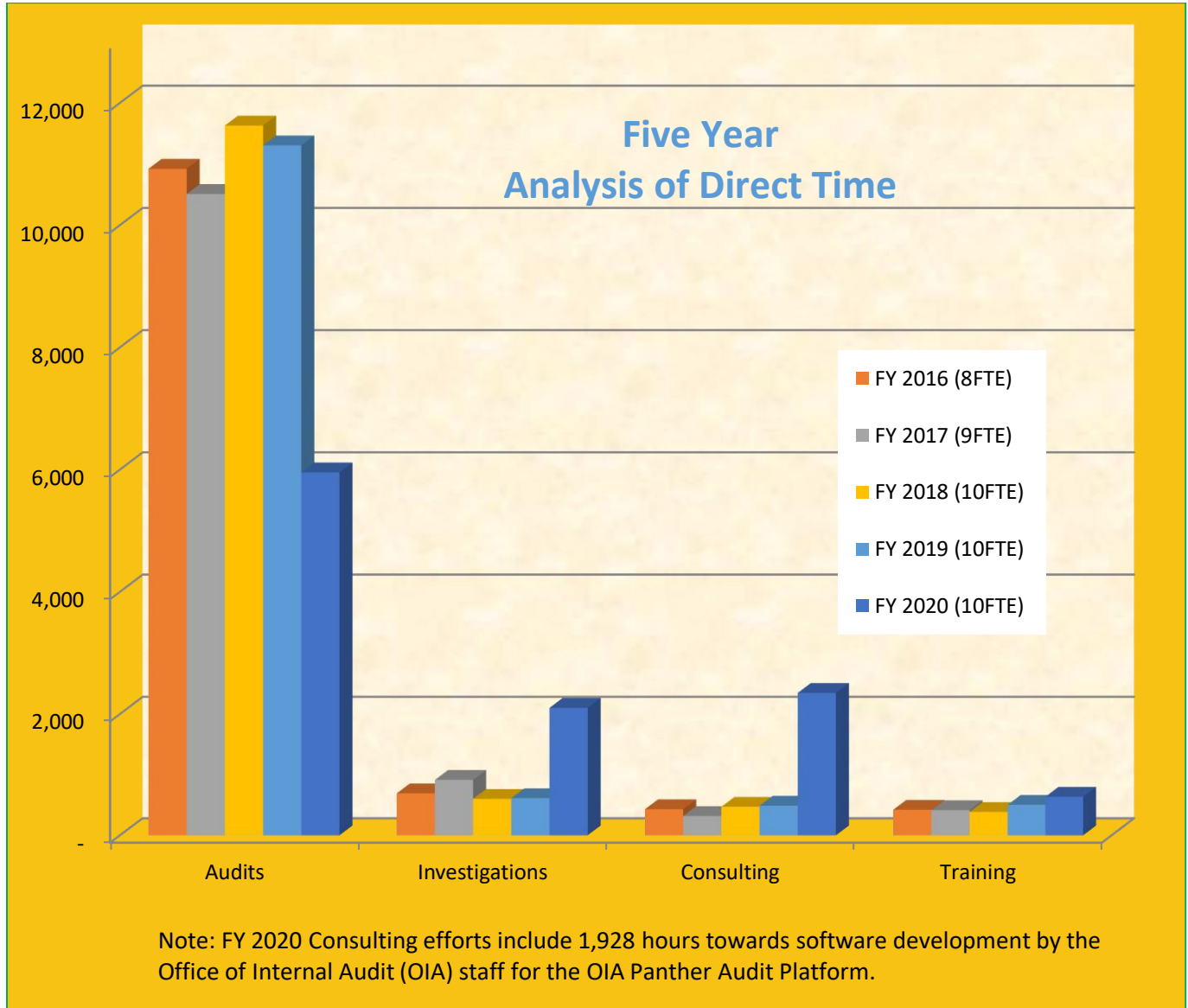
¹ FIU Board of Trustees Audit and Compliance Committee Charter, §4.31 on page 6.

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The following graph reflects how the Office of Internal Audit’s direct staff time was spent during the past five fiscal years:



As depicted, our workload is often difficult to predict as investigations and other unplanned work affect our progress towards completion of all of the planned audit projects. This dynamic was clearly evident during the last fiscal year as already scarce resources were committed to three major investigations, two of which were referrals from the Governor’s Executive Office Chief Inspector General. Although we cannot control such occurrences, we will work to rebalance our audit, investigative, and other accountability activities such as following up on the implementation status of past recommendations.

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Audit Plan:

As we re-evaluated the nature and timing of planned audits in concert with available resources, we found it necessary to shift some previously planned audits to a later date. The following table outlines our proposed audit plan for FY 2021:

Carryover Audits:	
Affiliated Agreement for Student Placement/Rotation •	
Payroll Irregularities and Fraud Controls / New Employee Document Verification •	
Conflict of Interest/Related Party Transactions •	
Motor Pool (University Fleet Management) •	
Grant Accounting - Auxiliary and Foundation Funded •	
Lab Safety •	
Procurement and Bidding Procedures •	
Compliance with Donor Confidentiality and Intent •	
Health Services Billing and Coding Process and Contract Performance •	
Proposed New Audits:	
Unit/Department	Area of Focus
Academic Affairs	COVID-19 Related Student Fee Refund •
Analysis and Information Management	Performance Based Funding Metrics Data Integrity
Athletics	NCAA Football Attendance Certification
Information Technology	Media Sanitation Guidelines & Controls •
Information Technology	Data Breach of Protected Information •
University-wide	COVID-19 Financial Assistance Compliance •

Conclusion:

The risk-based approach used in establishing the baseline risk assessment and evaluating potential COVID-19-related risks connected to University activities and programs incorporated the input from senior management. This enabled our collective knowledge to identify potential areas for audit and to develop the proposed audits for the 2021 fiscal year that will optimize our resources and capitalize on our audit staff's individual strengths. In addition, to a large extent, it serves as the framework for identifying the planned audits for the next five years as depicted on the following page.

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Florida International University Office of Internal Audit Risk-Based Five-Year Audit Plan											
Operational Unit/Area	General Subject Matter	Risk Index	Past Audit Coverage				Planned Audit Coverage				
			Prior	2018	2019	2020	2021	2022	2023	2024	2025
Academic Affairs	Student Health Center	(2/4)	x	x				✓			
Academic Affairs	Applied Research Center	(3/3)								✓	
Academic Affairs	Food Network South Beach Wine & Food Festival	(2/4)	x		x				✓		
Academic Affairs	COVID-19 Related Student Fee Refund	(3/2)					✓				
Analysis & Information Management	Performance Based Funding Metrics	(2/2)	x	x	x	x	✓	✓	✓	✓	
Athletics	Major NCAA Violations	2/3						✓		✓	
Athletics	Title IX Violations	3/2								✓	
Athletics	Health Services Billing & Coding Process	(2/4)					✓				
Athletics	NCAA Football Attendance Certification	(2/3)	x	x	x	x	✓	✓	✓	✓	
Capital Construction	Project Administration & Funding	(2/4)	x						✓		
College of Arts & Science	Information Technology Controls	(3/3)	x					✓			
College of Medicine	Affiliated Agreements For Student Placement & Rotation	3/4	x				✓				
College of Medicine	Human Research Controls	4/4	x					✓			
College of Nursing and Health Sciences	Auxiliary Funded Programs Operations	(3/2)				x				✓	
Enrollment Services	Motor Vehicle Internal Controls & Data Integrity	(4/1)	x	x		x			✓		
Environmental Health & Safety	Lab Safety	3/4	x				✓				
Environmental Health & Safety	Hazardous Wastes & Materials Management	2/4	x						✓		
Environmental Health & Safety	Regulatory & Code Compliance	2/3	x						✓		
External Relations, Communications, & Marketing	Comprehensive/Coordinated Content Driven Solutions	4/3							✓		
External Relations, Communications, & Marketing	Brand Alignment and Affinity Management	4/4						✓			
External Relations, Communications, & Marketing	Digital/Web Communication Standards Compliance	4/4						✓			
Financial Management	Purchasing & Competitive Bidding Process	2/3	x	x	x	x	✓				
Financial Management	Treasury Management	(1/2)				x					
FIU Foundation	Donor Intent/Confidentiality	2/3	x				✓				
Housing & Residential Life	Student Housing	4/2	x							✓	
Human Resources	New Employee Document Verification Process	4/3					✓				
Human Resources	Payroll	(4/3)	x		x				✓		
Human Resources	Overpayment of Terminated Employees	(3/2)	x		x				✓		
Information Technology	Data Breach of Protected Information	3/4	x	x	x		✓				
Information Technology	IT Physical Controls	3/3	x	x					✓		
Information Technology	Panther Tech	(3/3)							✓		
Information Technology	Data Loss Prevention Controls	(3/2)	x	x	x	x				✓	
Information Technology	Vendor Management	(3/3)	x	x						✓	
Information Technology	Physician Assistant Program – IT Controls	(3/2)						✓			
Information Technology	Media Sanitation Guidelines & Controls	(3/3)					✓				
Instruction & Academic Support	Grading Integrity Management	4/3							✓		
Parking & Transportation	Motor Vehicle Internal Controls & Data Integrity	(4/1)	x		x				✓		
Plant Operations & Maintenance	Motor Pool (University Fleet Management)	4/4	x				✓				
Plant Operations & Maintenance	Access Controls – Secure Locations	3/3	x							✓	
Plant Operations & Maintenance	Facilities Inspections & Deferred Maintenance	3/3	x							✓	
Plant Operations & Maintenance	Construction Accident Reporting	2/4								✓	
Plant Operations & Maintenance	Student Safety – Safety Athletic & Recreational Facilities	2/3	x							✓	
Police Department	Jeanne Clery Act Compliance	(2/4)	x							✓	
Research & Development	Research Training & Policy Compliance	3/3	x					✓			
Research & Development	Biohazards Response Management	2/3	x							✓	
Research & Development	Information Technology Controls	(3/4)							✓		
Research & Development and College of Medicine	Plagiarism & Research Misconduct Management & Controls	3/3							✓		
Student Affairs	Children's Creative Learning Center	(3/3)	x							✓	
University-wide	Accounts Receivable Process	(3/2)				x				✓	
University-wide	Conflict of Interest & Related Party Transactions	3/3	x				✓				
University-wide	Export/Import Controls	4/4						✓			
University-wide	Payroll Irregularities and Fraud Controls	3/3					✓				
University-wide	Grant Accounting – Auxiliary & Foundation Funded	4/4					✓				
University-wide	FERPA Compliance	3/3	x	x				✓			
University-wide	COVID-19 Financial Assistance Compliance	3/4					✓				
University-wide	Natural Disaster Preparedness & Response	3/4							✓		
University-wide	Use of Student Fees	2/3	x		x					✓	
University-wide	Grant Expenditure Controls	2/3	x							✓	
University-wide	General Data Protection Regulation Controls	(3/4)						✓			
University-wide	Background Check – Volunteers & Third Parties	(4/3)	x	x	x				✓		
University-wide	Student Safety – Hazing & Alcohol Abuse Prevention	(3/4)						✓			
University-wide	Admissions Policy Compliance	(3/4)						✓			

Note: The Risk Index represents the coordinates of the X and Y axes as plotted on the Risk Assessment Heat Map. Parenthetical Risk Index is assigned by OIA to specific audit project identified through analyses other than the risk assessment survey tool.